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Capital Standards for Banks: The Evolving Basel Accord

The business of banking involves taking and managing risks. Lending, for example, involves the risk that the borrower will not pay back the loan as promised, and paying a fixed rate of interest on term deposits involves the risk that rates will drop, leaving the bank earning less on its investments than it is paying out on deposits. Risk is not unique to banking, of course; all types of companies engaged in international activities, for example, face the risk of unfavorable movements in exchange rates. But changes in banking and financial markets have increased the complexity of banking risks. And the position of banks in modern economies has made the management of banking risks ever more important to financial stability and economic growth.

In the United States, banks, in addition to their economic role in funding households and businesses, are central to the credit intermediation and payments process and to the conduct of monetary policy. Moreover, they have privileged access to borrowing from the Federal Reserve (via the discount window) and to federally supported payment systems; in addition, the deposits they accept from the public are federally insured.

Because of banks' multiple functions, the great degree of leverage they employ in carrying out their economic role, and their access to the safety net, society has a keen interest in the health and well-being of the banking system. The level of government regulation and supervision, unique to insured depository institutions, has evolved over the years. As part of the supervisory process, examiners have routinely evaluated the overall health of the institution as well as its risk-management capabilities. In the process, they have also assessed bank loan portfolios and the general integrity of bank financial statements. Only in recent decades, however, have

U.S. banking agencies established specific standards for capital in relation to the risk of loss rather than simply commenting on institutions' capital adequacy to managers and boards of directors on a case-by-case basis, often in qualitative terms.

Specific standards were first imposed in 1981, following a period in which already low capital ratios at large U.S. banks continued to decline in the face of a substantial deterioration in the quality of loan portfolios due primarily to exposures to emerging economies. Prompted by the slow response of banks to these growing risks, the Federal Reserve and the other U.S. banking agencies adopted the "primary capital" standard requiring that banks maintain a ratio of capital (essentially equity and loan-loss reserves) to total assets of 5.5 percent.

Later, coordinated international efforts led to the more elaborate, though still relatively simple, Basel Capital Accord, which sets forth a framework for capital adequacy standards for large, internationally active banks and serves as the basis for the risk-based capital adequacy standards currently in place for all U.S. banks and bank holding companies. Now proposals are being considered to refine the current framework to take account of changes in banking and the banking system over the fifteen years since the Basel Capital Accord was adopted.

THE BASEL CAPITAL ACCORD

The Basel Capital Accord, the current international framework on capital adequacy, was adopted in 1988 by a group of central banks and other national supervisory authorities, working through the Basel Committee on Banking Supervision.¹ The accord's

1. The Basel Committee on Banking Supervision, established in 1974, is made up of representatives of the central banks or other supervisory authorities of Belgium, Canada, France, Germany, Italy, Japan, Luxembourg, the Netherlands, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The committee, which meets, and has its secretariat, at the Bank for International Settlements in Basel, Switzerland, has no formal authority. Rather, it works to develop broad supervisory standards and promote best practices, in the expectation that each country will implement the standards in ways most appropriate to its circumstances. Agreements are devel-

This article is adapted from testimony presented by Federal Reserve Board Vice Chairman Roger W. Ferguson, Jr., on June 18, 2003, before the U.S. Senate Committee on Banking, Housing, and Urban Affairs and on June 19, 2003, before the U.S. House of Representatives Committee on Financial Services, Subcommittee on Financial Institutions and Consumer Credit. The full testimony is available on the Board's web site, at www.federalreserve.gov/generalinfo/basel2/speeches.htm.

fundamental objectives are to promote the soundness and stability of the international banking system and to provide an equitable basis for international competition among banks. Although it was intended specifically for internationally active banks, the accord has, in practice, been applied beyond the largest institutions to cover most banking organizations worldwide.

The accord sets forth a framework for measuring capital adequacy and a minimum standard to be achieved by international banks in adopting countries. The original framework assessed capital mainly in relation to credit risk (the risk of loss due to the failure of a counterparty to meet its obligations) and addressed other risks only implicitly, effectively loading all regulatory capital requirements on measures of credit risk. In 1996 it was amended to take explicit account of market risk in trading accounts (the risk of loss due to a change in market prices, such as equity prices or interest or exchange rates).

Stated simply, the Basel Capital Accord requires that a bank have available as “regulatory capital” (through combinations of equity, loan-loss reserves, subordinated debt, and other accepted instruments) at least 8 percent of the value of its risk-weighted assets (loans and securities, for example) and asset-equivalent off-balance-sheet exposures (such as loan commitments, standby letters of credit, and obligations on derivatives contracts). For purposes of determining a bank’s assets, different types of assets are weighted according to the level of perceived risk that each type represents, and each off-balance-sheet exposure is converted to its equivalent amount of assets and weighted as that type of asset would be weighted. For example, commercial loans are weighted at 100 percent, whereas loans on residential housing, considered less risky, are weighted at 50 percent.² Total risk-weighted assets are multiplied by 8 percent to determine the bank’s minimum capital requirement.

A bank’s capital ratio—its regulatory capital as a proportion of its risk-weighted assets—and whether that ratio meets or exceeds the 8 percent minimum have become important indicators of the institution’s financial strength. The definition of capital has evolved over the years in response to financial innovation. The definition of assets has also changed to

address financial innovation, both on and off balance sheet. Although the framework sets forth many details, it allows national supervisors a degree of discretion in adopting the standard to its specific institutions and markets.

NEED FOR A NEW CAPITAL STANDARD

The Basel Capital Accord, now familiarly known as Basel I, is widely viewed as having achieved its principal objectives of promoting financial stability and providing an equitable basis for competition among internationally active banks. At the same time, it is also seen as having outlived its usefulness, at least in relation to larger banking organizations. From the perspective of U.S. supervisors, Basel I needs to be replaced, at least for the largest, most complex banks, for three major reasons: It has serious shortcomings as it applies to these large entities; the art of risk management has evolved at the largest banks; and the banking system has become increasingly concentrated.

Shortcomings of Basel I

Basel I was a major step forward in capital regulation. Indeed, for most banks in this country Basel I, as it has been augmented by U.S. supervisors, is now—and for the foreseeable future will be—more than adequate as a capital framework. It is too simple, however, to address the activities of the most complex banking organizations. As implemented in the United States, it specifies only four levels of risk, even though loans assigned the same risk weight (for example, 100 percent for commercial loans) can vary greatly in credit quality. The limited differentiation among degrees of risk means that calculated capital ratios are often uninformative and may provide misleading information about a bank’s capital adequacy relative to its risks.

The limited differentiation among degrees of risk also creates incentives for banks to “game” the system through regulatory capital arbitrage by selling, securitizing, or otherwise avoiding exposures for which the regulatory capital requirement is higher than the market requires and pursuing those for which the requirement is lower than the market would apply to that asset, say, in the economic enhancement necessary to securitize the asset. Credit card loans and residential mortgages are types of assets that banks securitize in large volumes because they believe required regulatory capital to be more than market or

oped by consensus, but decisions about which parts of the agreements to implement and how to implement them are left to each nation’s regulatory authorities.

The 1988 Basel Capital Accord and its amendments are available on the web site of the Bank for International Settlements, at www.bis.org/publ/bcbs04a.htm.

2. As implemented in the United States, there are four risk weights—0, 20, 50, and 100 percent—applied to various risk categories.

economic capital.³ Such capital arbitrage of the regulatory requirements by banks is perfectly understandable, and in some respects even desirable in terms of economic efficiency. Because, of course, banks retain those assets for which the regulatory capital requirement is less than the market would apply, large banks engaging in capital arbitrage may, as a result, hold too little capital for the assets they retain, even though they meet the letter of the Basel I rules.

Although U.S. supervisors are still able to evaluate the true risk position of a bank through the examination process, the regulatory minimum capital ratios of the larger banks are, as a result of capital arbitrage, becoming less meaningful. Not only are creditors, counterparties, and investors hampered in evaluating the capital strength of individual banks from the ratios as currently calculated, but regulations and statutory requirements tied to those ratios have less meaning as well. For the larger banks, in short, Basel I capital ratios neither reflect risk adequately nor measure bank strength accurately.

Evolution of the Art of Risk Measurement and Management

Risk measurement and management have improved significantly beyond the state of the art of fifteen years ago, when Basel I was developed. Banks themselves have led the development of new techniques to improve their risk management and internal economic capital measures in order to be more effective competitors and to control and manage their credit losses. But clearly they can go considerably further. A revised accord that is carefully crafted could speed adoption of still better techniques and promote the further evolution of risk measurement and management by spurring increased investment in the process.

Continuing Concentration of the Banking Industry

Market pressures have led to consolidation in banking around the world. The U.S. banking system has been part of this trend; it, too, has become increasingly concentrated, with a small number of very large banks operating across a wide range of product and geographic markets. The operations of these large banks are tremendously complex and sophisticated,

and these banks have markedly different product mixes. At the same time, a significant weakness in any one of these entities could have severely adverse macroeconomic consequences. Although the share of insured liabilities to total funding has declined over time, these banks, with their scale and role in payment and settlement systems and in derivatives markets, have presented authorities with greater moral hazard. The regulatory framework should encourage these banks to adopt the best possible risk measurement and management techniques while allowing for the considerable differences in their business strategies. A modified accord could encourage these and other large banks to push their management frontier forward.

BASEL II

Over the past several years, the Basel Committee on Banking Supervision has been working on a new accord to reflect changes in the structure and practices of banking and financial markets. The most recent version of the proposed New Basel Capital Accord, now known as Basel II, was released in a consultative paper in April 2003.⁴ The focus of the reform has been on strengthening the regulatory capital framework for large, internationally active banking organizations through minimum capital requirements that are more sensitive to an institution's risk profile and that reinforce incentives for strong risk management.

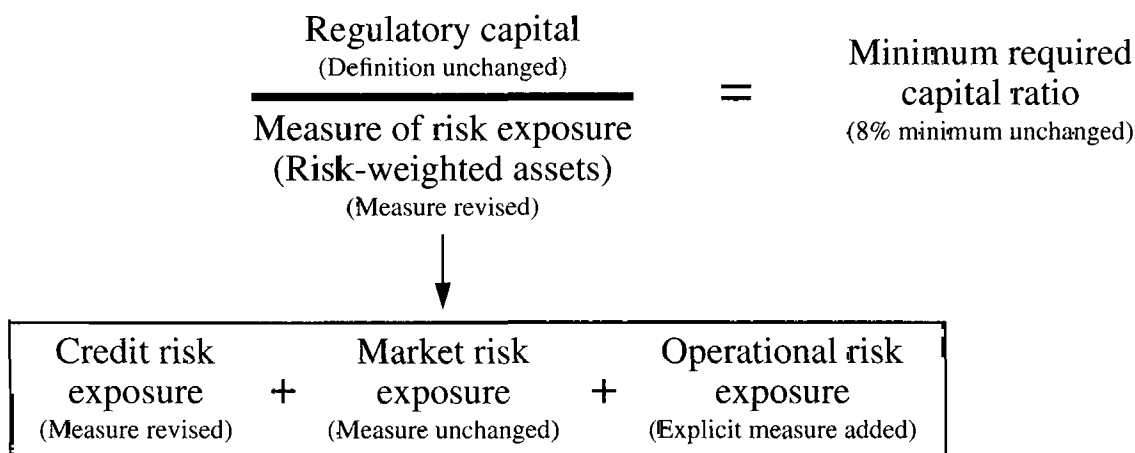
The proposed substitute for the current capital accord is more complex than its predecessor, for several reasons. One reason is that the assessment of risk in an environment of a growing number of financial instruments and strategies having subtle differences in risk–reward characteristics is inevitably complicated. Another is that the reform effort has multiple objectives:

- To improve risk measurement and management
- To link, to the extent possible, the amount of required capital to the amount of risk taken
- To further focus the supervisor–bank dialogue on the measurement and management of risk and the connection between risk and capital
- To increase the transparency of bank risk-taking to the customers and counterparties that ultimately fund—and hence share—these risk positions.

3. Economic capital is a bank's internal estimate of the capital needed to support its risk-taking activities.

4. The full document, titled "The New Basel Capital Accord," as well as an overview, is available at www.bis.org/bcbs/bcbscp3.htm.

Proposed changes to elements of the capital ratio under Basel II

*Overview*

The Basel II framework is built on three mutually reinforcing elements, or “pillars”:

- Pillar 1 addresses minimum capital requirements—the rules by which a bank calculates its capital ratio and its supervisor assesses whether it is in compliance with the minimum capital threshold. The concept of the capital ratio would remain unchanged. As under Basel I, the numerator of the ratio would be an amount representing the capital available to the bank (its regulatory capital) and the denominator would be an amount representing the risks faced by the bank (its risk-weighted assets). As proposed, the minimum required capital ratio (8 percent) and the definition of regulatory capital (certain equity, reserves, and subordinated debt) would not change from Basel I.⁵ What would change is the definition of risk-weighted assets—the methods used to measure the riskiness of the loans and investments held by the bank. Specifically, Basel II would make substantive changes in the treatment of credit risk and would provide for specific treatment of securitization, a risk-management technique not fully contemplated by Basel I. And it would explicitly take account of operational risk—the risk of loss resulting from inad-

quate or failed internal processes, people, or systems or from external events. This modified definition of risk-weighted assets, with its greater sensitivity to risk, is the hallmark of Basel II. (See diagram.)

- Pillar 2 addresses supervisory oversight. It encompasses the concept that well-managed banks should seek to go beyond simple compliance with minimum capital requirements and perform for themselves a comprehensive assessment of whether they have sufficient capital to support their own individual risk profile. It also promotes the notion that supervisors, on the basis of their knowledge of industry practices at a range of institutions, should provide constructive feedback to bank management on their internal assessments. (In the United States, pillar 2 is largely already encompassed in the supervisory process, but it would represent a significant change in supervision in some other countries.)

- Pillar 3 seeks to complement these activities with stronger market discipline by requiring banks to publicly disclose key information that enables market participants to assess an individual bank’s risk profile and level of capitalization. This pillar is seen as particularly important because some banks under Basel II would be allowed to rely more heavily on internal methods for determining risk, giving them greater discretion in determining their capital needs.

5. However, the definition of regulatory capital under Basel II remains under consideration by the Basel Committee. Capital currently includes allowances for loan and lease losses, which are reserves for yet-unidentified, but expected, loan losses. However, most models used by banks themselves to measure their economic risks focus only on unexpected losses and, as a result, would exclude such reserves when evaluating capital adequacy.

Options for Application

In contrast to Basel I, which applies the same framework to all covered banks, Basel II, as currently proposed, offers three options for measuring credit

risk and three for measuring operational risk. The purpose of offering options is to allow each bank and its supervisors to select approaches that are most appropriate to the bank's operations and its ability to measure risk.

Credit Risk

The options for calculating credit risk are the standardized approach and two internal-ratings-based (IRB) approaches—the foundation approach and the advanced approach. The standardized approach is similar to the current framework in that bank assets are categorized and then weighted according to fixed risk weights for the various categories specified by supervisors. However, the standardized approach adds more risk categories and makes use of external credit ratings to evaluate corporate risk exposures.

Under the two IRB approaches, each bank would evaluate its assets in terms of the most important elements of credit risk—the probability that a borrower will default during a given period, the likely size of the loss should default occur, the amount of exposure at the time of default, and the remaining maturity of the exposure. Risk weights, and thus capital requirements, would be determined by a combination of bank-provided quantitative inputs and supervisor-provided formulas.

The details for calculating capital charges would vary somewhat according to type of exposure (corporate or retail, for example). The difference between the two IRB approaches is that the foundation approach would require the bank to determine only each loan's probability of default, and the supervisor would provide the other risk inputs; under the advanced approach, the bank would determine all the risk inputs, under procedures validated by the supervisor. Banks choosing to operate under either of the two IRB approaches would be required to meet minimum qualifying criteria pertaining to the comprehensiveness and integrity of their internal capabilities for assessing the risk inputs relevant for its approach.

Operational Risk

The three proposed options for calculating operational risk are the basic indicator approach, the standardized approach, and the advanced measurement approaches (AMA). The basic indicator and standardized approaches are intended for banks having relatively less significant exposure to operational risk. They require that banks hold capital against operational risk in an amount equal to a specified percent-

age of the bank's average annual gross income over the preceding three years. Under the basic indicator approach, the capital requirement would be calculated at the firm level; under the standardized approach, a separate capital requirement would have to be calculated for each of eight designated business lines. Banks using these two approaches would not be allowed to take into account the risk-mitigating effect of insurance.

The AMA option is designed to be more sensitive to operational risk and is intended for internationally active banks having significant exposure to operational risk. It seeks to build on banks' rapidly developing internal assessment techniques and would allow banks to use their own methods for assessing their exposure, so long as those methods are judged by supervisors to be sufficiently comprehensive and systematic.

Internationally active banks and banks having significant exposure to operational risk would be expected to adopt the more risk sensitive AMA option over time. No specific criteria for using the basic indicator approach would be set forth, but banks using that approach would be encouraged to comply with supervisory guidance on sound practices for managing and supervising operational risk. Banks using either the standardized approach or the AMA approach would be required to have operational risk systems meeting certain criteria, with the criteria for the AMA being more rigorous.

IMPLEMENTATION OF BASEL II IN THE UNITED STATES

Like its predecessor, the proposed New Basel Capital Accord provides a *framework* for ensuring that banks hold adequate capital against risk. National discretion is built into the framework so that adopting countries have some flexibility in implementing rules that are most appropriate to their own circumstances. The U.S. banking agencies have been closely coordinating their efforts to implement a new accord in this country. While their current proposal differs in some respects from the Basel Committee's proposal, those differences lie mainly in the scope of application rather than in the details for calculating capital charges.⁶

6. The U.S. banking agencies are the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision.

The current proposal for implementation in the United States is contained in an interagency advance notice of proposed rulemaking,

Scope of Application

The U.S. banking agencies have proposed that large, internationally active banking organizations be treated differently from most other banks because of the complexity and scale of their operations and transactions and their greater ability and need to quantify risks.

Most U.S. Banks

The agencies have proposed that most banking organizations in this country not be required to adopt Basel II, although they may do so if they wish provided that they demonstrate the ability to develop the necessary risk measures required as inputs to determine capital requirements. Those banks not adopting Basel II would remain under the existing (Basel I) capital rule, which entails no explicit capital charge for operational risk. The agencies have several reasons for believing that most U.S. banks should not be required to apply new rules:

- Most U.S. banks have relatively straightforward balance sheets and do not yet need to employ the full range of sophisticated risk-management techniques required under the advanced versions of Basel II.
- Most U.S. banks already hold considerable capital in excess of the Basel I regulatory minimum, in part to meet existing U.S. regulatory criteria for being considered “well capitalized.” According to regulatory reports, more than 98 percent of these organizations have risk-weighted capital ratios in excess of 10 percent, well above the Basel I minimum of 8 percent. Applying new standards to them would likely have little effect in requiring them to hold additional capital, but would require the adoption of expensive new procedures, and thus does not seem worthwhile.
- U.S. banks have long been subject to comprehensive and thorough supervision, including a review of their risk-measurement and risk-management processes. They also disclose considerable information through regulatory reports and, if they are issuers of public debt or equity, under accounting rules and requirements of the Securities and Exchange Commission; consistent with pillar 3 of Basel II, they already provide significant disclosure.

When the costs of imposing a new capital regime on thousands of U.S. banks are balanced against the benefits—slightly more risk sensitivity of capital requirements under, say, the standardized version of Basel II for credit risk and somewhat more disclosure—requiring most U.S. banks to make the change to Basel II does not seem worthwhile. Countries whose institutional structure differs from that in the United States might find universal application of Basel II to benefit their banking system, but in the United States this approach seems neither necessary nor practical.

Large, Complex Banking Organizations

The agencies have proposed that the largest, most complicated banking organizations—those with total assets of at least \$250 billion or total foreign exposure of at least \$10 billion—be required to adopt the advanced versions of Basel II—the advanced internal-ratings-based (A-IRB) approach for measuring credit risk and the advanced measurement approaches (AMA) for measuring operational risk. U.S. supervisors believe that these advanced approaches are best suited to the objective of encouraging the largest U.S. banking organizations to continue to incorporate into their operations the most sophisticated techniques for the measurement and management of risk. As noted earlier, these entities use financial instruments and procedures that are not adequately captured by the Basel I paradigm. They have already begun to use—or have the ability to adopt—the techniques of modern finance to measure and manage their exposures. Moreover, substantial difficulty at one of the largest banking organizations could have significant effects on global financial markets. Consequently, the U.S. banking agencies believe that all the largest banks worldwide should be using these more advanced risk measurement and management procedures.

Under the advanced approach for measuring credit risk, a banking organization would be required to estimate, for each credit exposure, the probability of borrower default, the likely size of the loss in the event of default, and the likely amount of exposure at the time of default. These three probabilities, together with the effective remaining maturity of the exposure, would be used as key inputs in formulas provided by supervisors to determine the minimum required capital for a given portfolio of exposures. Although the bank would estimate these key inputs, the estimates would have to be based on empirical information, using procedures and controls validated

published in the *Federal Register* on August 4, 2003 (vol. 68, no. 149, pp. 45899–948). Draft supervisory guidance on internal-ratings-based systems for accounting for corporate credit and on advanced measurement approaches to accounting for operational risk, with request for comment, was published in the *Federal Register* on the same date (pp. 45949–988).

by the bank's supervisor, and the results would have to measure risk accurately.

U.S. banks that adopt the advanced approach to measuring credit risk would be required to hold capital against operational risk pursuant to the AMA option. Accordingly, banks themselves would bear the primary responsibility for developing their own methodology for determining their operational risk capital requirement. Supervisors would require that the procedures used be comprehensive, systematic, and consistent with certain broad outlines and would review and validate each bank's process. In this way, a bank's capital charge for operational risk would reflect its own environment and controls. The ability of a bank to lower the amount of its capital charge by taking actions to limit its potential losses from operational problems is an important incentive provided by this approach. Under the AMA, there would be no quantitative regulatory minimum capital for operational risk, either absolutely or relative to total capital; the amount required would vary from bank to bank.

At present, about ten U.S. banks—termed “core” banks—have total assets or total foreign exposure above the specified amounts and therefore would be required, under the current proposal, to adopt the advanced approaches to measuring credit and operational risks. In the years ahead, it is possible that other banks, as they grow, may meet the criteria and thus shift into the core group.

In addition, as noted, other banks that can meet the requirements of the advanced approaches to quantify various aspects of credit risk exposures and to develop systems for measuring operational risk exposures would be allowed to adopt these approaches if they so chose. Relevant considerations for banks in deciding whether to pursue the advanced approaches include the benefits of doing so relative to the costs, the nature of their operations, the effect on their capital requirement, and the message they want to send to their counterparties about their risk-management techniques. It is estimated that in the near term, perhaps ten or more large U.S. banks now outside the core set (termed “opt in” banks) would choose to adopt Basel II. Thus, if Basel II were applied today, about twenty U.S. banks would likely adopt the advanced versions of Basel II.

Over time, other large banks, perhaps responding to market pressure and facing declining costs—and wider understanding—of the technology, might also choose the advanced capital regime. The agencies believe, however, that it would be some time before a cost-benefit assessment would induce smaller and less complex banks to do so. The decision for many

banks may rest on market reactions to their initial view. Discussions with the rating agencies confirm that they do not expect many banks outside the core group to find adoption of Basel II to be cost effective during the initial implementation period, and preliminary surveys of bank equity security analysts indicate that they are more focused on the disclosure aspects of Basel II than on the scope of application. This would suggest little market pressure on non-core banks to adopt the advanced approaches. For their part, U.S. supervisors have no intention of pressuring other banks to adopt Basel II, at least in the early years. As risk-measurement standards evolve and become more widespread, supervisors might expect more banks to use advanced measures. The point, as always, is that risk management and capital standards should keep pace with banking practice and that all banks should be well managed.

The ten core banks, together with the estimated ten self-selecting banks, currently account for 99 percent of the foreign assets, and more than 65 percent of total assets, held by U.S. banking organizations. These figures indicate the importance of these entities to the U.S. and global banking and financial markets. In turn, the proposal to require Basel II for just these entities, were the new accord applied today, underscores the United States' commitment to fostering international competitive equity and the adoption of best-practice policies at the organizations critical to financial stability while minimizing cost and disruption at purely domestic, less-complicated organizations.

Issues in Implementation

Three key areas of concern relating to the current proposal for implementing Basel II in the United States have been identified: the cost of implementation, competitive equity, and the treatment of operational risk.

Cost of Implementation

Implementing the advanced approaches for measuring credit and operational risk in the United States would be expensive for the small number of banks required to do so, for other banks choosing to do so, and for supervisors. For banks, the greatest expense would be in establishing the mechanisms necessary to evaluate and control risk exposures more formally than in the past. The A-IRB approach would not eliminate losses: Banks are in the business of taking

risk, and where there are risks, there will be losses. But U.S. supervisors believe that the better risk management that would be required under the advanced approaches would better align risk and return and thereby provide benefits to bank stakeholders and the economy. And the more-risk-sensitive capital requirements would help ensure that banks have sufficient capital to absorb losses when they do occur.

Moreover, not all the costs associated with the adoption of modern, formal risk-management systems should be attributed to Basel II. The large banks that would be required, or would choose, to adopt the advanced approaches have already adopted many risk-management processes, in their need to compete for funding in a global marketplace, and would continue to develop them even without Basel II. The current proposal might speed the adoption process, but, overall, the costs of adopting these processes are being forced on these banks not by Basel II but by the requirements of doing business in an increasingly complex financial environment.

Competitive Equity

A second key concern in implementation, as currently proposed, is competitive equity, in three areas.

Equity in Application. Some U.S. banks that would be subject to Basel II have expressed concern that U.S. supervisors might be more stringent in their application of Basel II rules than the supervisors in other countries, thereby placing U.S. banks at a competitive disadvantage. To address the concern about unequal application, the Basel Committee has established an Accord Implementation Group made up of senior supervisors from each Basel Committee member country to work out common standards and procedures and to serve as a forum in which conflicts can be addressed. No doubt some differences in application would be unavoidable across banking systems having different institutional and supervisory structures, but supervisors would remain alert to the potential problem and work to minimize it. Moreover, as is the case today, U.S. bank subsidiaries of foreign banks would be operating under U.S. rules, just as foreign bank subsidiaries of U.S. banks would be operating under host-country rules.

Equity of Effects on Minimum Capital Requirements. The proposed changes in calculating capital requirements under the advanced versions of Basel II could have the result of lowering some banks' minimum capital requirements, and raising other banks' mini-

imum requirements, relative to the amounts that would have been required under Basel I. Some observers have expressed concern about the competitive edge that might be gained by a bank having its capital requirement lowered by more than that of another Basel II bank.

The essence of Basel II is that it is designed to link the capital requirement to the risk resulting from the exposures at each individual bank. A bank that holds mainly lower-risk assets, such as high-quality residential mortgages, would have no advantage over a rival that held mainly lower quality, and therefore riskier, commercial loans just because the former had a lower capital requirement. The minimum capital requirement should be a function of risk taken, and under Basel II, two banks that have similar loans should have similar capital requirements. Under Basel I, the regulatory capital requirement does not always fully reflect the risk taken. Because Basel II is more risk-sensitive, it should not have much of an effect on competitive equity. If anything, one could argue, it will reduce competitive distortions. However, supervisors are mindful of the concerns surrounding possible competitive distortions created by Basel II and therefore are analyzing evidence and evaluating the potential effects that Basel II might have.

Equity under a Bifurcated Scheme. The most frequently voiced concern about possible competitive imbalance relates to the "bifurcated" rules implicit in the proposed scope of application—that is, requiring Basel II, through the advanced approaches, for a small number of large banks while requiring the current capital rules for all other U.S. banks. The concern is that the banks remaining under the current capital rules, with capital charges that are not as risk sensitive, would be at a competitive disadvantage relative to Basel II banks, which would have lower capital charges on less-risky assets.

While it is true that the same credit exposure might receive a lower minimum capital charge at a Basel II bank than at a Basel I bank, it can also be argued that a Basel II bank would have higher capital charges on higher-risk assets, plus the cost of developing and maintaining the information systems and risk-measurement processes required by Basel II. Nonetheless, concerns remain about competitive equity under the proposed scope of application. Making changes to the U.S. proposal to address these concerns would involve making some difficult trade-offs. On the one hand is the pressing need to reform the capital system for the largest banks and the practical arguments for retaining the current system for most

U.S. banks. On the other hand is the concern that the current proposal might have the unintended consequence of disadvantaging those banks remaining under the current capital regime. Although there are reasons to believe that little if any competitive disadvantage would fall on those banks remaining under the current regime, the matter is taken seriously and will be explored before final decisions are made.

The basic question is the role of minimum regulatory capital requirements in banks' determination of the price and availability of the credit they extend. Economic analysis suggests that currently imprecise and nonbinding regulatory capital should be considerably less important to banks in their decisionmaking than their own calculations of risk and the capital allocations they make within their organization to individual exposures, portfolios, and business lines—their internal economic capital measures. Sound bank pricing is based on an explicit estimate of the riskiness of the credit, market conditions, and competitive factors. In most cases, regulatory capital is largely irrelevant in the pricing decision and is therefore unlikely to cause competitive disparities.

Moreover, most banks, especially smaller ones, currently hold capital far in excess of regulatory minimums, for various reasons. Thus, changes in their own or their rivals' minimum regulatory capital requirement generally would not have much effect on the level of capital they choose to hold and would therefore not necessarily affect internal capital allocations for pricing purposes.

In addition, small banks have for years faced capital arbitrage from larger rivals that are able to reduce their capital charges by securitizing loans for which the regulatory requirements are high relative to what the market would require based on the perceived level of economic risks. The more-risk-sensitive advanced approach would, in fact, reduce the regulatory capital charge in just those areas in which capital requirements are too high under the current regime. Indeed, capital arbitrage has done much of that already. The advanced approach would provide, in effect, risk-sensitive capital charges for lower-risk assets that are similar to the charges that larger banks have for years already obtained through capital arbitrage. In short, competitive realities between banks might not change in many markets in which minimum regulatory capital charges would become more explicitly risk sensitive.

Concerns have also been raised about the effect of the proposed Basel II capital requirements on the competitive relationships between depository and nondepository institutions. The argument that economic capital is the driving force in pricing applies in

this case, too. The role of economic capital is only reinforced by the fact that the cost of capital and funding is less at insured depositories than at their nondepository rivals because of the safety net provided by federal deposit insurance. Insured deposits and access to the Federal Reserve discount window (and Federal Home Loan Bank advances) let insured depositories operate with far less capital or collateralization than the market would otherwise require of them—and far less than it requires of nondepository rivals. Again, Basel II would not change those market realities.

Treatment of Operational Risk

The third key area of concern about the U.S. proposal for implementing Basel II is the proposed treatment of operational risk. Operational risk—and requiring that capital be held to offset it—are not new concepts. Supervisors have been expecting banks to manage operational risk for some time, and banks have long been holding capital against it. Under Basel I, both operational and credit risks are covered in a single measure of risk and a single capital charge. Basel II would require explicit and separate charges for the two.

Operational disruptions have caused banks here and abroad to suffer huge losses and, in some cases, failure.⁷ In an increasingly technology-driven banking system, operational risk has become an even larger share of total risk; at some banks it is the dominant type of risk. Not addressing operational risk would be imprudent and would leave a considerable gap in the regulatory system.

Still being considered is the way operational risk should be treated—as an explicit capital charge under pillar 1 or on a case-by-case basis under pillar 2. Under the current U.S. scope of application proposal, it would be treated as an explicit charge under pillar 1 for A-IRB banks, and these banks would be obligated to evaluate their own operational risks in a structured, though flexible, way. An A-IRB bank could reduce its operational risk charge by adopting procedures, systems, and controls that reduce its risk or by shifting the risk to other entities through such measures as insurance. This approach parallels the way in which a bank could reduce its credit risk charge by shifting to less-risky exposures or by making use of risk-mitigation techniques such as requiring collateral or guarantees.

7. See "Large Losses from Operational Risk, 1992–2002," appendix 2 in June 19, 2003, testimony (www.federalreserve.gov/boarddocs/testimony/2003/20030619/attachment2.pdf).

Those banks for which operational risk is the dominant risk would have significant required capital charges should operational risk be explicitly treated under pillar 1. Such banks already hold significant economic capital for operational risk—in part to meet market demands. Thus, adoption of the proposal would shift their “excess” regulatory capital—capital held in excess of current regulatory minimums under Basel I—to required regulatory capital under Basel II without changing their total capital position much, if at all.

An alternative is to handle operational risk case by case through the supervisory review of buffer capital under pillar 2. There is concern, however, that doing so would greatly reduce the transparency of risk and capital that is an important part of Basel II. Also, because pillar 2 treatment would be based on supervisory judgment, comparable treatment of risks across banks would be very difficult. Work done thus far by U.S. banks that would be subject to Basel II indicates that an explicit charge could induce banks to adopt risk-reducing innovations and encourage them to develop improved operational risk management. Nonetheless, this matter, like the other areas of concern, will be considered further before final decisions are made.

SUPERVISORY CONSIDERATIONS

Some observers have expressed concern that the combined credit and operational risk capital charges for U.S. banks subject to Basel II would decline too much for prudent supervisory purposes. In exploring this possibility, authorities have conducted a series of surveys to estimate the likely effect of the proposed requirements on banks’ regulatory capital. In these “quantitative impact studies,” banks throughout the world have followed the proposed methods of estimating their likely regulatory capital charges for distinct types of exposures, and survey results have led to adjustments to the proposal.⁸ In the United States, at least one additional survey will be conducted before final decisions are made and final rules are issued.

As a further precaution, the current proposal for Basel II calls for one year of parallel (Basel I and II) capital calculation and a two-year phase-in period, with capital minimums for the two years set at 90 percent and 80 percent of the Basel I levels respec-

tively. If the evidence at any of those stages suggested that aggregate capital was declining too much, the Federal Reserve Board—as well as the other agencies—would insist that Basel II be adjusted or recalibrated.

That said, some reduction in minimum regulatory capital for sound, well-managed banks having relatively low risk portfolios should be expected and, indeed, is intended. Improved risk measurement and management, when coupled with such existing U.S. supervisory measures as prompt corrective action, minimum leverage ratios, statutory provisions making capital a prerequisite to exercising additional powers, and market demands for buffer capital, should result in lower risk profiles—and, as a matter of sound public policy, banks with lower risk profiles should be allowed to hold less regulatory capital than banks with higher risk profiles. Greater dispersion in required capital, if reflective of underlying risk, is an objective, not a problem to be overcome.

A final consideration in relation to capital is change over time in technology and procedures. Basel II is designed to adapt to such changes. In the years ahead, banks and supervisors will no doubt develop better ways of estimating risk parameters as well as better functions that convert those parameters to capital requirements. When they do, the changes could be substituted directly into the Basel II framework, portfolio by portfolio if necessary. Basel II would not lock risk management into any particular structure; rather, it could evolve as best practice evolves.

LOOKING AHEAD TO ADOPTION

Reform of the current Basel Capital Accord and development of U.S. rules implementing a new accord are ongoing and interrelated. The current proposal for the new accord, issued in April 2003, was preceded by several earlier drafts. Each draft has been accompanied by documents providing background on the concepts, framework, and options and has been followed by written public comments and meetings with bankers in Basel and in other nations, including the United States. After each draft, consideration of public comment and analysis of the results of the quantitative impact studies have led to significant refinement and improvement of the proposal.

Similarly, the U.S. banking agencies have held meetings with bankers, including those whose institutions would not be required to adopt Basel II but might have an interest in choosing to adopt the advanced approaches, to ensure that they understand the proposal and the options it provides them. And

8. The most recent survey (QIS 3) gathered information from more than 20 U.S. banks and 365 others around the world. For more information about the surveys, see www.bis.org/bcbs/qis/index.htm.

white papers have been issued to help commenters frame their views on aspects of the U.S. proposal.⁹

The dialogue with bankers has had a substantive influence on the shape and details of the proposals—for example, on the mechanism for establishing capital for credit risk, the way capital for operational risk may be calculated, and the nature of disclosure rules. Supervisors also remain open to changes that would simplify the proposal but attain its objectives.

The ninety-day period for comments on the current Basel Committee proposal for the new international accord ended on July 31, 2003, and the ninety-day comment period for the advance notice of proposed rulemaking (ANPR) for implementation in the United States will end on November 3, 2003. Comments on the ANPR will highlight the need for further modifications. After reviewing the comments, U.S. banking agencies will develop a national position to present at a meeting of the Basel Committee to resolve remaining differences, now scheduled for late 2003. The mechanics of review of the U.S. ANPR make it unlikely that the U.S. agencies will be in a position to sign off on a final document by then, and the schedule is likely to slip into early 2004. The Basel Committee's goal is implementation in member countries by the end of 2006.

Implementation in the United States of the final Basel II agreement would require that the U.S. banking agencies issue a formal notice of proposed rulemaking, review comments on that proposal, and then issue a final rule. On a parallel track, core banks and potential opt-in banks in the United States will be having preliminary discussions with their supervisors to develop a work plan and schedule. As noted earlier, at least one additional quantitative impact study will be conducted, starting in 2004, so that U.S. supervisors can be more certain of the impact of the proposed changes on individual banks and the banking system.

As currently planned, core and opt-in banks will be asked by late 2004 to develop an action plan leading

up to final implementation. In keeping with the Basel II timeline, bank implementation by the end of 2006 would be desirable. However, each bank's plan will be based on a joint assessment by the bank and its supervisors of a realistic schedule; for some banks, the adoption date may be beyond year-end 2006 because of the complexity of the required changes. For each bank, the emphasis will be on "doing it right" rather than on "doing it quickly," and no bank would be forced into a regime for which it is not ready. Supervisors would, however, expect a formal plan and a reasonable implementation date. At any time during the transition to adoption, the schedule could be slowed or the rules revised if there were a good reason to do so.

SUMMARY

The existing capital regime needs to be replaced for the large, internationally active banks whose operations have outgrown the simple paradigm of Basel I and whose scale requires improved risk-management and supervisory techniques to minimize the risk of disruptions to world financial markets. Fortunately, the art of risk measurement and management has improved dramatically since the first capital accord was adopted. The new techniques are the basis for the proposed new accord.

The Basel II framework is the product of extensive multiyear dialogues with the banking industry regarding evolving best-practice risk-management techniques in every significant area of banking activity. By aligning supervision and regulation with these techniques, the proposed new framework represents a major step forward in protecting the U.S. financial system and those of other nations. Basel II will also provide strong incentives for banks to continue improving their internal risk-management capabilities and will give supervisors the tools to focus on emerging problems and issues more rapidly than is now possible. □

9. These white papers and many other documents related to Basel II are available on the Board's web site. See www.federalreserve.gov/generalinfo/basel2/default.htm.

Announcements

FEDERAL OPEN MARKET COMMITTEE DIRECTIVE

The Federal Open Market Committee decided on August 12, 2003, to keep its target for the federal funds rate at 1 percent.

The Committee continues to believe that an accommodative stance of monetary policy, coupled with still-robust underlying growth in productivity, is providing important ongoing support to economic activity. The evidence accumulated over the intermeeting period shows that spending is firming, although labor market indicators are mixed. Business pricing power and increases in core consumer prices remain muted.

The Committee perceives that the upside and downside risks to the attainment of sustainable growth for the next few quarters are roughly equal. In contrast, the probability, though minor, of an unelcome fall in inflation exceeds that of a rise in inflation from its already low level. The Committee judges that, on balance, the risk of inflation becoming undesirably low is likely to be the predominant concern for the foreseeable future. In these circumstances, the Committee believes that policy accommodation can be maintained for a considerable period.

Voting for the FOMC monetary policy action were: Alan Greenspan, Chairman; Ben S. Bernanke; Susan S. Bies; J. Alfred Broaddus, Jr.; Roger W. Ferguson, Jr.; Edward M. Gramlich; Jack Guynn; Donald L. Kohn; Michael H. Moskow; Mark W. Olson; Robert T. Parry; and Jamie B. Stewart, Jr.

GUIDANCE ON APPROPRIATE USE OF DISCOUNT WINDOW

The federal banking, thrift, and credit union regulatory agencies on July 23, 2003, issued guidance on the appropriate use of the Federal Reserve's new primary credit discount window program in depository institutions' liquidity risk management and contingency planning.

The guidance provides background on the Federal Reserve's discount window programs, including new

primary and secondary credit programs introduced in January. It also reiterates well-established supervisory policies on sound liquidity contingency planning, and discusses sound practices in using primary credit program borrowings in liquidity contingency plans.

Adequate liquidity contingency planning is critical to the ongoing maintenance of the safety and soundness of any financial institution. The guidance notes that sound liquidity contingency plans ensure adequate diversification of the potential sources of funds to be used in a contingency. By enhancing the availability of discount window credit, the Federal Reserve's new primary credit program offers depository institutions an additional source of backup funds for managing short-term liquidity risks and thus can enhance the diversification of contingency funds.

The guidance notes that appropriate use of primary credit for contingency situations requires institutions to ensure that (1) the necessary documentation and collateral arrangements are in place; (2) primary credit lines are periodically tested; (3) viable take-out or exit strategies exist to replace primary credit borrowings; and (4) appropriate cost-benefit analyses are conducted in light of the cost of primary credit borrowings relative to other sources of short-term contingency funds.

Finally, the guidance notes that occasional use of primary credit for short-term contingency funding should be viewed as appropriate and unexceptional by both management and supervisors. At the same time, the guidance emphasizes that the primary facility is only one of many tools institutions may use in managing their backup liquidity needs, and that institutions should maintain access to a diversified array of funding sources. The use of primary credit, or any other potential source of contingency funding, is a management decision that must be made in the context of safe and sound management practices.

The guidance is being issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration.

AMENDMENTS TO REGULATION CC, APPENDIX A

The Federal Reserve Board on August 28, 2003, announced amendments to appendix A of Regulation CC, effective November 1, 2003, that reflect the restructuring of the Federal Reserve's check processing operations in the Fourth District. These amendments are the first in a series of amendments to appendix A that will take place through the end of 2004, associated with the previously announced restructuring of the Reserve Banks' check processing operations.

Appendix A provides a routing number guide that helps depository institutions determine the maximum permissible hold periods for most deposited checks. As of November 1, 2003, the Pittsburgh office of the Federal Reserve Bank of Cleveland no longer will process checks, and banks currently served by that office for check processing purposes will be reassigned to the Reserve Bank's head office in Cleveland. To reflect this operational change, the final rule deletes the reference in appendix A to the Pittsburgh office and reassigns the routing numbers listed thereunder to the Reserve Bank's head office. As a result of this change, some checks deposited in the affected regions that currently are nonlocal checks will become local checks that are subject to shorter permissible hold periods. The final rule also makes other minor technical changes to appendix A and to the Regulation CC Commentary (appendix E).

ANNUAL ADJUSTMENT OF FEE-BASED TRIGGER AMOUNT FOR ADDITIONAL DISCLOSURE REQUIREMENTS

The Federal Reserve Board on August 19, 2003, published its annual adjustment of the dollar amount that triggers additional disclosure requirements under the Truth in Lending Act for home mortgage loans that bear rates or fees above a certain amount.

The dollar amount of the fee-based trigger has been adjusted to \$499 for 2004 based on the annual percentage change reflected in the consumer price index that was in effect on June 1, 2003. The adjustment is effective January 1, 2004.

The Home Ownership and Equity Protection Act of 1994 bars credit terms such as balloon payments and requires additional disclosures when total points and fees payable by the consumer exceed the fee-based trigger (initially set at \$400 and adjusted annually) or 8 percent of the total loan amount, whichever is larger.

COMMENT REQUESTED ON OFFICIAL INTERPRETATION OF ANTI-TYING RESTRICTIONS

The Federal Reserve Board on August 25, 2003, requested public comment on an official interpretation of the anti-tying restrictions in section 106 of the Bank Holding Company Act Amendments of 1970 and related supervisory guidance.

Section 106 generally prohibits a bank from conditioning the availability or price of one product on a requirement that the customer also obtain another product from the bank or an affiliate. The Board's proposed interpretation of section 106 provides banking organizations and their customers a comprehensive guide to the special anti-tying restrictions applicable to banks under section 106. The related supervisory guidance describes the types of policies and procedures that should help banks ensure and monitor their compliance with section 106.

The Board also proposed to adopt an exception under section 106 for the financial subsidiaries of state nonmember banks. The exception would treat financial subsidiaries of state nonmember banks, like financial subsidiaries of national and state member banks under current law, as an affiliate (and not a subsidiary) of the parent bank for purposes of section 106.

The proposed interpretation, supervisory guidance, and financial subsidiary exception will be published in the *Federal Register*.

FINAL RULES ISSUED ON DISCIPLINARY ACTIONS AGAINST ACCOUNTANTS AND ACCOUNTING FIRMS PERFORMING CERTAIN AUDIT SERVICES

The federal bank and thrift regulatory agencies on August 8, 2003, issued final rules governing their authority to take disciplinary actions against independent public accountants and accounting firms that perform audit and attestation services required by section 36 of the Federal Deposit Insurance Act. Proposed rules were published for comment in the *Federal Register* in January 2003.

The final rules, which take effect on October 1, 2003, establish procedures under which the agencies can, for good cause, remove, suspend, or bar an accountant or firm from performing audit and attestation services for insured depository institutions with assets of \$500 million or more. The rules permit immediate suspensions in limited circumstances.

The rules provide that certain violations of law, negligent conduct, reckless violations of professional

standards, or lack of qualifications to perform auditing services may be considered good cause to remove, suspend, or bar an accountant or firm from providing audit services for banking organizations subject to section 36. Also, the rules prohibit an accountant or accounting firm from performing audit services if the accountant or firm has been removed, suspended, or debarred by one of the agencies, or if the U.S. Securities and Exchange Commission or the Public Company Accounting Oversight Board has taken certain disciplinary actions against the accountant or firm.

The rules are being issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision. The rules amend each agency's rules of practice separately but are substantively identical.

PUBLICATION OF DOCUMENTS RELATED TO IMPLEMENTATION OF THE BASEL CAPITAL ACCORD

The four federal bank and thrift regulatory agencies announced on August 4, 2003, the publication of joint *Federal Register* notices and requests for comment on two interagency documents related to the proposed implementation of the new Basel Capital Accord in the United States.

Earlier this month, the agencies approved issuance of the two documents for public comment.

The new accord, which is being developed by the Basel Committee on Banking Supervision, builds on and, for certain banks, would replace the Basel Capital Accord of 1988, which is the framework for capital adequacy standards for large, internationally active banks and the basis for the risk-based capital adequacy standards now in place for all U.S. banks and bank holding companies.

The first document, an advance notice of proposed rulemaking, sets forth for public comment the agencies' current views on a proposed framework for implementing the revised capital accord in the United States. Under the proposal, internationally active banks meeting certain criteria would be subject to the advanced internal ratings-based approach for credit risk and the advanced measurement approaches for operational risk.

The second document contains two sections. The first section sets forth draft supervisory guidance on internal ratings-based systems for corporate credits,

and the second describes draft supervisory expectations for operational risk management.

Comments on the two documents will be accepted by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision through November 3, 2003.

PROPOSAL FOR INTERAGENCY GUIDANCE ON RESPONSE PROGRAMS TO PROTECT AGAINST IDENTITY THEFT

The federal bank and thrift regulatory agencies on August 12, 2003, requested public comment on proposed guidance that would require financial institutions to develop programs to respond to incidents of unauthorized access to customer information, including procedures for notifying customers under certain circumstances.

The proposed guidance interprets the interagency customer information security guidelines, issued in February 2001, that requires financial institutions to implement information security programs designed to protect their customers' information. The proposed interpretation describes the components of a response program and sets a standard for providing notice to customers affected by unauthorized access to or use of customer information that could result in substantial harm or inconvenience to those customers, thereby reducing the risk of losses due to fraud or identity theft.

The proposed guidance states that "an institution should notify affected customers when it becomes aware of unauthorized access to sensitive customer information unless the institution, after an appropriate investigation, reasonably concludes that misuse is unlikely to occur and takes appropriate steps to safeguard the interests of affected customers, including monitoring affected customers' accounts for unusual or suspicious activity."

The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision are requesting public comment on all aspects of this proposal, including whether the agencies have identified the appropriate standard for financial institutions to provide notice to their customers.

Comments on the proposed guidance are requested by October 14, 2003. Specific information on how to file a comment is contained in the *Federal Register* notice.

NEW INTERAGENCY ELECTRONIC FILING SYSTEM FOR BENEFICIAL OWNERSHIP REPORTS

The Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board (FRB), and the Office of the Comptroller of the Currency (OCC) announced on July 28, 2003, a new interagency electronic filing system that will allow faster and easier submission and public retrieval of beneficial ownership reports filed by directors, officers, and principal shareholders of institutions (insiders) whose equity securities are registered with the FDIC, the FRB, and the OCC.

The new electronic system, which became available on July 30, is an important step in the agencies' ongoing efforts to streamline the filing and retrieval of reports filed with the agencies under the Securities Exchange Act of 1934. It will also reduce burden on insiders who must file these reports within two business days of completing a transaction in equity securities of the institution.

Although filing under the new system will be voluntary initially, the agencies encourage the use of the electronic filing system as soon as practicable. The agencies will issue additional guidance making electronic filing of beneficial ownership reports mandatory, as required by the Sarbanes-Oxley Act of 2002.

IDENTIFICATION OF TOP FIVE FUNDAMENTALS FOR MANAGEMENT OF PERSONAL CREDIT

The Treasury Department and the Federal Reserve Board on August 13, 2003, announced the top five fundamental practices that consumers should follow to manage their personal credit.

During a May 22, 2003, credit management panel discussion hosted by the Treasury and the Federal Reserve and attended by representatives of financial services organizations and community and consumer groups, consensus was reached on the following five fundamental practices:

1. Build savings to avoid high-cost debt and improve payment options.
2. Pay bills on time.
3. Pay more than the minimum payment.
4. Comparison shop for credit and obtain only the credit you need.
5. Understand your credit history and how it affects you.

"These fundamentals are an important first step toward educating all Americans about the importance

of responsible credit management," said Treasury Assistant Secretary for Financial Institutions Wayne A. Abernathy. "Wise management of personal credit is vitally important to reaching goals such as home ownership, higher education, and small business development."

"Credit must be managed carefully and these concepts offer guidance on how to do so," said Federal Reserve Board Governor Edward M. Gramlich. "The fundamentals of money management can help people make smart decisions that promote their own well-being and, on a broader scale, foster a more efficient economy."

Participants in the May 22 panel discussion, chaired by Assistant Secretary Abernathy and Governor Gramlich, included representatives from the National Foundation for Credit Counseling, the Association for Financial Counseling and Planning Education, the In-Charge Institute, the American Bankers Association, America's Community Bankers, the Credit Union National Association, the Fannie Mae Foundation, Freddie Mac, American Express, MasterCard, Visa, the Community Financial Services Association of America, the Consumer Federation of America, the National Council of La Raza, AARP, and College Parents of America.

The issue of credit management is one of four areas of focus for the Treasury Department's Office of Financial Education (OFE), established in 2002. The OFE works to promote access to financial education programs so that Americans obtain the practical knowledge and skills that will enable them to make informed financial choices throughout their lives. The OFE chairs the Federal Government Financial Education Coordinating Group.

As the agency with responsibility for the Truth in Lending Act regulations, the Federal Reserve has worked to promote access to credit and fair lending for underserved consumers and communities. In 2000, the Federal Reserve hosted a discussion on best practices in consumer credit education, and through its web site and consumer education materials is working to ensure that consumers know their rights and responsibilities in credit transactions.

ENFORCEMENT ACTIONS

The Federal Reserve Board and the New York State Banking Department on July 28, 2003, jointly announced the execution of a written agreement among J.P. Morgan Chase & Co., New York, New York, the Federal Reserve Bank of New York, and the New York State Banking Department.

The written agreement follows a special review of transactions involving J.P. Morgan Chase & Co. and its subsidiaries and the Enron Corporation, Houston, Texas. The written agreement requires J.P. Morgan Chase & Co. on its own behalf and on behalf of its subsidiaries to continue to take measures to strengthen risk-management practices, particularly those associated with complex structured-finance transactions.

The Federal Reserve Board's and New York State Banking Department's enforcement action was coordinated with actions being taken on July 28, 2003, by the New York County District Attorney and the U.S. Securities and Exchange Commission.

The Federal Reserve Board on July 28, 2003, announced the execution of a written agreement between Citigroup, Inc., New York, New York, and the Federal Reserve Bank of New York.

The written agreement follows a special review of transactions involving Citigroup and its subsidiaries and the Enron Corporation, Houston, Texas.

The written agreement requires Citigroup on its own behalf and on behalf of its subsidiaries to con-

tinue to strengthen risk-management practices, particularly those associated with complex structured-finance transactions.

The Federal Reserve Board's enforcement action was coordinated with actions being taken on July 28, 2003, by the New York County District Attorney, the U.S. Securities and Exchange Commission, and the Office of the Comptroller of the Currency.

STAFF CHANGES

Effective August 1, 2003, H. Fay Peters, Deputy Director of the Management Division, began serving as Acting Director, overseeing the division, which provides Human Resources, Planning, Finance, Accounting, Facilities, and Security services to the Board.

David E. Lindsey, Deputy Director of the Division of Monetary Affairs and Associate Economist of the Federal Open Market Committee for nearly two decades, retired on September 1, 2003, after twenty-nine years of Board service. □

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION A

The Board of Governors of the Federal Reserve System (Board) is amending 12 C.F.R. Part 201, its Regulation A (Extensions of Credit by Federal Reserve Banks). The Board has adopted final amendments to its Regulation A to reflect the Board's approval of a decrease in the primary credit rate at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically decreased by formula as a result of the Board's primary credit rate action.

In addition, the Board is inserting a footnote to section 201.51 clarifying that the rates described in that section apply to both advances and discounts made under the primary, secondary, and seasonal credit programs. The Board's amendments also correct a typographical error in section 201.51(c).

Effective July 10, 2003, 12 C.F.R. Part 201 is amended as follows. The rate changes for primary and secondary credit were effective on the dates specified in 12 C.F.R. 201.51, as amended.

Part 201—Extensions of Credit by Federal Reserve Banks

1. The authority citation for Part 201 continues to read as follows:

Authority: 12 U.S.C. 248(i)–(j), 343 *et seq.*, 347a, 347b, 347c, 348 *et seq.*, 357, 374, 374a, and 461.

2. Section 201.51 is amended by revising paragraphs (a), (b), and (c) to read as follows:

*Section 201.51—Interest rates applicable to credit extended by a Federal Reserve Bank*¹

(a) *Primary credit.* The interest rates for primary credit provided to depository institutions under section 201.4(a) are:

Federal Reserve Bank	Rate	Effective
Boston	2.00	June 25, 2003
New York	2.00	June 25, 2003
Philadelphia	2.00	June 26, 2003
Cleveland	2.00	June 26, 2003
Richmond	2.00	June 26, 2003
Atlanta	2.00	June 26, 2003
Chicago	2.00	June 26, 2003
St. Louis	2.00	June 26, 2003
Minneapolis	2.00	June 26, 2003
Kansas City	2.00	June 25, 2003
Dallas	2.00	June 26, 2003
San Francisco	2.00	June 25, 2003

(b) *Secondary credit.* The interest rates for secondary credit provided to depository institutions under section 201.4(b) are:

Federal Reserve Bank	Rate	Effective
Boston	2.50	June 25, 2003
New York	2.50	June 25, 2003
Philadelphia	2.50	June 26, 2003
Cleveland	2.50	June 26, 2003
Richmond	2.50	June 26, 2003
Atlanta	2.50	June 26, 2003
Chicago	2.50	June 26, 2003
St. Louis	2.50	June 26, 2003
Minneapolis	2.50	June 26, 2003
Kansas City	2.50	June 25, 2003
Dallas	2.50	June 26, 2003
San Francisco	2.50	June 25, 2003

(c) *Seasonal credit.* The rate for seasonal credit extended to depository institutions under section 201.4(c) is a flexible rate that takes into account rates on market sources of funds.

ORDERS ISSUED UNDER BANK MERGER ACT

Mainstreet Bank Bunceton, Missouri

Order Approving Establishment of a Branch

Mainstreet Bank, Bunceton ("Bank"), a state member bank, has given notice under section 9 of the Federal Reserve Act ("Act") (12 U.S.C. § 321 *et seq.*) of its intent to establish a branch at Bank's current main office in Bunceton at 101 Main Street, and to redesignate its existing branch at 301 East Broadway in Ashland as its main office, all in Missouri.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published in accordance with the Board's Rules of Procedure (12 C.F.R.

1. The primary, secondary, and seasonal credit rates described in this section apply to both advances and discounts made under the primary, secondary, and seasonal credit programs, respectively.

262.3(b)). The time for filing comments has expired, and the Board has considered the notice and all comments received in light of the factors specified in the Act.

Bank is among the smaller banking organizations in Missouri, controlling approximately \$14 million in deposits, representing less than 1 percent of total deposits in insured depository institutions in the state¹ Bank is a wholly owned subsidiary of Calvert Financial Corporation, Jefferson City, Missouri.

Considerations Under the Federal Reserve Act

Section 9(4) of the Act (12 U.S.C. §322) requires the Board, when acting on a branch application, to consider the financial condition of the applying bank, the general character of its management, and whether its corporate powers are consistent with the purposes of Act.

The Board has carefully reviewed the factors it is required to consider for the establishment of a branch under section 9 of the Act in light of all the facts of record. As part of its consideration, the Board has reviewed reports of examination and other supervisory information. Based on all the facts of record, the Board has concluded that the statutory factors are consistent with approval of the notice.

Convenience and Needs Considerations

In acting on a notice to establish a branch, the Board also is required to take into account the convenience and needs of the community to be served, including a bank's record under the Community Reinvestment Act ("CRA") (12 U.S.C. §2901 *et seq.*). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate, consistent with their safe and sound operation, and requires the appropriate federal supervisory authority to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, in evaluating branch applications. The Board has carefully considered the effect of the proposal on the convenience and needs of the communities served by Bank in light of all the facts of record, including a public comment on the proposal, and Bank's CRA performance record.

A. CRA Performance Examination

As provided in the CRA, the Board has evaluated the performance of Bank in light of examinations by the appropriate federal supervisor of its CRA performance record. 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.² Bank received a "satisfactory" rating at its most recent CRA examination by the Federal Reserve Bank of Kansas City, as of March 3, 2003.

B. Branch Closing

The Board received a comment from the Bunceton City Council ("Council") opposing the proposal. The Council expressed the concern that Bank could close the proposed Bunceton branch at any time, which would seriously harm the city.³

Bank has stated that there are no plans to close the Bunceton location. To the contrary, Bank indicated that since the current ownership group acquired control of Bank in March 2000, banking services at the Bunceton location have been enhanced by extending banking hours, eliminating monthly service charges on checking accounts, and extensively remodeling and expanding the facility. Bank also noted that it intends to continue existing services at this location if the proposal is approved.

Bank has represented that it would follow its existing branch closure policy before proposing to close any branch. Under this policy, Bank would review a number of factors before closing or consolidating a branch, including the impact on the community, the business viability of the branch, and the impact on access to credit.

The Board also has considered that federal banking law provides a specific mechanism for addressing branch closings. Federal law requires an insured depository institution to provide notice to the public and to the appropriate federal supervisory agency before closing a branch.⁴ Thus, the commenter would be afforded the opportunity to address any future branch closing proposal in the context of a branch closing notice. In addition, the Board notes that, as the appropriate federal supervisor of Bank, Reserve Bank examiners would continue to review Bank's branch closing record in the course of conducting CRA performance evaluations.

C. Conclusion on Convenience and Needs Considerations

The Board has considered carefully the entire record as it relates to convenience and needs considerations, including the comment received, information received from Bank,

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

3. The Council viewed Bank as an entity essential to the Bunceton community and was apprehensive that closing the Bunceton location might lead to closure of the city's school.

4. Section 42 of the Federal Deposit Insurance Act (12 U.S.C. §1831r-1), as implemented by the Joint Policy Statement Regarding Branch Closings (64 *Federal Register* 34,844 (1999)), requires that a bank provide the public with at least 30 days' notice and the appropriate federal supervisory agency with at least 90 days' notice before the date of a proposed branch closing. The bank also is required to provide reasons and other supporting data for the closure, consistent with the institution's written policy for branch closings. As noted above, Bank indicates that it has no plans to close the Bunceton banking location.

1. Deposit and state ranking data are as of June 30, 2002. Insured depository institutions include all insured banks, savings banks, and savings associations.

Bank's most recent CRA performance examination, and confidential supervisory information. Based on all the facts of record, the Board concludes that convenience and needs considerations, including Bank's record of performance under the CRA, are consistent with approval of the proposal.

Conclusion

Based on the foregoing and all the facts of record, the Board has determined that the notice should be, and hereby is, approved. The Board's approval is specifically conditioned on Bank's compliance with all commitments made in connection with the proposal. The commitments and conditions relied on by the Board are deemed to be con-

ditions imposed in writing in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

Approval of this notice is subject to the establishment of the proposed branch within one year of the date of this order, unless such period is extended by the Board or under authority delegated by the Board.

By order of the Board of Governors, effective July 11, 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

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
Alapaha Holding Company, Alapaha, Georgia	Bank of Alapaha, Alapaha, Georgia	Atlanta	July 22, 2003
America Bancshares, Inc., Newport, Minnesota	Sun Country Bank, Victorville, California	San Francisco	July 9, 2003
The Bank Holdings, Reno, Nevada	Nevada Security Bank, Reno, Nevada	San Francisco	July 1, 2003
Community State Bank Employee Stock Ownership Plan and Trust, Union Grove, Wisconsin	Union Bancorporation, Inc., Union Grove, Wisconsin Community State Bank, Union Grove, Wisconsin	Chicago	July 22, 2003
Continental Bancorporation, Salt Lake City, Utah	Continental Bank, Salt Lake City, Utah	San Francisco	July 3, 2003
First Advantage Bancshares, Inc., Coon Rapids, Minnesota	First Advantage Bank, Coon Rapids, Minnesota	Minneapolis	July 18, 2003
F.N.B. Corporation, Naples, Florida	Sun Bancorp, Inc., Lewisburg, Pennsylvania Sun Bank, Lewisburg, Pennsylvania	Atlanta	July 11, 2003
Frederick County Bancorp, Inc., Frederick, Maryland	Frederick County Bank, Frederick, Maryland	Richmond	July 10, 2003
GB&T Bancshares, Inc., Gainesville, Georgia	Baldwin Bancshares, Inc., Milledgeville, Georgia First National Bank of the South, Milledgeville, Georgia	Atlanta	July 14, 2003
Independence Bancorp, New Albany, Indiana	I-Bank, Louisville, Kentucky	St. Louis	July 10, 2003
Harrodsburg First Financial Bancorp, Inc., Harrodsburg, Kentucky			
Liberty Financial Services, Inc., New Orleans, Louisiana	First American Bank, Jackson, Mississippi	Atlanta	July 8, 2003

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Maple Financial Holding Company, Champlin, Minnesota	Maple Bank, Champlin, Minnesota	Minneapolis	July 18, 2003
Marquette Financial Companies, Minneapolis, Minnesota	Valley Bancorp, Inc., Phoenix, Arizona Valley Bank of Arizona, Phoenix, Arizona	Minneapolis	July 15, 2003
PeoplesBancorp, MHC, Holyoke, Massachusetts	PeoplesBank, Holyoke, Massachusetts Peoples Savings Bank, Holyoke, Massachusetts	Boston	July 7, 2003
Peoples Bancshares, Inc., Kansas City, Missouri Platte County Bancshares, Inc., Platte City, Missouri	MidAmerican Bancshares, Inc., Harrisonville, Missouri	Kansas City	July 17, 2003
Traditions Bancshares, Inc., Cullman, Alabama	Traditions Bank, Cullman, Alabama	Atlanta	July 18, 2003
Weed Investment Group, Inc., Cheyenne Wells, Colorado	The Eastern Colorado Bank, Cheyenne Wells, Colorado	Kansas City	July 1, 2003

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
BTC Financial Corporation, Des Moines, Iowa Midamerica Financial Corporation, Des Moines, Iowa	Midamerica Investment Advisory Group, Inc., Des Moines, Iowa	Chicago	July 24, 2003
Community Bank System, Inc., Dewitt, New York	PricewaterhouseCoopers, LLP, Syracuse, New York	New York	July 14, 2003
Franklin Bancorp, Inc., St. Paul, Minnesota	Sunrise Community Banks, St. Paul, Minnesota	Minneapolis	July 8, 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
Atlantic Central Bankers Bank, Camp Hill, Pennsylvania	ACB Bank, NJ, Carlstadt, New Jersey	Philadelphia	July 11, 2003
Gateway Bank & Trust Co., Elizabeth City, North Carolina	National Bank of Commerce, Memphis, Tennessee	Richmond	July 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.

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

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

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

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

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

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- A5 Reserves of depository institutions and Reserve Bank credit
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SYMBOLS AND ABBREVIATIONS

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

GENERAL INFORMATION

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

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

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

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

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

A4 Domestic Financial Statistics □ September 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	Feb	Mar.	Apr.	May'	June
<i>Reserves of depository institutions²</i>									
1 Total	-2.2	1.0	11.3	6.7	2.6	4.5	-4.9	5.3	53.0
2 Required	-4.9	-1.4	11.4	8.1	-5.2	14.9	-1.9	2.8	48.0
3 Nonborrowed	-3.7	1.9	12.8	6.2	2.7	4.6	-5.1	4.5	50.0
4 Monetary base ³	6.9	5.1	7.6	5.9	9.8	6.7	5.3	5.1	3.4
<i>Concepts of money⁴</i>									
5 M1	3.0	4.9	7.5'	9.2	20.3'	3.4'	.4'	20.3	13.3
6 M2	8.8	7.0	6.5	8.5	11.3	2.9'	4.7	17.6	9.3
7 M3	7.1'	7.7	5.6'	6.1	6.7'	3.9'	2.1'	12.3	8.7
<i>Nontransaction components</i>									
8 In M2 ⁵	10.4	7.6	6.3	8.3	9.0'	2.8'	5.9'	16.9	8.2
9 In M3 only ⁶	3.4'	9.2	3.6'	.8	-3.2'	6.0'	-3.6'	.8	7.4
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
10 Savings, including MMDAs	20.1	16.8	13.6	16.5	16.0	4.3	17.6'	23.4	21.4
11 Small time ⁷	-4.0	-7.3	-7.2	-8.7	-7.4'	-6.8	-8.7'	-10.4	-11.3
12 Large time ^{8,9}	.5'	-5.6	-4.5'	5.6	-4.0'	9.5'	3.0'	13.4	.0
<i>Thrift institutions</i>									
13 Savings, including MMDAs	20.5	20.0	22.0'	24.5	26.9	19.5'	18.9	40.2	12.9
14 Small time ⁷	-10.5	-6.0	-6.5	-7.3	-10.0	-6.0	-4.5'	-9.7	-11.1
15 Large time ⁸	-2.6	11.9	8.9	-2.1	.0	-8.1	2.0	-10.2	11.3
<i>Money market mutual funds</i>									
16 Retail	.9	-6.3	-8.8	-7.7	-4.6	-5.5	-19.7	7.7	-9.4
17 Institution-only	-7	2.1	-4.9	-14.7	-19.8	-13.1	-22.4	-20.1	20.3
<i>Repurchase agreements and eurodollars</i>									
18 Repurchase agreements ¹⁰	27.5	45.7	29.8	23.7	36.4	44.6	18.5	13.4	3.1
19 Eurodollars ¹⁰	-3.5	28.9	18.8'	19.4	5.6'	20.4'	21.6'	42.4	-22.9

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 I.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						
	Apr.	May	June	May 14	May 21	May 28	June 4	June 11	June 18	June 25
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	710,451	714,217	715,547	714,344	711,802	720,472	716,896	713,208	713,851	717,693
2 Securities held outright	645,586	649,309	651,774	647,817	650,403	650,852	651,202	651,585	651,783	651,960
3 U.S. Treasury ²	645,576	649,299	651,764	647,807	650,393	650,842	651,192	651,575	651,773	651,950
4 Bills ³	235,465	237,126	238,596	236,754	237,390	237,672	238,010	238,400	238,605	238,790
5 Notes and bonds, nominal ³	395,917	397,882	398,853	396,776	398,707	398,853	398,853	398,853	398,853	398,853
6 Notes and bonds, inflation-indexed ³	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814
7 Inflation compensation ⁴	1,380	1,477	1,500	1,463	1,482	1,502	1,514	1,508	1,501	1,493
8 Federal agency ³	10	10	10	10	10	10	10	10	10	10
9 Repurchase agreements ⁵	25,792	26,121	25,074	25,644	24,608	31,857	27,813	23,286	23,179	26,321
10 Loans to depository institutions	30	57	174	51	56	59	76	62	74	407
11 Primary credit	8	4	100	2	2	2	12	2	3	322
12 Secondary credit	0	0	0	0	0	0	0	0	0	0
13 Seasonal credit	22	53	74	49	54	57	64	61	71	84
14 Float	-115	-350	-166	-7	-869	-413	-342	-100	4	22
15 Other Federal Reserve assets	39,158	39,080	38,692	40,839	37,603	38,116	38,147	38,375	38,811	38,983
16 Gold stock	11,043	11,043	11,044	11,043	11,043	11,043	11,044	11,044	11,044	11,044
17 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
18 Treasury currency outstanding	34,852 ^e	34,937 ^e	35,005	34,925 ^e	34,942 ^e	34,959 ^e	34,976	34,990	35,004	35,018
ABSORBING RESERVE FUNDS										
19 Currency in circulation	687,355 ^e	690,751 ^e	691,876	689,722 ^e	689,936 ^e	693,612 ^e	692,938	692,182	691,523	691,121
20 Reverse repurchase agreements ⁶	20,639	21,137	22,038	20,641	20,415	21,598	21,987	20,816	21,464	22,714
21 Foreign official and international accounts	20,564	21,137	21,530	20,641	20,415	21,598	21,808	20,816	21,142	21,036
22 Dealers	75	0	508	0	0	0	179	0	321	1,679
23 Treasury cash holdings	356	351	375	343	350	359	376	385	379	368
24 Deposits with Federal Reserve Banks, other than reserve balances	19,183	18,232	18,169	18,775	18,563	17,049 ^e	17,842	17,773	18,555	18,637
25 U.S. Treasury, general account	7,533	6,678	6,747	7,139	6,899	5,543	6,487	6,515	7,147	7,199
26 Foreign official	118	122	157	86	116	160	123	139	88	162
27 Service-related	11,261	11,178	11,028	11,291	11,280	11,104 ^e	11,003	10,878	11,088	11,056
28 Required clearing balances	10,835	10,849	10,832	10,882	10,819	10,819 ^e	10,832	10,832	10,830	10,830
29 Adjustments to compensate for float	426	329	196	409	461	285	170	45	258	226
30 Other	270	254	237	259	266	242	229	241	232	220
31 Other liabilities and capital	20,024	20,300	20,170	20,438	20,280	20,281	19,990	20,190	20,322	20,106
32 Reserve balances with Federal Reserve Banks ⁷	10,989	11,626	11,168	12,592	10,443	15,774 ^e	11,983	10,096	9,855	13,009
End-of-month figures				Wednesday figures						
	Apr.	May	June	May 14	May 21	May 28	June 4	June 11	June 18	June 25
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	724,444	719,092	722,933	720,072	713,790	722,207	708,863	722,077	714,955	723,424
2 Securities held outright	647,281	651,127	652,128	647,947	650,735	650,869	651,413	651,613	651,932	652,003
3 U.S. Treasury ²	647,271	651,117	652,118	647,937	650,725	650,859	651,403	651,603	651,922	651,993
4 Bills ³	236,249	237,933	238,965	236,877	237,568	237,683	238,223	238,430	238,756	238,835
5 Notes and bonds, nominal ³	396,776	398,853	398,853	396,776	398,853	398,853	398,853	398,853	398,853	398,853
6 Notes and bonds, inflation-indexed ³	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814
7 Inflation compensation ⁴	1,431	1,517	1,485	1,470	1,489	1,508	1,512	1,505	1,498	1,491
8 Federal agency ³	10	10	10	10	10	10	10	10	10	10
9 Repurchase agreements ⁵	37,501	30,240	31,750	30,752	26,251	32,000	19,000	32,500	23,000	32,000
10 Loans to depository institutions	35	80	768	60	55	62	65	65	86	95
11 Primary credit	0	15	686	4	1	0	7	0	3	3
12 Secondary credit	0	0	0	0	0	0	0	0	0	0
13 Seasonal credit	35	65	82	56	54	62	58	64	83	92
14 Float	-101	-599	-525	302	-1,050	1,172	308	-691	1,131	323
15 Other Federal Reserve assets	39,728	38,244	38,812	41,011	37,800	38,103	38,078	38,591	38,806	39,003
16 Gold stock	11,043	11,044	11,044	11,043	11,043	11,043	11,044	11,044	11,044	11,044
17 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
18 Treasury currency outstanding	34,890 ^e	34,976 ^e	35,032	34,925 ^e	34,942 ^e	34,959 ^e	34,976	34,990	35,004	35,018
ABSORBING RESERVE FUNDS										
19 Currency in circulation	688,760 ^e	692,355 ^e	693,282	690,993 ^e	691,948 ^e	694,835 ^e	693,763	693,073	692,509	692,685
20 Reverse repurchase agreements ⁶	20,814	22,285	22,080	21,073	20,709	21,857	21,673	21,211	22,901	21,592
21 Foreign official and international accounts	20,814	22,285	22,080	21,073	20,709	21,857	20,423	21,211	20,651	21,592
22 Dealers	0	0	0	0	0	0	1,250	0	2,250	0
23 Treasury cash holdings	340	375	365	349	356	375	385	381	368	365
24 Deposits with Federal Reserve Banks, other than reserve balances	22,135	17,803 ^e	19,222	18,876	19,262	16,302 ^e	17,448	17,221	19,499	16,987
25 U.S. Treasury, general account	10,583	6,505	6,939	7,199	7,608	4,825	6,126	6,031	8,086	5,306
26 Foreign official	813	79	898	122	126	129	77	80	96	404
27 Service-related	11,008	11,003	11,136	11,291	11,280	11,104 ^e	11,003	10,878	11,088	11,056
28 Required clearing balances	10,829	10,832 ^e	10,838	10,882	10,819	10,819 ^e	10,832	10,832	10,830	10,830
29 Adjustments to compensate for float	179	170	297	409	461	285	170	45	258	226
30 Other	231	217	249	264	247	243	243	233	229	230
31 Other liabilities and capital	20,049	19,973	19,898	20,053	19,968	19,818	19,836	20,119	19,937	20,021
32 Reserve balances with Federal Reserve Banks ⁷	20,479	14,521 ^e	16,364	16,895	9,731	17,222 ^e	18,306	18,306	7,990	20,036

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 □ September 2003

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	2000	2001	2002	2002	2003					
	Dec.	Dec.	Dec.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^c	June
1 Reserve balances with Reserve Banks ²	7,022	9,053	9,926	9,926	10,075	9,860	9,840	10,598	11,405	11,299
2 Total vault cash ³	45,246	43,918	43,368	43,368	46,208 ^e	45,941 ^e	43,087 ^e	41,990 ^e	41,635	41,960
3 Applied vault cash ⁴	31,451	32,024	30,347	30,347	32,794	32,079	30,757	30,574	30,395	30,574
4 Surplus vault cash ⁵	13,795	11,894	13,021	13,021	13,414 ^e	13,862 ^e	12,330 ^e	11,416 ^e	11,240	11,385
5 Total reserves ⁶	38,473	41,077	40,274	40,274	42,869	41,939	40,597	41,172	41,801	41,874
6 Required reserves	37,046	39,428	38,264	38,264	41,162	39,973	38,961	39,640	40,182	40,018
7 Excess reserve balances at Reserve Banks ⁷	1,427	1,649	2,009	2,009	1,707	1,965	1,636	1,532	1,619	1,856
8 Total borrowing at Reserve Banks	210	67	80	80	27	25	22	29	55	161
9 Primary	.	.	.	.	12	21	14	8	3	87
10 Secondary	.	.	.	.	0	0	0	0	0	0
11 Seasonal	111	33	45	45	13	5	8	21	53	74
12 Adjustment	99	34	35	35	2	.	.	.	.	.

Reserve classification	Biweekly averages of daily figures for two-week periods ending on dates indicated									
	2003									
	Mar. 5	Mar. 19	Apr. 2	Apr. 16	Apr. 30	May 14	May 28	June 11 ^c	June 25	July 9
1 Reserve balances with Reserve Banks ²	10,781	9,502	9,843	9,452	11,852	9,772	13,116	11,050	11,437	11,465
2 Total vault cash ³	43,569 ^e	42,204 ^e	43,917 ^e	41,681 ^e	42,023 ^e	41,431 ^e	41,967 ^e	41,039	42,302	43,029
3 Applied vault cash ⁴	32,043	29,379	31,830	29,833	31,136	29,696	31,211	29,854	30,798	31,534
4 Surplus vault cash ⁵	11,526 ^e	12,825 ^e	12,088 ^e	11,848 ^e	10,888 ^e	11,735 ^e	10,757 ^e	11,185	11,504	11,496
5 Total reserves ⁶	42,824	38,881	41,672	39,285	42,987	39,468	44,326	40,904	42,235	42,998
6 Required reserves	41,221	37,215	40,058	37,784	41,436	37,924	42,712	38,909	40,631	40,743
7 Excess reserve balances at Reserve Banks ⁷	1,603	1,665	1,614	1,501	1,551	1,543	1,614	1,994	1,604	2,255
8 Total borrowing at Reserve Banks	21	32	11	33	29	51	58	69	241	144
9 Primary	17	23	3	15	2	3	2	7	163	54
10 Secondary	0	0	0	0	0	0	0	0	0	0
11 Seasonal	5	9	8	18	27	48	56	63	78	90
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 8/15/03	Effective date	Previous rate	On 8/15/03	Effective date	Previous rate	On 8/15/03	Effective date	Previous rate
Boston	↑	6/25/03	↑	2.50	6/25/03	↑	1.05	7/10/03	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	↓	2.50	6/26/03	↓	1.05	7/10/03	1.10
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		6/25/03			6/25/03				

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 August 15, 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
1996—Jan. 31	5.00–5.25	5.00	4	5.25	5.25	29	3.25	3.25
Feb. 3	5.00	5.00	Mar. 21	5.25–5.50	5.50	Aug. 21	3.00–3.25	3.00
1998—Oct. 15	4.75–5.00	4.75	23	5.50	5.50	23	3.00	3.00
16	4.75	4.75	May 16	5.50–6.00	5.50	Sept. 17	2.50–3.00	2.50
Nov. 17	4.50–4.75	4.50	19	6.00	6.00	18	2.50	2.50
19	4.50	4.50	2001—Jan. 3	5.75–6.00	5.75	Oct. 2	2.00–2.50	2.00
1999—Aug. 24	4.50–4.75	4.75	4	5.50–5.75	5.50	4	2.00	2.00
26	4.75	4.75	5	5.50	5.50	Nov. 6	1.50–2.00	1.50
Nov. 16	4.75–5.00	4.75	31	5.00–5.50	5.00	8	1.50	1.50
18	5.00	5.00	Feb. 1	5.00	5.00	Dec. 11	1.25–1.50	1.25
			Mar. 20	4.50–5.00	4.50	13	1.25	1.25
			Apr. 18	4.50	4.50	2002—Nov. 6	0.75–1.25	0.75
			20	4.00–4.50	4.00	7	0.75	0.75
			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 accounts</i> ²		
1 \$0 million–\$6 million ³	0	12/26/02
2 More than \$6 million–\$42.1 million ⁴	3	12/26/02
3 More than \$42.1 million ⁵	10	12/26/02
4 Nonpersonal time deposits ⁶	0	12/27/90
5 Eurocurrency liabilities ⁷	0	12/27/90

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

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

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

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

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

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

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

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction and maturity	2000	2001	2002	2002		2003				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
U.S. TREASURY SECURITIES²										
<i>Outright transactions</i>										
Treasury bills										
1 Gross purchases	8,676	15,503	21,421	250	0	0	4,161	1,863	3,543	1,684
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	477,904	542,736	657,931	51,394	53,374	71,075	53,860	47,424	51,834	76,354
4 For new bills	477,904	542,736	657,931	51,394	53,374	71,075	53,860	47,424	51,834	76,354
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	0	0	478	1,318	1,422	786
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	62,025	70,336	89,108	3,688	13,448	6,216	3,214	8,334	8,333	7,228
9 Exchanges	-54,656	-72,004	-92,075	-1,419	-12,059	-6,834	-13,313	-8,211	-7,293	-6,999
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	339	0	2,127	710	733	1,057
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	-52,068	-45,211	-73,093	-2,380	-13,448	-6,216	2,160	-8,334	-8,333	-1,513
14 Exchanges	46,177	64,519	88,276	1,308	12,059	6,834	11,817	8,211	7,293	6,747
Five to ten years										
15 Gross purchases	5,871	6,003	5,074	0	314	0	769	522	0	234
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	-6,801	-21,063	-11,588	722	0	0	-3,877	0	0	-5,463
18 Exchanges	6,585	6,063	3,800	111	0	0	1,497	0	0	252
More than ten years										
19 Gross purchases	5,833	8,531	2,280	0	0	0	0	50	0	0
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	-3,155	-4,062	-4,427	-2,030	0	0	-1,497	0	0	-252
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	250	653	0	7,534	4,463	5,699	3,761
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	250	653	0	7,534	4,463	5,699	3,761
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	113,501	112,750	135,749	121,896	95,001	112,251	124,741
32 Gross sales	987,501	1,490,838	1,153,876	101,501	101,750	150,499	119,746	90,151	106,500	132,002
<i>Matched sale-purchase agreements</i>										
33 Gross purchases	4,415,905	4,722,667	4,981,624	378,381	195,565	0	0	0	0	0
34 Gross sales	4,397,835	4,724,743	4,958,437	377,535	175,820	0	0	0	0	0
<i>Reverse repurchase agreements⁴</i>										
35 Gross purchases	0	0	231,272	0	231,272	392,530	343,748	388,069	451,149	441,555
36 Gross sales	0	0	252,363	0	252,363	389,810	343,395	389,469	452,545	443,025
37 Net change in temporary transactions	-79,195	4,800	-8,653	12,847	9,654	-12,029	2	2,200	2,104	-8,731
38 Total net change in System Open Market Account	-63,877	46,295	45,589	13,096	10,307	-12,029	7,537	6,664	7,803	-4,971

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.

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1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	2003					2003		
	May 28	June 4	June 11	June 18	June 25	Apr.	May	June
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,039	11,040	11,040	11,040	11,040	11,039	11,040	11,040
2 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
3 Coin	920	909	926	937	941	1,021	924	942
4 Securities, repurchase agreements, and loans	682,931	670,477	684,177	675,017	684,099	684,817	681,447	684,646
5 Securities held outright	650,869	651,413	651,613	651,932	652,003	647,281	651,127	652,128
6 U.S. Treasury ²	650,859	651,403	651,603	651,922	651,993	647,271	651,117	652,118
7 Bills ³	237,683	238,223	238,430	238,756	238,835	236,249	237,933	238,965
8 Notes and bonds, nominal ³	398,853	398,853	398,853	398,853	398,853	396,776	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	1,508	1,512	1,505	1,498	1,491	1,431	1,517	1,485
11 Federal agency ⁵	10	10	10	10	10	10	10	10
12 Repurchase agreements ⁵	32,000	19,000	32,500	23,000	32,000	37,501	30,240	31,750
13 Loans	62	65	65	86	95	35	80	768
14 Items in process of collection	10,632	9,883	7,231	8,832	7,461	8,173	5,684	2,330
15 Bank premises	1,581	1,579	1,579	1,580	1,582	1,577	1,579	1,580
16 Other assets	36,514	36,505	37,010	37,243	37,607	38,412	36,689	37,195
17 Denominated in foreign currencies ⁶	18,108	18,093	18,208	18,118	18,079	17,579	18,080	17,849
18 All other ⁷	18,405	18,412	18,802	19,125	19,528	20,832	18,609	19,346
19 Total assets	745,817	732,594	744,164	736,850	744,931	747,239	739,563	739,932
LIABILITIES								
20 Federal Reserve notes, net of F.R. Bank holdings	661,167	660,078	659,386	658,805	658,969	655,226	658,674	659,552
21 Reverse repurchase agreements ⁸	21,857	21,673	21,211	22,901	21,592	20,814	22,285	22,080
22 Deposits	33,558	22,192	35,693	27,211	36,986	43,007	32,470	35,806
23 Depository institutions	28,360	15,747	29,349	18,800	31,055	31,880	25,669	27,720
24 U.S. Treasury, general account	4,825	6,126	6,031	8,086	5,306	10,583	6,505	6,939
25 Foreign official	129	77	80	96	404	313	79	898
26 Other	243	243	233	229	220	231	217	249
27 Deferred availability cash items	9,417	8,815	7,755	7,996	7,363	8,142	6,161	2,596
28 Other liabilities and accrued dividends ⁹	2,326	2,305	2,355	2,326	2,382	2,270	2,329	2,227
29 Total liabilities	728,326	715,063	726,400	719,239	727,292	729,460	721,919	722,262
CAPITAL ACCOUNTS								
30 Capital paid in	8,574	8,584	8,656	8,657	8,657	8,545	8,575	8,657
31 Surplus	8,380	8,380	8,380	8,380	8,380	8,380	8,380	8,356
32 Other capital accounts	537	566	728	574	601	854	689	657
33 Total capital	17,491	17,530	17,764	17,611	17,639	17,779	17,644	17,670
MEMO								
34 Marketable securities held in custody for foreign official and international accounts ^{3,10}	928,892	935,950	936,154	934,711	931,901	893,534	931,570	945,930
35 U.S. Treasury	741,441	747,892	749,192	751,560	748,986	713,499	741,378	760,406
36 Federal agency	187,451	188,059	186,962	183,151	182,915	180,035	190,191	185,524
37 Securities lent to dealers	1,661 ¹¹	656	318	792	1,497	731	597	4,950
Federal Reserve notes and collateral statement								
38 Federal Reserve notes outstanding	760,695 ⁵	761,219	762,447	763,602	765,633	762,034	760,717	766,845
39 Less: Notes held by F.R. Banks not subject to collateralization	95,376 ⁶	97,120	98,811	100,588	102,310	102,753	97,928	102,691
40 Federal Reserve notes to be collateralized	665,319 ⁶	664,099	663,636	663,014	663,323	659,280	662,789	664,155
41 Collateral held against Federal Reserve notes	665,319 ⁶	664,099	663,636	663,014	663,323	659,280	662,789	664,155
42 Gold certificate account	11,039 ⁶	11,040	11,040	11,040	11,040	11,039	11,040	11,040
43 Special drawing rights certificate account	2,200 ⁶	2,200	2,200	2,200	2,200	2,200	2,200	2,200
44 U.S. Treasury and agency securities pledged ¹¹	652,080 ⁶	648,732	650,396	649,774	650,083	646,042	649,549	650,915
45 Other eligible assets	0 ⁶	2,127	0	0	0	0	0	0
MEMO								
46 Total U.S. Treasury and agency securities ¹¹	682,869	670,413	684,113	674,932	684,003	684,782	681,367	683,878
47 Less: face value of securities under reverse repurchase agreements ¹²	21,863	21,680	21,222	22,908	21,597	20,821	22,295	22,086
48 U.S. Treasury and agency securities eligible to be pledged	661,006	648,732	662,891	652,023	662,406	663,961	659,072	661,792

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		
	May 28	June 4	June 11	June 18	June 25	Apr.	May	June
1 Total loans	62	65	65	86	95	35	80	768
2 Within 15 days	49	23	20	72	85	28	66	752
3 16 days to 90 days	14	41	45	13	10	7	14	16
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Total U.S. Treasury securities¹	650,859	651,403	651,603	651,922	651,993	647,271	651,117	652,118
6 Within 15 days	51,749	45,801	45,561	51,004	49,024	46,750	36,449	27,419
7 16 days to 90 days	138,094	143,909	143,282	137,572	139,395	126,284	153,457	153,840
8 91 days to 1 year	153,894	154,845	155,918	156,513	156,748	153,916	154,081	157,337
9 Over 1 year to 5 years	180,470	180,193	180,191	180,189	180,187	188,832	180,472	186,886
10 Over 5 years to 10 years	46,669	46,670	46,668	46,665	46,663	51,538	46,672	46,661
11 Over 10 years	79,983	79,985	79,982	79,979	79,976	79,952	79,987	79,974
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	32,000	19,000	32,500	23,000	32,000	37,501	30,240	31,750
20 Within 15 days	29,000	14,000	27,500	17,000	29,000	33,500	22,240	23,750
21 16 days to 90 days	3,000	5,000	5,000	6,000	3,000	4,001	8,000	8,000
22 Total reverse repurchase agreements²	21,857	21,673	21,211	22,901	21,592	20,814	22,285	22,080
23 Within 15 days	21,857	21,673	21,211	22,901	21,592	20,814	22,285	22,080
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.	2002		2003					
					Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²												
1 Total reserves ³	41.81	38.54	41.24	40.22	39.76	40.22	40.73	40.82	40.97	40.81	40.99	42.80
2 Nonborrowed reserves ⁴	41.49	38.33	41.18	40.14	39.49	40.14	40.70	40.80	40.95	40.78	40.93	42.64
3 Required reserves	40.51	37.11	39.60	38.21	38.12	38.21	39.02	38.86	39.34	39.27	39.37	40.94
4 Monetary base ⁵	593.16	584.77	635.62	681.90	677.61	681.90	685.72	691.31	695.14	698.23 ⁶	701.18 ⁶	703.16
	Not seasonally adjusted											
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ⁹												
5 Total reserves ⁹	41.89	38.53	41.20	40.13	39.05	40.13	42.85	41.94	40.60	41.16	41.79	41.86
6 Nonborrowed reserves	41.57	38.32	41.13	40.05	38.78	40.05	42.83	41.91	40.57	41.14	41.73	41.70
7 Required reserves ⁷	40.59	37.10	39.55	38.12	37.42	38.12	41.15	39.97	38.96	39.63	40.17	40.00
8 Monetary base ⁸	600.72	590.06	639.91	686.23	676.72	686.23	688.33	690.25	693.91	697.83 ⁶	701.58 ⁶	703.32
9 Total reserves ¹⁰	41.65	38.47	41.08	40.27	39.21	40.27	42.87	41.94	40.60	41.17	41.80	41.87
10 Nonborrowed reserves	41.33	38.26	41.01	40.19	38.94	40.19	42.84	41.91	40.58	41.14	41.75	41.71
11 Required reserves	40.36	37.05	39.43	38.26	37.58	38.26	41.16	39.97	38.96	39.64	40.18	40.02
12 Monetary base ¹¹	608.02	596.98	648.74	697.15	687.29	697.15	699.25	701.04	705.04	709.10 ⁶	712.76 ⁶	714.35
13 Excess reserves ¹²	1.30	1.43	1.65	2.01	1.64	2.01	1.71	1.97	1.64	1.53	1.62	1.86
14 Borrowings from the Federal Reserve	.32	.21	.07	.08	.27	.08	.03	.03	.02	.03	.06	.16

1. Latest monthly and biweekly figures are available from the Board's H.3 (S02) 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			
					Mar.	Apr. ¹	May ¹	June
Seasonally adjusted								
<i>Measures²</i>								
1 M1	1,121.4	1,084.7	1,172.9	1,210.4 ²	1,237.0 ²	1,237.4	1,258.3	1,272.2
2 M2	4,649.7	4,931.3	5,444.4	5,791.4 ²	5,890.1 ²	5,913.4	6,000.1	6,046.4
3 M3	6,534.9	7,099.2	8,004.4	8,518.4 ²	8,593.7 ²	8,608.9	8,697.4	8,760.3
<i>M1 components</i>								
4 Currency ³	517.7	531.5	581.9	627.3	640.2	643.1	645.7	646.4
5 Travelers checks ⁴	8.3	8.0	7.8	7.5	7.5	7.4	7.5	7.9
6 Demand deposits ⁵	352.1	306.9	326.1	297.1 ²	304.4	304.4	315.4	322.4
7 Other checkable deposits ⁶	243.4	238.2	257.2	278.5 ²	284.9	282.4	289.7	295.4
<i>Nontransaction components</i>								
8 In M2 ⁷	3,528.3	3,846.7	4,271.6	4,581.0 ²	4,653.1 ²	4,675.9	4,741.7	4,774.2
9 In M3 only ⁸	1,885.1	2,167.9	2,559.9	2,727.0 ²	2,703.6 ²	2,695.5	2,697.3	2,713.9
<i>Commercial banks</i>								
10 Savings deposits, including MMDAs	1,288.8	1,422.9	1,734.6	2,047.9 ²	2,115.2	2,146.3	2,188.2	2,227.3
11 Small time deposits ⁹	634.6	699.5	634.2	591.1	580.6	576.4	571.4	566.0
12 Large time deposits ^{10,11}	652.2	718.3	671.1	676.6 ²	687.7 ²	689.4	697.1	697.1
<i>Thrift institutions</i>								
13 Savings deposits, including MMDAs	452.0	454.3	572.4	714.4	755.3 ²	767.2	792.9	801.4
14 Small time deposits ⁹	319.5	344.8	339.1	302.1	296.5	295.4	293.0	290.3
15 Large time deposits ¹⁰	91.9	103.0	114.9	117.3	117.7	117.9	116.9	118.0
<i>Money market mutual funds</i>								
16 Retail	833.4	925.2	991.3	925.5	905.5	890.6	896.3	889.3
17 Institution-only	634.8	788.8	1,190.3	1,234.5	1,165.8	1,144.0	1,124.8	1,143.8
<i>Repurchase agreements and eurodollars</i>								
18 Repurchase agreements ¹²	335.7	363.5	375.0	470.7	493.4	501.0	506.6	507.9
19 Eurodollars ¹²	170.5	194.3	208.6	227.9	239.0 ²	243.3	251.9	247.1
Not seasonally adjusted								
<i>Measures²</i>								
20 M1	1,147.8	1,112.1	1,202.9	1,240.3 ²	1,238.5 ²	1,253.5	1,251.8	1,269.3
21 M2	4,676.8	4,966.7	5,487.4	5,840.7 ²	5,922.6 ²	5,980.1	5,965.4	6,015.4
22 M3	6,577.5	7,153.8	8,076.1	8,596.0 ²	8,655.6 ²	8,670.8	8,672.9	8,729.2
<i>M1 components</i>								
23 Currency ³	521.7	535.6	585.4	630.6	639.9	643.3	646.5	647.6
24 Travelers checks ⁴	8.4	8.1	7.9	7.7	7.7	7.5	7.5	7.7
25 Demand deposits ⁵	371.7	326.7	348.1	317.5 ²	303.3	308.2	308.0	318.7
26 Other checkable deposits ⁶	246.0	241.6	261.5	284.5 ²	287.7 ²	294.5	289.8	295.3
<i>Nontransaction components</i>								
27 In M2 ⁷	3,529.0	3,854.7	4,284.4	4,600.4	4,684.1 ²	4,726.6	4,713.6	4,746.0
28 In M3 only ⁸	1,900.7	2,187.1	2,588.7	2,755.3	2,733.0 ²	2,690.7	2,707.5	2,713.9
<i>Commercial banks</i>								
29 Savings deposits, including MMDAs	1,288.7	1,427.5	1,742.4	2,060.4	2,126.3	2,170.9	2,177.3	2,217.1
30 Small time deposits ⁹	635.6	700.6	635.1	591.7	579.8	575.4	570.7	565.3
31 Large time deposits ^{10,11}	653.6	718.5	670.0	675.0	685.5 ²	687.9	703.0	701.6
<i>Thrift institutions</i>								
32 Savings deposits, including MMDAs	451.9	455.8	575.0	718.8	759.3 ²	776.0	789.0	797.7
33 Small time deposits ⁹	320.0	345.4	339.6	302.5	296.1	294.9	292.6	289.9
34 Large time deposits ¹⁰	92.1	103.0	114.7	117.0	117.3	117.6	117.9	118.8
<i>Money market mutual funds</i>								
35 Retail	832.7	925.3	992.4	927.0	922.6	909.4	884.1	875.9
36 Institution-only	648.6	806.1	1,218.3	1,262.3	1,187.5	1,141.1	1,118.9	1,131.0
<i>Repurchase agreements and eurodollars</i>								
37 Repurchase agreements ¹²	334.7	364.2	376.5	472.5	499.5	497.2	513.9	517.0
38 Eurodollars ¹²	171.7	195.2	209.1	228.5	243.2 ²	246.9	253.9	245.4

Footnotes appear on following page.

NOTES TO TABLE I.21

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. Includes both overnight and term.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹

A. All commercial banks

Billions of dollars

Account	Monthly averages							Wednesday figures				
	2002	2002	2003					2003				
	June	Dec. [†]	Jan. [†]	Feb. [†]	Mar. [†]	Apr. [†]	May [†]	June	June 4	June 11	June 18	June 25
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	5,527.4 ^f	5,891.9	5,885.8	5,962.8	5,993.2	6,024.7	6,124.0	6,178.8	6,174.5	6,176.2	6,171.2	6,153.3
2 Securities in bank credit	1,559.6	1,716.3	1,710.3	1,753.9	1,766.2	1,777.9	1,834.9	1,856.8	1,872.1	1,862.2	1,850.8	1,848.8
3 U.S. government securities	908.7	1,027.8	1,030.2	1,059.0	1,071.9	1,104.4	1,135.8	1,152.0	1,154.7	1,151.3	1,154.9	1,152.9
4 Other securities	650.9	688.6	680.1	695.0	694.2	673.5	699.0	704.8	717.4	710.9	695.9	695.9
5 Loans and leases in bank credit ²	3,967.7 ^f	4,175.6	4,175.5	4,208.9	4,227.1	4,246.9	4,289.1	4,322.0	4,302.4	4,314.0	4,320.3	4,304.4
6 Commercial and industrial	990.1 ^f	965.3	960.8	954.5	948.9	946.4	935.4	921.3	923.8	920.3	921.4	917.4
7 Real estate	1,839.7 ^f	2,027.6	2,046.1	2,079.3	2,093.9	2,110.5	2,133.7	2,156.7	2,145.3	2,164.2	2,155.8	2,143.6
8 Revolving home equity	185.2 ^f	213.4	217.6	222.7	230.5	234.8	238.4	244.8	242.1	243.4	245.1	246.1
9 Other	1,654.5 ^f	1,814.2	1,828.5	1,856.6	1,863.5	1,875.7	1,893.3	1,911.9	1,903.2	1,920.8	1,910.7	1,897.5
10 Consumer	567.7	588.1	591.8	591.7	586.9	583.8	587.8	592.5	590.1	591.9	599.9	592.2
11 Security ³	169.5	189.5	174.8	181.3	193.6	190.4	209.7	211.2	216.6	209.9	209.6	215.3
12 Other loans and leases	400.8 ^f	405.1	401.9	402.0	403.7	415.7	422.5	440.2	426.6	427.8	433.7	436.0
13 Interbank loans	282.7	328.4	307.3	305.0	314.0	305.6	318.8	323.0	317.7	318.5	324.2	335.2
14 Cash assets ⁴	308.5	316.9	313.7	318.3	323.5	319.5	317.6	331.4	303.7	341.4	319.2	353.4
15 Other assets ⁵	481.7 ^f	509.2	509.9	533.9	524.8	531.7	556.3	564.6	563.4	578.6	556.5	563.6
16 Total assets⁶	6,525.1^f	6,970.1	6,939.8	7,043.5	7,079.1	7,106.2	7,241.1	7,322.0	7,283.7	7,339.0	7,295.2	7,329.4
<i>Liabilities</i>												
17 Deposits	4,373.6	4,487.4	4,506.9	4,535.4	4,585.6	4,613.5	4,646.6	4,706.8	4,680.8	4,684.6	4,706.1	4,713.5
18 Transaction	599.0	611.3	608.0	613.7	619.5	632.2	633.4	637.9	597.9	625.6	637.0	692.7
19 Nontransaction	3,774.5	3,876.1	3,898.9	3,921.6	3,966.1	3,981.3	4,013.2	4,068.9	4,082.9	4,059.0	4,069.1	4,020.8
20 Large time	1,034.8	978.6	979.4	995.2	1,001.6	985.4	999.0	1,002.5	1,010.6	992.7	1,010.2	987.7
21 Other	2,739.7	2,897.6	2,919.6	2,926.4	2,964.5	2,995.9	3,014.1	3,066.4	3,072.3	3,066.3	3,058.9	3,033.1
22 Borrowings	1,232.1	1,402.1	1,335.8	1,367.4	1,389.3	1,398.1	1,439.9	1,479.9	1,462.0	1,486.8	1,469.5	1,462.8
23 From banks in the U.S.	378.5	417.5	380.8	388.1	397.4	397.5	389.8	408.2	400.7	405.1	397.5	423.1
24 From others	853.6	984.6	954.9	979.3	991.8	1,000.6	1,050.1	1,071.7	1,061.3	1,081.7	1,072.0	1,039.7
25 Net due to related foreign offices	83.3 ^f	146.0	154.7	144.1	135.6	139.2	144.8	123.3	118.1	128.9	119.0	126.9
26 Other liabilities	376.8 ^f	437.8	442.4	455.7	450.4	456.6	482.9	495.8	497.9	511.1	489.3	492.3
27 Total liabilities	6,065.7^f	6,473.3	6,439.8	6,502.6	6,560.9	6,607.5	6,714.1	6,805.8	6,758.8	6,811.5	6,783.9	6,795.6
28 Residual (assets less liabilities) ⁷	459.4 ^f	496.8	500.1	540.9	518.1	498.8	527.0	516.2	524.9	527.5	511.3	533.8
	Not seasonally adjusted											
<i>Assets</i>												
29 Bank credit	5,524.5 ^f	5,925.9	5,902.8	5,966.2	5,982.0	6,019.3	6,118.7	6,175.3	6,177.2	6,175.9	6,164.5	6,137.0
30 Securities in bank credit	1,554.8	1,723.0	1,720.7	1,763.1	1,771.2	1,775.7	1,832.6	1,850.7	1,875.1	1,862.3	1,842.9	1,836.3
31 U.S. government securities	905.1	1,032.0	1,035.0	1,065.3	1,076.9	1,104.3	1,133.8	1,147.3	1,157.1	1,150.4	1,148.4	1,143.6
32 Other securities	649.7	691.0	685.6	697.8	694.3	671.4	698.8	703.3	718.0	711.9	694.5	692.7
33 Loans and leases in bank credit ²	3,969.6 ^f	4,202.9	4,182.1	4,203.1	4,210.8	4,243.6	4,286.1	4,324.6	4,302.1	4,313.6	4,321.6	4,300.7
34 Commercial and industrial	994.2 ^f	964.0	954.9	952.5	950.3	950.2	939.1	925.3	927.6	921.7	924.1	921.5
35 Real estate	1,840.5 ^f	2,032.2	2,046.5	2,075.1	2,085.0	2,106.8	2,137.5	2,158.0	2,147.9	2,168.9	2,152.5	2,143.7
36 Revolving home equity	185.8 ^f	212.9	217.0	223.0	228.4	234.5	239.6	245.7	242.7	244.2	246.0	247.3
37 Other	1,654.7 ^f	1,819.2	1,829.5	1,852.1	1,856.5	1,872.4	1,897.9	1,912.3	1,905.2	1,924.6	1,906.6	1,896.4
38 Consumer	564.0	596.9	599.5	594.9	584.6	581.0	586.7	589.1	587.3	587.9	594.2	590.5
39 Credit cards and related plans	220.7	238.5	234.0	225.8	219.6	215.3	220.5	221.5	220.8	220.5	225.9	222.3
40 Other	343.2 ^f	358.4	365.5	369.1	365.0	365.8	366.2	367.7	366.5	367.4	368.3	368.2
41 Security ³	168.8	200.1	181.0	183.0	189.2	189.6	202.0	209.8	209.1	207.2	216.0	211.6
42 Other loans and leases	402.1 ^f	409.7	400.2	397.6	401.8	415.9	420.8	442.4	430.1	427.9	434.7	433.4
43 Interbank loans	284.5	335.4	304.0	302.2	320.5	316.8	314.5	324.2	326.8	323.9	325.8	319.1
44 Cash assets ⁴	300.1	339.1	329.7	318.8	312.7	317.7	314.0	322.2	313.5	317.6	315.3	325.3
45 Other assets ⁵	477.2 ^f	514.0	513.6	531.4	523.9	531.1	554.2	558.8	560.1	571.4	549.1	553.2
46 Total assets⁶	6,511.0^f	7,038.1	6,973.4	7,041.6	7,062.5	7,109.6	7,225.4	7,304.5	7,301.7	7,312.7	7,278.5	7,258.6
<i>Liabilities</i>												
47 Deposits	4,363.0	4,538.2	4,530.3	4,556.3	4,592.8	4,638.6	4,639.6	4,695.9	4,706.2	4,685.7	4,692.5	4,650.1
48 Transaction	594.2	644.1	622.0	606.1	611.1	638.1	623.2	632.5	607.4	611.7	635.0	660.9
49 Nontransaction	3,768.8	3,894.1	3,908.2	3,950.2	3,981.6	4,000.5	4,016.4	4,063.4	4,098.9	4,074.1	4,057.6	3,989.2
50 Large time	1,032.7	991.3	996.0	1,005.8	1,004.3	989.8	1,002.7	1,000.6	1,014.5	996.5	1,008.8	983.2
51 Other	2,736.1	2,902.8	2,912.3	2,944.3	2,977.3	3,010.7	3,013.7	3,062.8	3,084.3	3,077.5	3,048.7	3,006.0
52 Borrowings	1,231.2	1,401.2	1,348.9	1,369.6	1,385.7	1,402.3	1,445.6	1,478.9	1,464.9	1,468.3	1,478.5	1,467.6
53 From banks in the U.S.	376.9	419.3	385.4	391.6	400.9	401.6	392.2	406.3	402.2	399.8	397.9	420.8
54 From others	854.3	982.0	963.5	978.0	984.8	1,000.7	1,053.5	1,072.6	1,062.8	1,068.5	1,080.6	1,046.8
55 Net due to related foreign offices	80.2 ^f	152.0	158.8	149.5	133.8	130.1	144.3	120.5	116.9	126.6	114.0	126.6
56 Other liabilities	374.4 ^f	444.7	446.1	462.0	446.6	444.1	482.0	492.6	496.8	508.4	483.1	492.3
57 Total liabilities	6,048.8^f	6,536.1	6,483.9	6,537.3	6,558.8	6,615.2	6,711.5	6,787.9	6,784.8	6,788.9	6,768.2	6,736.6
58 Residual (assets less liabilities) ⁷	462.2 ^f	502.0	489.5	504.3	503.6	494.5	513.9	516.6	516.9	523.8	510.3	522.1

Footnotes appear on p. A21.

A16 Domestic Financial Statistics □ September 2003

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

B. Domestically chartered commercial banks

Billions of dollars

Account	Monthly averages							Wednesday figures				
	2002	2002	2003					2003				
	June	Dec. ^f	Jan. ^f	Feb. ^f	Mar. ^f	Apr. ^f	May. ^f	June	June 4	June 11	June 18	June 25
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	4,923.8 ^f	5,250.4	5,252.2	5,316.1	5,329.6	5,370.1	5,455.7	5,509.9	5,495.8	5,495.1	5,505.8	5,488.0
2 Securities in bank credit	1,323.7	1,449.1	1,441.8	1,474.8	1,482.2	1,500.4	1,546.0	1,568.9	1,576.3	1,561.6	1,563.1	1,567.5
3 U.S. government securities	832.7	920.2	920.8	942.6	949.3	979.0	1,005.0	1,022.9	1,021.1	1,016.3	1,026.1	1,025.6
4 Other securities	490.9	528.9	521.0	532.3	532.9	521.4	541.1	546.0	555.2	545.2	537.0	541.8
5 Loans and leases in bank credit ²	3,600.1 ^f	3,801.3	3,810.4	3,841.3	3,847.4	3,869.7	3,909.7	3,941.0	3,919.5	3,933.5	3,942.7	3,920.5
6 Commercial and industrial	797.9 ^f	786.9	783.6	780.3	777.2	774.4	765.5	759.0	759.9	757.0	759.1	756.5
7 Real estate	1,821.3 ^f	2,008.1	2,026.4	2,059.6	2,074.1	2,091.5	2,114.5	2,137.5	2,126.2	2,145.1	2,136.8	2,124.2
8 Revolving home equity	185.2 ^f	213.4	217.6	222.7	230.5	234.8	238.4	244.8	242.1	243.4	245.1	246.1
9 Other	1,636.1 ^f	1,794.7	1,808.8	1,836.9	1,843.6	1,856.7	1,876.1	1,892.7	1,884.1	1,901.7	1,891.7	1,878.1
10 Consumer	567.7	588.1	591.8	591.7	586.9	583.8	587.8	592.5	590.1	591.9	599.9	592.2
11 Security ³	83.6	79.4	71.5	73.2	72.2	72.4	91.2	90.0	93.2	88.4	91.2	91.2
12 Other loans and leases	329.7 ^f	338.8	337.1	336.5	337.0	347.6	350.6	362.0	350.1	351.1	355.8	356.5
13 Interbank loans	262.4	298.3	279.1	278.0	286.7	283.2	294.2	292.2	290.2	285.7	291.5	306.5
14 Cash assets ⁴	261.5	272.3	273.6	279.6	279.7	269.4	265.5	275.3	250.4	283.3	262.5	298.8
15 Other assets ⁵	454.4 ^f	477.6	475.3	498.9	493.7	496.6	514.5	519.4	518.2	533.8	508.1	519.2
16 Total assets⁶	5,827.5^f	6,222.8	6,203.9	6,296.4	6,313.8	6,344.4	6,454.6	6,521.5	6,479.4	6,522.6	6,492.3	6,537.0
<i>Liabilities</i>												
17 Deposits	3,868.2	4,061.9	4,080.4	4,092.5	4,137.2	4,177.1	4,207.8	4,256.2	4,230.5	4,230.1	4,249.1	4,273.5
18 Transaction	588.7	602.1	598.2	603.5	608.0	620.9	622.4	626.3	586.7	614.4	625.6	680.9
19 Nontransaction	3,279.5	3,459.8	3,482.2	3,489.0	3,529.2	3,556.2	3,585.4	3,630.0	3,643.8	3,615.7	3,623.4	3,592.6
20 Large time	542.4	569.9	577.6	583.5	583.6	582.1	595.3	589.8	596.4	580.4	592.3	587.9
21 Other	2,737.1	2,889.9	2,904.6	2,905.5	2,945.6	2,974.1	2,990.1	3,040.1	3,047.4	3,035.4	3,031.1	3,004.7
22 Borrowings	1,039.1	1,119.4	1,062.1	1,092.7	1,095.9	1,099.5	1,132.7	1,160.9	1,140.7	1,162.1	1,151.1	1,144.7
23 From banks in the U.S.	357.7	387.5	349.8	357.0	363.7	370.0	358.2	373.0	366.1	373.9	362.2	387.4
24 From others	681.3	731.9	712.3	735.7	732.2	729.5	774.5	787.9	774.5	788.2	788.8	757.3
25 Net due to related foreign offices	170.0 ^f	206.0	225.1	222.6	219.5	212.0	222.6	205.3	203.6	214.6	198.7	204.3
26 Other liabilities	292.6 ^f	340.9	346.6	355.8	354.9	365.4	377.4	385.8	388.5	396.7	379.9	386.1
27 Total liabilities	5,369.9^f	5,728.2	5,714.2	5,763.6	5,807.5	5,854.0	5,940.5	6,008.2	5,963.4	6,003.5	5,978.7	6,008.6
28 Residual (assets less liabilities) ⁷	457.6 ^f	494.6	489.7	532.8	506.3	490.4	514.1	513.2	516.1	519.2	513.6	528.4
Not seasonally adjusted												
<i>Assets</i>												
29 Bank credit	4,923.6 ^f	5,274.4	5,261.5	5,315.1	5,320.2	5,364.8	5,455.1	5,509.9	5,504.5	5,500.1	5,498.9	5,476.0
30 Securities in bank credit	1,318.9	1,455.7	1,452.2	1,484.0	1,487.2	1,498.2	1,543.8	1,562.8	1,579.4	1,561.6	1,555.2	1,554.9
31 U.S. government securities	829.2	924.5	925.6	948.9	954.3	978.9	1,002.9	1,018.2	1,023.5	1,015.5	1,019.5	1,016.3
32 Other securities	489.7	531.3	526.6	535.1	532.9	519.3	540.8	544.6	555.9	546.2	535.6	538.6
33 Loans and leases in bank credit ²	3,604.7 ^f	3,818.6	3,809.3	3,831.1	3,833.0	3,866.6	3,911.4	3,947.1	3,925.1	3,938.5	3,943.7	3,921.1
34 Commercial and industrial	802.6 ^f	784.2	777.6	776.9	777.1	779.1	771.0	763.5	764.5	759.5	762.6	760.8
35 Real estate	1,822.1 ^f	2,012.7	2,026.8	2,055.4	2,065.1	2,087.8	2,118.3	2,138.8	2,128.9	2,149.7	2,133.5	2,124.2
36 Revolving home equity	185.8 ^f	212.9	217.0	223.0	228.4	234.5	239.6	245.7	242.7	244.2	246.0	247.3
37 Other	1,636.3 ^f	1,799.8	1,809.9	1,832.4	1,836.7	1,853.4	1,878.7	1,893.1	1,886.1	1,905.5	1,887.5	1,876.9
38 Consumer	564.0	596.9	594.5	594.9	584.6	581.0	586.7	589.1	587.3	587.9	594.2	590.5
39 Credit cards and related plans	220.7	238.5	234.0	225.8	219.6	215.3	220.5	221.5	220.8	220.5	225.9	222.3
40 Other	343.2 ^f	358.4	365.5	369.1	365.0	365.8	366.2	367.7	366.5	367.4	368.3	368.2
41 Security ³	84.6	83.4	70.7	72.0	71.9	71.3	85.8	91.1	91.2	89.9	96.1	90.4
42 Other loans and leases	331.4 ^f	341.4	334.7	331.9	334.3	347.3	349.5	364.6	353.3	351.3	357.3	355.2
43 Interbank loans	264.3	305.4	275.9	275.2	293.3	294.3	289.8	293.4	299.3	291.1	293.1	290.5
44 Cash assets ⁴	255.4	291.3	286.6	279.1	270.1	269.8	263.5	268.7	261.6	262.5	261.2	273.7
45 Other assets ⁵	451.0 ^f	481.4	477.8	495.7	492.0	496.2	512.2	515.4	515.8	527.7	502.8	511.1
46 Total assets⁶	5,819.4^f	6,276.6	6,225.6	6,288.6	6,299.4	6,350.3	6,445.3	6,511.9	6,505.7	6,505.8	6,480.3	6,475.8
<i>Liabilities</i>												
47 Deposits	3,859.7	4,101.8	4,087.5	4,103.3	4,140.3	4,196.3	4,195.4	4,247.2	4,253.3	4,229.9	4,237.9	4,212.6
48 Transaction	584.2	634.1	612.0	595.8	600.0	627.4	612.6	621.2	596.6	601.2	624.0	649.5
49 Nontransaction	3,275.6	3,467.7	3,475.6	3,507.4	3,540.3	3,568.9	3,582.8	3,625.9	3,656.7	3,628.6	3,614.0	3,563.1
50 Large time	542.0	572.7	578.9	584.4	582.1	580.2	593.5	589.4	597.4	582.2	592.8	585.4
51 Other	2,733.6	2,895.0	2,896.7	2,923.0	2,958.2	2,988.6	2,989.3	3,036.5	3,059.3	3,046.4	3,021.1	2,977.7
52 Borrowings	1,038.3	1,118.5	1,075.2	1,094.9	1,092.3	1,103.6	1,138.5	1,160.0	1,143.6	1,143.6	1,160.1	1,149.5
53 From banks in the U.S.	356.2	389.2	354.4	360.5	367.2	374.1	360.6	371.2	368.6	368.6	362.6	385.0
54 From others	682.1	729.3	720.8	734.4	725.1	729.5	777.9	788.8	776.1	775.0	797.5	764.4
55 Net due to related foreign offices	169.2 ^f	210.4	226.6	226.7	215.4	203.4	221.8	204.3	203.5	213.8	196.1	205.0
56 Other liabilities	291.4 ^f	346.7	348.6	361.2	349.6	353.2	376.2	384.1	388.3	395.3	375.9	386.9
57 Total liabilities	5,358.6^f	5,777.4	5,738.0	5,786.2	5,797.6	5,856.5	5,931.9	5,995.5	5,988.8	5,982.5	5,970.0	5,954.0
58 Residual (assets less liabilities) ⁷	460.8 ^f	499.2	487.6	502.4	501.8	493.9	513.3	516.4	516.9	523.3	510.3	521.8

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	2002	2003					2003					
	June ^c	Dec. ^c	Jan. ^c	Feb. ^c	Mar. ^c	Apr. ^c	May ^c	June	June 4	June 11	June 18	June 25	
	Seasonally adjusted												
<i>Assets</i>													
1 Bank credit	2,660.7	2,865.9	2,862.1	2,908.6	2,905.7	2,926.0	3,001.2	3,036.5	3,030.6	3,026.3	3,019.8	3,013.4	
2 Securities in bank credit	687.0	780.2	774.4	805.5	803.1	810.0	856.5	880.5	886.0	872.4	873.9	880.4	
3 U.S. government securities	403.3	458.3	461.0	479.7	476.4	493.2	520.0	536.0	534.3	530.3	537.3	537.6	
4 Trading account	42.5	44.6	41.2	54.5	41.8	40.7	43.6	38.7	44.2	42.8	36.5	32.2	
5 Investment account	360.8	413.7	419.8	425.3	434.5	452.5	476.4	497.3	490.2	487.5	500.8	505.4	
6 Other securities	283.7	321.9	313.3	325.7	326.7	316.8	336.6	344.5	351.7	342.1	336.6	342.8	
7 Trading account	148.2	164.9	160.0	172.6	171.6	161.5	183.4	188.0	199.0	189.6	182.3	186.7	
8 Investment account	135.5	157.0	153.3	153.1	155.1	155.3	153.2	156.5	152.7	152.5	154.3	156.1	
9 State and local government	27.3	29.5	29.4	29.6	30.1	30.9	31.3	32.2	31.7	31.8	32.4	32.6	
10 Other	108.2	127.5	123.9	123.5	125.0	124.4	121.9	124.3	121.0	120.7	121.9	123.4	
11 Loans and leases in bank credit ²	1,973.7	2,085.7	2,087.7	2,103.1	2,102.6	2,116.0	2,144.7	2,156.0	2,144.6	2,153.9	2,146.0	2,133.0	
12 Commercial and industrial	512.4	490.7	487.9	482.9	479.1	476.6	468.0	461.0	461.5	459.1	459.2	459.5	
13 Bankers acceptances	.0	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.	
14 Other	512.4	490.7	487.9	482.9	479.1	476.6	468.0	461.0	461.5	459.1	459.2	459.5	
15 Real estate	869.3	992.1	1,008.1	1,029.7	1,036.6	1,042.8	1,058.3	1,066.4	1,062.1	1,075.8	1,061.9	1,051.6	
16 Revolving home equity	117.1	136.6	139.7	142.2	147.6	150.2	152.5	156.0	154.1	155.1	155.7	157.1	
17 Other	752.2	855.5	868.4	887.5	888.9	892.6	905.7	910.4	908.1	920.8	906.2	894.5	
18 Consumer	283.5	296.9	297.1	295.0	291.5	290.0	290.2	291.9	292.3	293.5	293.6	291.8	
19 Security ³	77.0	71.8	63.5	64.9	64.0	64.2	82.5	80.9	84.2	79.6	82.0	81.5	
20 Federal funds sold to and repurchase agreements with broker-dealers	65.2	61.4	52.8	54.2	52.6	52.4	63.0	63.5	66.7	62.4	65.3	63.0	
21 Other	11.9	10.4	10.6	10.7	11.4	11.8	19.5	17.4	17.5	17.2	16.8	18.5	
22 State and local government	13.1	11.9	12.0	12.3	12.5	12.4	12.4	12.7	12.7	12.6	12.6	12.8	
23 Agricultural	9.2	8.3	8.2	7.9	7.9	7.7	7.5	7.4	7.5	7.4	7.4	7.3	
24 Federal funds sold to and repurchase agreements with others	18.5	25.4	24.3	24.3	23.9	25.1	26.9	28.3	27.3	27.4	28.2	27.1	
25 All other loans	69.6	74.6	75.6	75.2	76.7	87.8	89.1	96.8	85.6	87.3	90.1	91.2	
26 Lease-financing receivables	121.1	114.0	111.1	110.8	110.5	109.4	109.8	110.7	111.3	111.1	110.9	110.2	
27 Interbank loans	175.6	190.8	164.5	160.4	170.2	169.3	169.2	163.5	162.4	162.8	162.5	168.1	
28 Federal funds sold to and repurchase agreements with commercial banks	87.7	96.2	95.7	90.3	99.6	98.2	99.7	96.7	97.5	94.8	96.9	98.6	
29 Other	87.9	94.5	68.8	70.1	70.6	71.1	69.5	66.8	64.9	67.9	65.6	69.5	
30 Cash assets ⁴	146.9	149.9	149.5	150.8	148.0	135.5	132.6	141.3	124.7	146.2	131.9	157.6	
31 Other assets ⁵	315.6	336.5	334.4	354.7	347.4	347.2	356.9	359.6	358.9	371.2	352.0	363.9	
32 Total assets⁶	3,254.6	3,499.1	3,465.8	3,529.7	3,526.4	3,534.1	3,615.8	3,656.7	3,632.6	3,662.3	3,622.0	3,658.7	
<i>Liabilities</i>													
33 Deposits	1,851.9	1,973.9	1,983.8	1,984.5	2,003.3	2,027.7	2,034.5	2,063.6	2,042.4	2,039.5	2,060.5	2,075.9	
34 Transaction	293.7	291.0	288.2	290.3	290.6	295.7	296.8	299.6	274.5	295.9	298.0	331.2	
35 Nontransaction	1,558.2	1,682.9	1,695.6	1,694.2	1,712.7	1,732.0	1,737.7	1,764.0	1,768.0	1,743.6	1,762.6	1,744.7	
36 Large time	244.9	262.5	270.8	273.5	268.9	267.0	278.9	270.9	277.7	260.1	273.6	269.1	
37 Other	1,313.3	1,420.4	1,424.7	1,420.7	1,443.8	1,465.0	1,458.8	1,493.0	1,490.3	1,483.6	1,488.9	1,475.6	
38 Borrowings	707.2	731.1	655.7	682.8	689.1	686.9	712.2	735.7	728.8	740.2	721.6	712.2	
39 From banks in the U.S.	243.0	249.6	193.8	196.4	204.9	209.1	200.4	213.4	213.1	217.3	201.4	223.1	
40 From others	464.2	481.5	461.9	486.4	484.2	477.8	511.7	522.3	515.8	522.9	520.2	489.1	
41 Net due to related foreign offices	158.3	193.6	210.0	210.0	208.8	199.2	210.2	193.3	191.9	204.5	185.2	191.7	
42 Other liabilities	229.6	277.0	275.6	279.7	275.0	284.8	294.2	301.6	304.3	312.2	296.2	301.4	
43 Total liabilities	2,946.9	3,175.6	3,125.1	3,157.0	3,176.2	3,198.6	3,251.0	3,294.2	3,267.4	3,296.5	3,263.4	3,281.1	
44 Residual (assets less liabilities) ⁷	307.7	323.6	340.7	372.6	350.2	335.5	364.7	362.5	365.1	365.8	358.6	377.5	

Footnotes appear on p. A21.

A18 Domestic Financial Statistics □ September 2003

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

C. Large domestically chartered commercial banks—Continued

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002	2003						2003			
	June ^a	Dec. ^a	Jan. ^a	Feb. ^a	Mar. ^a	Apr. ^a	May ^a	June	June 4	June 11	June 18	June 25
	Not seasonally adjusted											
<i>Assets</i>												
45 Bank credit	2,662.8	2,878.4	2,869.3	2,910.7	2,899.6	2,922.5	3,002.2	3,038.8	3,043.6	3,032.9	3,025.4	3,000.4
46 Securities in bank credit	682.6	785.3	783.0	813.8	805.4	806.4	855.1	874.8	891.0	873.0	867.7	866.6
47 U.S. government securities	400.1	461.0	464.1	485.2	478.6	491.6	518.8	531.7	538.7	530.0	532.5	527.0
48 Trading account	42.2	44.9	41.5	55.1	42.1	40.6	43.5	38.4	44.5	42.8	36.2	31.6
49 Investment account	357.9	416.1	422.5	430.1	436.6	451.0	475.2	493.3	494.2	487.2	496.3	495.4
50 Mortgage-backed securities	279.5	319.0	325.1	331.3	334.5	354.3	380.2	389.4	396.3	387.3	388.9	388.8
51 Other	78.5	97.1	97.5	98.8	102.0	96.7	95.0	103.9	97.9	99.9	107.5	106.7
52 One year or less	14.8	24.1	21.3	22.9	24.4	24.6	23.2	24.3	23.4	23.8	25.2	23.7
53 One to five years	50.3	56.6	58.6	57.4	57.4	55.2	55.2	57.3	56.0	56.4	59.3	58.0
54 More than five years	13.3	16.4	17.5	18.6	20.3	16.9	16.7	22.3	18.5	19.7	23.0	24.9
55 Other securities	282.5	324.3	318.9	328.5	326.8	314.8	336.3	343.1	352.4	343.0	335.2	339.5
56 Trading account	147.5	166.1	162.9	174.1	171.7	160.5	183.2	187.3	199.4	190.1	181.5	185.0
57 Investment account	134.9	158.1	156.0	154.4	155.1	154.3	153.1	155.8	153.0	152.9	153.6	154.6
58 State and local government	27.2	29.7	30.0	29.8	30.1	30.7	31.3	32.1	31.7	31.9	32.2	32.3
59 Other	107.7	128.4	126.1	124.6	125.0	123.6	121.8	123.8	121.2	121.0	121.4	122.3
60 Loans and leases in bank credit ²	1,980.2	2,093.1	2,086.4	2,096.9	2,094.2	2,116.2	2,147.2	2,163.9	2,152.6	2,160.0	2,157.7	2,133.8
61 Commercial and industrial	514.8	488.2	483.4	480.9	479.0	479.1	471.1	463.3	464.3	459.8	461.9	461.1
62 Bankers acceptances	.0	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
63 Other	514.8	488.2	483.4	480.9	479.0	479.1	471.1	463.3	464.3	459.8	461.9	461.1
64 Real estate	871.2	993.4	1,007.0	1,025.5	1,029.7	1,040.9	1,062.6	1,068.8	1,066.8	1,080.9	1,064.0	1,051.4
65 Revolving home equity	117.8	135.8	138.9	142.5	146.0	150.1	153.7	156.9	154.9	155.9	157.1	158.1
66 Other	436.1	535.7	545.3	560.1	560.7	569.5	588.2	591.4	591.7	604.4	586.3	572.4
67 Commercial	317.3	321.9	322.8	322.8	323.0	321.3	320.8	320.5	320.2	320.6	320.7	320.8
68 Consumer	283.6	299.4	301.9	298.2	292.1	290.6	291.1	292.0	293.0	293.5	294.0	292.1
69 Credit cards and related plans	112.5	117.3	115.3	109.7	105.9	103.5	103.8	104.8	106.1	106.0	106.7	104.7
70 Other	171.1	182.1	186.6	188.5	186.2	187.1	187.3	187.2	186.9	187.4	187.3	187.4
71 Security ³	78.1	75.7	63.0	63.9	63.5	62.9	77.3	82.0	81.9	80.8	87.1	81.3
72 Federal funds sold to and repurchase agreements with broker-dealers	66.1	64.8	52.5	53.3	52.2	51.3	59.0	64.4	64.9	63.4	69.3	62.9
73 Other	12.0	10.9	10.6	10.6	11.3	11.6	18.3	17.6	17.0	17.5	17.8	18.5
74 State and local government	13.1	11.9	12.0	12.3	12.5	12.4	12.4	12.7	12.6	12.6	12.6	12.8
75 Agricultural	9.4	8.2	8.2	7.8	7.8	7.7	7.6	7.5	7.5	7.5	7.5	7.5
76 Federal funds sold to and repurchase agreements with others	18.5	25.4	24.3	24.3	23.9	25.1	26.9	28.3	27.3	27.4	28.2	27.1
77 All other loans	70.8	76.6	73.7	71.9	74.5	87.6	88.5	88.0	86.7	86.7	91.9	90.9
78 Lease-financing receivables	120.7	114.3	112.8	112.1	111.2	109.8	109.8	110.3	111.1	110.7	110.4	109.7
79 Interbank loans	179.8	195.3	167.6	158.6	170.2	172.6	170.0	167.8	166.9	162.9	168.7	167.7
80 Federal funds sold to and repurchase agreements with commercial banks	89.6	98.4	97.5	89.3	99.7	100.1	100.2	99.2	100.1	94.9	100.5	98.4
81 Other	90.2	96.8	70.2	69.3	70.6	72.6	69.8	68.6	66.8	68.0	68.2	69.3
82 Cash assets ⁴	142.7	161.5	158.3	150.8	143.1	138.3	131.7	136.9	129.7	132.9	132.6	142.5
83 Other assets ⁵	312.2	340.3	336.9	351.6	345.8	346.7	354.7	355.6	356.6	365.1	346.8	355.8
84 Total assets⁶	3,253.1	3,531.6	3,487.7	3,526.4	3,513.5	3,536.2	3,614.2	3,654.6	3,652.3	3,649.3	3,629.2	3,622.1
<i>Liabilities</i>												
85 Deposits	1,852.2	1,990.4	1,984.7	1,988.5	2,001.4	2,035.1	2,030.1	2,064.0	2,062.1	2,043.6	2,065.3	2,042.7
86 Transaction	291.2	311.4	297.0	286.0	286.2	301.9	292.5	296.8	280.0	286.5	299.3	311.9
87 Nontransaction	1,561.0	1,679.0	1,687.7	1,702.5	1,715.2	1,733.3	1,737.6	1,767.2	1,782.1	1,757.1	1,766.0	1,730.8
88 Large time	244.5	265.3	272.1	274.4	267.4	265.2	277.1	270.5	278.6	261.9	274.1	266.6
89 Other	1,316.5	1,413.7	1,415.6	1,428.1	1,447.7	1,468.1	1,460.6	1,496.7	1,503.5	1,495.2	1,491.9	1,464.2
90 Borrowings	706.4	730.2	668.8	685.0	685.5	691.0	717.9	734.8	731.8	721.7	730.6	717.0
91 From banks in the U.S.	241.4	251.3	198.3	199.9	208.3	213.2	202.8	211.6	214.5	212.0	201.8	220.8
92 From nonbanks in the U.S.	465.0	478.9	470.4	485.1	477.2	477.9	515.1	523.2	517.3	509.7	528.8	496.2
93 Net due to related foreign offices	157.5	198.0	211.5	214.2	204.7	190.6	209.3	192.2	191.8	203.8	182.6	192.4
94 Other liabilities	228.3	282.8	277.6	285.2	269.7	272.6	293.1	300.0	304.1	310.9	292.1	302.1
95 Total liabilities	2,944.4	3,201.4	3,142.6	3,172.8	3,161.3	3,189.3	3,250.5	3,291.0	3,289.8	3,279.9	3,270.6	3,254.1
96 Residual (assets less liabilities) ⁷	308.6	330.2	345.1	353.6	352.2	346.9	363.7	363.6	362.5	369.4	358.6	368.0

Footnotes appear on p. A21.

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

D. Small domestically chartered commercial banks

Billions of dollars

Account	Monthly averages							Wednesday figures				
	2002	2002	2003				2003					
	June ^a	Dec. ^a	Jan. ^a	Feb. ^a	Mar. ^a	Apr. ^a	May ^a	June	June 4	June 11	June 18	June 25
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	2,263.1	2,384.5	2,390.1	2,407.5	2,423.9	2,444.1	2,454.5	2,473.4	2,465.2	2,468.8	2,486.0	2,474.6
2 Securities in bank credit	636.7	668.9	667.4	669.4	679.1	690.4	689.5	688.4	689.3	689.2	689.2	687.1
3 U.S. government securities	429.5	461.9	459.8	462.8	472.9	485.8	485.0	486.9	486.7	486.0	488.8	488.0
4 Other securities	207.2	207.0	207.7	206.5	206.2	204.6	204.5	201.5	203.6	203.2	200.5	199.1
5 Loans and leases in bank credit ²	1,626.5	1,715.5	1,722.7	1,738.2	1,744.7	1,753.7	1,765.0	1,785.0	1,774.9	1,779.6	1,796.8	1,787.5
6 Commercial and industrial	285.6	296.2	295.7	297.5	298.2	297.8	297.5	298.0	298.4	297.9	299.8	297.0
7 Real estate	952.0	1,016.0	1,018.3	1,029.9	1,037.5	1,048.7	1,056.3	1,071.1	1,064.1	1,069.2	1,074.9	1,072.6
8 Revolving home equity	68.1	76.7	77.8	80.5	82.8	84.6	85.9	88.9	88.0	88.3	89.5	89.0
9 Other	883.9	939.3	940.4	949.4	954.7	964.1	970.4	982.3	976.0	980.9	985.4	983.6
10 Consumer	284.1	291.2	294.8	296.7	295.3	293.8	297.6	300.6	297.8	298.4	306.3	300.4
11 Security ³	6.6	7.5	8.0	8.2	8.2	8.2	8.7	9.2	9.0	8.9	9.2	9.7
12 Other loans and leases	98.2	104.6	105.9	105.9	105.6	105.2	104.9	106.2	105.7	105.2	106.6	107.9
13 Interbank loans	86.8	107.6	114.7	117.6	116.6	113.9	125.0	128.7	127.7	122.9	129.1	138.4
14 Cash assets ⁴	114.6	122.5	124.1	128.8	131.7	133.8	132.9	134.0	125.7	137.0	130.5	141.3
15 Other assets ⁵	138.8	141.1	141.0	144.2	146.3	149.5	157.6	159.9	159.2	162.6	156.0	155.3
16 Total assets⁶	2,572.9	2,723.6	2,738.1	2,766.7	2,787.4	2,810.3	2,838.9	2,864.8	2,846.9	2,860.4	2,870.3	2,878.4
<i>Liabilities</i>												
17 Deposits	2,016.3	2,088.0	2,096.6	2,108.0	2,133.9	2,149.4	2,173.4	2,192.7	2,188.1	2,190.6	2,188.5	2,197.6
18 Transaction	295.0	311.1	310.0	312.2	317.4	325.2	325.6	326.7	312.2	318.5	327.7	349.7
19 Nontransaction	1,721.4	1,776.9	1,786.6	1,794.8	1,816.5	1,824.2	1,847.8	1,866.0	1,875.9	1,872.1	1,860.9	1,847.9
20 Large time	297.5	307.4	306.7	310.0	314.7	315.1	316.4	318.9	318.7	320.3	318.7	318.8
21 Other	1,423.9	1,469.5	1,479.9	1,484.8	1,501.8	1,509.1	1,531.4	1,547.1	1,557.2	1,551.8	1,542.2	1,529.1
22 Borrowings	331.9	388.3	406.5	409.9	406.8	412.6	420.6	425.2	411.8	421.8	429.5	432.5
23 From banks in the U.S.	114.8	137.9	156.0	160.6	158.9	160.9	157.8	159.6	153.1	156.5	160.9	164.3
24 From others	217.1	250.4	250.4	249.3	247.9	251.7	262.8	265.6	258.8	265.3	268.6	268.2
25 Net due to related foreign offices	11.7	12.4	15.1	12.6	10.7	12.8	12.4	12.0	11.8	10.0	13.5	12.6
26 Other liabilities	63.1	63.9	71.0	76.1	79.9	80.6	83.1	84.2	84.2	84.5	83.8	84.8
27 Total liabilities	2,423.0	2,552.6	2,589.1	2,606.6	2,631.3	2,655.4	2,689.5	2,714.0	2,695.9	2,706.9	2,715.3	2,727.5
28 Residual (assets less liabilities) ⁷	149.9	171.0	149.0	160.2	156.0	154.9	149.4	150.8	150.9	153.4	155.0	150.9
	Not seasonally adjusted											
<i>Assets</i>												
29 Bank credit	2,260.8	2,396.0	2,392.1	2,404.4	2,420.6	2,442.3	2,452.9	2,471.1	2,460.9	2,467.1	2,473.4	2,475.6
30 Securities in bank credit	636.3	670.5	669.2	670.2	681.8	691.9	688.7	688.0	688.3	688.6	687.5	688.4
31 U.S. government securities	429.1	463.5	461.5	463.7	475.6	487.3	484.2	486.5	484.8	485.5	487.0	489.3
32 Other securities	207.2	207.0	207.7	206.5	206.2	204.6	204.5	201.5	203.6	203.2	200.5	199.1
33 Loans and leases in bank credit ²	1,624.5	1,725.5	1,722.9	1,734.2	1,738.8	1,750.4	1,764.2	1,783.2	1,772.5	1,778.5	1,786.0	1,787.2
34 Commercial and industrial	287.8	296.0	294.2	296.0	298.1	300.0	300.0	300.2	300.2	299.7	300.7	299.7
35 Real estate	951.0	1,019.3	1,019.8	1,029.9	1,035.4	1,046.9	1,055.7	1,070.0	1,062.1	1,068.9	1,069.5	1,072.9
36 Revolving home equity	68.1	77.2	78.1	80.5	82.5	84.4	85.9	88.8	87.8	88.4	89.9	89.1
37 Other	882.9	942.2	941.7	949.4	952.9	962.5	969.8	981.2	974.3	980.5	980.6	983.7
38 Consumer	280.3	297.5	297.7	296.7	292.5	290.4	295.6	297.1	294.3	294.5	300.2	298.4
39 Credit cards and related plans	108.2	121.2	118.7	116.1	113.8	111.7	116.6	116.6	114.7	114.5	119.2	117.6
40 Other	172.1	176.3	178.9	180.6	178.7	178.7	178.9	180.5	179.6	180.0	181.0	180.8
41 Security ³	6.5	7.7	7.6	8.1	8.4	8.4	8.5	9.1	9.3	9.1	9.0	9.0
42 Other loans and leases	98.9	105.0	103.6	103.4	104.4	104.7	104.4	106.8	106.6	106.3	106.6	107.2
43 Interbank loans	84.5	110.1	108.3	116.6	123.0	121.7	119.9	125.6	132.4	128.2	124.4	122.8
44 Cash assets ⁴	112.8	129.8	128.3	128.4	127.0	131.6	131.8	131.8	131.9	129.6	128.5	131.2
45 Other assets ⁵	138.8	141.1	141.0	144.2	146.3	149.5	157.6	159.9	159.2	162.6	156.0	155.3
46 Total assets⁶	2,566.3	2,745.0	2,737.9	2,762.1	2,785.9	2,814.1	2,831.1	2,857.3	2,853.4	2,856.5	2,851.1	2,853.6
<i>Liabilities</i>												
47 Deposits	2,007.5	2,111.4	2,102.8	2,114.8	2,138.9	2,161.1	2,165.3	2,183.1	2,191.2	2,186.3	2,172.6	2,170.0
48 Transaction	293.0	322.7	314.9	309.9	313.8	325.5	320.1	324.4	316.6	314.8	324.7	337.6
49 Nontransaction	1,714.5	1,788.7	1,787.9	1,804.9	1,825.1	1,835.6	1,845.2	1,858.7	1,874.5	1,871.5	1,847.9	1,832.4
50 Large time	297.5	307.4	306.7	310.0	314.7	315.1	316.4	318.9	318.7	320.3	318.7	318.8
51 Other	1,417.1	1,481.3	1,481.1	1,494.9	1,510.5	1,520.5	1,528.8	1,539.8	1,555.8	1,551.2	1,529.2	1,513.6
52 Borrowings	331.9	388.3	406.5	409.9	406.8	412.6	420.6	425.2	411.8	421.8	429.5	432.5
53 From banks in the U.S.	114.8	137.9	156.0	160.6	158.9	160.9	157.8	159.6	153.1	156.5	160.9	164.3
54 From others	217.1	250.4	250.4	249.3	247.9	251.7	262.8	265.6	258.8	265.3	268.6	268.2
55 Net due to related foreign offices	11.7	12.4	15.1	12.6	10.7	12.8	12.4	12.0	11.8	10.0	13.5	12.6
56 Other liabilities	63.1	63.9	71.0	76.1	79.9	80.6	83.1	84.2	84.2	84.5	83.8	84.8
57 Total liabilities	2,414.2	2,576.0	2,595.4	2,613.3	2,636.3	2,667.1	2,681.4	2,704.5	2,699.0	2,702.6	2,699.4	2,699.9
58 Residual (assets less liabilities) ⁷	152.2	169.0	142.5	148.8	149.6	146.9	149.7	152.8	154.4	153.9	151.7	153.8

Footnotes appear on p. A21.

A20 Domestic Financial Statistics □ September 2003

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

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002	2003					2003				
	June	Dec.	Jan.	Feb.	Mar. ^f	Apr. ^f	May ^f	June	June 4	June 11	June 18	June 25
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	603.5	641.5 ^e	633.6 ^e	646.7 ^e	663.6	654.7	668.3	668.8	678.7	681.1	665.3	665.3
2 Securities in bank credit	236.0	267.2 ^e	268.5 ^e	279.1 ^e	284.0	277.5	288.8	287.9	295.8	300.7	287.7	281.4
3 U.S. government securities	76.0	107.5 ^e	109.4 ^e	116.4 ^e	122.6	125.4	130.9	129.1	133.6	135.0	128.9	127.3
4 Other securities	160.0	159.7	159.1	162.7	161.3	152.1	158.0	158.8	162.1	165.7	158.9	154.1
5 Loans and leases in bank credit ²	367.6	374.3	365.1	367.6	379.7	377.2	379.4	381.0	383.0	380.5	377.6	383.9
6 Commercial and industrial	192.1	178.4	177.2	174.1	171.7	172.1	169.9	162.4	163.9	163.3	162.3	160.9
7 Real estate	18.4	19.5	19.7	19.7	19.8	19.0	19.2	19.2	19.1	19.1	19.0	19.5
8 Security ³	85.9	110.1	103.4	108.1	121.4	118.0	118.5	121.2	123.4	121.4	118.4	124.1
9 Other loans and leases	71.1	66.3	64.8	65.6	66.7	68.1	71.8	78.2	76.6	76.6	77.9	79.5
10 Interbank loans	20.2	30.0	28.1	27.0	27.2	22.5	24.7	30.8	27.5	32.8	32.7	28.6
11 Cash assets ⁴	46.9	44.6	40.1	38.7	43.8	50.1	52.2	56.2	53.3	58.1	56.8	54.5
12 Other assets ⁵	27.3	31.6 ^e	34.6 ^e	35.1 ^e	31.1	35.0	41.8	45.2	45.2	44.8	48.5	44.4
13 Total assets⁶	697.6	747.3^e	735.9^e	747.1^e	765.3	761.8	786.4	800.5	804.3	816.4	802.8	792.4
<i>Liabilities</i>												
14 Deposits	505.4	425.5	426.6	442.9	448.4	436.4	438.7	450.6	450.2	454.5	457.0	440.0
15 Transaction	10.4	9.2	9.7	10.3	11.5	11.3	11.0	11.6	11.2	11.2	11.4	11.8
16 Nontransaction	495.0	416.4	416.8	432.6	436.9	425.1	427.7	439.0	439.0	443.3	445.6	428.2
17 Borrowings	193.0	282.7 ^e	273.6 ^e	274.7 ^e	293.4	298.7	307.1	318.9	321.3	324.7	318.4	318.1
18 From banks in the U.S.	20.7	30.0	31.0	31.1	33.7	27.5	31.6	35.2	34.6	31.2	35.3	35.7
19 From others	172.2	252.7 ^e	242.6 ^e	243.6 ^e	259.7	271.2	275.5	283.8	286.7	293.5	283.2	282.4
20 Net due to related foreign offices	-86.7	-60.1	-70.4	-78.4	-83.8	-72.8	-77.8	-81.9	-85.5	-85.7	-79.6	-77.4
21 Other liabilities	84.2	96.9 ^e	95.8 ^e	99.9 ^e	95.4	91.2	105.5	110.0	109.4	114.5	109.3	106.2
22 Total liabilities	695.8	745.1^e	725.6^e	739.0^e	753.4	753.4	773.5	797.5	795.4	808.0	805.2	787.0
23 Residual (assets less liabilities) ⁷	1.8	2.2 ^e	10.3 ^e	8.1 ^e	11.9	8.4	12.9	3.0	8.9	8.3	-2.3	5.4
Not seasonally adjusted												
<i>Assets</i>												
24 Bank credit	600.8	651.5 ^e	641.3 ^e	651.1 ^e	661.8	654.5	663.6	665.4	672.7	675.8	665.6	661.1
25 Securities in bank credit	236.0	267.2 ^e	268.5 ^e	279.1 ^e	284.0	277.5	288.8	287.9	295.8	300.7	287.7	281.4
26 U.S. government securities	76.0	107.5 ^e	109.4 ^e	116.4 ^e	122.6	125.4	130.9	129.1	133.6	135.0	128.9	127.3
27 Trading account	10.4	30.6	32.6	36.4	37.2	39.7	43.0	42.9	46.2	46.5	42.2	42.8
28 Investment account	65.5	76.9 ^e	76.8 ^e	80.0 ^e	85.5	85.7	87.9	86.2	87.5	88.5	86.7	84.4
29 Other securities	160.0	159.7	159.1	162.7	161.3	152.1	158.0	158.8	162.1	165.7	158.9	154.1
30 Trading account	104.5	101.2	101.9	102.0	101.7	97.9	105.1	105.6	108.4	111.1	105.1	102.7
31 Investment account	55.5	58.4	57.2	60.7	59.7	54.2	52.9	53.2	53.7	54.6	53.8	51.5
32 Loans and leases in bank credit ²	364.9	384.3	372.8	372.0	377.9	377.0	374.7	377.5	376.9	375.2	377.9	379.7
33 Commercial and industrial	191.5	179.8	177.3	175.6	173.2	171.1	168.1	161.9	163.1	162.2	161.5	160.6
34 Real estate	18.4	19.5	19.7	19.7	19.8	19.0	19.2	19.2	19.1	19.1	19.0	19.5
35 Security ³	84.2	116.7	110.4	111.0	117.3	118.3	116.2	118.7	118.0	117.3	119.9	121.3
36 Other loans and leases	70.7	68.3	65.5	65.7	67.6	68.6	71.3	77.8	76.9	76.5	77.5	78.3
37 Interbank loans	20.2	30.0	28.1	27.0	27.2	22.5	24.7	30.8	27.5	32.8	32.7	28.6
38 Cash assets ⁴	44.7	47.8	43.1	39.7	42.6	47.9	50.5	53.5	51.9	55.1	54.1	51.6
39 Other assets ⁵	26.2	32.5 ^e	35.7 ^e	35.6 ^e	31.8	34.9	41.9	43.4	44.3	43.7	46.3	42.1
40 Total assets⁶	691.6	761.5^e	747.9^e	753.0^e	763.1	759.3	780.2	792.6	796.0	806.9	798.2	782.9
<i>Liabilities</i>												
41 Deposits	503.3	436.4	442.7	453.0	452.5	442.4	444.1	448.7	453.0	455.9	454.6	437.4
42 Transaction	10.1	10.0	10.0	10.3	11.1	10.7	10.6	11.3	10.8	10.4	11.0	11.4
43 Nontransaction	493.2	426.4	432.7	442.8	441.3	431.7	433.6	437.5	442.2	445.5	443.6	426.1
44 Borrowings	193.0	282.7 ^e	273.6 ^e	274.7 ^e	293.4	298.7	307.1	318.9	321.3	324.7	318.4	318.1
45 From banks in the U.S.	20.7	30.0	31.0	31.1	33.7	27.5	31.6	35.2	34.6	31.2	35.3	35.7
46 From others	172.2	252.7 ^e	242.6 ^e	243.6 ^e	259.7	271.2	275.5	283.8	286.7	293.5	283.2	282.4
47 Net due to related foreign offices	-89.0	-58.4	-67.8	-77.3	-81.5	-73.3	-77.5	-83.7	-86.7	-87.2	-82.1	-78.4
48 Other liabilities	83.0	98.0 ^e	97.4 ^e	100.7 ^e	97.0	90.9	105.8	108.4	108.4	113.0	107.3	105.4
49 Total liabilities	690.3	758.7^e	746.0^e	751.1^e	761.3	758.7	779.6	792.3	796.0	806.4	798.2	782.6
50 Residual (assets less liabilities) ⁷	1.3	2.7 ^e	1.9 ^e	1.9 ^e	1.8	.6	.6	.3	-1	.5	.0	.3

Footnotes appear on p. A21.

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

F. Memo items
Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002	2003						2003			
	June	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	June 4	June 11	June 18	June 25
	Not seasonally adjusted											
MEMO												
<i>Large domestically chartered banks, adjusted for mergers</i>												
1 Revaluation gains on off-balance-sheet items ⁸	92.9	112.5	107.6	116.8	115.1	105.7	128.1	135.1	141.5	142.4	131.8	133.3
2 Revaluation losses on off-balance-sheet items ⁹	75.7	93.8	86.2	94.9	91.3	81.4	105.1	109.9	115.7	117.4	108.3	109.1
3 Mortgage-backed securities ⁹	314.8 ^a	365.2 ^a	370.9 ^a	376.9 ^a	381.4 ^a	400.8 ^a	427.1 ^a	436.7	443.5	434.2	435.8	436.2
4 Pass-through	225.3 ^a	266.0 ^a	271.6 ^a	276.9 ^a	276.2 ^a	288.5 ^a	314.2 ^a	324.7	328.7	320.9	325.4	325.8
5 CMO, REMIC, and other	89.6 ^a	99.2 ^a	99.3 ^a	100.0 ^a	105.1 ^a	112.2 ^a	112.9 ^a	111.9	114.8	113.4	110.5	110.4
6 Net unrealized gains (losses) on available-for-sale securities ¹⁰	6.7	10.7	11.8	11.7	11.7	10.6	12.1	14.1	15.1	15.0	14.0	14.6
7 Off-shore credit to U.S. residents ¹¹	19.6	18.7	18.3	18.2	18.2	17.5	17.3	16.6	16.7	16.6	16.7	17.3
8 Securitized consumer loans ¹²	141.1	150.1	149.7	150.6	152.5	154.2	155.0	156.7	155.7	155.5	155.7	157.1
9 Credit cards and related plans	126.9	133.2	132.2	134.8	136.7	138.7	139.4	140.6	139.4	139.4	139.6	141.0
10 Other	14.2	16.9	17.5	15.8	15.8	15.5	15.5	16.1	16.2	16.1	16.1	16.0
11 Securitized business loans ¹²	16.9	17.2	16.9	17.2	16.8	16.5	17.0	16.5	16.8	16.8	16.7	16.7
<i>Small domestically chartered commercial banks, adjusted for mergers</i>												
12 Mortgage-backed securities ⁹	295.7 ^a	309.2 ^a	308.7 ^a	314.5 ^a	325.7 ^a	335.6 ^a	334.3 ^a	332.3	333.2	333.5	332.3	333.4
13 Securitized consumer loans ¹²	207.3	201.3	205.4	204.2	202.8	205.2	205.0	205.0	206.5	206.7	205.1	204.6
14 Credit cards and related plans	200.3	192.5	197.0	195.8	194.3	196.9	196.8	196.9	198.4	198.6	197.0	196.4
15 Other	7.0	8.7	8.5	8.4	8.5	8.3	8.2	8.1	8.2	8.2	8.1	8.1
<i>Foreign-related institutions</i>												
16 Revaluation gains on off-balance-sheet items ⁸	55.3	64.1	67.0	67.1	65.4 ^a	64.9 ^a	73.5	72.6	75.8	77.3	71.6	70.1
17 Revaluation losses on off-balance-sheet items ⁹	49.3	60.1	63.0	64.9	63.6 ^a	62.4 ^a	72.6	72.6	75.8	77.1	71.7	69.9
18 Securitized business loans ¹²	9.9	6.8	5.6	4.6	4.1	3.3	3.0	2.5	3.1	3.1	3.1	1.7

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.

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1.32 COMMERCIAL PAPER OUTSTANDING

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2002	2003				
	1998	1999	2000	2001	2002	Dec.	Jan.	Feb.	Mar.	Apr.	May
1 All issuers	1,163,303	1,403,023	1,619,274	1,458,870	1,347,997	1,347,997	1,373,133	1,346,782	1,341,270	1,342,147	1,365,704
Financial companies ¹											
2 Dealer-placed paper, total ²	614,142	786,643	963,070	967,748	976,163	976,163	983,059	952,868	946,773	961,002	1,003,088
3 Directly placed paper, total ³	322,030	337,240	312,771	266,276	217,787	217,787	236,820	239,037	244,504	232,879	222,597
4 Nonfinancial companies ⁴	227,132	279,140	343,433	224,847	154,047	154,047	153,254	154,876	149,993	148,266	140,020

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						

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				
				Mar.	Apr.	May	June	May 30	June 6	June 13	June 20	June 27
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	6.24	3.88	1.67	1.25	1.26	1.26	1.22	1.24	1.26	1.24	1.25	1.21
2 Discount window primary credit ^{2,4}	n.a.	n.a.	n.a.	2.25	2.25	2.25	2.20	2.25	2.25	2.25	2.25	2.21
<i>Commercial paper</i> ^{5,6}												
Nonfinancial												
3 1-month	6.27	3.78	1.67	1.21	1.22	1.21	1.06	1.23	1.21	1.10	0.99	0.97
4 2-month	6.29	3.68	1.67	1.20	1.21	1.20	1.03	1.20	1.18	1.07	0.94	0.95
5 3-month	6.31	3.65	1.69	1.19	1.20	1.19	1.01	1.21	1.16	1.03	0.94	0.92
Financial												
6 1-month	6.28	3.80	1.68	1.23	1.24	1.24	1.08	1.24	1.22	1.13	1.01	0.98
7 2-month	6.30	3.71	1.69	1.22	1.23	1.22	1.04	1.22	1.17	1.07	0.96	0.95
8 3-month	6.33	3.65	1.70	1.21	1.23	1.20	1.02	1.20	1.16	1.04	0.95	0.94
<i>Certificates of deposit, secondary market</i> ⁷												
9 1-month	6.35	3.84	1.72	1.25	1.26	1.26	1.10	1.26	1.25	1.14	1.02	1.00
10 3-month	6.46	3.71	1.73	1.23	1.24	1.22	1.04	1.22	1.18	1.05	0.96	0.98
11 6-month	6.59	3.66	1.81	1.20	1.23	1.19	1.02	1.17	1.13	1.02	0.94	0.97
12 Eurodollar deposits, 3-month ^{3,8}	6.45	3.70	1.73	1.21	1.23	1.21	1.03	1.20	1.16	1.04	0.94	0.96
<i>U.S. Treasury bills</i>												
Secondary market ^{1,5}												
13 4-week	n.a.	2.43	1.60	1.16	1.14	1.06	0.96	1.17	1.13	1.04	0.87	0.83
14 3-month	5.82	3.40	1.61	1.13	1.13	1.07	0.92	1.09	1.05	0.92	0.84	0.86
15 6-month	5.90	3.34	1.68	1.13	1.14	1.08	0.92	1.07	1.03	0.91	0.85	0.89
U.S. TREASURY NOTES AND BONDS												
<i>Constant maturities</i> ⁹												
16 1-year	6.11	3.49	2.00	1.24	1.27	1.18	1.01	1.13	1.08	0.97	0.95	1.02
17 2-year	6.26	3.83	2.64	1.57	1.62	1.42	1.23	1.33	1.25	1.14	1.22	1.28
18 3-year	6.22	4.09	3.10	1.98	2.06	1.75	1.51	1.60	1.53	1.39	1.52	1.59
19 5-year	6.16	4.56	3.82	2.78	2.93	2.52	2.27	2.32	2.27	2.13	2.27	2.36
20 7-year	6.20	4.88	4.30	3.34	3.47	3.07	2.84	2.90	2.85	2.70	2.84	2.93
21 10-year	6.03	5.02	4.61	3.81	3.96	3.57	3.33	3.39	3.36	3.20	3.31	3.42
22 20-year	6.23	5.63	5.43	4.82	4.91	4.52	4.34	4.38	4.37	4.21	4.31	4.43
23 Treasury long-term average ^{10,11} 25 years and above	n.a.	n.a.	5.41	4.90	4.99	4.61	4.45	4.46	4.46	4.32	4.42	4.54
STATE AND LOCAL NOTES AND BONDS												
<i>Moody's series</i> ¹²												
24 Aaa	5.58	5.01	4.87	4.51	4.60	4.16	4.07	3.98	4.08	4.01	3.94	4.25
25 Baa	6.19	5.75	5.64	5.32	5.34	4.91	4.68	4.63	4.72	4.60	4.53	4.85
26 Bond Buyer series ¹³	5.71	5.15	5.04	4.76	4.74	4.41	4.33	4.31	4.27	4.21	4.35	4.47
CORPORATE BONDS												
27 Seasoned issues, all industries ¹⁴	7.98	7.49	7.10	6.42	6.32	5.88	5.70	5.75	5.74	5.59	5.67	5.76
<i>Rating group</i>												
28 Aaa ¹⁵	7.62	7.08	6.49	5.89	5.74	5.22	4.97	5.05	5.00	4.84	4.93	5.06
29 Aa	7.83	7.26	6.93	6.28	6.22	5.85	5.72	5.74	5.74	5.63	5.70	5.76
30 A	8.11	7.67	7.18	6.54	6.45	6.08	5.92	5.97	5.99	5.81	5.88	5.96
31 Baa	8.37	7.95	7.80	6.95	6.85	6.38	6.19	6.24	6.22	6.08	6.17	6.26
MEMO												
32 Dividend-price ratio ¹⁶ Common stocks	1.15	1.32	1.61	1.92	1.81	1.72	1.64	1.70	1.63	1.64	1.63	1.66

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					
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
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	4,862.70	5,104.89	5,075.76	5,055.78	4,738.56	4,724.22	4,977.45	5,269.96	5,583.60
2 Industrial	809.40	749.46	656.44	574.45	597.75	593.15	587.78	553.90	558.10	583.74	613.26	649.25
3 Transportation	414.73	444.45	430.63	383.41	405.03	401.39	394.60	367.55	366.90	395.85	425.12	441.81
4 Utility	478.99	377.72	260.50	207.83	229.41	236.71	236.42	214.64	211.45	221.06	238.33	254.16
5 Finance	552.48	596.61	554.88	494.06	523.50	519.72	522.51	485.72	486.71	522.05	549.91	579.48
6 Standard & Poor's Corporation (1941-43 = 10) ¹	1,427.22	1,194.18	993.94	854.63	909.93	899.18	895.84	837.62	846.62	890.03	935.96	988.00
7 American Stock Exchange (Aug. 31, 1973 = 50) ²	922.22	879.08	860.11	807.38	820.62	823.77	824.64	818.84	822.34	837.92	894.74	962.46
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	1,026,867	1,216,529	1,411,689	1,619,896	1,427,254	1,210,332	1,441,846	1,302,011	1,403,742	1,381,580	1,455,858	1,472,560
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	130,570	133,060	134,380	134,910	134,030	135,910	140,450	146,380	148,550
<i>Free credit balances at brokers⁴</i>												
11 Margin accounts ⁵	100,680	101,640	95,690	96,620	91,240	95,690	96,430	95,400	90,830	88,770	88,540	87,920
12 Cash accounts	84,400	78,040	73,340	66,780	67,380	73,340	66,200	67,260	68,860	70,080	71,270	74,350
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	6,697.1¹
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 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 ¹
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 ¹
5 Agency securities	27.1	27.0	26.8	26.4	26.8	27.2	27.3	26.9	27.0 ¹
6 Held by public	27.1	27.0	26.8	26.4	26.8	27.2	27.3	26.9	27.0 ¹
7 Held by agencies	.0	.0	.0	.0	.0	.0	.0	.0	.0 ¹
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	6,625.5¹
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 ¹
10 Other debt ¹	.2	.2	.3	.2	.2	.3	.3	.2	.2 ¹
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	7.4 ¹

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	6,671.5
3 Marketable	3,281.0	2,966.9	2,982.9	3,205.1	3,136.6	3,205.1	3,331.8	3,394.0
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	66.5
<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	n.a.
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	3,055.6	n.a.
19 Depository institutions	248.7	201.5	181.5	222.6 ⁶	210.4	222.6 ⁶	152.8	n.a.
20 Mutual funds	228.6	220.8	257.5	279.0 ⁶	255.6 ⁶	279.0 ⁶	299.9	n.a.
21 Insurance companies	123.4	110.2	105.7	133.9 ⁶	126.8 ⁶	133.9 ⁶	140.3	n.a.
22 State and local treasuries ⁷	266.8	236.2	256.5	274.2	269.4	274.2	273.4	n.a.
Individuals								
23 Savings bonds	186.4	184.8	190.3	194.9	193.3	194.9	196.9	n.a.
24 Pension funds	321.0	304.1	281.6	289.9 ⁶	284.9	289.9 ⁶	294.6	n.a.
25 Private	109.8	108.4	104.2	113.6 ⁶	110.9	113.6 ⁶	116.3	n.a.
26 State and Local	211.2	195.7	177.4	176.3 ⁶	174.1	176.3 ⁶	178.3	n.a.
27 Foreign and international ⁸	1,268.7	1,034.2	1,053.1	1,212.7 ⁶	1,167.1 ⁶	1,212.7 ⁶	1,250.5	n.a.
28 Other miscellaneous investors ^{7,9}	590.3	588.7	493.3	433.8	429.9 ⁶	433.8	n.a.	n.a.

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

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

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

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

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

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

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

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

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

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

A26 Domestic Financial Statistics □ September 2003

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

Item	2003			2003, week ending								
	Mar.	Apr.	May	Apr. 30	May 7	May 14	May 21	May 28	June 4	June 11	June 18	June 25
<i>By type of security</i>												
1 U.S. Treasury bills	48,449	45,958	48,474	41,294	48,151	52,457	47,436	43,048	52,776	48,763	46,850	49,540
<i>Treasury coupon securities by maturity</i>												
2 Three years or less	126,659	118,650	167,853	143,154	152,603	165,286	156,854	197,753	180,090	139,465	138,686	155,625
3 More than three but less than or equal to six years	117,650	98,983	139,291	108,709	142,386	161,206	127,244	129,030	127,409	137,071	128,937	117,719
4 More than six but less than or equal to eleven years	93,192	72,089	117,206	77,064	91,107	140,383	127,759	115,527	101,488	107,075	113,351	98,517
5 More than eleven years	21,768	19,829	36,907	23,356	25,240	36,135	48,728	41,092	30,080	34,987	28,876	30,363
6 Inflation-indexed ²	2,987	3,092	4,303	4,610	3,658	4,603	4,171	5,284	3,530	3,260	2,590	2,818
<i>Federal agency and government-sponsored enterprises</i>												
7 Discount notes	52,936	52,188	60,395	54,874	60,610	57,864	64,649	56,480	63,377	60,806	63,515	60,888
<i>Coupon securities by maturity</i>												
8 Three years or less	14,229	11,020	11,262	10,293	10,964	12,070	10,625	11,418	11,265	10,915	16,133	13,244
9 More than three years but less than or equal to six years	11,502	9,753	10,180	13,738	8,939	10,909	13,081	8,265	8,033	9,985	12,146	9,087
10 More than six but less than or equal to eleven years	7,006	5,166	7,723	5,089	6,354	11,403	7,517	5,180	7,548	10,413	12,598	7,613
11 More than eleven years	1,584	647	1,078	606	1,083	1,088	806	1,292	1,291	1,614	1,858	1,210
12 Mortgage-backed	241,417	216,931	255,830	208,109	213,423	340,957	274,423	189,863	234,479	286,827	242,180	159,775
<i>Corporate securities</i>												
13 One year or less	124,603	125,402	121,358	119,717	125,049	122,813	121,051	112,448	127,082	120,172	137,740	157,533
14 More than one year	23,239	20,592	23,053	23,442	24,252	23,979	23,839	19,941	22,000	20,712	21,941	23,008
<i>By type of counterparty</i>												
<i>With interdealer broker</i>												
15 U.S. Treasury	191,462	164,812	236,729	180,206	217,238	256,307	239,215	236,013	231,733	221,425	211,806	211,037
<i>Federal agency and government-sponsored enterprises</i>												
17 Mortgage-backed	10,578	8,077	10,429	9,417	9,205	12,318	11,705	9,092	8,252	11,461	14,664	10,267
18 Corporate	68,952	56,005	71,749	51,151	60,669	84,136	83,652	60,189	61,846	74,856	68,994	43,360
	488	554	532	513	565	561	520	459	553	674	609	469
<i>With other</i>												
19 U.S. Treasury	219,244	193,790	277,305	217,980	245,907	303,762	272,977	295,721	263,641	249,198	247,483	243,545
<i>Federal agency and government-sponsored enterprises</i>												
21 Mortgage-backed	76,678	70,697	80,208	75,183	78,745	81,016	84,971	73,544	83,264	82,273	91,585	81,776
22 Corporate	172,465	160,926	184,080	156,958	152,754	256,821	190,770	129,674	172,633	211,971	173,187	116,416
	147,355	145,441	143,879	142,646	148,735	146,232	144,369	131,930	148,529	140,210	159,073	180,073

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

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

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

2. Outright Treasury inflation-indexed securities (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							
	Mar.	Apr.	May	Apr. 30	May 7	May 14	May 21	May 28	June 4	June 11	June 18
Net outright positions ²											
1 U.S. Treasury bills	36,519	21,878	10,092	8,728	11,484	-2,080	9,121	12,506	31,880	17,006	4,854
Treasury coupon securities by maturity											
2 Three years or less	-11,710	-15,269	-12,954	-11,657	-7,464	-9,227	-13,977	-21,938	-11,112	-14,046	-17,261
3 More than three years but less than or equal to six years	-39,305	-46,833	-42,497	-53,532	-45,717	-46,088	-38,952	-40,001	-40,696	-41,486	-43,518
4 More than six but less than or equal to eleven years	-12,408	-12,234	-8,149	-16,629	-15,158	-9,276	-7,723	-2,249	-3,930	-8,532	-10,346
5 More than eleven	5,513	5,442	3,180	4,960	3,931	2,540	3,386	4,188	84	-671	1,720
6 Inflation-indexed	2,502	1,544	-127	1,131	801	-876	-265	-297	175	810	1,181
Federal agency and government-sponsored enterprises											
7 Discount notes	54,393	55,454	62,728	52,029	61,273	62,664	65,205	60,923	64,700	56,803	60,626
Coupon securities, by maturity											
8 Three years or less	19,765	19,419	20,165	19,707	20,045	21,951	20,462	18,842	18,674	18,237	15,967
9 More than three years but less than or equal to six years	4,786	3,770	4,807	4,786	4,363	5,553	5,007	4,611	4,091	4,109	1,179
10 More than six but less than or equal to eleven years	2,292	3,328	3,875	4,527	2,698	6,165	4,296	3,152	1,980	4,874	4,049
11 More than eleven	2,357	2,351	2,366	2,335	2,115	2,238	2,437	2,696	2,314	2,496	2,925
12 Mortgage-backed	44,922	46,326	42,381	59,860	36,798	31,002	44,600	52,943	52,140	47,767	61,720
Corporate securities											
13 One year or less	26,170	29,461	25,518	28,663	26,298	26,662	26,542	22,758	25,084	35,805	36,639
14 More than one year	48,917	48,800	58,309	56,222	59,734	59,672	58,358	55,494	58,257	58,531	60,765
Financing ³											
Securities in, U.S. Treasury											
15 Overnight and continuing	655,300	656,984	694,287	650,467	658,335	674,963	733,053	701,743	715,409	736,562	730,168
16 Term	784,955	791,597	881,597	833,145	853,703	904,041	852,721	901,519	915,202	980,859	985,588
Federal agency and government-sponsored enterprises											
17 Overnight and continuing	153,551	152,545	152,445	146,328	147,218	156,168	159,250	145,252	156,862	150,840	154,483
18 Term	239,424	229,326	243,263	230,043	245,895	240,647	240,514	244,064	247,768	261,047	261,788
Mortgage-backed securities											
19 Overnight and continuing	39,251	40,105	42,935	35,912	50,046	41,449	43,397	41,702	31,609	42,939	35,100
20 Term	249,003	244,815	247,674	245,823	243,138	244,968	253,912	249,224	246,398	247,475	258,791
Corporate securities											
21 Overnight and continuing	65,856	66,811	68,094	66,112	65,481	66,830	69,146	70,242	69,675	70,022	71,200
22 Term	25,792	25,873	27,031	27,094	27,003	26,943	26,978	26,658	28,293	28,419	28,693
MEMO											
Reverse repurchase agreements											
23 Overnight and continuing	469,568	461,743	482,620	473,825	443,299	461,384	519,203	496,508	506,154	522,296	505,687
24 Term	1,127,240	1,117,241	1,220,752	1,136,101	1,202,046	1,240,502	1,189,810	1,236,660	1,253,396	1,333,776	1,351,985
Securities out, U.S. Treasury											
25 Overnight and continuing	638,051	621,314	674,535	628,097	632,456	647,324	712,522	695,228	699,293	715,513	713,018
26 Term	717,308	729,460	801,453	750,585	791,361	830,945	759,014	816,383	820,373	896,211	877,742
Federal agency and government-sponsored enterprises											
27 Overnight and continuing	286,453	282,367	297,432	277,302	278,820	308,347	306,901	291,533	307,065	298,459	297,807
28 Term	176,180	175,326	186,301	170,678	185,100	186,157	184,162	186,747	193,388	196,465	199,129
Mortgage-backed securities											
29 Overnight and continuing	328,058	334,764	357,464	321,032	319,815	375,991	370,458	373,830	333,580	342,752	373,056
30 Term	153,495	152,637	147,596	144,276	147,211	157,160	149,444	139,919	139,780	137,057	156,962
Corporate securities											
31 Overnight and continuing	141,619	143,957	146,125	147,458	145,762	146,716	148,460	145,808	140,883	155,048	161,359
32 Term	22,184	22,754	25,505	23,533	24,436	24,722	25,647	25,967	28,420	27,824	27,057
MEMO											
Repurchase agreements											
33 Overnight and continuing	1,195,376	1,187,404	1,262,067	1,171,794	1,176,253	1,269,699	1,325,129	1,275,135	1,266,858	1,297,897	1,334,381
34 Term	1,022,027	1,027,811	1,106,335	1,038,380	1,095,866	1,143,555	1,061,290	1,115,507	1,127,615	1,202,635	1,208,707

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

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

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

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

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1999	2000	2001	2002	2002	2003			
					Dec.	Jan.	Feb.	Mar.	Apr.
1 Federal and federally sponsored agencies	1,616,492	1,851,632	2,121,057	2,351,039	2,351,039	n.a.	n.a.	n.a.	n.a.
2 Federal agencies	26,376	25,666	276	2	2	26,929	26,408	26,886	26,450
3 Defense Department ¹	6	6	6	6	6	6	6	6	6
4 Export-Import Bank ^{2,3}	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration ⁴	126	255	26,828	26,828	26,828	354	152	166	195
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	270	26,923	26,402	26,880	26,444
9 United States Railway Association ⁹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 Federally sponsored agencies ⁷	1,590,116	1,825,966	2,120,781	2,351,037	2,351,037	n.a.	n.a.	n.a.	n.a.
11 Federal Home Loan Banks	529,005	594,404	623,740	674,841	674,841	672,304	684,495	687,573	706,215
12 Federal Home Loan Mortgage Corporation	360,711	426,899	565,071	648,894	648,894	n.a.	n.a.	n.a.	n.a.
13 Federal National Mortgage Association	547,619	642,700	763,500	851,000	851,000	860,300	871,000	873,900	871,500
14 Farm Credit Banks ⁸	68,883	74,181	76,673	85,088	85,088	85,206	86,045	86,802	87,591
15 Student Loan Marketing Association ⁹	41,988	45,375	48,350	47,900	47,900	50,700	50,900	49,100	51,200
16 Financing Corporation ¹⁰	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 Federal Financing Bank debt¹³	42,152	40,575	39,096	37,017	37,017	35,992	35,794	35,780	35,808
<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 ⁹	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	14,489	14,714	14,750	14,750	14,760
27 Other	21,402	22,174	25,220	22,528	22,528	21,278	21,044	21,030	21,048

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

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

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

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

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

6. Off-budget.

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

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

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

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

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

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

13. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Because FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table to avoid double counting.

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

1.45 NEW SECURITY ISSUES State and Local Governments

Millions of dollars

Type of issue or issuer, or use	2000	2001	2002	2002		2003					
				Nov.	Dec.	Jan.	Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June
1 All issues, new and refunding¹	180,403	292,027²	364,002²	37,146²	27,418²	27,132²	30,080	27,899	34,761	33,680	47,173
<i>By type of issue</i>											
2 General obligation	64,475	118,554	145,323	11,023	8,431	8,112	12,739	10,103	14,782	11,991	23,765
3 Revenue	115,928	170,047	214,788	24,942	18,961	17,049	17,341	17,796	19,979	21,690	23,408
<i>By type of issuer</i>											
4 State	19,944	30,099	33,931	2,109	1,670	1,927	3,654	1,277	5,521	2,818	14,411
5 Special district or statutory authority ²	121,185	197,462	259,070	28,296	20,151	17,979	20,769	19,596	23,829	21,620	25,306
6 Municipality, county, or township	39,273	61,040	67,121	5,570	5,570	5,290	5,657	7,026	5,410	9,242	7,456
7 Issues for new capital	154,257	200,363	243,285²	26,505	19,754	18,805²	20,274	15,939	24,593	19,903	35,914
<i>By use of proceeds</i>											
8 Education	38,665	50,054	57,894	3,743	5,292	4,823	7,065	5,254	7,570	6,023	5,995
9 Transportation	19,730	21,411	22,093	1,250	1,060	1,417	1,625	1,233	3,479	1,891	2,097
10 Utilities and conservation	11,917	21,917	33,404	8,379	2,031	2,196	176	593	771	1,008	2,003
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	821	796	422	1,084	1,705	1,816	3,103	1,842
13 Other purposes	47,309	55,733	73,033	7,189	4,992	7,400	7,178	3,722	8,387	5,537	19,904

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				
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1 All issues¹	1,079,727²	1,541,821²	1,429,298²	93,439²	119,659²	127,061²	127,304²	134,957²	155,821²	125,223²	170,003
2 Bonds²	944,810²	1,413,267²	1,318,863²	85,606²	109,726²	120,183²	120,177²	127,818²	149,928²	116,861²	161,265
<i>By type of offering</i>											
3 Sold in the United States	822,012 ²	1,356,879 ²	1,232,618 ²	81,409 ²	104,112 ²	114,332 ²	113,951 ²	118,567 ²	144,315 ²	114,277 ²	149,437
4 Sold abroad	122,798	56,389	86,246	4,197	5,614	5,851	6,226	9,250	5,613	2,585	11,828
MEMO											
5 Private placements, domestic	18,370	16,385	16,224	0	3,525	5,060	4,700	0	0	0	3,258
<i>By industry group</i>											
6 Nonfinancial	258,804 ²	459,560 ²	282,484 ²	14,906 ²	22,029 ²	20,751 ²	28,461 ²	26,991 ²	27,514 ²	22,153 ²	48,353
7 Financial	686,006 ²	953,707 ²	1,036,379 ²	70,700 ²	87,697 ²	99,433 ²	91,716 ²	100,826 ²	122,414 ²	94,708 ²	112,912
8 Stocks³	311,941	230,632	170,673	7,833	9,933	6,878	7,127	7,139	5,893	8,362	8,738
<i>By type of offering</i>											
9 Public	134,917	128,554	110,435	7,833	9,933	6,878	7,127	7,139	5,893	8,362	8,738
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	3,731	4,533	4,154	3,793	2,679	1,053	1,592	3,075
12 Financial	16,548	50,977	48,320	4,102	5,400	2,724	3,334	4,460	4,840	6,770	5,663

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 □ September 2003

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	2001	2002	2002		2003					
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ⁴	June
1 Sales of own shares²	1,806,474	1,825,890	137,914	134,383	152,647	122,321	140,643	141,465	142,688	161,930
2 Redemptions of own shares	1,677,266	1,702,657	122,125	135,213	138,951	113,643	129,337	112,109	118,794	133,992
3 Net sales ³	129,208	123,233	15,789	-830	13,696	8,678	11,306	29,356	23,894	27,938
4 Assets⁴	4,689,624	4,119,322	4,249,351	4,119,322	4,060,568	4,031,818	4,059,934	4,327,560	4,563,023	4,653,262
5 Cash ⁵	219,620	208,479	219,213	208,479	212,792	199,546	214,146	230,032	232,836	237,301
6 Other	4,470,004	3,910,843	4,030,138	3,910,843	3,847,776	3,832,272	3,845,788	4,097,528	4,330,187	4,415,961

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	934.8	n.a.
2 Consumer	328.0	340.1	315.6	340.1	329.8	332.0	334.5	315.6	307.0	n.a.
3 Business	458.4	447.0	455.3	447.0	443.0	449.4	445.5	455.3	453.9	n.a.
4 Real estate	172.3	161.3	174.5	161.3	157.2	160.5	165.5	174.5	174.0	n.a.
5 LESS: Reserves for unearned income	69.7	60.6	57.0	60.6	59.5	58.5	58.0	57.0	54.2	n.a.
6 Reserves for losses	16.7	21.0	23.8	21.0	21.5	21.6	22.0	23.8	24.0	n.a.
7 Accounts receivable, net	872.3	866.7	864.5	866.7	849.0	861.9	865.6	864.5	856.7	n.a.
8 All other	461.5	523.4	584.7	523.4	515.2	530.6	558.0	584.7	610.9	n.a.
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	1,467.6	n.a.
LIABILITIES AND CAPITAL										
10 Bank loans	35.9	50.8	48.0	50.8	49.4	56.9	74.9	48.0	47.3	n.a.
11 Commercial paper	238.8	158.6	141.5	158.6	137.0	130.8	143.1	141.5	127.3	n.a.
<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	n.a.
13 Not elsewhere classified	502.2	567.4	624.9	567.4	574.4	597.2	584.9	624.9	639.1	n.a.
14 All other liabilities	301.8	325.5	339.0	325.5	329.1	331.5	343.4	339.0	344.4	n.a.
15 Capital, surplus, and undivided profits	152.5	188.6	207.6	188.6	191.7	192.9	194.5	207.6	221.8	n.a.
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	1,467.6	n.a.

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

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

1.52 DOMESTIC FINANCE COMPANIES Owned and Managed Receivables¹

Billions of dollars, amounts outstanding

Type of credit	2000	2001	2002	2002	2003				
				Dec.	Jan.	Feb.	Mar.	Apr.	May
Seasonally adjusted									
1 Total	1,185.6	1,246.6	1,270.5^r	1,270.5^r	1,274.4^r	1,268.0^r	1,275.0^r	1,281.2^r	1,286.0
2 Consumer	464.4	513.3	513.1	513.1	517.3 ^r	510.6	513.6	516.7 ^r	514.6
3 Real estate	198.9	207.7	216.5	216.5	215.4	215.6	215.4	220.2	224.2
4 Business	522.3	525.6	540.9 ^r	540.9 ^r	541.8 ^r	541.8 ^r	546.0 ^r	545.2 ^r	548.0
Not seasonally adjusted									
5 Total	1,192.2	1,253.7	1,277.8^r	1,277.8^r	1,277.0^r	1,268.3^r	1,278.3^r	1,284.4^r	1,286.3
6 Consumer	468.3	518.1	518.4	518.4	518.5	510.8	510.2	512.2 ^r	509.3
7 Motor vehicle loans	141.6	173.9	160.2	160.2	160.2	162.3	156.0	160.6 ^r	174.3
8 Motor vehicle leases	108.2	103.5	83.3	83.3	81.9	80.3	81.8	81.2	79.0
9 Revolving ²	37.6	31.5	38.9	38.9	38.7	37.3	36.4	38.3 ^r	35.9
10 Other ³	40.7	31.1	33.1	33.1	33.1	32.6	32.9	33.1 ^r	32.0
Securitized assets ⁴									
11 Motor vehicle loans	97.1	131.9	151.9 ^r	151.9 ^r	154.3 ^r	148.7 ^r	152.3 ^r	149.7 ^r	138.8
12 Motor vehicle leases	6.6	6.8	5.7 ^r	5.7 ^r	5.7 ^r	5.6 ^r	6.2 ^r	6.1 ^r	6.0
13 Revolving	19.6	25.0	31.1 ^r	31.1 ^r	30.4 ^r	30.1 ^r	30.7 ^r	30.6 ^r	30.7
14 Other	17.1	14.3	14.0 ^r	14.0 ^r	14.2 ^r	13.8 ^r	13.9 ^r	13.6 ^r	13.4
Real estate	198.9	207.7	216.5	216.5	215.4	215.6	215.4	220.2	224.2
16 One- to four-family	130.6	120.1	135.0	135.0	134.1	134.3	133.9	138.8	143.0
17 Other	41.7	41.2	39.5	39.5	39.6	39.9	40.1	40.3	40.4
Securitized real estate assets ⁴									
18 One- to four-family	24.7	40.7	39.7	39.7	39.4	39.1	39.2	38.9	38.6
19 Other	1.9	5.7	2.2	2.2	2.2	2.2	2.2	2.2	2.2
20 Business	525.0	527.9	543.0 ^r	543.0 ^r	543.1 ^r	541.9 ^r	552.8 ^r	552.0 ^r	552.8
21 Motor vehicles	75.5	54.0	60.7	60.7	58.6	60.3	65.3	64.1	65.8
22 Retail loans	18.3	16.1	15.4	15.4	15.1	14.8	16.3	16.8	17.1
23 Wholesale loans ⁵	39.7	20.3	29.3	29.3	27.5	30.5	34.0	34.5	36.1
24 Leases	17.6	17.6	16.0	16.0	15.9	15.0	15.0	12.8	12.6
25 Equipment	283.5	289.4	292.1	292.1	292.0	288.9	287.5	286.9	286.5
26 Loans	70.2	77.8	83.3	83.3	80.1	80.3	78.0	79.4	78.3
27 Leases	213.3	211.6	208.8	208.8	211.8	208.6	209.5	207.5	208.1
28 Other business receivables ⁶	99.4	103.5	102.5	102.5	104.7	104.4	101.1	102.6	102.5
Securitized assets ⁴									
29 Motor vehicles	37.8	50.1	50.2	50.2	50.3	50.9	53.1	53.1	52.2
30 Retail loans	3.2	5.1	2.4	2.4	2.4	2.3	2.2	2.2	2.2
31 Wholesale loans	32.5	42.5	45.9	45.9	46.1	46.8	48.6	48.6	47.8
32 Leases	2.2	2.5	1.9	1.9	1.8	1.8	2.2	2.2	2.2
33 Equipment	23.1	23.2	20.2	20.2	20.1	19.4	21.9	21.4	21.6
34 Loans	15.5	16.4	13.0	13.0	12.9	12.3	12.2	11.8	12.0
35 Leases	7.6	6.8	7.2	7.2	7.2	7.1	9.7	9.6	9.6
36 Other business receivables ⁶	5.6	7.7	17.4 ^r	17.4 ^r	17.3 ^r	18.0 ^r	23.9 ^r	23.9 ^r	24.2

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	2002	2003					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
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	266.9	278.9	235.1	252.9	266.0	275.3	283.3
2 Amount of loan (thousands of dollars)	177.0	184.2	197.0	205.1	214.0	179.3	184.2	205.0	210.7	213.7
3 Loan-to-price ratio (percent)	77.4	77.3	77.8	79.0	79.3	78.0	76.2	78.8	78.7	78.0
4 Maturity (years)	29.2	28.8	28.9	28.7	28.9	28.3	28.2	29.0	28.8	28.8
5 Fees and charges (percent of loan amount) ² . . . . .	.70	.67	.62	.64	.79	.37	.40	.62	.61	.64
<i>Yield (percent per year)</i>										
6 Contract rate ³	7.41	6.90	6.35	5.95	6.00	5.76	5.69	5.83	5.66	5.42
7 Effective rate ³	7.52	7.00	6.44	6.04	6.12	5.82	5.75	5.92	5.75	5.51
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	5.17	5.18	5.03	4.94	4.97	4.55	4.27
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total	610,122	707,015	790,800	790,800	810,609	816,747	815,964	817,894	815,560	812,467
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	67,891	57,281	40,420	34,304	43,028	43,749	41,182
<i>Mortgage commitments (during period)</i>										
15 Issued ⁷	163,689	304,084	400,327	30,769	27,814	52,479	42,005	n.a.	n.a.	n.a.
16 To sell ⁸	11,786	7,586	12,268	1,555	2,717	1,241	2,457	n.a.	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	568,173	568,494	561,534	569,522	568,975	572,801	586,361
18 FHA/VA insured	3,332	3,506	4,573	4,573	4,256	3,796	3,540	n.a.	n.a.	n.a.
19 Conventional	382,361	488,213	563,600	563,600	564,238	557,738	565,982	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	73,184	48,169	41,831	59,065	51,737	66,175	58,124
22 Mortgage commitments contracted (during period) ⁹	169,231	417,434	620,981	91,223	55,057	48,446	69,200	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 ⁶
1 All holders	6,318,668	6,890,112	7,600,717	7,764,707	7,983,403	8,216,087	8,485,921	8,702,551
<i>By type of property</i>								
2 One- to four-family residences	4,787,225	5,205,428	5,738,111	5,875,739	6,049,597	6,247,731	6,459,996	6,643,673
3 Multifamily residences	369,982	405,410	453,569	461,227	472,710	480,353	498,407	507,389
4 Nonfarm, nonresidential	1,058,498	1,170,417	1,292,701	1,309,610	1,340,644	1,364,389	1,401,701	1,424,827
5 Farm	102,964	108,858	116,336	118,131	120,452	123,614	125,818	126,652
<i>By type of holder</i>								
6 Major financial institutions	2,394,271	2,618,969	2,791,076	2,788,410	2,861,012	2,981,490	3,090,033	3,167,197
7 Commercial banks ²	1,495,420	1,660,054	1,789,819	1,799,118	1,873,362	1,962,198	2,059,267	2,100,238
8 One- to four-family	879,576	965,635	1,023,851	1,017,001	1,070,513	1,143,985	1,222,443	1,245,250
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	704,621	719,455
11 Farm	31,846	34,039	35,498	35,990	36,985	37,802	38,025	38,704
12 Savings institutions ³	668,064	722,974	758,236	745,998	742,732	773,652	781,378	815,873
13 One- to four-family	548,222	594,221	620,579	605,171	599,402	625,402	631,392	662,858
14 Multifamily	59,309	61,258	64,592	65,199	66,009	68,668	68,679	69,757
15 Nonfarm, nonresidential	60,063	66,965	72,534	75,077	76,768	79,022	80,730	82,669
16 Farm	470	529	531	551	552	560	577	589
17 Life insurance companies	230,787	235,941	243,021	243,293	244,918	245,639	249,387	251,086
18 One- to four-family	5,934	4,903	4,931	4,938	5,162	5,176	5,255	5,035
19 Multifamily	32,818	33,681	35,631	35,671	35,818	35,921	36,470	36,869
20 Nonfarm, nonresidential	179,048	183,757	188,376	188,599	189,850	190,398	193,301	195,402
21 Farm	12,987	13,600	14,083	14,085	14,088	14,144	14,361	13,780
22 Federal and related agencies	320,054	344,225	376,999	385,027	396,091	412,014	437,641	461,119
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	1,254	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	190,648	201,125
45 One- to four-family	141,195	144,150	155,060	160,300	164,038	167,006	171,637	180,500
46 Multifamily	8,227	11,476	14,848	15,751	16,463	17,185	19,011	20,625
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	64,408
51 One- to four-family	44,321	42,871	40,309	35,955	34,062	34,616	35,851	35,900
52 Multifamily	12,355	16,369	22,483	23,669	24,810	26,318	28,036	28,508
53 Mortgage pools or trusts ⁵	2,949,768	3,231,228	3,715,980	3,869,277	3,987,579	4,067,069	4,182,140	4,290,351
54 Government National Mortgage Association	582,263	611,553	591,368	587,204	583,745	567,386	537,880	515,910
55 One- to four-family	565,189	592,624	569,460	564,108	559,549	542,208	512,090	489,151
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	657,541	739,615	885,852	914,191	945,979	982,562	1,023,911	1,063,951
69 One- to four-family ⁶	455,021	499,834	591,200	616,300	638,300	669,300	691,900	726,800
70 Multifamily	43,192	49,215	57,402	57,758	59,577	60,227	63,919	64,384
71 Nonfarm, nonresidential	159,328	190,566	237,250	240,134	248,102	253,036	268,092	272,767
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others ⁷	654,576	695,691	716,661	721,993	738,721	755,514	776,107	783,885
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	111,005	112,826	114,366
77 Farm	21,217	22,352	23,792	24,138	24,585	25,194	25,619	25,779

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

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

3. Includes savings banks and savings and loan associations.

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

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

6. Includes securitized home equity loans.

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

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

A34 Domestic Financial Statistics □ September 2003

1.55 CONSUMER CREDIT¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	2000	2001	2002	2002		2003				
				Dec.	Jan.	Feb.	Mar.	Apr. ¹	May	
Seasonally adjusted										
1 Total	1,559,532	1,666,816	1,726,120²	1,726,120²	1,741,124²	1,743,548²	1,744,549²	1,753,339	1,761,484	
2 Revolving	667,395	701,285	712,002 ²	712,002 ²	714,885 ²	718,214 ²	720,684 ²	722,754	726,807	
3 Nonrevolving	892,137	965,531	1,014,118 ²	1,014,118 ²	1,026,238 ²	1,025,334 ²	1,023,865 ²	1,030,585	1,034,677	
Not seasonally adjusted										
4 Total	1,593,116	1,701,856	1,761,968²	1,761,968²	1,756,104²	1,742,542²	1,734,292²	1,741,889	1,749,631	
<i>By major holder</i>										
5 Commercial banks	541,470	558,421	587,165	587,165	582,065	581,490	575,259	576,011	580,580	
6 Finance companies	219,848	236,559	232,269	232,269	232,099	232,291	225,245	231,934	242,181	
7 Credit unions	184,434	189,570	195,744	195,744	195,164	194,438	193,082	194,546	195,491	
8 Savings institutions	64,557	69,070	68,494	68,494	68,854	69,178	69,537	69,911	70,297	
9 Nonfinancial business	82,662	67,955	56,894	56,894	52,838	49,563	48,477	47,697	48,097	
10 Pools of securitized assets ³	500,145	580,281	621,402 ²	621,402 ²	625,086 ²	615,581 ²	622,692 ²	621,790	612,984	
<i>By major type of credit⁴</i>										
11 Revolving	693,020	727,297	737,993 ²	737,993 ²	726,331 ²	718,434 ²	713,554 ²	718,953	722,371	
12 Commercial banks	218,063	224,878	230,990	230,990	220,535	218,821	212,418	212,605	216,791	
13 Finance companies	37,627	31,538	38,948	38,948	38,733	37,348	36,350	38,281	35,899	
14 Credit unions	22,226	22,265	22,228	22,228	21,645	21,161	20,830	21,038	21,165	
15 Savings institutions	16,560	17,767	16,225	16,225	16,141	16,064	15,979	16,144	16,313	
16 Nonfinancial business	42,430	29,790	19,221	19,221	16,547	14,203	13,666	13,112	13,293	
17 Pools of securitized assets ³	356,114	401,059	410,381 ²	410,381 ²	412,731 ²	410,837 ²	414,311 ²	417,773	418,910	
18 Nonrevolving	900,096	974,559	1,023,975 ²	1,023,975 ²	1,029,773	1,024,107 ²	1,020,738 ²	1,022,936	1,027,260	
19 Commercial banks	323,407	333,543	356,175	356,175	361,529	362,669	362,841	363,406	363,789	
20 Finance companies	182,221	205,021	193,321	193,321	193,366	194,944	188,895	193,653	206,282	
21 Credit unions	162,208	167,305	173,516	173,516	173,519	173,277	172,252	173,508	174,326	
22 Savings institutions	47,997	51,303	52,269	52,269	52,713	53,114	53,558	53,767	53,984	
23 Nonfinancial business	40,232	38,165	37,673	37,673	36,291	35,360	34,811	34,584	34,804	
24 Pools of securitized assets ³	144,031	179,222	211,021 ²	211,021 ²	212,355	204,744 ²	208,381 ²	204,017	194,075	

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

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

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

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

1.56 TERMS OF CONSUMER CREDIT¹

Percent per year except as noted

Item	2000	2001	2002	2002		2003				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	9.34	8.50	7.54 ²	7.34 ²	n.a.	n.a.	7.11	n.a.	n.a.	7.05
2 24-month personal	13.90	13.22	12.25 ²	12.24 ²	n.a.	n.a.	11.70 ²	n.a.	n.a.	12.19
<i>Credit card plan</i>										
3 All accounts	15.71	14.89	13.42	13.13	n.a.	n.a.	13.20	n.a.	n.a.	12.90
4 Accounts assessed interest	14.91	14.44	13.09	12.78	n.a.	n.a.	12.85	n.a.	n.a.	12.82
<i>Auto finance companies</i>										
5 New car	6.61	5.65	4.29	3.41	3.50	3.13	3.99	3.83	2.51	2.40
6 Used car	13.55	12.18	10.74	10.70	10.48	10.37	10.43	10.16	9.91	9.82
OTHER TERMS³										
<i>Maturity (months)</i>										
7 New car	54.9	55.1	56.8	57.2	57.5	58.5	59.2	59.5	60.1	60.7
8 Used car	57.0	57.5	57.5	56.9	56.7	57.5	57.7	57.8	57.7	57.7
<i>Loan-to-value ratio</i>										
9 New car	92	91	94	95	96	96	97	96	97	97
10 Used car	99	100	100	100	100	100	99	99	99	99
<i>Amount financed (dollars)</i>										
11 New car	20,923	22,822	24,747	26,104	26,647	26,443	24,864	25,152	27,540	27,920
12 Used car	14,058	14,416	14,532	14,610	14,639	14,499	14,231	14,253	14,475	14,568

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

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

3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1997	1998	1999	2000	2001	2001		2002				2003
						Q3	Q4	Q1	Q2	Q3	Q4		Q1
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors	789.9	1,044.6	1,031.4	848.4	1,134.6	1,298.4	1,187.6	973.1	1,643.2	1,312.5	1,612.8	1,338.8
<i>By sector and instrument</i>												
2 Federal government	23.1	-52.6	-71.2	-295.9	-5.6	209.3	43.4	39.8	526.0	265.7	198.5	79.9
3 Treasury securities	23.2	-54.6	-71.0	-294.9	-5.0	209.7	44.2	41.6	524.2	264.2	198.1	81.5
4 Budget agency securities and mortgages	-1	2.0	-2	-1.0	-5	-4	-7	-1.8	1.8	1.6	.4	-1.6
5 Nonfederal	766.8	1,097.2	1,102.6	1,144.3	1,140.2	1,089.0	1,144.1	933.3	1,117.2	1,046.8	1,414.3	1,258.9
<i>By instrument</i>												
6 Commercial paper	13.7	24.4	37.4	48.1	-88.3	-66.1	45.5	-144.4	-81.7	-17.4	-13.2	-15.2
7 Municipal securities and loans	56.9	84.2	54.4	23.6	122.8	83.1	174.6	76.6	196.2	156.8	238.2	162.2
8 Corporate bonds	150.5	235.2	217.8	161.3	340.5	191.4	325.0	253.6	191.4	-29.0	114.4	178.6
9 Bank loans n.e.c.	106.4	109.8	82.9	101.8	-82.0	-23.5	-165.5	-16.4	-192.1	-124.5	3.3	-54.9
10 Other loans and advances	59.5	82.1	46.0	95.0	29.3	59.4	-107.3	-19.2	77.2	77.6	6.4	-6.6
11 Mortgages	322.3	486.6	564.6	567.5	709.2	774.0	737.3	700.0	834.9	914.3	1,068.1	919.1
12 Home	258.3	384.6	424.4	418.2	532.7	561.5	533.1	602.4	658.6	780.4	846.2	783.4
13 Multifamily residential	7.3	23.2	35.7	33.9	47.9	56.4	56.4	29.1	44.2	29.0	70.1	37.2
14 Commercial	53.5	72.2	98.8	108.9	121.1	149.1	141.0	61.6	123.0	91.8	142.9	95.3
15 Farm	3.1	6.5	5.8	6.5	7.5	7.0	6.8	6.9	9.1	13.2	8.8	3.1
16 Consumer credit	57.5	75.0	99.5	147.0	108.7	70.6	134.5	83.0	91.3	69.1	-2.9	75.7
<i>By borrowing sector</i>												
17 Household	332.7	452.6	497.9	553.9	613.7	663.7	608.9	706.9	695.9	768.5	900.8	849.2
18 Nonfinancial business	392.5	576.9	566.2	574.9	420.8	355.6	393.1	157.8	237.8	134.4	303.7	263.4
19 Corporate	291.6	409.2	378.4	380.0	256.5	197.3	243.7	42.2	96.6	-8.7	139.8	148.7
20 Nonfarm noncorporate	94.7	159.7	182.4	184.1	156.8	153.8	141.1	110.3	132.7	128.8	156.3	113.3
21 Farm	6.2	8.0	5.5	10.9	7.5	4.4	8.3	5.3	8.5	14.3	7.6	1.3
22 State and local government	41.5	67.7	38.5	15.5	105.7	69.7	142.1	68.7	183.5	143.9	209.8	146.3
23 Foreign net borrowing in United States	71.8	43.2	25.2	65.7	-37.4	-106.7	16.0	78.8	13.4	-31.9	12.6	21.3
24 Commercial paper	3.7	7.8	16.3	31.7	-14.2	-23.2	5.9	66.8	36.5	3.9	37.3	52.6
25 Bonds	61.4	34.9	14.1	23.9	-12.1	-83.9	29.7	-2.3	-41.0	-23.1	-16.9	-25.6
26 Bank loans n.e.c.	8.5	6.6	.5	11.4	-7.3	4.2	-16.3	13.9	22.0	-11.7	-2.9	-4.0
27 Other loans and advances	-1.8	-6.0	-5.7	-1.3	-3.7	-1.8	-3.3	.3	-4.1	-1.0	-4.9	-1.8
28 Total domestic plus foreign	861.7	1,087.8	1,056.6	914.1	1,097.2	1,191.7	1,203.5	1,051.9	1,656.5	1,280.7	1,625.4	1,360.1
Financial sectors												
29 Total net borrowing by financial sectors	662.2	1,085.6	1,073.1	808.9	958.3	1,112.7	975.9	869.1	875.5	856.7	1,093.8	1,002.7
<i>By instrument</i>												
30 Federal government-related	212.9	470.9	592.0	433.5	629.3	818.4	591.8	691.1	487.8	420.8	616.3	452.4
31 Government-sponsored enterprise securities	98.4	278.3	318.2	234.1	290.8	326.2	306.5	191.3	141.7	249.1	321.5	179.7
32 Mortgage pool securities	114.6	192.6	273.8	199.4	338.5	492.2	285.3	499.8	346.1	171.6	294.9	272.7
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	449.3	614.7	481.2	375.4	329.0	294.3	384.1	178.0	387.7	435.9	477.4	550.2
35 Open market paper	166.7	161.0	176.2	127.7	-61.9	-72.2	-13.6	-178.3	-109.1	84.3	-77.3	-53.5
36 Corporate bonds	218.9	310.2	207.1	199.3	341.5	308.9	372.7	354.2	442.0	192.6	675.6	589.2
37 Bank loans n.e.c.	13.3	28.5	-14.4	-4	13.1	.7	17.7	-6	31.2	81.9	-107.9	-42.7
38 Other loans and advances	35.6	90.2	107.1	42.5	34.9	58.8	8.9	-3.9	16.7	71.9	-17.5	60.7
39 Mortgages	14.9	24.8	5.1	6.2	1.3	-1.9	-1.6	6.6	7.0	5.3	4.7	-3.5
<i>By borrowing sector</i>												
40 Commercial banking	46.1	72.9	67.2	60.0	52.9	39.7	44.1	24.3	13.3	62.2	100.2	76.1
41 Savings institutions	19.7	52.2	48.0	27.3	7.4	39.4	-68.6	-33.1	-12.1	37.1	-46.7	3.4
42 Credit unions	1	.6	2.2	.0	1.5	1.5	4.4	2.4	2.0	3.1	.4	2.8
43 Life insurance companies	.2	.7	.7	-7	.6	3.5	1.4	2.4	1.2	2.0	2.5	4.4
44 Government-sponsored enterprises	98.4	278.3	318.2	234.1	290.8	326.2	306.5	191.3	141.7	249.1	321.5	179.7
45 Federally related mortgage pools	114.6	192.6	273.8	199.4	338.5	492.2	285.3	499.8	346.1	171.6	294.9	272.7
46 Issuers of asset-backed securities (ABSs)	202.2	321.4	212.3	189.7	318.0	314.0	430.1	263.7	241.7	198.5	393.5	326.9
47 Finance companies	57.8	57.1	70.3	81.2	-2	41.8	-25.3	-31.2	80.2	106.4	-4.9	32.5
48 Mortgage companies	-4.6	.0	.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	-2.4	7.8	7.4	25.3	27.7	18.6	17.5
50 Brokers and dealers	8.1	7.2	-17.2	15.6	1.4	12.6	-18.9	-15.7	17.5	15.2	-24.0	38.4
51 Funding corporations	79.9	40.0	91.5	-4	-55.2	-155.7	9.1	-42.2	18.5	-16.4	37.8	48.1

A36 Domestic Financial Statistics □ September 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
						Q3	Q4	Q1	Q2	Q3	Q4	Q1
All sectors												
52 Total net borrowing, all sectors	1,523.9	2,173.4	2,129.7	1,722.9	2,055.5	2,304.5	2,179.4	1,921.0	2,532.0	2,137.3	2,719.1	2,362.7
53 Open market paper	184.1	193.1	229.9	207.6	-164.4	-163.5	37.8	-255.9	-154.3	70.8	-53.3	-16.1
54 U.S. government securities	236.0	418.3	520.7	137.6	623.8	1,027.8	635.2	730.9	1,013.8	686.5	814.8	532.3
55 Municipal securities	56.9	84.2	54.4	23.6	122.8	83.1	174.6	76.6	196.2	156.8	238.2	162.2
56 Corporate and foreign bonds	430.8	580.2	439.1	384.4	669.9	416.4	727.4	605.5	592.4	140.5	773.0	742.2
57 Bank loans n.e.c.	128.2	145.0	69.0	112.8	-76.2	-18.5	-164.0	-3.0	-139.0	-54.4	-107.5	-101.6
58 Other loans and advances	93.2	166.3	147.4	136.2	60.4	116.5	-101.8	-22.7	89.7	148.5	-16.0	52.4
59 Mortgages	337.2	511.4	569.7	573.7	710.5	772.1	735.7	706.5	841.9	919.5	1,072.8	915.6
60 Consumer credit	57.5	75.0	99.5	147.0	108.7	70.6	134.5	83.0	91.3	69.1	-2.9	75.7
Funds raised through mutual funds and corporate equities												
61 Total net issues	218.7	166.0	191.5	235.3	302.7	146.0	397.2	439.3	279.3	-82.5	294.1	250.5
62 Corporate equities	-46.5	-113.5	2	.3	101.3	-14.4	141.3	52.4	179.3	-119.6	87.2	47.5
63 Nonfinancial corporations	-77.4	-215.5	-110.4	-118.2	-47.4	-108.6	-4.2	-9.8	16.1	-140.3	-27.9	-62.0
64 Foreign shares purchased by U.S. residents	57.6	101.3	114.3	103.6	106.8	43.5	74.7	-5.9	79.7	-51.1	51.7	79.9
65 Financial corporations	-26.7	.8	-3.7	14.9	41.9	50.7	70.9	68.1	83.6	71.8	63.4	29.6
66 Mutual fund shares	265.1	279.5	191.2	235.0	201.4	160.4	255.9	386.9	100.0	37.1	206.9	203.0

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

1.58 SUMMARY OF FINANCIAL TRANSACTIONS¹

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

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

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

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING¹

Billions of dollars, end of period

Transaction category or sector	1998	1999	2000	2001	2001		2002				2003
					Q3	Q4	Q1	Q2	Q3	Q4	Q1
Nonfinancial sectors											
1 Total credit market debt owed by domestic nonfinancial sectors	16,238.9	17,305.0	18,164.5	19,299.7	18,922.4	19,299.7	19,541.3	19,857.5	20,190.4	20,685.1	21,009.2
<i>By sector and instrument</i>											
2 Federal government	3,752.2	3,681.0	3,385.1	3,379.5	3,320.0	3,379.5	3,430.3	3,451.4	3,540.8	3,637.0	3,700.6
3 Treasury securities	3,723.7	3,652.7	3,357.8	3,352.7	3,293.0	3,352.7	3,404.0	3,424.6	3,513.6	3,609.8	3,673.7
4 Budget agency securities and mortgages	28.5	28.3	27.3	26.8	27.0	26.8	26.3	26.8	27.2	27.3	26.9
5 Nonfederal	12,486.7	13,624.0	14,779.4	15,920.2	15,602.4	15,920.2	16,111.0	16,406.1	16,649.6	17,048.1	17,308.6
<i>By instrument</i>											
6 Commercial paper	193.0	230.3	278.4	190.1	201.3	190.1	167.5	148.4	142.2	126.0	127.1
7 Municipal securities and loans	1,402.9	1,457.2	1,480.9	1,603.6	1,557.5	1,603.6	1,627.3	1,681.9	1,708.4	1,770.6	1,815.9
8 Corporate bonds	1,846.0	2,063.9	2,225.1	2,565.6	2,484.4	2,565.6	2,629.0	2,676.9	2,669.6	2,698.2	2,742.9
9 Bank loans n.e.c.	1,150.2	1,233.2	1,335.0	1,253.5	1,287.5	1,253.5	1,240.1	1,195.0	1,162.2	1,171.1	1,146.5
10 Other loans and advances	907.2	953.5	1,059.6	1,088.8	1,110.1	1,088.8	1,089.6	1,106.0	1,116.9	1,124.3	1,128.0
11 Mortgages	5,640.9	6,239.2	6,807.4	7,516.6	7,332.4	7,516.6	7,680.2	7,896.7	8,128.3	8,395.9	8,613.5
12 Home	4,362.9	4,787.2	5,205.4	5,738.1	5,605.0	5,738.1	5,877.2	6,049.6	6,247.9	6,460.0	6,643.6
13 Multifamily residential	307.8	343.8	377.6	425.5	411.4	425.5	432.8	443.9	451.1	468.7	478.0
14 Commercial	873.6	1,006.5	1,115.5	1,236.6	1,201.4	1,236.6	1,252.0	1,282.8	1,305.7	1,341.4	1,365.3
15 Farm	96.6	102.3	108.9	116.3	114.6	116.3	118.1	120.4	123.6	125.8	126.7
16 Consumer credit	1,346.6	1,446.1	1,593.1	1,701.9	1,629.3	1,701.9	1,677.2	1,701.3	1,722.0	1,762.0	1,734.8
<i>By borrowing sector</i>											
17 Households	6,009.6	6,507.8	7,072.7	7,686.4	7,492.5	7,686.4	7,802.0	7,988.1	8,185.0	8,454.4	8,603.3
18 Nonfinancial business	5,338.8	5,939.4	6,514.3	6,935.8	6,849.8	6,935.8	6,989.1	7,047.6	7,070.1	7,144.2	7,214.4
19 Corporate	3,791.2	4,204.0	4,583.9	4,841.1	4,793.1	4,841.1	4,867.2	4,887.7	4,876.2	4,908.5	4,951.8
20 Nonfarm noncorporate	1,383.7	1,566.1	1,750.2	1,907.0	1,870.8	1,907.0	1,934.7	1,968.0	1,999.0	2,039.0	2,067.5
21 Farm	163.9	169.4	180.2	187.7	185.9	187.7	187.1	191.8	194.9	196.6	195.1
22 State and local government	1,138.3	1,176.9	1,192.3	1,298.0	1,260.0	1,298.0	1,319.9	1,370.5	1,394.5	1,449.5	1,490.9
23 Foreign credit market debt held in United States	651.3	676.7	742.3	704.9	701.7	704.9	724.5	725.5	720.2	723.1	727.8
24 Commercial paper	72.9	89.2	120.9	106.7	106.3	106.7	123.6	130.2	134.0	142.8	155.7
25 Bonds	462.6	476.7	500.6	488.4	481.0	488.4	487.9	477.6	471.8	467.6	461.2
26 Bank loans n.e.c.	58.7	59.2	70.5	63.2	67.3	63.2	66.7	72.2	69.3	68.6	67.6
27 Other loans and advances	57.1	51.6	50.3	46.6	47.0	46.6	46.4	45.5	45.0	44.2	43.4
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	16,890.2	17,981.7	18,906.9	20,004.6	19,624.0	20,004.6	20,265.8	20,583.0	20,910.6	21,408.3	21,737.0
Financial sectors											
29 Total credit market debt owed by financial sectors	6,543.6	7,616.8	8,437.6	9,393.2	9,118.1	9,393.2	9,589.5	9,803.8	10,007.8	10,317.0	10,543.9
<i>By instrument</i>											
30 Federal government-related	3,292.0	3,884.0	4,317.4	4,944.1	4,796.2	4,944.1	5,116.9	5,238.8	5,344.0	5,498.1	5,611.2
31 Government-sponsored enterprise securities	1,273.6	1,591.7	1,825.8	2,114.0	2,037.4	2,114.0	2,161.8	2,197.2	2,259.5	2,339.9	2,384.8
32 Mortgage pool securities	2,018.4	2,292.2	2,491.6	2,830.1	2,758.8	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.4
33 Loans from U.S. government	0	0	0	0	0	0	0	0	0	0	0
34 Private	3,251.6	3,732.8	4,120.1	4,449.1	4,321.9	4,449.1	4,472.6	4,564.9	4,663.8	4,818.9	4,932.7
35 Open market paper	906.7	1,082.9	1,210.7	1,148.8	1,110.2	1,148.8	1,190.9	1,046.9	1,049.5	1,078.7	1,048.4
36 Corporate bonds	1,878.7	2,085.9	2,297.2	2,638.7	2,562.1	2,638.7	2,731.1	2,849.1	2,904.0	3,054.8	3,206.8
37 Bank loans n.e.c.	105.8	91.5	91.1	104.2	97.8	104.2	102.3	110.6	130.3	105.3	92.9
38 Other loans and advances	288.7	395.8	438.3	473.2	467.2	473.2	462.4	470.8	491.2	489.9	495.4
39 Mortgages	71.6	76.7	82.9	84.2	84.6	84.2	85.9	87.6	88.9	90.1	89.2
<i>By borrowing sector</i>											
40 Commercial banks	188.6	230.0	266.7	296.0	281.4	296.0	295.8	310.4	318.9	325.8	325.0
41 Bank holding companies	193.5	219.3	242.5	266.1	272.7	266.1	269.0	264.2	271.8	286.4	302.8
42 Savings institutions	212.4	260.4	287.7	295.1	305.6	295.1	280.5	275.3	286.4	281.4	276.0
43 Credit unions	1.1	3.4	3.4	4.9	3.8	4.9	5.5	6.0	6.8	6.9	7.6
44 Life insurance companies	2.5	3.2	2.5	3.1	2.8	3.1	3.7	4.0	4.5	5.1	6.3
45 Government-sponsored enterprises	1,273.6	1,591.7	1,825.8	2,114.0	2,037.4	2,114.0	2,161.8	2,197.2	2,259.5	2,339.9	2,384.8
46 Federally related mortgage pools	2,018.4	2,292.2	2,491.6	2,830.1	2,758.8	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.4
47 Issuers of asset-backed securities (ABSs)	1,398.0	1,610.3	1,812.0	2,130.0	2,019.5	2,130.0	2,188.1	2,250.0	2,303.0	2,404.3	2,478.1
48 Brokers and dealers	42.5	25.3	40.9	42.3	47.1	42.3	38.4	42.8	46.6	40.6	50.2
49 Finance companies	625.5	695.7	776.9	776.7	771.2	776.7	760.8	784.9	802.9	814.4	813.6
50 Mortgage companies	16.0	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	168.3	170.2	172.1	178.4	185.3	190.0	194.4
52 Funding corporations	412.6	504.0	503.7	448.4	433.6	448.4	442.6	432.8	421.5	447.9	462.7
All sectors											
53 Total credit market debt, domestic and foreign	23,433.8	25,598.4	27,344.4	29,397.8	28,742.1	29,397.8	29,855.3	30,386.8	30,918.4	31,725.2	32,281.0
54 Open market paper	1,172.6	1,402.4	1,610.0	1,445.6	1,417.8	1,445.6	1,382.0	1,325.5	1,325.7	1,347.5	1,331.1
55 U.S. government securities	7,044.2	7,564.9	7,702.5	8,323.6	8,116.2	8,323.6	8,547.2	8,690.2	8,884.8	9,135.1	9,311.8
56 Municipal securities	1,402.9	1,457.2	1,480.9	1,603.6	1,557.5	1,603.6	1,627.3	1,681.9	1,708.4	1,770.6	1,815.9
57 Corporate and foreign bonds	4,187.4	4,626.4	5,022.9	5,692.7	5,527.4	5,692.7	5,848.0	6,003.6	6,045.5	6,220.6	6,410.9
58 Bank loans n.e.c.	1,314.8	1,383.8	1,496.6	1,421.0	1,452.6	1,421.0	1,409.1	1,377.8	1,361.7	1,340.0	1,307.0
59 Other loans and advances	1,253.0	1,400.9	1,548.2	1,608.6	1,624.4	1,608.6	1,598.4	1,622.3	1,653.1	1,658.4	1,666.8
60 Mortgages	5,712.5	6,316.6	6,890.3	7,600.8	7,417.0	7,600.8	7,766.1	7,984.3	8,217.2	8,486.0	8,702.8
61 Consumer credit	1,346.6	1,446.1	1,593.1	1,701.9	1,629.3	1,701.9	1,677.2	1,701.3	1,722.0	1,762.0	1,734.8

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

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES¹

Billions of dollars except as noted, end of period

Transaction category or sector	1998	1999	2000	2001	2001		2002				2003
					Q3	Q4	Q1	Q2	Q3	Q4	Q1
CREDIT MARKET DEBT OUTSTANDING²											
1 Total credit market assets	23,433.8	25,598.4	27,344.4	29,397.8	28,742.1	29,397.8	29,855.3	30,386.8	30,918.4	31,725.2	32,281.0
2 Domestic nonfederal nonfinancial sectors	3,312.6	3,600.5	3,461.6	3,421.2	3,362.6	3,421.2	3,443.6	3,506.8	3,434.0	3,535.9	3,501.6
3 Household	2,264.1	2,542.1	2,379.3	2,311.1	2,279.7	2,311.1	2,342.9	2,394.4	2,314.9	2,402.0	2,387.9
4 Nonfinancial corporate business	241.5	266.0	249.4	237.1	220.9	237.1	226.3	223.0	230.0	234.2	225.1
5 Nonfarm noncorporate business	67.5	64.6	65.9	67.9	67.4	67.9	68.7	69.0	69.0	68.8	67.5
6 State and local governments	739.4	767.8	767.0	805.1	794.6	805.1	805.6	819.7	820.1	830.9	821.2
7 Federal government	219.0	258.0	263.3	271.3	269.6	271.3	272.9	274.6	276.6	280.1	279.9
8 Rest of the world	2,278.2	2,354.6	2,621.1	2,954.4	2,837.5	2,954.4	3,000.6	3,133.2	3,252.9	3,347.6	3,466.3
9 Financial sectors	17,624.1	19,385.4	20,996.4	22,750.9	22,272.4	22,750.9	23,138.2	23,472.2	23,955.0	24,561.6	25,033.1
10 Monetary authority	452.5	478.1	511.8	551.7	534.1	551.7	575.4	590.7	604.2	629.4	641.5
11 Commercial banking	4,336.1	4,648.3	5,006.3	5,210.5	5,100.6	5,210.5	5,231.3	5,328.3	5,476.2	5,620.2	5,679.0
12 U.S.-chartered banks	3,761.4	4,080.0	4,419.5	4,610.1	4,513.5	4,610.1	4,629.3	4,719.7	4,858.4	5,003.9	5,055.6
13 Foreign banking offices in United States	504.5	487.4	511.3	510.7	509.3	510.7	507.7	512.6	521.2	516.9	519.0
14 Bank holding companies	26.5	32.7	20.5	24.7	21.3	24.7	27.7	28.1	27.7	27.8	33.0
15 Banks in U.S.-affiliated areas	43.8	48.3	55.0	65.0	56.5	65.0	66.6	67.9	68.8	71.6	71.5
16 Savings institutions	964.7	1,032.4	1,088.6	1,131.4	1,118.1	1,131.4	1,134.7	1,130.9	1,153.8	1,166.8	1,215.5
17 Credit unions	324.2	351.7	379.7	421.2	408.4	421.2	434.3	443.2	455.3	463.9	473.2
18 Bank personal trusts and estates	194.1	222.0	222.8	194.7	201.8	194.7	195.0	195.2	195.4	195.6	190.8
19 Life insurance companies	1,828.0	1,886.0	1,943.9	2,074.8	2,054.8	2,074.8	2,136.9	2,180.1	2,250.6	2,286.5	2,323.3
20 Other insurance companies	521.1	518.2	509.4	518.4	511.3	518.4	527.6	536.4	541.9	554.1	564.5
21 Private pension funds	651.2	668.2	701.6	717.9	720.6	717.9	731.2	738.5	753.1	755.4	760.9
22 State and local government retirement funds	704.6	751.4	806.0	788.4	789.0	788.4	806.0	792.4	789.8	804.9	805.4
23 Money market mutual funds	965.9	1,147.8	1,290.9	1,536.9	1,494.9	1,536.9	1,496.9	1,419.3	1,405.7	1,511.6	1,485.5
24 Mutual funds	1,028.4	1,076.8	1,097.8	1,223.8	1,188.2	1,223.8	1,276.8	1,291.6	1,334.5	1,365.4	1,415.3
25 Closed-end funds	98.4	106.9	100.6	107.4	103.3	107.4	113.5	112.9	112.4	116.7	118.6
26 Government-sponsored enterprises	1,252.3	1,543.5	1,807.1	2,114.3	2,026.1	2,114.3	2,163.8	2,199.9	2,252.9	2,320.9	2,375.8
27 Federally related mortgage pools	2,018.4	2,292.2	2,491.6	2,830.1	2,758.8	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.4
28 Asset-backed securities (ABSs) issuers	1,219.4	1,413.6	1,585.4	1,877.3	1,772.5	1,877.3	1,929.4	1,985.7	2,033.0	2,128.9	2,196.8
29 Finance companies	645.5	742.5	850.5	844.8	859.5	844.8	832.4	845.6	857.1	862.0	853.1
30 Mortgage companies	32.1	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	39.0	42.5	49.1	57.0	63.9	65.6	63.5
32 Brokers and dealers	189.4	154.7	223.6	316.0	366.4	316.0	299.6	352.6	335.2	344.4	389.2
33 Funding corporations	152.3	276.0	311.0	216.7	193.0	216.7	217.3	198.2	219.5	175.1	219.3
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 Total credit market debt	23,433.8	25,598.4	27,344.4	29,397.8	28,742.1	29,397.8	29,855.3	30,386.8	30,918.4	31,725.2	32,281.0
<i>Other liabilities</i>											
35 Official foreign exchange	60.1	50.1	46.1	46.8	49.0	46.8	45.7	47.2	53.1	55.8	57.6
36 Special drawing rights certificates	9.2	6.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
37 Treasury currency	19.9	20.9	23.2	24.5	24.5	24.5	24.7	24.8	25.5	25.5	25.6
38 Foreign deposits	642.3	703.6	824.5	908.9	848.0	908.9	894.1	907.4	920.4	934.3	954.1
39 Net interbank liabilities	189.4	202.4	221.2	191.4	174.4	191.4	162.4	132.3	150.7	205.9	223.4
40 Checkable deposits and currency	1,333.3	1,484.5	1,413.1	1,603.2	1,487.1	1,603.2	1,518.1	1,571.9	1,610.7	1,649.3	1,683.4
41 Small time and savings deposits	2,626.5	2,671.6	2,860.4	3,127.6	3,047.6	3,127.6	3,236.7	3,256.4	3,336.8	3,402.4	3,505.9
42 Large time deposits	805.3	936.4	1,052.6	1,121.1	1,094.2	1,121.1	1,178.9	1,188.7	1,199.9	1,175.2	1,212.7
43 Money market fund shares	1,329.7	1,578.8	1,812.1	2,240.7	2,115.4	2,240.7	2,203.3	2,150.3	2,105.9	2,223.9	2,156.2
44 Security repurchase agreements	913.8	1,196.8	1,196.8	1,231.8	1,251.9	1,231.8	1,262.4	1,343.1	1,313.7	1,336.8	1,325.3
45 Mutual fund shares	3,613.1	4,538.5	4,434.6	4,135.5	3,753.1	4,135.5	4,247.0	3,926.6	3,452.3	3,639.4	3,586.8
46 Security credit	572.2	676.6	822.7	825.9	919.9	825.9	778.0	745.6	726.3	738.8	784.5
47 Life insurance reserves	718.3	783.9	819.1	880.0	844.0	880.0	904.2	915.2	927.9	951.4	968.7
48 Pension fund reserves	8,208.4	9,065.3	9,069.0	8,695.8	8,281.0	8,695.8	8,824.7	8,331.9	7,732.0	8,014.2	7,936.1
49 Trade payables	2,073.8	2,342.4	2,761.9	2,688.8	2,705.4	2,688.8	2,714.8	2,716.4	2,764.6	2,812.4	2,814.1
50 Taxes payable	170.7	201.4	234.2	251.6	270.1	251.6	259.4	266.1	282.0	281.0	294.7
51 Investment in bank personal trusts	1,001.0	1,130.4	1,095.8	960.7	916.5	960.7	963.2	893.5	811.6	840.9	806.3
52 Miscellaneous	7,638.0	8,527.4	9,717.9	10,343.0	10,816.7	10,343.0	10,345.1	10,634.3	11,043.4	11,013.6	11,281.9
53 Total liabilities	55,358.7	61,602.4	65,751.7	68,677.5	67,343.2	68,677.5	69,420.1	69,440.9	69,377.4	71,028.1	71,900.4
<i>Financial assets not included in liabilities (+)</i>											
54 Gold and special drawing rights	21.6	21.4	21.6	21.8	22.0	21.8	21.9	22.3	22.8	23.2	22.4
55 Corporate equities	15,548.5	19,545.7	17,606.5	15,267.1	13,684.2	15,267.1	15,292.8	13,393.0	10,993.2	11,833.9	11,370.5
56 Household equity in noncorporate business	4,279.4	4,510.0	4,748.4	4,831.0	4,857.0	4,831.0	4,857.4	4,925.5	4,981.5	5,024.3	5,068.7
<i>Liabilities not identified as assets (-)</i>											
57 Treasury currency	-6.4	-7.1	-8.5	-8.6	-8.6	-8.6	-8.9	-9.1	-8.9	-9.1	-9.2
58 Foreign deposits	542.8	585.7	650.9	715.6	668.9	715.6	698.5	724.9	731.0	738.8	768.1
59 Net interbank transactions	-26.5	-28.5	-4.3	11.1	4.5	11.1	21.9	18.4	16.5	15.3	19.4
60 Security repurchase agreements	230.6	266.4	388.9	348.6	398.7	348.6	401.4	462.1	381.6	356.0	342.6
61 Taxes payable	121.2	129.4	146.3	121.7	167.3	121.7	110.4	163.9	155.2	157.1	141.0
62 Miscellaneous	-1,951.9	-2,395.2	-3,394.2	-3,637.3	-3,125.1	-3,637.3	-3,589.1	-3,609.5	-3,510.4	-3,483.5	-3,527.3
<i>Floats not included in assets (-)</i>											
63 Federal government checkable deposits	-3.9	-9.8	-2.3	-12.3	-4.0	-12.3	-9.6	-9.3	-14.8	-11.7	27.4
64 Other checkable deposits	23.1	22.3	24.0	28.6	19.2	28.6	26.3	31.4	25.8	35.9	34.2
65 Trade credit	84.8	95.6	122.0	115.5	16.4	115.5	56.3	10.0	2.4	78.1	22.6
66 Totals identified to sectors as assets	76,194.3	87,020.6	90,205.4	91,114.5	87,769.0	91,114.5	91,884.7	89,998.9	87,596.4	90,032.6	90,543.3

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

2. Excludes corporate equities and mutual fund shares.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	2002		2003		2002		2003		2002		2003	
	Q3	Q4	Q1'	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1'	Q2
	Output (1997=100)				Capacity (percent of 1997 output)				Capacity utilization rate (percent) ²			
1 Total industry	111.4	110.4	110.5	109.6	146.2	146.6	147.0	147.4	76.2	75.3	75.2	74.3
2 Manufacturing	112.3	111.2	111.0	110.4	151.1	151.4	151.7	152.0	74.3	73.5	73.2	72.7
3 Manufacturing (NAICS)	112.6	111.5	111.3	110.5	152.5	152.8	153.2	153.6	73.8	73.0	72.6	72.0
4 Durable manufacturing	122.3	121.4	121.2	120.3	173.4	174.2	175.0	176.0	70.5	69.7	69.3	68.4
5 Primary metal	85.9	86.0	83.9	80.2	111.4	110.8	110.7	110.8	77.1	77.6	75.8	72.4
6 Fabricated metal products	99.5	98.9	97.1	95.6	139.4	139.6	139.8	139.9	71.3	70.8	69.4	68.4
7 Machinery	88.7	86.7	87.2	87.5	129.9	129.9	129.8	129.6	68.3	66.7	67.2	67.5
8 Computer and electronic products	222.6	224.4	227.8	232.1	355.4	360.3	365.9	372.1	62.6	62.3	62.3	62.4
9 Electrical equipment, appliances, and components	97.7	96.8	95.7	95.0	128.6	128.2	128.0	127.8	75.9	75.5	74.7	74.3
10 Motor vehicles and parts	121.7	120.0	120.5	116.4	147.1	148.4	149.9	151.4	82.7	80.8	80.4	76.9
11 Aerospace and miscellaneous transportation equipment	85.9	85.1	85.8	86.2	145.3	145.1	145.1	145.1	59.1	58.7	59.1	59.4
12 Nondurable manufacturing	100.1	98.8	98.5	98.0	127.5	127.3	127.2	127.1	78.5	77.6	77.4	77.1
13 Food, beverage, and tobacco products	100.1	98.8	98.3	98.4	125.7	125.6	125.5	125.2	79.7	78.7	78.3	78.6
14 Textile and product mills	82.9	81.2	79.1	77.6	111.7	111.1	110.6	110.0	74.2	73.1	71.5	70.6
15 Paper	95.7	95.8	93.5	93.3	114.0	113.8	113.5	113.2	84.0	84.2	82.4	82.4
16 Petroleum and coal products	102.3	102.8	102.5	102.8	115.2	115.7	116.1	116.5	88.7	88.9	88.3	88.2
17 Chemical	106.4	104.1	105.4	105.2	141.2	141.3	141.5	141.7	75.3	73.7	74.5	74.2
18 Plastics and rubber products	107.3	105.6	105.3	104.6	133.6	132.9	132.4	131.6	80.4	79.4	79.5	79.5
19 Other manufacturing (non-NAICS)	106.0	106.0	107.0	107.9	129.5	128.7	128.2	127.8	81.8	82.3	83.4	84.5
20 Mining	93.5	93.7	93.1	93.6	110.1	110.2	110.3	110.4	84.9	85.1	84.4	84.7
21 Electric and gas utilities	112.5	111.5	114.3	110.0	127.6	129.7	131.5	133.1	88.2	86.0	86.9	82.6
MEMOS												
22 Computers, communications equipment, and semiconductors	295.5	300.4	306.4	316.9	475.3	483.3	493.3	504.9	62.2	62.2	62.1	62.8
23 Total excluding computers, communications equipment, and semiconductors	101.3	100.3	100.3	99.2	130.5	130.6	130.8	131.1	77.6	76.8	76.6	75.7
24 Manufacturing excluding computers, communications equipment, and semiconductors	100.5	99.4	99.1	98.3	132.6	132.6	132.6	132.7	75.8	75.0	74.7	74.1

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	June	Jan.	Feb.	Mar. ^f	Apr. ^f	May ^f	June ^g
	Capacity utilization rate (percent) ²												
1 Total industry	88.8	74.0	86.6	70.8	85.1	78.6	75.9	75.3	75.3	74.8	74.4	74.3	74.3
2 Manufacturing	88.0	71.6	86.3	68.6	85.6	77.2	74.1	73.3	73.3	73.1	72.5	72.6	72.8
3 Manufacturing (NAICS)	88.1	71.4	86.3	67.9	85.5	77.0	73.7	72.8	72.7	72.4	71.9	71.9	72.1
4 Durable manufacturing	89.0	69.6	87.0	63.1	84.5	73.4	70.5	69.8	69.3	68.7	68.3	68.3	68.4
5 Primary metal	100.9	68.9	91.3	47.2	95.3	75.2	77.1	76.9	77.0	73.5	74.1	71.2	72.0
6 Fabricated metal products	91.8	69.6	83.1	61.7	80.1	71.0	71.3	70.1	69.5	68.8	68.2	68.6	68.3
7 Machinery	94.2	74.2	92.8	58.3	84.7	72.9	68.5	66.8	67.4	67.4	67.1	67.6	67.7
8 Computer and electronic products	87.0	66.9	89.8	77.3	81.5	76.4	62.7	62.3	62.2	62.3	62.2	62.5	62.4
9 Electrical equipment, appliances, and components	99.3	68.5	91.9	64.4	87.5	75.0	76.6	74.7	75.1	74.4	73.8	74.4	74.8
10 Motor vehicles and parts	95.3	55.3	96.2	45.2	90.0	56.6	81.1	82.3	80.1	78.7	77.4	76.3	76.9
11 Aerospace and miscellaneous transportation equipment	75.0	66.3	84.6	69.8	88.9	81.9	59.7	59.3	59.0	59.1	58.9	59.7	59.6
12 Nondurable manufacturing	87.5	72.5	85.7	75.6	86.9	81.8	78.3	77.2	77.4	77.6	77.0	77.0	77.4
13 Food, beverage, and tobacco products	85.9	78.0	84.3	80.2	85.5	81.3	80.3	78.5	78.2	78.3	78.1	78.4	79.3
14 Textile and product mills	89.8	62.8	90.1	72.3	91.1	77.1	74.4	70.7	71.7	72.2	71.1	70.4	70.2
15 Paper	97.4	74.7	95.6	81.3	94.0	85.4	83.0	81.9	81.9	83.4	82.3	82.7	82.2
16 Petroleum and coal products	93.2	81.0	92.3	71.1	88.9	82.5	89.1	88.0	87.7	89.3	87.6	89.2	87.8
17 Chemical	85.0	68.9	83.0	67.9	85.6	80.8	74.9	73.8	74.9	74.8	74.6	73.6	74.5
18 Plastics and rubber products	96.3	61.6	90.5	70.5	91.2	77.1	80.2	79.1	79.5	79.9	78.6	80.1	79.6
19 Other manufacturing (non-NAICS)	85.7	75.7	88.1	85.7	90.2	79.1	81.2	82.0	83.9	84.5	83.9	84.4	85.1
20 Mining	93.6	87.6	94.2	78.6	85.6	83.3	84.9	84.9	84.1	84.1	84.2	84.6	85.4
21 Electric and gas utilities	96.2	82.7	87.9	77.2	92.6	84.2	87.2	87.8	88.4	84.6	84.3	83.4	80.2
MEMOS													
22 Computers, communications equipment, and semiconductors	84.5	63.2	89.9	75.6	80.4	74.6	62.4	61.8	62.1	62.4	62.6	62.8	62.9
23 Total excluding computers, communications equipment, and semiconductors	89.1	74.3	86.6	70.5	85.5	78.8	77.3	76.8	76.8	76.2	75.7	75.7	75.7
24 Manufacturing excluding computers, communications equipment, and semiconductors	88.3	71.9	86.3	68.1	86.1	77.3	75.6	74.9	74.8	74.5	74.0	74.0	74.3

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

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

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

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

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

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

A42 Domestic Nonfinancial Statistics □ September 2003

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data seasonally adjusted

Group	2002 proportion	2002 avg.	2002							2003					
			June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^a	Apr. ^a	May ^a	June ^a
Index (1997=100)															
MAJOR MARKETS															
1 Total IP	100.0	110.5	110.8	111.6	111.3	111.2	110.6	110.8	109.9	110.7	110.7	110.1	109.5	109.6	109.7
Market groups															
2 Final products and nonindustrial supplies	59.8	109.3	109.6	110.1	109.8	109.8	109.1	109.3	108.2	109.1	109.3	108.7	108.1	108.3	108.4
3 Consumer goods	30.5	107.5	107.8	108.5	107.8	107.9	107.0	107.8	106.6	107.7	107.8	107.2	106.7	106.5	107.0
4 Durable	7.5	117.3	118.6	120.0	119.3	118.7	117.0	121.0	117.8	120.5	118.5	117.9	117.0	116.5	117.4
5 Automotive products	4.3	125.4	127.4	130.6	130.6	129.3	125.9	132.4	125.9	131.3	128.8	127.4	126.0	124.5	126.3
6 Home electronics	0.3	142.9	135.3	137.0	135.4	142.6	140.1	142.1	145.3	152.7	145.9	152.0	155.3	153.2	156.2
7 Appliances, furniture, carpeting	1.3	106.9	107.5	106.9	104.5	104.6	104.9	107.1	107.7	105.4	105.5	105.7	105.9	107.4	106.6
8 Miscellaneous goods	1.6	98.5	100.2	99.2	98.3	97.8	98.2	98.3	98.7	98.7	98.7	96.9	96.2	95.1	95.4
9 Nondurable	22.9	104.1	104.1	104.6	103.8	104.2	103.6	103.3	102.8	103.4	104.1	103.6	103.1	103.0	103.4
10 Non-energy	19.0	102.6	102.8	102.8	102.4	102.6	102.0	101.3	100.8	101.1	101.6	101.7	101.2	101.1	102.1
11 Foods and tobacco	10.3	99.5	100.2	99.8	99.2	99.1	98.7	97.9	97.4	97.6	97.2	97.2	96.9	97.2	98.3
12 Clothing	1.0	72.4	72.9	73.2	71.3	72.1	70.2	70.6	69.9	69.7	69.1	68.0	66.1	65.9	64.5
13 Chemical products	4.8	119.1	118.3	119.5	119.0	119.5	118.3	118.0	116.9	117.9	120.2	120.6	120.6	119.1	121.0
14 Paper products	2.3	108.1	107.2	107.1	108.4	109.8	110.0	108.8	109.0	108.3	110.2	111.0	110.0	110.4	111.1
15 Energy	4.0	112.0	110.9	114.0	111.6	112.8	111.8	114.0	113.3	115.7	117.2	113.8	113.6	113.6	110.2
16 Business equipment	9.7	107.3	108.0	107.3	108.1	106.9	106.0	106.1	104.6	105.6	105.9	105.5	104.8	105.2	105.5
17 Transit	1.7	81.2	81.1	80.2	81.1	79.7	77.3	77.9	75.4	75.7	74.5	73.9	73.1	73.4	72.4
18 Information processing	3.1	153.8	154.9	153.5	153.7	152.1	153.1	152.8	152.7	155.1	156.3	158.0	157.1	157.8	157.6
19 Industrial and other	4.9	91.5	92.2	92.0	92.9	92.0	91.2	91.1	89.7	90.4	90.8	89.9	89.3	89.6	90.6
20 Defense and space equipment	2.2	101.2	101.2	101.2	101.9	102.0	102.5	101.7	102.3	104.1	104.8	105.2	104.7	105.8	106.2
21 Construction supplies	6.8	104.0	104.5	104.4	104.8	104.5	104.2	103.8	102.4	102.3	101.8	101.4	100.7	101.0	101.0
22 Business supplies	10.3	121.9	121.8	123.2	122.6	123.6	123.1	122.5	121.9	122.8	123.7	122.5	121.4	122.1	121.3
23 Materials	40.2	112.2	112.6	113.8	113.6	113.4	112.8	113.1	112.4	113.0	112.8	112.1	111.6	111.5	111.5
24 Non-energy	30.5	115.8	116.4	117.2	117.4	117.2	116.7	116.7	115.6	116.0	115.9	115.4	114.9	114.7	115.0
25 Durable	18.6	128.0	128.6	129.4	130.0	129.5	129.5	129.7	128.1	129.1	128.6	127.6	127.2	127.3	127.5
26 Consumer parts	4.2	110.8	110.4	113.4	112.3	112.4	111.7	114.6	111.1	113.8	111.9	110.9	109.8	109.3	109.8
27 Equipment parts	5.9	182.6	183.6	184.2	186.3	185.7	185.7	185.3	184.4	186.0	186.2	186.2	186.7	188.8	189.8
28 Other	8.4	97.1	97.9	97.7	98.3	97.7	98.0	97.2	96.4	96.3	96.3	95.0	94.6	94.2	94.0
29 Nondurable	11.9	97.0	97.6	98.4	98.2	98.3	97.1	97.0	96.5	96.2	96.4	96.7	96.0	95.6	95.8
30 Textile	0.8	77.6	78.5	79.6	77.8	78.4	77.2	77.0	75.3	74.1	74.2	73.8	72.7	71.5	71.2
31 Paper	3.0	94.8	93.6	95.8	96.1	96.7	96.8	96.9	95.8	94.4	93.6	94.8	93.1	93.6	93.1
32 Chemical	4.2	99.1	100.6	101.3	100.7	100.2	98.2	97.9	97.3	98.3	99.2	99.3	99.4	97.2	98.2
33 Energy	9.7	98.7	98.6	101.0	99.3	99.1	98.4	99.4	99.7	100.9	100.8	99.2	99.1	99.2	98.5
SPECIAL AGGREGATES															
34 Total excluding computers, communication equipment, and semiconductors	94.7	100.5	100.8	101.5	101.2	101.2	100.5	100.6	99.8	100.5	100.5	99.8	99.2	99.2	99.2
35 Total excluding motor vehicles and parts	92.9	110.0	110.3	110.8	110.5	110.5	110.0	109.8	109.3	109.8	110.1	109.5	109.0	109.1	109.2
Gross value (billions of 1996 dollars, annual rates)															
36 Final products and nonindustrial supplies	59.8	2,801.4	2,811.1	2,829.2	2,822.7	2,818.9	2,794.7	2,817.8	2,783.5	2,808.6	2,807.2	2,791.9	2,775.6	2,778.5	2,777.5
37 Final products	42.7	2,022.5	2,029.7	2,043.2	2,039.1	2,032.4	2,011.7	2,037.3	2,010.7	2,032.1	2,028.9	2,019.7	2,010.1	2,009.9	2,014.3
38 Consumer goods	30.5	1,386.5	1,390.2	1,404.2	1,396.0	1,394.3	1,379.2	1,402.0	1,384.1	1,399.9	1,395.8	1,388.6	1,381.7	1,379.1	1,382.8
39 Equipment total	12.2	626.9	630.8	628.8	634.6	628.7	623.5	624.4	615.8	620.9	622.5	620.9	618.2	621.6	622.1
40 Nonindustrial supplies	17.1	778.9	781.5	786.1	783.6	786.7	783.3	780.5	772.8	776.4	778.3	772.0	765.3	768.5	762.8

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

Monthly data seasonally adjusted

Group	NAICS code ²	2002 proportion	2002 avg.	2002						2003							
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^f	Apr. ^f	May ^f	June ^p	
Index (1997=100)																	
INDUSTRY GROUPS																	
41	Manufacturing		84.6	111.4	111.9	112.3	112.4	112.1	111.4	111.6	110.6	111.1	111.1	110.9	110.2	110.3	110.8
42	Manufacturing (NAICS)		79.3	111.7	112.2	112.7	112.8	112.4	111.7	112.0	110.8	111.5	111.3	111.0	110.3	110.4	110.9
43	Durable manufacturing		43.4	121.1	121.8	122.2	122.7	122.0	121.5	122.2	120.5	121.9	121.3	120.5	120.0	120.2	120.6
44	Wood products	321	1.4	100.5	102.2	101.9	102.5	100.7	99.2	98.3	96.9	97.4	96.5	95.9	96.6	96.5	96.4
45	Nonmetallic mineral products	327	2.5	107.9	106.6	107.7	108.5	109.8	109.3	110.2	108.0	109.7	108.0	108.1	108.0	108.4	107.7
46	Primary metal	331	2.5	85.6	86.2	85.0	87.6	85.0	87.6	86.2	84.1	85.0	85.2	81.3	82.0	78.9	79.8
47	Fabricated metal products	332	6.1	99.0	99.3	99.7	99.3	99.4	99.8	98.7	98.3	97.9	97.1	96.1	95.4	95.9	95.5
48	Machinery	333	5.3	87.9	88.9	88.4	89.4	88.2	86.8	87.4	85.8	86.7	87.4	87.5	87.1	87.6	87.7
49	Computer and electronic products	334	8.1	220.4	220.8	221.5	223.0	223.2	224.2	224.5	224.5	226.6	227.5	229.3	230.1	232.7	233.6
50	Electrical equipment, appliances, and components	335	2.4	97.7	98.7	98.4	98.0	96.5	96.6	97.0	96.9	95.7	96.1	95.2	94.4	95.1	95.5
51	Motor vehicles and parts	3361-3	7.1	117.3	118.6	122.1	122.0	121.1	118.3	123.9	117.8	122.9	120.0	118.4	116.8	115.5	116.9
52	Aerospace and miscellaneous transportation equipment	3364-9	3.3	87.6	86.9	85.7	86.3	85.7	85.5	84.8	85.2	86.0	85.6	85.7	85.5	86.6	86.5
53	Furniture and related products	337	1.7	101.3	101.6	101.4	100.5	101.4	100.7	100.6	98.9	98.8	98.6	97.3	96.7	97.1	98.1
54	Miscellaneous	339	3.1	109.5	110.7	110.6	110.2	109.1	109.3	108.6	110.0	109.5	109.4	108.4	107.1	107.3	108.5
55	Nondurable manufacturing		35.9	99.5	99.9	100.4	100.0	100.0	99.1	98.9	98.3	98.2	98.5	98.6	97.8	97.8	98.3
56	Food, beverage, and tobacco products	311.2	11.7	100.2	100.9	100.5	100.0	99.9	99.5	98.6	98.3	98.5	98.2	98.2	97.8	98.2	99.2
57	Textile and product mills	313.4	1.3	82.5	83.4	83.9	82.5	82.3	81.3	81.7	80.8	78.4	79.2	79.7	78.3	77.5	77.1
58	Apparel and leather	315.6	1.1	72.2	72.6	73.0	71.2	71.8	70.2	70.5	69.7	69.7	69.0	68.0	66.2	65.9	64.6
59	Paper	322	3.1	94.4	94.7	95.2	95.8	96.1	95.7	96.8	95.0	93.0	93.0	94.6	93.3	93.6	93.0
60	Printing and support	323	2.7	97.8	95.5	98.4	98.6	99.9	99.5	98.4	98.9	99.1	97.7	96.3	94.7	95.5	95.4
61	Petroleum and coal products	324	1.9	102.9	102.4	103.0	102.7	101.0	99.4	103.9	105.0	102.0	101.8	103.8	102.0	104.0	102.4
62	Chemical	325	10.2	105.1	105.7	106.9	106.2	106.1	104.6	104.2	103.4	104.4	106.0	105.8	105.7	104.2	105.7
63	Plastics and rubber products	326	3.9	106.0	107.4	107.5	107.3	107.2	106.4	105.8	104.6	104.9	105.3	105.6	103.7	105.4	104.6
64	Other manufacturing (non-NAICS)	1133,5111	5.3	105.5	105.5	105.0	105.8	107.1	106.7	105.4	105.9	105.3	107.5	108.1	107.3	107.9	108.6
65	Mining	21	6.0	93.8	93.5	94.4	93.9	92.2	92.3	93.6	95.2	93.6	92.8	92.8	92.9	93.4	94.4
66	Utilities	2211,2	9.3	110.2	110.1	113.7	110.4	113.3	112.1	112.1	110.5	115.0	116.3	111.7	111.8	111.0	107.1
67	Electric	2211	8.1	111.8	111.4	115.7	112.2	115.8	113.7	113.3	112.2	116.8	118.0	113.6	113.7	112.6	108.5
68	Natural gas	2212	1.3	97.5	103.2	102.7	100.8	99.9	103.6	105.8	101.6	105.4	107.5	101.2	102.1	102.1	99.9
69	Manufacturing excluding computers, communications equipment, and semiconductors		79.3	99.8	100.2	100.6	100.6	100.4	99.7	99.8	98.8	99.3	99.2	98.9	98.1	98.2	98.6
70	Manufacturing excluding motor vehicles and parts		77.5	110.9	111.3	111.4	111.5	111.3	110.8	110.5	109.9	110.1	110.3	110.2	109.6	109.8	110.2

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
				Q1	Q2	Q3	Q4	Q1 ²
1 Balance on current account	-411,458	-393,745	-480,861	-106,728	-122,827	-122,724	-128,586	-136,112
2 Balance on goods and services	-375,384	-357,819	-418,038	-90,057	-104,888	-106,980	-116,116	-121,567
3 Exports	1,070,054	1,007,580	974,107	236,442	243,696	247,815	246,151	247,848
4 Imports	-1,445,438	-1,365,399	-1,392,145	-326,499	-348,584	-354,795	-362,267	-369,415
5 Income, net	19,605	10,689	-3,970	-733	-4,458	-1,747	2,966	2,571
6 Investment, net	24,191	15,701	1,271	550	-3,106	-481	4,306	3,942
7 Direct	94,929	106,485	93,475	23,924	21,410	21,914	26,225	24,477
8 Portfolio	-70,738	-90,784	-92,204	-23,374	-24,516	-22,395	-21,919	-20,535
9 Compensation of employees	-4,586	-5,012	-5,241	-1,283	-1,352	-1,266	-1,340	-1,371
10 Unilateral current transfers, net	-55,679	-46,615	-58,853	-15,938	-13,481	-13,997	-15,436	-17,116
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	-941	-486	-32	133	42	-27	-180	37
12 Change in U.S. official reserve assets (increase, -)	-290	-4,911	-3,681	390	-1,843	-1,416	-812	83
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-722	-630	-475	-109	-107	-132	-127	897
15 Reserve position in International Monetary Fund	2,308	-3,600	-2,632	652	-1,607	-1,136	-541	-644
16 Foreign currencies	-1,876	-681	-574	-153	-129	-148	-144	-170
17 Change in U.S. private assets abroad (increase, -)	-568,567	-344,542	-175,272	-35,750	-126,766	31,155	-43,910	-76,017
18 Bank-reported claims ²	-148,657	-134,945	-21,357	-148	-69,254	52,999	-4,954	-24,392
19 Nonbank-reported claims	-138,790	-4,997	-31,880	-1,886	-16,210	-11,862	-1,922	3,134
20 U.S. purchase of foreign securities, net	-121,908	-84,637	15,801	5,367	-5,843	21,641	-5,364	-25,785
21 U.S. direct investments abroad, net	-159,212	-119,963	-137,836	-39,083	-35,459	-31,623	-31,670	-28,974
22 Change in foreign official assets in United States (increase, +)	37,724	5,104	94,860	6,106	47,552	8,992	32,210	35,870
23 U.S. Treasury securities	-10,233	10,745	43,144	-1,039	15,138	1,415	27,630	18,099
24 Other U.S. government obligations	40,909	20,920	30,377	7,296	6,568	10,885	5,628	9,380
25 Other U.S. government liabilities	-1,825	-2,309	137	-597	365	464	-95	-694
26 Other U.S. liabilities reported by U.S. banks ³	5,746	-29,978	17,594	-280	24,575	-4,607	-2,094	7,759
27 Other foreign official assets ⁴	3,127	5,726	3,608	726	906	835	1,141	1,326
28 Change in foreign private assets in United States (increase, +)	988,415	760,427	612,123	140,707	173,690	132,486	165,238	152,782
29 U.S. bank-reported liabilities ⁵	116,971	118,379	91,126	-7,446	23,948	20,448	54,176	25,003
30 U.S. nonbank-reported liabilities	170,672	67,489	72,142	46,771	24,610	-8,102	8,863	32,636
31 Foreign private purchases of U.S. Treasury securities, net	-76,949	-7,438	96,217	11,789	14,218	57,505	12,705	13,487
32 U.S. currency flows	1,129	23,783	21,513	4,525	7,183	2,556	7,249	4,927
33 Foreign purchases of other U.S. securities, net	455,318	406,633	291,492	74,461	104,187	45,880	66,964	50,944
34 Foreign direct investments in United States, net	321,274	151,581	39,633	10,607	-456	14,199	15,281	25,785
35 Capital account transactions, net ⁵	-799	-1,062	-1,285	-277	-286	-364	-358	-340
36 Discrepancy	-44,084	-20,785	-45,852	-4,581	30,438	-48,102	-23,602	23,697
37 Due to seasonal adjustment				8,579	2,091	-12,409	1,744	8,916
38 Before seasonal adjustment	-44,084	-20,785	-45,852	-13,160	28,347	-35,693	-25,346	14,781
MEMO								
<i>Changes in official assets</i>								
39 U.S. official reserve assets (increase, -)	-290	-4,911	-3,681	390	-1,843	-1,416	-812	83
40 Foreign official assets in United States, excluding line 25 (increase, +)	39,549	7,413	94,723	6,703	47,187	8,528	32,305	36,564
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	12,000	-1,725	-8,132	-8,532	838	-1,289	851	

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

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

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

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

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

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1999	2000	2001	2002		2003					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ³
1 Total	71,516	67,647	68,654	79,006	78,434	78,579	80,049	80,405	82,287	81,660	80,621
2 Gold stock ¹	11,048	11,046	11,045	11,043	11,043	11,043	11,043	11,043	11,044	11,044	11,044
3 Special drawing rights ^{2,3}	10,336	10,539	10,774	12,166	11,298	11,368	11,392	11,476	11,880	11,720	11,646
4 Reserve position in International Monetary Fund ²	17,950	14,824	17,854	21,979	21,953	21,686	22,858	22,738	23,214	23,210	22,746
5 Foreign currencies ⁴	32,182	31,238	28,981	33,818	34,140	34,482	34,756	35,148	36,149	35,686	35,185

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

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

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

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

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS¹

Millions of dollars, end of period

Asset	1999	2000	2001	2002		2003					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ^p
1 Deposits	71	215	61	136	102	224	254	313	79	898	318
<i>Held in custody</i>											
2 U.S. Treasury securities ²	632,482	594,094	592,630	678,106	683,837	700,341	710,955	702,041	727,142	747,089	743,308
3 Earmarked gold ³	9,933	9,451	9,099	9,045	9,045	9,045	9,045	9,040	9,031	9,004	9,004

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

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

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

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	2000	2001	2002		2003					
			Nov. ^f	Dec. ^f	Jan. ^g	Feb. ^g	Mar. ^g	Apr. ^g	May ^g	
1 Total¹	975,303	987,567	1,066,749	1,078,219	1,083,965	1,107,987	1,116,171	1,114,677	1,164,664	
<i>By type</i>										
2 Liabilities reported by banks in the United States ²	144,593	123,425	141,657	144,080	140,071	151,605	148,939	150,701	174,748	
3 U.S. Treasury bills and certificates ³	153,010	161,719	161,111	190,375	194,762	196,344	206,153	200,462	210,033	
<i>U.S. Treasury bonds and notes</i>										
4 Marketable	450,832	454,306	458,592	464,115	464,427	469,250	470,572	469,762	483,437	
5 Nonmarketable ⁴	5,348	3,411	3,097	2,769	2,786	2,803	2,821	2,839	2,857	
6 U.S. securities other than U.S. Treasury securities ⁵	221,520	244,706	273,292	276,880	281,919	287,985	287,686	290,913	293,589	
<i>By area</i>										
7 Europe ¹	240,325	243,448	265,229	271,250	269,290	281,471	276,924	273,251	287,281	
8 Canada	13,727	13,440	11,016	11,120	10,496	9,837	9,854	9,746	9,942	
9 Latin America and Caribbean	70,442	71,103	62,780	63,022	61,794	62,998	62,743	62,909	65,355	
10 Asia	626,016	635,179	699,012	704,126	715,996	725,120	740,595	740,302	774,805	
11 Africa	14,690	15,167	15,602	15,338	14,589	15,939	15,215	15,834	15,656	
12 Other countries	10,101	9,228	13,108	13,361	11,798	12,620	10,838	12,633	11,623	

1. Includes the Bank for International Settlements.

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

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

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

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

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

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

Payable in Foreign Currencies

Millions of dollars, end of period

Item	1999	2000	2001	2002			2003
				June	Sept.	Dec.	Mar.
1 Banks' own liabilities	88,537	77,779	79,363	89,823	81,719	80,543	88,583
2 Deposits	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	50,582
3 Other liabilities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	38,001
4 Banks' own claims	67,365	56,912	74,640	90,609	82,647	71,724	81,242
5 Deposits	34,426	23,315	44,094	56,221	47,779	34,287	54,194
6 Other claims	32,939	33,597	30,546	34,388	34,868	37,437	27,048
7 Claims of banks' domestic customers²	20,826	24,411	17,631	15,848	20,475	33,659	27,706
8 Deposits	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5,065
9 Other claims	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	22,641

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 ²	2002		2003				
				Nov. ³	Dec. ⁴	Jan. ⁵	Feb. ⁶	Mar. ⁷	Apr. ⁸	May ⁹
BY HOLDER AND TYPE OF LIABILITY										
1 Total, all foreigners	1,511,410	1,636,538	1,832,746	1,789,929	1,832,746	1,782,342	1,946,084	2,008,047	2,065,127	2,100,548
2 Banks' own liabilities	1,077,636	1,181,097	1,288,991	1,256,437	1,288,991	1,239,613	1,390,175	1,452,838	1,499,241	1,512,158
By type of liability										
3 Deposits ²	221,248	191,742	175,220	169,194	175,220	169,503	788,923	807,496	823,417	805,851
4 Other	171,401	197,064	246,568	252,869	246,568	267,627	601,252	645,342	675,824	706,307
5 Of which: repurchase agreements ³	0	151,143	190,134	190,283	190,134	208,959	306,017	338,528	378,839	390,970
6 Banks' custody liabilities ⁴	433,774	455,441	543,755	533,492	543,755	542,729	555,909	555,209	565,886	588,390
By type of liability										
7 U.S. Treasury bills and certificates ⁵	177,846	186,115	229,827	226,571	229,827	231,872	234,547	245,814	242,527	251,905
8 Other negotiable and readily transferable instruments ⁶	145,840	139,807	163,091	155,862	163,091	160,148	172,382	169,890	179,939	194,834
9 Of which: negotiable time certificates of deposit held in custody for foreigners	34,217	20,440	25,821	26,100	25,821	25,448	28,313	28,765	31,435	33,352
10 Of which: short-term agency securities ⁷	0	59,781	72,731	65,927	72,731	67,427	75,249	73,925	76,960	85,226
11 Other	110,088	129,519	190,837	151,059	150,837	150,709	148,980	139,505	143,420	141,651
12 Nonmonetary international and regional organizations ⁸	12,543	10,830	13,467	12,219	13,467	14,624	12,085	9,377	9,003	8,962
13 Banks' own liabilities	12,140	10,169	12,362	11,443	12,362	13,921	11,439	9,331	8,950	8,946
14 Deposits ²	6,287	3,791	5,769	5,245	5,769	5,298	3,778	2,544	3,086	3,197
15 Other	5,853	6,378	6,593	6,198	6,593	8,623	7,661	6,787	5,864	5,749
16 Banks' custody liabilities ⁴	403	661	1,105	776	1,105	703	646	46	53	16
17 U.S. Treasury bills and certificates ⁵	252	600	1,089	760	1,089	687	621	4	33	3
18 Other negotiable and readily transferable instruments ⁶	149	61	16	16	16	16	25	30	20	13
19 Other	2	0	0	0	0	0	0	12	0	0
20 Official institutions ⁹	297,603	285,144	334,455	331,768	334,455	334,833	347,949	355,092	351,163	384,781
21 Banks' own liabilities	96,989	83,824	93,884	96,719	93,884	93,790	100,320	95,439	95,358	110,867
22 Deposits ²	39,525	22,668	20,733	17,754	20,733	17,378	25,713	21,970	23,968	22,528
23 Other	57,464	61,156	73,151	78,965	73,151	76,412	74,607	73,469	71,390	88,339
24 Banks' custody liabilities ⁴	200,614	201,320	240,571	235,049	240,571	241,043	247,629	259,653	255,805	273,914
25 U.S. Treasury bills and certificates ⁵	153,010	161,719	190,375	190,111	190,375	194,762	196,344	206,153	200,462	210,033
26 Other negotiable and readily transferable instruments ⁶	47,366	38,531	50,132	44,137	50,132	45,285	50,763	52,615	55,189	63,217
27 Other	238	1,070	64	801	64	996	522	885	154	664
28 Banks ¹⁰	972,932	1,053,084	1,176,534	1,138,254	1,176,534	1,116,543	1,141,699	1,173,159	1,210,658	1,216,795
29 Banks' own liabilities	821,306	914,492	981,645	945,091	981,645	921,792	947,736	990,887	1,019,160	1,023,397
30 Deposits ²	82,442	68,656	56,020	54,716	56,020	53,156	650,798	674,514	686,570	672,071
31 Other	53,893	53,545	58,422	56,001	58,422	66,153	296,938	316,373	332,590	351,326
32 Banks' custody liabilities ⁴	151,626	138,592	194,889	193,163	194,889	194,751	193,963	182,272	191,498	193,398
33 U.S. Treasury bills and certificates ⁵	16,023	11,541	21,311	18,888	21,311	20,244	18,171	20,730	21,989	20,398
34 Other negotiable and readily transferable instruments ⁶	36,036	24,059	46,770	47,835	46,770	48,614	52,390	48,295	51,753	57,447
35 Other	99,567	102,992	126,808	126,440	126,808	125,893	123,402	113,247	117,756	115,553
36 Other foreigners ¹¹	228,332	287,480	308,290	307,688	308,290	316,342	444,351	470,419	494,303	490,010
37 Banks' own liabilities	147,201	172,612	201,100	203,184	201,100	210,110	330,680	357,181	375,773	368,948
38 Deposits ²	93,010	96,627	92,698	91,479	92,698	93,671	108,634	108,468	109,793	108,055
39 Other	54,191	75,985	108,402	111,705	108,402	116,439	222,046	248,713	265,980	260,893
40 Banks' custodial liabilities	81,131	114,868	107,190	104,504	107,190	106,232	113,671	113,238	118,530	121,062
41 U.S. Treasury bills and certificates ⁵	8,561	12,255	17,052	16,812	17,052	16,179	19,411	18,927	20,043	21,471
42 Other negotiable and readily transferable instruments ⁶	62,289	77,156	66,173	63,874	66,173	66,233	69,204	68,950	72,977	74,157
43 Other	10,281	25,457	23,965	23,818	23,965	23,820	25,056	25,361	25,510	25,434
MEMO										
44 Own foreign offices ¹²	684,987	792,291	867,203	834,374	867,203	802,483	911,640	948,708	996,117	997,017

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

2. Non-negotiable deposits and brokerage balances.

3. Data available beginning January 2001.

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

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

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

7. Data available beginning January 2001.

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

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

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

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

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

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

Payable in U.S. dollars

Millions of dollars, end of period

Item	2000	2001	2002	2002		2003						
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ⁹		
AREA OR COUNTRY												
45 Total, all foreigners	1,511,410	1,636,538	1,832,746²	1,789,929²	1,832,746²	1,782,342²	1,946,084²	2,008,047²	2,065,127²	2,100,548		
46 Foreign countries	1,498,867	1,625,708	1,819,279²	1,777,710²	1,819,279²	1,767,718²	3,867,998²	3,997,340²	4,112,248²	4,183,172		
47 Europe	446,788	521,331	627,537 ²	615,355 ²	627,537 ²	560,622 ²	708,524 ²	726,141 ²	722,353 ²	759,838		
48 Austria	2,692	2,922	2,473	2,442	2,473	2,186	2,330	2,125	2,110	2,472		
49 Belgium ¹³	33,399	6,557	8,610	8,031	8,610	4,668 ²	5,454	7,742	6,668	4,099		
50 Denmark	3,000	3,626	4,880	3,339	4,880	6,497	6,603	6,751	5,088 ²	7,091		
51 Finland	1,411	1,446	1,693	2,646	1,693	2,583	1,861	845	1,007 ²	2,291		
52 France	37,833	49,056	39,636	40,748	39,636	36,731	39,680 ²	39,885	41,280 ²	46,726		
53 Germany	35,519	22,375	34,394	32,021	34,394	31,977 ²	39,690 ²	43,681 ²	42,498 ²	44,131		
54 Greece	2,011	2,307	2,975	3,348	2,975	3,205	2,908	2,002	1,378	1,653		
55 Italy	5,072	6,354	4,826	5,642	4,826	4,421	4,812	4,982 ²	6,431 ²	5,938		
56 Luxembourg ¹³	0	16,894	28,623	27,744	28,623	30,538	36,001 ²	32,926	36,765	38,547		
57 Netherlands	7,047	12,411	10,705	7,907	10,705	10,550 ²	16,258	13,708	15,207	16,066		
58 Norway	2,305	3,727	18,867	14,677	18,867	17,723	14,663	13,866	13,866	15,479		
59 Portugal	2,403	4,033	3,574	3,091	3,574	3,448	2,889 ²	2,802	2,906	2,735		
60 Russia	19,018	20,800	23,147	25,444	23,147	24,378	27,648	28,918	30,656	35,062		
61 Spain	7,787	8,811	14,030	15,574	14,030	14,849	16,062	13,919	14,177	15,851		
62 Sweden	6,497	3,375	4,654	3,857	4,654	3,767	4,006	4,631	6,816	6,309		
63 Switzerland	74,635	66,403	131,489	141,175	131,489	105,350	119,429	114,442	100,321	113,510		
64 Turkey	7,548	7,474	12,130	11,748	12,130	12,754	11,973	10,996	11,214 ²	12,253		
65 United Kingdom	167,757	204,396	181,840 ²	182,059	181,840 ²	168,426 ²	278,896 ²	301,250 ²	303,976 ²	308,140		
66 Channel Islands and Isle of Man ¹⁴	0	36,059	45,728	38,935	45,728	26,327	23,024	21,715	21,404	23,478		
67 Yugoslavia ¹⁵	276	309	301	332	301	353	337	332	237	183		
68 Other Europe and other former U.S.S.R. ¹⁶	30,578	41,996	52,962	44,595	52,962	49,891	57,727 ²	58,346	58,348	57,824		
69 Canada	30,982	27,251	24,955 ²	24,274 ²	24,955 ²	27,880	28,618 ²	31,992 ²	29,209 ²	31,867		
70 Latin America	120,041	118,025	107,042 ²	103,904 ²	107,042 ²	106,106 ²	104,120 ²	104,539 ²	106,601 ²	105,480		
71 Argentina	19,451	10,704	11,218 ²	11,644 ²	11,218 ²	11,253 ²	10,574 ²	9,959 ²	9,735	9,735		
72 Brazil	10,852	14,169	10,037	10,275	10,037	10,586	10,991 ²	12,153 ²	11,243 ²	12,742		
73 Chile	5,892	4,939	6,064	5,360	6,064	5,591	5,807 ²	5,713 ²	5,062 ²	5,534		
74 Colombia	4,542	4,695	4,158	4,644	4,158	4,147	4,892 ²	4,453	4,721	4,649		
75 Ecuador	2,112	2,390	2,299	2,252	2,299	2,397	2,239	2,369	2,249	2,289		
76 Guatemala	1,601	1,882	1,381	1,386	1,381	1,436	1,474	1,400 ²	1,531 ²	1,493		
77 Mexico	32,166	39,871	36,149	32,612 ²	36,149 ²	36,888 ²	34,960 ²	36,033 ²	38,454 ²	34,771		
78 Panama	4,240	3,610	3,845 ²	3,589 ²	3,845 ²	3,972 ²	4,119 ²	3,682 ²	3,665 ²	3,642		
79 Peru	1,427	1,359	1,363	1,363	1,363	1,364	1,311	1,332 ²	1,376 ²	1,612		
80 Uruguay	3,003	3,172	2,806	2,603	2,806	2,681	2,468 ²	2,760 ²	2,896 ²	2,893		
81 Venezuela	24,730	24,974	21,883	22,310	21,883	19,951	19,594	18,208 ²	19,107 ²	20,115		
82 Other Latin America ¹⁷	10,025	6,260	5,839	5,869	5,839	5,840	5,641	5,773 ²	6,338 ²	6,005		
83 Caribbean	573,337	194,814	194,158 ²	179,396 ²	194,158 ²	206,063 ²	210,915 ²	223,153	211,562	222,555		
84 Bahamas	189,298	178,472	163,052 ²	145,689 ²	163,052 ²	169,978 ²	165,813 ²	175,721	161,208	169,537		
85 Bermuda	9,636	10,539	23,780 ²	25,747 ²	23,780 ²	27,421 ²	38,133 ²	40,552	43,422	45,824		
86 British West Indies ¹⁸	367,197	0	0	0	0	0	0	0	0	0		
87 Cayman Islands ¹⁸	0	440,038	512,570 ²	503,087 ²	512,570 ²	516,117 ²	524,354 ²	551,635	629,329	591,805		
88 Cuba	90	88	91	91	91	93	207	91	91	92		
89 Jamaica	794	1,182	829	828	829	883	851	996	929	834		
90 Netherlands Antilles	5,428	3,264	5,001	5,458	5,001	6,329	4,527	4,420	4,592	5,065		
91 Trinidad and Tobago	894	1,269	1,405	1,580	1,405	1,359	1,384	1,373	1,320	1,293		
92 Other Caribbean ¹⁷	0	12,135	11,341	11,487 ²	11,341	11,057	11,786 ²	11,883 ²	12,331 ²	12,022		
93 Asia	305,554	294,496	318,048 ²	316,513 ²	318,048 ²	318,865 ²	319,760 ²	326,773 ²	318,674 ²	341,850		
94 China	16,531	10,498	15,504	14,488	15,504	13,544	13,703 ²	17,618	14,994	15,618		
95 Taiwan	17,352	17,633	18,625 ²	23,547 ²	18,625 ²	22,147	24,040	20,099	21,274	23,069		
96 Hong Kong	26,462	26,494	33,032 ²	31,332 ²	33,032 ²	36,777	35,787 ²	32,964	34,437	33,961		
97 India	4,530	3,708	7,951 ²	7,507	7,951 ²	8,074	8,836	8,672	9,267	9,394		
98 Indonesia	8,514	12,383	14,109	12,915	14,109	12,858	12,419	11,943	12,039	11,891		
99 Israel	8,053	7,870	7,231 ²	8,932 ²	7,231 ²	9,638 ²	10,210 ²	11,791 ²	10,886 ²	10,253		
100 Japan	150,415	155,314	161,329 ²	163,979 ²	161,329 ²	162,110	166,421 ²	176,338	166,060	179,917		
101 Korea (South)	7,955	9,019	8,932	6,548	8,932	7,410	7,044	6,730	6,859	7,933		
102 Philippines	2,316	1,772	1,793	1,462	1,793	1,364	1,528	1,764	1,549	1,867		
103 Thailand	3,117	4,743	7,605	8,698	7,605	6,666	5,033	5,287	5,739	5,292		
104 Middle Eastern oil-exporting countries ¹⁹	23,763	20,035	16,364	11,633	16,364	15,176	12,198 ²	9,858	10,370	14,447		
105 Other	36,546	25,027	25,573	25,472	25,573	23,101 ²	22,541 ²	23,709	25,200	28,208		
106 Africa	10,824	11,365	12,240	11,989	12,240	11,177	14,390	12,980	13,591	13,170		
107 Egypt	2,621	2,778	2,652	2,493	2,652	2,494	3,624	3,549	3,607	3,536		
108 Morocco	139	274	306	254	306	259	349	283	210	281		
109 South Africa	1,010	839	1,114	701	1,114	725	2,406	1,807	2,019	2,172		
110 Congo (formerly Zaire)	4	4	2	2	2	3	5	4	4	4		
111 Oil-exporting countries ²⁰	4,052	4,377	4,370	4,983	4,370	4,126	4,552	3,987	4,146	3,701		
112 Other	2,998	3,093	3,796	3,556	3,796	3,570	3,457	3,351	3,605	3,476		
113 Other countries	11,341	6,253	11,388	11,705	11,388	9,831	11,532	9,574	12,474	12,099		
114 Australia	10,070	5,599	9,332	9,339	9,332	8,237	9,120	6,842	9,854	9,497		
115 New Zealand ²¹	0	242	1,796	2,120	1,796	1,320	1,940	2,175	2,123	2,039		
116 All other	1,271	412	260	246	260	274	472	557	497	563		
117 Nonmonetary international and regional organizations	12,543	10,830	13,467	12,219	13,467	14,624	12,085	9,377	9,003 ²	8,962		
118 International ²²	11,270	9,331	11,282	10,246	11,282	12,859	10,217	7,955	7,919 ²	7,782		
119 Latin American regional ²³	740	480	507	477	507	372	547	686	296	339		
120 Other regional ²⁴	533	935	1,611	1,423	1,611	1,299	1,216	633	614	693		

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

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

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

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

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

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

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

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

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

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

23. Principally the Inter-American Development Bank.

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

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

Payable in U.S. dollars

Millions of dollars, end of period

Area or country	2000	2001	2002	2002		2003				
				Nov.	Dec.	Jan.	Feb.	Mar. ¹	Apr. ¹	May ²
1 Total, all foreigners	904,642	1,055,069	1,088,165³	1,100,942³	1,088,165³	1,083,390	1,135,101⁴	1,214,784	1,230,233	1,247,439
2 Foreign countries	899,956	1,050,123	1,084,488³	1,097,624³	1,084,488³	1,080,231	2,263,492⁴	2,421,508	2,451,214	2,487,518
3 Europe	378,115	461,176	484,047	489,943	484,047	446,105	519,970 ⁴	540,034	538,449	568,320
4 Austria	2,926	4,981	3,603	4,224	3,603	4,334	4,142	4,538	4,875	4,165
5 Belgium ²	5,399	6,391	6,044	5,784	6,044	6,273	6,285 ⁴	7,652	8,119	4,722
6 Denmark	3,272	1,105	1,109	940	1,109	1,563	428 ⁴	748	648	495
7 Finland	7,382	10,350	8,518	9,028	8,518	9,832	9,191	9,462	11,893	8,130
8 France	40,035	60,620	47,705	54,089	47,705	45,914	48,395 ⁴	46,458	54,726	52,852
9 Germany	36,834	29,902	22,481	22,103	22,481	23,395	22,255	22,259	19,844	20,343
10 Greece	646	330	477	331	477	296	295	314	234	214
11 Italy	7,629	4,205	3,753	3,945	3,753	3,177	3,002	4,012	4,526	4,133
12 Luxembourg ²	0	1,267	3,407	3,224	3,407	3,901	4,360	3,149	4,472	6,433
13 Netherlands	17,043	15,908	23,133	15,572	23,133	19,188	16,008 ⁴	21,135	18,083	19,769
14 Norway	5,012	6,236	13,885	11,464	13,885	18,606	9,809	11,091	11,672	11,039
15 Portugal	1,382	1,603	2,226	2,134	2,226	2,356	2,342	1,929	2,260	2,457
16 Russia	517	594	877	787	877	1,025	729 ⁴	1,107	699	755
17 Spain	2,603	3,260	5,371	4,752	5,371	4,154	3,251 ⁴	2,477	2,908	2,374
18 Sweden	9,226	12,544	15,889	15,239	15,889	15,329	15,458	16,310	16,860	16,184
19 Switzerland	82,085	87,333	126,958	134,425	126,958	87,562	101,202	106,935	81,560	98,528
20 Turkey	3,059	2,124	2,112	2,532	2,112	2,021	2,069	2,280	2,441	2,531
21 United Kingdom	144,938	201,183	173,996	182,805	173,996	167,820	236,653 ⁴	236,393	246,061	260,393
22 Channel Islands and Isle of Man ³	0	4,478	17,457	11,304	17,457	24,393	27,767	34,994	38,611	44,454
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	5,261	5,046	4,966	6,059	6,791	7,956	8,349
25 Canada	39,837	54,421	60,521 ¹	58,715 ¹	60,521 ¹	65,085	65,982 ¹	57,321	58,990	53,892
26 Latin America	76,561	69,762	56,642	58,257	56,642	54,482	55,413 ¹	55,945	54,620	55,920
27 Argentina	11,519	10,763	6,783	7,253	6,783	6,663	6,615	6,149	6,077	5,918
28 Brazil	20,567	19,434	15,419	15,871	15,419	14,520	15,329	15,899	15,324	16,390
29 Chile	5,815	5,317	5,250	5,358	5,250	5,077	5,220	5,228	5,271	5,301
30 Colombia	4,370	3,602	2,614	2,758	2,614	2,406	2,711 ¹	2,650	2,587	2,480
31 Ecuador	635	495	457	451	457	439	428	460	445	448
32 Guatemala	1,244	1,495	892	889	892	896	831	970	841	799
33 Mexico	17,415	16,522	15,658	15,828	15,658	15,268	14,993	14,791	14,628	15,217
34 Panama	2,933	3,061	1,915	1,961	1,915	1,730	1,856	1,882	1,959	1,898
35 Peru	2,807	2,185	1,411	1,484	1,411	1,403	1,438	1,399	1,447	1,492
36 Uruguay	673	447	255	292	255	255	300	324	322	313
37 Venezuela	3,518	3,077	3,254	3,231	3,254	3,202	3,171	3,293	3,188	3,119
38 Other Latin America ⁶	5,065	3,364	2,734	2,881	2,734	2,623	2,521	2,900	2,531	2,545
39 Caribbean	319,403	370,945	381,637 ⁷	379,033 ⁷	381,637 ⁷	402,454	381,393 ⁷	434,477	448,057	443,213
40 Bahamas	114,090	101,034	95,584	93,839	95,584	97,456	86,312 ⁷	92,186	86,031	91,506
41 Bermuda	9,260	7,900	9,902	9,902	9,902	12,511	17,031	23,339	21,346	21,552
42 British West Indies ⁷	189,289	0	0	0	0	0	0	0	0	0
43 Cayman Islands ⁷	0	250,376	265,000 ⁷	263,995 ⁷	265,000 ⁷	281,641	265,642 ⁷	307,700	329,369	318,460
44 Cuba	0	0	0	0	0	0	0	0	0	0
45 Jamaica	355	418	321	393	321	304	349	381	376	309
46 Netherlands Antilles	5,801	6,729	6,690	6,744	6,690	6,445	7,657	6,750	7,008	7,104
47 Trinidad and Tobago	608	931	889	912	889	865	966 ⁷	881	846	849
48 Other Caribbean ⁸	0	3,557	3,251	3,248	3,251	3,232	3,436	3,240	3,081	3,433
49 Asia	77,829	85,882	93,487 ⁹	104,218 ⁹	93,487 ⁹	103,096	101,451 ⁹	114,185	116,993	115,229
50 China										
51 Mainland	1,606	2,073	1,057	6,575	1,057	4,799	1,884	9,418	7,819	4,731
52 Taiwan	2,247	4,407	3,772	7,034	3,772	6,563	5,696 ⁹	8,259	5,349	5,689
53 Hong Kong	6,669	9,995	7,258	6,849	7,258	6,490	5,652	4,987	4,767	5,549
54 India	2,178	1,348	1,235	921	1,235	1,128	1,170	960	1,050	1,187
55 Indonesia	1,914	1,752	1,270 ⁹	1,393 ⁹	1,270 ⁹	1,223	1,059	1,023	992	993
56 Israel	2,729	4,396	4,660	3,836	4,660	5,182	3,328	3,110	4,014	3,971
57 Japan	34,974	34,125	47,600	47,071	47,600	48,818	56,265	58,391	63,241	62,399
58 Korea (South)	7,776	10,622	11,118	14,297 ⁹	11,118	14,473	13,936	13,045	14,837	13,237
59 Philippines	1,784	2,587	2,137	1,555	2,137	2,424	1,533	2,040	1,862	1,651
60 Thailand	1,381	2,499	1,167	756	1,167	830	696	1,382	1,252	1,658
61 Middle Eastern oil-exporting countries ⁸	9,346	7,882	7,952	8,251	7,952	8,004	6,405	7,110	6,871	7,271
61 Other	5,225	4,196	4,261	5,680	4,261	3,162	3,827	4,460	4,939	6,893
62 Africa	2,094	2,095	1,977	1,693	1,977	1,945	1,992	2,051	1,850	1,777
63 Egypt	201	416	487	428	487	511	544	558	551	446
64 Morocco	204	106	53	52	53	53	45	49	42	41
65 South Africa	309	710	617	435	617	545	577	565	468	546
66 Congo (formerly Zaire)	0	0	0	0	0	0	0	0	0	0
67 Oil-exporting countries ⁹	471	167	222	225	222	240	224	257	215	129
68 Other	909	696	598	553	598	596	602	622	574	558
69 Other countries	6,117	5,842	6,177	5,765	6,177	7,064	5,545 ⁹	6,741	6,648	5,408
70 Australia	5,868	5,455	5,566	5,303	5,566	6,212	5,023 ⁹	5,940	5,887	4,594
71 New Zealand ¹⁰	0	349	569	439	569	833	507	705	640	668
72 All other	249	38	42	23	42	19	15	96	121	146
73 Nonmonetary international and regional organizations ¹¹	4,686	4,946	3,677	3,318	3,677	3,159	3,355	4,030	4,626	3,680

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

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

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

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

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

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

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

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

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

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

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

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

Payable in U.S. dollars

Millions of dollars, end of period

Type of claim	2000	2001	2002	2002		2003				
				Nov.	Dec. ^f	Jan. ^f	Feb. ^f	Mar. ^f	Apr. ^f	May ^g
1 Total claims reported by banks	1,095,869	1,254,863	1,306,306^e	..	1,306,306	..	..	1,476,482	..	..
2 Banks' own claims on foreigners	904,642	1,055,069	1,088,165 ^e	1,100,942 ^f	1,088,165	1,083,390	1,135,101	1,214,784	1,230,233	1,247,439
3 Foreign official institutions ²	37,907	49,404	52,198 ^f	60,321 ^f	52,198	62,004	39,628	50,908	47,619	48,815
4 Foreign banks ³	725,380	849,491	873,077 ^f	876,741 ^f	873,077	854,787	832,440	869,909	885,366	896,872
5 Other foreigners ⁴	141,355	156,174	162,890	163,880	162,890	166,599	263,033	293,967	297,248	301,752
6 Claims on banks' domestic customers ⁵	191,227	199,794	218,141	..	218,141	..	..	261,698	..	..
7 Non-negotiable deposits	100,352	93,565	80,269	..	80,269	..	..	98,891	..	..
8 Negotiable CDs .....	..	..	..	..	..	..	..	87,925	..	..
9 Other short-term negotiable instruments ⁶	78,147	90,412	131,780	..	131,780	..	..	58,025	..	..
10 Other claims	12,728	15,817	6,092	..	6,092	..	..	16,857	..	..
MEMO										
11 Non-negotiable deposits ⁷ .....	..	..	..	..	..	..	354,995	372,679	395,189	381,134
12 Negotiable CDs ⁷ .....	..	..	..	..	..	..	2,221	2,621	1,741	2,198
13 Other short-term negotiable instruments ⁷ .....	..	..	..	..	..	..	9,722	13,444	13,788	13,147
14 Other claims ⁷	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	768,163	826,040	819,515	850,960
15 Own foreign offices ⁸	630,137	749,124	795,060 ^e	781,783 ^f	795,060	768,492	807,290	848,417	854,911	870,714
16 Loans collateralized by repurchase agreements ⁹ .....	..	137,979	161,585	156,299	161,585	185,804	245,798	287,043	311,728	319,597

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

2. 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.

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

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	42,826	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	22,050	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	2,622	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	1,078	583	591	492
23 Latin America and Caribbean	892	4,125	2,858	2,858	1,547	1,832	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	626	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	1,000	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 ¹	2000 ²	2001 ¹	2001	2002				2003
				Dec.	Mar.	June	Sept.	Dec.	Mar. ³
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>									
<i>Commercial liabilities</i>									
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
<i>MEMO</i>									
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 ^c	4,281 ^c	4,143 ^c	4,031 ^c	4,292 ^c	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
<i>MEMO</i>									
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. ^P
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	18,689	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. ^P
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>									
<i>Commercial claims</i>									
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
<i>MEMO</i>									
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 ⁵	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
<i>MEMO</i>									
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		2002		2003				
			Jan.- May	Nov.	Dec.	Jan. ^f	Feb. ^f	Mar. ^f	Apr. ^f	May ^g	
U.S. corporate securities											
STOCKS											
1 Foreign purchases	3,051,332	3,203,259 ^e	1,161,356	264,363 ^f	216,726 ^f	216,731	201,408	236,668	233,275	273,274	
2 Foreign sales	2,934,942	3,153,816 ^e	1,152,568	257,887 ^f	214,287 ^f	219,527	203,486	233,828	228,918	266,809	
3 Net purchases, or sales (-)	116,390	49,443^e	8,788	6,476^f	2,439^f	-2,796	-2,078	2,840	4,357	6,465	
4 Foreign countries	116,187	49,496^e	8,836	6,469^f	2,423^f	-2,773	-2,080	2,860	4,360	6,469	
5 Europe	88,099	33,004 ^e	2,845	4,407	4,882 ^f	-2,186	1,900	1,360	250	1,521	
6 France	5,914	2,127	1,287	-323	676	270	1,816	-1,647	642		
7 Germany	8,415	-129 ^e	-1,286	31	517 ^f	-63	-780	-118	-260		
8 Netherlands	10,919	4,535 ^e	114	629	792	366	-75	651	-1,090	262	
9 Switzerland	3,456	2,655 ^e	-2,539	1,581	909	-724	-990	-22	98	-901	
10 United Kingdom	38,493	15,173	-1,483	2,062	784	-2,761	1,938	-258	779	-1,181	
11 Channel Islands and Isle of Man ¹	-698	-255	-47	23	-22	-2	-17	-42	44	-30	
12 Canada	10,984	7,432 ^e	4,368	46 ^f	746	1,481	-1,594	2,376	2,540	-435	
13 Latin America and Caribbean	-5,154	-15,422 ^e	-1,089	2,687 ^f	-2,324 ^f	-3,104	-2,253	-1,538	1,230	4,576	
14 Middle East ²	1,789	-1,293	-122	-232	71	-72	-21	-51	-7	29	
15 Other Asia	20,726	22,672 ^e	4,954	-773 ^f	-894	1,287	2,774	478	-73	488	
16 Japan	6,788	12,337	-387	-961	-1,131	561	1,008	-60	-1,093	-803	
17 Africa	-366	-72	31	-16	-20	38	-9	-29	68	-37	
18 Other countries	109	3,175	-2,151	350	-38	-217	-2,877	264	352	327	
19 Nonmonetary international and regional organizations	203	-53	-48	7	16	-23	2	-20	-3	-4	
BONDS ³											
20 Foreign purchases	1,942,690	2,549,132 ^e	1,434,748	258,716 ^f	207,380	228,232	207,404	307,241	307,274	384,597	
21 Foreign sales	1,556,745	2,171,786 ^e	1,216,175	218,191 ^f	178,510	180,540	184,293	263,003	265,109	323,230	
22 Net purchases, or sales (-)	385,945	377,346^e	218,573	40,525^f	28,870	47,692	23,111	44,238	42,165	61,367	
23 Foreign countries	385,379	377,083^e	218,777	40,485^f	28,684	47,836	23,276	44,307	41,755	61,603	
24 Europe	195,412	167,140 ^e	113,055	16,687 ^f	10,526	27,938	16,528	20,639	25,309	22,641	
25 France	5,028	3,771	1,787	383	-434	1,092	63	142	362	128	
26 Germany	12,362	5,149	1,668	558	1,249	545	999	-180	45	259	
27 Netherlands	1,538	-406	376	-61	-19	118	611	-2	-604	253	
28 Switzerland	5,721	8,521	4,676	743	304	1,154	859	1,034	1,263	366	
29 United Kingdom	152,772	109,836	69,591	8,812	6,768	15,960	6,826	14,772	17,009	15,024	
30 Channel Islands and Isle of Man ¹	2,000	11,173	17,107	4,917	959	5,420	1,533	4,138	2,696	3,320	
31 Canada	4,595	-1,037	1,004	-757	-2,180	-892	193	1,169	-894	1,428	
32 Latin America and Caribbean	77,019	82,837	38,619	5,471	7,379	6,564	-6,379	10,217	1,965	26,252	
33 Middle East ²	2,337	2,315	386	387	-120	591	42	37	-19	-265	
34 Other Asia	106,400	121,470	64,575	18,374	12,944	13,593	12,767	11,038	15,861	11,316	
35 Japan	33,687	48,482	22,509	10,456	4,863	4,025	4,566	1,456	8,579	3,883	
36 Africa	760	860	1,169	56	28	53	80	779	147	110	
37 Other countries	-1,144	3,498	-31	267	107	-11	45	428	-614	121	
38 Nonmonetary international and regional organizations	566	263	-204	40	186	-144	-165	-69	410	-236	
Foreign securities											
39 Stocks, net purchases, or sales (-)	-50,113	-1,629	-25,546	-981	-2,751	-6,893	-4,474	-5,365	2,071	-10,885	
40 Foreign purchases	1,397,664	1,260,278	469,263	101,821	81,804	94,622	83,683	91,102	100,060	99,796	
41 Foreign sales	1,447,777	1,261,907	494,809	102,802	84,555	101,515	88,157	96,467	97,989	110,681	
42 Bonds, net purchases, or sales (-)	30,502	28,406	22,319	2,269	-5,157	-1,915	4,493	7,315	-1,211	13,637	
43 Foreign purchases	1,160,102	1,377,020	778,364	137,931	117,917	140,513	122,893	166,837	151,872	196,249	
44 Foreign sales	1,129,600	1,348,614	756,045	135,662	123,074	142,428	118,400	159,522	153,083	182,612	
45 Net purchases, or sales (-), of stocks and bonds	-19,611	26,777	-3,227	1,288	-7,908	-8,808	19	1,950	860	2,752	
46 Foreign countries	-19,024	26,814	-3,217	1,300	-7,922	-8,829	-77	1,969	947	2,773	
47 Europe	-12,108	15,407	5,503	6,105	-9,095	-5,090	-1,592	6,268	4,432	1,485	
48 Canada	2,943	4,849	5,697	-167	712	3,890	603	-302	-600	2,106	
49 Latin America and Caribbean	4,315	4,362	-15,826	518	1,045	-7,886	862	-3,381	-6,270	849	
50 Asia	-11,869	1,591	1,815	-5,256	-987	194	-971	3,456	-603	-603	
51 Japan	-20,116	-9,119	2,659	-6,617	-2,039	-1,233	-1,447	1,557	2,218	1,564	
52 Africa	-558	-379	-68	100	40	-55	-34	27	-11	5	
53 Other countries	-1,747	784	-338	0	363	573	-110	328	-60	-1,069	
54 Nonmonetary international and regional organizations	-587	-37	-10	-12	14	21	96	-19	-87	-21	

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

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

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

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

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

Area or country	2001	2002	2003		2002		2003				
			Jan.- May	Nov.	Dec.	Jan. ¹	Feb. ¹	Mar. ¹	Apr. ¹	May ²	
1 Total estimated	18,514	120,537²	74,022	20,337²	13,638²	2,819	-2,421	26,390	8,325	38,909	
2 Foreign countries	19,200	118,526 ²	73,670	20,417 ²	13,309 ²	2,436	-2,177	26,441	8,377	38,593	
3 Europe	-20,604	43,008 ²	10,442	8,087 ²	2,534 ²	1,958	-5,238	649	7,102	5,971	
4 Belgium ²	-598	2,046	-435	513	-193	3,371	-1,379	-2,722	218	77	
5 Germany	-1,668	-3,910	2,910	1,658	1,610	-1,183	-257	-270	1,176	3,444	
6 Luxembourg ²	462	-1,609	549	-139	-201	75	358	83	33	0	
7 Netherlands	-6,728	-17,020	4,926	1,427	3,261	-4,085	1,360	959	4,425	2,267	
8 Sweden	-1,190	2,923	1,376	1,652	902	422	190	522	-240	482	
9 Switzerland	1,412	-508	-104	2,389	-2,543	-86	-1,050	1,067	-784	749	
10 United Kingdom	-7,279	60,995	964	-45	-2,739	1,313	-2,912	3,256	-6	-687	
11 Channel Islands and Isle of Man ³	-179	714	716	-299	-84	-11	9	37	140	541	
12 Other Europe and former U.S.S.R.	-4,836	-623 ²	-460	931 ¹	2,521 ¹	2,142	-1,557	-2,283	2,140	-902	
13 Canada	-1,634	-5,198	-1,284	3,165	1,028	-698	-1,871	1,782	820	-1,317	
14 Latin America and Caribbean	4,272	21,116	15,453	-1,758	6,074	-1,891	3,384	11,179	-7,150	9,931	
15 Venezuela	290	-59	190	-1	-73	20	97	23	13	37	
16 Other Latin America and Caribbean	14,726	21,955	14,159	319	1,652	2,676	2,323	8,550	-5,850	6,460	
17 Netherlands Antilles	-10,744	-780	1,104	-2,076	4,495	-4,587	964	2,606	-1,313	3,434	
18 Asia	36,332	55,850	48,529	10,607	3,626	2,630	2,287	12,246	7,389	23,977	
19 Japan	16,114	30,730	37,397	2,120	2,731	3,512	5,580	-1,221	5,557	23,969	
20 Africa	-880	841	93	-17	90	84	-43	-16	127	-59	
21 Other	1,714	2,909	437	333	-43	353	-696	601	89	90	
22 Nonmonetary international and regional organizations	-686	2,011	352	-80	329	383	-244	-51	-52	316	
23 International	-290	1,642	397	314	164	170	-130	-109	85	381	
24 Latin American Caribbean regional	41	-3	-124	-19	0	-15	-38	-28	-37	-6	
MEMO											
25 Foreign countries	19,200	118,526 ²	73,670	20,417 ²	13,309 ²	2,436	-2,177	26,441	8,377	38,593	
26 Official institutions	3,474	9,809 ²	19,322	15,817 ²	5,523 ²	312	4,823	1,322	-810	13,675	
27 Other foreign	15,726	108,717 ²	54,348	4,600	7,786 ²	2,124	-7,000	25,119	9,187	24,918	
<i>Oil-exporting countries</i>											
28 Middle East ⁴	865	-3,918	-7,369	-139	-3,815	509	-4,252	128	-2,606	-1,148	
29 Africa ⁵	-2	29	0	1	55	0	0	0	0	0	

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

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

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

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

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

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

Currency units per U.S. dollar except as noted

Item	2000	2001	2002	2003					
				Feb.	Mar.	Apr.	May	June	July
Exchange rates									
COUNTRY/CURRENCY UNIT									
1 Australia/dollar ²	58.15	51.69	54.37	59.56	60.15	61.00	64.68	66.52	66.07
2 Brazil/real	1.8301	2.3527	2.9213	3.5955	3.4567	3.1090	2.9517	2.8887	2.8833
3 Canada/dollar	1.4855	1.5487	1.5704	1.5121	1.4761	1.4582	1.3840	1.3525	1.3821
4 China, P.R./yuan	8.2784	8.2770	8.2770	8.2780	8.2773	8.2772	8.2769	8.2771	8.2773
5 Denmark/krone	8.0953	8.3323	7.8862	6.8920	6.8807	6.8381	6.4268	6.3620	6.5425
6 European Monetary Union/euro ³	0.9232	0.8952	0.9454	1.0785	1.0797	1.0862	1.1556	1.1674	1.1365
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	7.7995	7.7991	7.7996	7.7991	7.7988	7.7990
9 India/rupee	45.00	47.22	48.63	47.75	47.68	47.39	47.11	46.70	46.22
10 Japan/yen	107.80	121.57	125.22	119.34	118.69	119.90	117.37	118.33	118.70
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	10.945	10.905	10.589	10.253	10.503	10.458
13 New Zealand/dollar ²	45.68	42.02	46.45	55.39	55.37	55.18	57.56	58.15	58.64
14 Norway/krone	8.8131	8.9964	7.9839	7.0004	7.2760	7.2032	6.8145	7.0093	7.2924
15 Singapore/dollar	1.7250	1.7930	1.7908	1.7451	1.7551	1.7771	1.7357	1.7351	1.7551
16 South Africa/rand	6.9468	8.6093	10.5176	8.2858	8.0506	7.6634	7.6604	7.8588	7.5458
17 South Korea/won	1,130.90	1,292.01	1,250.31	1,190.37	1,237.20	1,231.10	1,201.23	1,194.14	1,181.16
18 Sri Lanka/rupee	76.964	89.602	95.773	96.880	96.943	97.004	97.231	97.236	97.153
19 Sweden/krona	9.1735	10.3425	9.7233	8.4837	8.5440	8.4314	7.9213	7.8116	8.0929
20 Switzerland/franc	1.6904	1.6891	1.5567	1.3602	1.3614	1.3783	1.3111	1.3196	1.3611
21 Taiwan/dollar	31.260	33.824	34.536	34.734	34.721	34.824	34.697	34.633	34.396
22 Thailand/baht	40.210	44.532	43.019	42.897	42.783	42.929	42.217	41.675	41.808
23 United Kingdom/pound ²	151.56	143.96	150.25	160.79	158.25	157.39	162.24	166.09	162.21
24 Venezuela/bolivar	680.52	724.10	1,161.19	1,736.21	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	124.12	123.56	122.54	118.54	117.93	119.11
26 Major currencies (March 1973=100) ⁶	98.31	104.28	102.85	95.02	94.28	93.98	89.67	88.68	90.42
27 Other important trading partners (January 1997=100) ⁷	130.34	136.36	141.42	147.35	147.26	145.15	142.75	143.07	142.84
REAL									
28 Broad (March 1973=100) ⁵	104.47 ^f	110.50 ^f	110.88 ^f	107.91 ^f	107.71 ^f	106.62 ^f	103.12 ^f	102.80 ^f	104.01
29 Major currencies (March 1973=100) ⁶	103.29	110.73	109.36 ^f	101.47 ^f	100.84 ^f	100.35 ^f	95.53 ^f	94.57 ^f	96.65
30 Other important trading partners (March 1973=100) ⁷	114.81 ^f	119.47 ^f	122.29 ^f	125.96 ^f	126.42 ^f	124.31 ^f	122.56 ^f	123.22 ^f	123.16

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

2. U.S. cents per currency unit.

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

Euro equals		
13.7603	Austrian schillings	1,936.27
40.3399	Belgian francs	40.3399
5.94573	Finnish markkas	2,203.71
6.55957	French francs	200.482
1.95583	German marks	166.386
.787564	Irish pounds	340.750
	Italian lire	
	Luxembourg francs	
	Netherlands guilders	
	Portuguese escudos	
	Spanish pesetas	
	Greek drachmas	

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

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

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

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

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4.34 RESIDENTIAL LENDING ACTIVITY OF FINANCIAL INSTITUTIONS COVERED BY HMDA, 1990–2002

Number

Item	1990 ¹	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1 Loans or applications (millions) ²	6.59	7.89	12.01	15.38	12.19	11.23	14.81	16.41	24.66	22.90	19.24	27.58	31.24
2 Reporting institutions	9,332	9,358	9,073	9,650	9,858	9,539	9,328	7,925	7,836	7,832	7,713	7,631	7,771
3 Disclosure reports	24,041	25,934	28,782	35,976	38,750	36,611	42,946	47,416	57,294	56,966	52,776	53,066	56,506

1. Before 1990, includes only home purchase, home refinancing, and home-improvement loans originated by covered institutions; beginning in 1990 (first year under revised reporting system), includes such loans originated and purchased, applications approved but not accepted by the applicant, applications denied or withdrawn, and applications closed because information was incomplete.

2. Revised from preliminary data published in Glenn B. Canner and Dolores S. Smith, "Home Mortgage Disclosure Act: Expanded Data on Residential Lending," *Federal Reserve Bulletin*, vol. 77 (November 1991), p. 861, to reflect corrections and the reporting of additional data.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.35 APPLICATIONS FOR HOME LOANS REPORTED UNDER HMDA, 2002

By Type of Dwelling, Purpose of Loan, and Loan Program

Thousands

Loan program	One- to four-family dwellings				Multifamily dwellings ¹	All
	Home purchase	Home refinancing	Home improvement	All		
1 FHA	924.3	545.2	11.7	1,481.2	*	1,481.5
2 VA	187.7	202.3	*	390.3	*	390.3
3 FSA/RHS	25.4	2.8	*	28.3	*	28.3
4 Conventional	6,262.3	16,692.5	1,532.7	24,487.5	53.0	24,540.5
5 Total	7,399.8	17,442.8	1,544.9	26,387.4	53.2	26,440.7

*Fewer than 500.

1. Multifamily dwellings are those for five or more families.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.36 HOME LOANS ORIGINATED BY LENDERS REPORTED UNDER HMDA, 2002

By Type of Dwelling, Purpose of Loan, and Type of Lender

Percent

Type of lender	One- to four-family dwellings								Multifamily dwellings ¹	All
	Home purchase					Home refinancing	Home improvement	All		
	FHA-insured	VA-guaranteed	FSA/RHS	Conventional	All					
1 Commercial bank	8.8	11.7	15.2	22.7	20.4	23.9	62.6	24.5	52.7	24.6
2 Savings association	6.3	7.6	8.0	13.7	12.5	15.6	6.9	14.2	36.6	14.3
3 Credit union .....	.2	1.1	.5	2.2	1.8	3.6	17.2	3.7	.6	3.7
4 Mortgage company ²	84.8	79.6	76.2	61.4	65.3	56.9	13.3	57.6	10.1	57.5
5 Total	100	100	100	100	100	100	100	100	100	100
MEMO										
Distribution of loans										
6 Number	702,382	150,189	18,935	4,224,360	5,095,866	10,256,766	717,845	16,070,477	41,465	16,111,942
7 Percent	4.4	.9	.1	26.2	31.6	63.7	4.5	99.7	.3	100.0

*Less than .05 percent.

1. Multifamily dwellings are those for five or more families.

2. Comprises all covered mortgage companies, including those affiliated with a commercial bank, savings association, or credit union.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.37 APPLICATIONS FOR LOANS FOR ONE- TO FOUR-FAMILY HOMES REPORTED UNDER HMDA, 2002

By Purpose of Loan and Characteristics of Applicant and Census Tract

Characteristic	Home purchase						Home refinancing		Home improvement	
	Government-backed ¹			Conventional			Number	Percent	Number	Percent
	Number	Percent	MEMO Percentage of characteristic's home purchase loans	Number	Percent	MEMO Percentage of characteristic's home purchase loans				
APPLICANT										
<i>Racial/ethnic identity</i>										
1 American Indian or Alaskan Native	6,118	.6	19.3	25,598	.5	80.7	52,672	.4	5,568	6
2 Asian or Pacific Islander	16,914	1.6	5.8	272,980	5.2	94.2	527,723	4.4	16,250	1.8
3 Black	140,762	13.6	27.5	371,386	7.1	72.5	767,187	6.4	89,342	9.6
4 Hispanic	187,793	18.2	26.8	512,786	9.7	73.2	888,858	7.4	98,042	10.6
5 White	639,653	61.9	14.2	3,862,930	73.4	85.8	9,196,608	77.1	688,476	74.4
6 Other	13,706	1.3	13.7	86,635	1.6	86.3	217,098	1.8	9,802	1.1
7 All	29,153	2.8	18.5	128,234	2.4	81.5	282,694	2.4	18,488	2.0
8 Total	1,034,099	100.0	16.4	5,260,549	100.0	83.6	11,932,840	100.0	925,968	100.0
<i>Income (percentage of MSA median)²</i>										
9 Less than 50	140,813	14.5	24.1	443,366	8.8	75.9	1,311,558	9.5	179,552	14.4
10 50-79	351,357	36.2	26.0	1,001,035	19.9	74.0	2,809,222	20.4	290,912	23.4
11 80-99	185,485	19.1	21.5	677,352	13.5	78.5	1,957,266	14.2	181,057	14.5
12 100-119	121,778	12.5	16.6	610,229	12.1	83.4	1,728,282	12.6	150,897	12.1
13 120 or more	172,437	17.7	7.0	2,297,993	45.7	93.0	5,959,057	43.3	443,088	35.6
14 Total	971,870	100.0	16.2	5,029,975	100.0	83.8	13,765,385	100.0	1,245,506	100.0
CENSUS TRACT										
<i>Racial/ethnic composition (minorities as percentage of population)</i>										
15 Less than 10	382,126	39.4	13.8	2,393,286	46.0	86.2	7,240,763	48.8	610,722	49.4
16 10-19	220,003	22.7	16.0	1,158,540	22.3	84.0	3,114,530	21.0	234,088	18.9
17 20-49	237,132	24.5	18.1	1,071,298	20.6	81.9	2,806,832	18.9	219,918	17.8
18 50-79	74,183	7.7	17.8	343,333	6.6	82.2	960,785	6.5	83,612	6.8
19 80-100	55,534	5.7	18.8	239,910	4.6	81.2	725,114	4.9	88,827	7.2
20 Total	968,978	100.0	15.7	5,206,367	100.0	84.3	14,848,024	100.0	1,237,167	100.0
<i>Income³</i>										
21 Low	20,442	2.1	14.9	117,187	2.2	85.1	276,278	1.9	36,450	2.9
22 Moderate	160,687	16.4	20.0	643,881	12.3	80.0	1,740,265	11.7	195,264	15.4
23 Middle	576,342	58.7	18.1	2,603,910	49.8	81.9	7,567,123	50.8	685,205	54.1
24 Upper	223,876	22.8	10.7	1,864,153	35.6	89.3	5,321,540	35.7	350,570	27.7
25 Total	981,347	100.0	15.8	5,229,131	100.0	84.2	14,905,206	100.0	1,267,489	100.0
<i>Location⁴</i>										
26 Central city	453,600	45.5	17.6	2,117,305	40.0	82.4	5,624,175	37.3	498,344	38.6
27 Non-central city	542,493	54.5	14.6	3,180,330	60.0	85.4	9,452,275	62.7	791,889	61.4
25 Total	996,093	100.0	15.8	5,297,635	100.0	84.2	15,076,450	100.0	1,290,233	100.0

NOTE. Lenders reported 26,440,691 applications for home loans in 2002. Not all characteristics were reported for all applications; thus, the number of applications being distributed by characteristic varies by characteristic.

1. Loans backed by the Federal Housing Administration, the Department of Veterans Affairs, or the Farmers Home Administration.

2. Median family income of the metropolitan statistical area (MSA) in which the property related to the loan is located.

3. Census tracts are categorized by the median family income for the tract relative to the

median family income for the MSA in which the tract is located. Categories are defined as follows: *Low income*, median family income for census tract less than 50 percent of median family income for MSA; *Moderate income*, median family income for census tract at least 50 percent and less than 80 percent of MSA median; *Middle income*, median family income at least 80 percent and less than 120 percent of MSA median; *Upper income*, median family income 120 percent and greater of MSA median.

4. For census tracts located in MSAs.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.38 APPLICATIONS FOR LOANS FOR ONE- TO FOUR-FAMILY HOMES REPORTED UNDER HMDA, 2002
 By Purpose of Loan with Denial Rate, and by Characteristic of Applicant

Applicant characteristic ¹	Home purchase				Home refinancing		Home improvement	
	Government-backed ²		Conventional		Distribution	Denial rate	Distribution	Denial rate
	Distribution	Denial rate	Distribution	Denial rate				
<i>American Indian or Alaskan Native</i>								
1 One male	38.2	9.2	36.3	23.5	30.3	17.6	35.8	41.3
2 Two males	1.9	5.3	2.4	17.6	2.2	11.1	1.3	36.6
3 One female	29.0	10.6	29.6	25.6	27.4	19.9	31.3	43.7
4 Two females	1.4	7.2	2.0	30.2	3.1	24.4	1.4	45.3
5 One male and one female	29.6	10.2	29.8	20.8	36.9	13.7	30.3	30.0
6 Total³	100.0	9.8	100.0	23.3	100.0	16.7	100.0	38.7
<i>Asian or Pacific Islander</i>								
7 One male	28.7	8.2	29.8	10.9	20.3	12.2	29.5	41.2
8 Two males	3.1	9.3	1.7	13.0	1.3	13.0	1.5	40.7
9 One female	19.9	8.4	21.5	11.5	16.0	12.9	21.0	41.3
10 Two females	2.4	13.2	1.3	11.2	1.1	11.9	1.3	36.9
11 One male and one female	45.8	8.2	45.7	8.0	61.3	7.9	46.7	25.6
12 Total³	100.0	8.4	100.0	9.8	100.0	9.7	100.0	33.9
<i>Black</i>								
13 One male	30.2	13.5	33.7	26.7	28.4	24.6	31.2	50.3
14 Two males	9	15.1	7	32.7	6	29.5	5	49.8
15 One female	41.0	13.0	39.0	27.4	35.3	24.3	40.9	51.8
16 Two females	2.1	14.0	1.7	34.5	1.5	24.6	1.2	53.6
17 One male and one female	25.8	12.4	24.9	23.3	34.3	20.7	26.1	43.8
18 Total³	100.0	13.0	100.0	26.3	100.0	23.2	100.0	49.2
<i>Hispanic</i>								
19 One male	31.8	11.5	37.4	19.6	27.6	20.3	37.3	52.5
20 Two males	6.6	10.2	2.3	23.3	1.9	19.3	1.2	49.4
21 One female	15.9	11.7	22.0	18.7	18.1	19.5	25.3	52.0
22 Two females	2.2	11.6	1.4	22.5	1.3	19.2	.9	51.4
23 One male and one female	43.5	10.7	36.9	15.9	51.1	16.7	35.4	40.1
24 Total³	100.0	11.1	100.0	18.2	100.0	18.3	100.0	48.0
<i>White</i>								
25 One male	31.3	8.4	28.1	14.3	22.2	12.9	25.3	29.9
26 Two males	1.5	7.1	1.2	12.2	.8	10.6	.8	28.5
27 One female	20.5	7.7	19.8	14.1	16.3	11.9	19.7	29.5
28 Two females	1.3	7.7	1.0	15.8	.8	11.4	.8	28.7
29 One male and one female	45.4	6.6	49.9	8.9	59.9	7.9	53.4	19.0
30 Total³	100.0	7.4	100.0	11.6	100.0	9.7	100.0	24.0
<i>All</i>								
31 One male	31.2	9.7	29.6	15.9	23.0	14.6	27.3	35.9
32 Two males	2.4	9.1	1.3	15.1	.9	12.9	.8	33.6
33 One female	22.6	9.6	21.6	16.2	17.7	14.2	22.5	36.6
34 Two females	1.6	10.1	1.1	18.6	.9	13.9	.9	35.1
35 One male and one female	42.2	7.9	46.4	10.0	57.5	9.0	48.5	22.1
36 Total³	100.0	8.9	100.0	13.3	100.0	11.3	100.0	29.4

1. Applicants are categorized by race of first applicant listed on Loan Application Register, except for joint white and minority applications, which are not shown in this table.

2. Loans backed by the Federal Housing Administration, the Department of Veterans Affairs, or the Farmers Home Administration.

3. Includes all applicants from racial or ethnic group regardless of whether gender was reported.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.39 APPLICATIONS FOR HOME LOANS REPORTED UNDER HMDA, 2002

By Loan Program and Size of Dwelling

Percent

Type of loan program	One- to four-family dwellings											
	Home purchase						Home refinancing					
	Approved and accepted	Approved but not accepted	Denied	Withdrawn	File closed	Total	Approved and accepted	Approved but not accepted	Denied	Withdrawn	File closed	Total
1 FHA	76.0	4.1	9.4	8.4	2.1	100	69.6	7.3	7.5	10.6	4.9	100
2 VA	80.0	3.8	7.1	7.8	1.3	100	78.3	5.1	6.1	7.8	2.7	100
3 FSA/RHS	74.5	5.9	12.4	5.6	1.6	100	64.6	19.3	8.2	6.3	1.5	100
4 Conventional	67.5	8.5	14.3	7.4	2.3	100	58.2	8.6	17.7	11.9	3.6	100
5 All	68.9	7.8	13.5	7.6	2.3	100	58.8	8.5	17.3	11.8	3.6	100
	One- to four-family dwellings						Multifamily dwellings ¹					
	Home improvement											
	Approved and accepted	Approved but not accepted	Denied	Withdrawn	File closed	Total	Approved and accepted	Approved but not accepted	Denied	Withdrawn	File closed	Total
1 FHA	40.7	9.5	33.4	16.2	.3	100	83.5	1.8	8.0	6.7	*	100
2 VA	59.3	9.8	19.6	10.4	.9	100	*	*	*	*	*	100
3 FSA/RHS	72.7	6.8	12.9	4.5	3.0	100	*	*	*	*	*	100
4 Conventional	46.5	10.7	34.5	7.3	1.0	100	77.9	3.9	10.3	6.3	1.7	100
5 All	46.5	10.7	34.5	7.4	1.0	100	77.9	3.9	10.3	6.3	1.7	100

NOTE. Loans *approved and accepted* were approved by the lender and accepted by the applicant. Loans *approved but not accepted* were approved by the lender but not accepted by the applicant. Applications denied were denied by the lender, and applications *withdrawn* were withdrawn by the applicant. When an application was left incomplete by the applicant, the lender reported *file closed* and took no further action.

*Less than .05 percent.

1. Multifamily dwellings are those for five or more families.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.40 APPLICATIONS FOR ONE- TO FOUR-FAMILY HOME LOANS REPORTED UNDER HMDA, 2002

By Disposition of Loan and Characteristics of Applicant and Census Tract

A. Home Purchase Loans

Percent

Characteristic	Government-backed ¹					Conventional				
	Approved	Denied	Withdrawn	File closed	Total	Approved	Denied	Withdrawn	File closed	Total
APPLICANT										
<i>Racial or ethnic identity</i>										
1 American Indian or Alaskan Native	77.7	9.8	9.2	3.4	100	66.2	23.3	7.5	2.9	100
2 Asian or Pacific Islander	81.4	8.4	8.3	1.9	100	80.1	9.8	7.7	2.4	100
3 Black	76.2	13.0	8.6	2.2	100	61.9	26.3	8.4	3.5	100
4 Hispanic	76.6	11.1	9.6	2.8	100	70.5	18.2	8.1	3.3	100
5 White	84.7	7.4	6.4	1.5	100	80.7	11.6	6.1	1.7	100
6 Other	76.7	9.4	11.0	2.9	100	76.3	11.8	8.6	3.3	100
7 Joint ²	83.1	7.8	7.5	1.6	100	78.8	11.4	7.8	2.0	100
<i>Income ratio (percentage of MSA median)³</i>										
8 Less than 50	76.8	12.9	8.1	2.2	100	61.7	28.8	6.7	2.7	100
9 American Indian or Alaskan Native	77.4	11.9	8.2	2.5	100	54.5	35.5	6.7	3.3	100
10 Asian or Pacific Islander	77.4	12.0	8.4	2.2	100	73.8	16.2	7.5	2.6	100
11 Black	73.3	15.8	8.5	2.5	100	53.3	35.4	7.5	3.8	100
12 Hispanic	75.4	13.6	8.7	2.3	100	60.6	29.0	7.0	3.4	100
13 White	80.9	10.6	6.6	1.9	100	68.9	23.9	5.2	2.0	100
14 Other	72.7	15.1	9.1	3.1	100	66.5	20.9	7.6	5.0	100
15 Joint ²	69.0	17.2	10.0	3.8	100	53.4	31.9	12.0	2.6	100
16 50-79	82.5	8.5	7.2	1.8	100	74.2	16.5	6.7	2.6	100
17 American Indian or Alaskan Native	81.7	8.7	6.7	2.9	100	68.2	21.7	6.9	3.2	100
18 Asian or Pacific Islander	83.4	7.6	7.4	1.5	100	81.0	10.2	6.4	2.4	100
19 Black	78.1	12.0	7.9	2.1	100	62.9	25.1	7.9	4.2	100
20 Hispanic	79.3	10.1	8.3	2.3	100	69.2	20.2	7.2	3.4	100
21 White	86.2	6.7	5.6	1.5	100	79.9	12.9	5.3	1.8	100
22 Other	77.8	9.3	10.4	2.5	100	76.3	12.9	7.2	3.5	100
23 Joint ²	82.1	8.6	7.4	1.9	100	70.2	19.0	8.3	2.6	100
24 80-119	84.1	7.1	7.2	1.6	100	79.4	11.3	6.9	2.4	100
25 American Indian or Alaskan Native	81.1	9.0	7.6	2.3	100	72.9	15.7	8.4	2.9	100
26 Asian or Pacific Islander	83.6	7.0	7.6	1.9	100	82.1	8.8	6.8	2.3	100
27 Black	79.8	10.7	7.8	1.8	100	67.4	20.3	8.5	3.9	100
28 Hispanic	79.4	9.5	8.8	2.3	100	73.0	16.2	7.7	3.2	100
29 White	87.8	5.5	5.5	1.3	100	84.0	8.7	5.6	1.7	100
30 Other	62.7	5.9	9.5	1.8	100	28.2	3.7	3.0	1.1	100
31 Joint ²	85.0	7.0	6.6	1.4	100	79.6	11.0	7.3	2.1	100
32 120 or more	83.5	6.5	8.0	1.9	100	82.6	8.0	7.2	2.1	100
33 American Indian or Alaskan Native	80.2	7.3	8.8	3.7	100	78.4	10.7	8.0	2.9	100
34 Asian or Pacific Islander	82.8	7.2	8.6	1.4	100	81.1	8.7	7.7	2.5	100
35 Black	80.0	9.5	8.6	1.9	100	70.6	17.0	9.2	3.2	100
36 Hispanic	74.7	10.2	10.7	4.4	100	75.4	12.9	8.2	3.6	100
37 White	88.3	4.8	5.7	1.2	100	86.1	6.3	6.0	1.6	100
38 Other	82.1	5.5	10.3	2.1	100	79.1	9.6	8.5	2.8	100
39 Joint ²	86.2	5.1	7.5	1.2	100	83.7	6.9	7.5	1.8	100
CENSUS TRACT										
<i>Racial or ethnic composition (minorities as percentage of population)</i>										
40 Less than 10	84.6	7.5	6.4	1.5	100	81.3	10.4	6.5	1.9	100
41 10-19	83.0	7.9	7.4	1.7	100	78.9	11.3	7.5	2.3	100
42 20-49	80.6	8.7	8.9	1.8	100	75.2	13.9	8.2	2.7	100
43 50-79	76.8	11.2	9.7	2.3	100	70.4	17.6	8.8	3.2	100
44 80-100	72.5	13.0	11.6	2.9	100	63.4	22.7	10.0	3.9	100
<i>Income⁴</i>										
45 Low	71.0	14.0	11.7	3.3	100	63.4	23.4	9.4	3.8	100
46 Moderate	78.4	10.5	8.8	2.3	100	69.8	19.1	8.1	3.0	100
47 Middle	82.6	8.2	7.4	1.8	100	77.4	13.1	7.2	2.3	100
48 Upper	82.9	7.4	7.9	1.8	100	82.4	8.2	7.3	2.1	100
<i>Location⁵</i>										
49 Central city	80.7	8.9	8.4	2.0	100	76.1	13.6	7.7	2.6	100
50 Non-central city	82.6	267.0	195.6	62.4	100	79.1	11.6	7.1	2.2	100

4.40 APPLICATIONS FOR ONE- TO FOUR-FAMILY HOME LOANS REPORTED UNDER HMDA, 2002

By Disposition of Loan and Characteristics of Applicant and Census Tract—Continued

B. Home Refinancing and Home-Improvement Loans

Percent

Characteristic	Home refinancing					Home improvement				
	Approved	Denied	Withdrawn	File closed	Total	Approved	Denied	Withdrawn	File closed	Total
APPLICANT										
<i>Racial or ethnic identity</i>										
1 American Indian or Alaskan Native	66.2	16.7	11.9	5.2	100	57.2	38.7	3.4	.7	100
2 Asian or Pacific Islander	80.0	9.7	7.3	3.0	100	60.6	33.9	4.2	1.3	100
3 Black	59.9	23.2	10.9	5.9	100	48.1	49.2	2.3	.4	100
4 Hispanic	65.5	18.3	10.6	5.7	100	48.5	48.0	2.9	.6	100
5 White	79.9	9.7	7.2	3.1	100	72.7	24.0	2.7	.6	100
6 Other	68.7	15.2	8.9	7.2	100	56.2	38.8	3.9	1.1	100
7 Joint ²	76.9	11.0	8.8	3.3	100	69.3	27.2	2.9	.6	100
<i>Income ratio (percentage of MSA median)³</i>										
8 Less than 50	49.1	30.7	15.3	5.0	100	41.8	51.6	5.9	.7	100
9 American Indian or Alaskan Native ..	50.2	27.8	16.4	5.6	100	42.3	53.4	4.1	.1	100
10 Asian or Pacific Islander	63.5	20.2	11.6	4.7	100	37.3	58.5	3.7	.5	100
11 Black	47.1	31.8	13.5	7.6	100	38.8	58.9	1.9	.4	100
12 Hispanic	52.9	27.5	13.5	6.0	100	34.4	63.0	2.3	.4	100
13 White	66.2	17.7	10.7	5.4	100	59.4	37.6	2.6	.4	100
14 Other	48.5	31.3	10.2	10.0	100	33.0	62.9	3.3	.8	100
15 Joint ²	51.2	23.8	18.2	6.8	100	45.7	49.1	4.6	.6	100
16 50-79	61.1	21.2	13.4	4.2	100	50.1	41.5	7.7	.8	100
17 American Indian or Alaskan Native ..	63.1	19.1	12.5	5.3	100	57.5	39.4	2.5	.6	100
18 Asian or Pacific Islander	75.8	12.5	8.2	3.6	100	52.7	42.0	4.2	1.2	100
19 Black	56.0	25.6	11.8	6.5	100	45.3	52.1	2.2	.4	100
20 Hispanic	63.2	20.5	11.0	5.2	100	41.7	55.1	2.7	.5	100
21 White	75.8	11.8	8.3	4.0	100	67.5	29.3	2.6	.6	100
22 Other	63.7	18.5	8.6	9.2	100	47.2	48.0	3.6	1.3	100
23 Joint ²	67.1	15.7	12.4	4.8	100	58.9	38.3	2.5	.4	100
24 80-119	67.7	16.6	12.0	3.7	100	58.2	32.6	8.2	.9	100
25 American Indian or Alaskan Native ..	68.5	15.4	11.2	5.0	100	60.9	35.4	3.1	.6	100
26 Asian or Pacific Islander	80.2	9.6	7.2	3.0	100	62.0	33.1	3.8	1.1	100
27 Black	60.2	22.9	11.0	5.9	100	51.6	45.5	2.5	.5	100
28 Hispanic	66.1	18.4	10.5	5.1	100	51.1	45.2	3.1	.6	100
29 White	80.1	9.4	7.2	3.3	100	73.8	22.9	2.7	.7	100
30 Other	9.1	1.8	1.0	.9	100	2.5	1.5	.2	.0	100
31 Joint ²	74.4	12.2	9.7	3.7	100	68.9	28.0	2.4	.6	100
32 120 or more	75.4	11.9	9.6	3.2	100	66.3	25.2	7.4	1.2	100
33 American Indian or Alaskan Native ..	72.9	13.0	9.6	4.5	100	66.0	28.8	4.1	1.2	100
34 Asian or Pacific Islander	82.8	8.1	6.3	2.8	100	70.1	24.0	4.2	1.7	100
35 Black	64.8	19.9	10.0	5.4	100	57.7	39.1	2.7	.5	100
36 Hispanic	68.0	15.7	9.5	6.7	100	60.1	35.9	3.2	.7	100
37 White	83.9	7.3	6.2	2.6	100	78.8	17.6	2.7	.8	100
38 Other	76.3	11.1	7.0	5.6	100	68.1	27.1	3.9	.9	100
39 Joint ²	80.8	8.9	7.5	2.8	100	73.8	22.7	3.0	.6	100
CENSUS TRACT										
<i>Racial or ethnic composition (minorities as percentage of population)</i>										
40 Less than 10	72.2	14.2	10.3	3.2	100	64.1	27.8	7.0	1.1	100
41 10-19	70.1	15.1	11.3	3.5	100	57.3	33.6	8.0	1.1	100
42 20-49	65.0	18.2	12.8	4.0	100	50.2	40.1	8.8	.9	100
43 50-79	58.6	22.2	14.5	4.7	100	43.7	46.6	8.9	.9	100
44 80-100	49.0	29.4	16.2	5.4	100	38.2	52.6	8.3	.9	100
<i>Income⁴</i>										
45 Low	48.9	30.6	15.4	5.2	100	38.1	54.5	6.5	.9	100
46 Moderate	56.5	24.5	14.5	4.5	100	46.4	45.4	7.3	.8	100
47 Middle	66.8	17.4	12.1	3.8	100	57.0	34.3	7.7	1.0	100
48 Upper	75.5	11.6	9.6	3.2	100	63.5	27.7	7.6	1.2	100
<i>Location⁵</i>										
49 Central city	65.8	18.3	12.1	3.9	100	52.8	39.0	7.3	.9	100
50 Non-central city	69.9	15.3	11.2	3.6	100	59.0	32.3	7.7	1.0	100

NOTE. Applicant income ratio is applicant income as a percentage of MSA median. MSA median is median family income of the metropolitan statistical area (MSA) in which the property related to the loan is located.

1. Loans backed by the Federal Housing Administration, the Department of Veterans Affairs, or the Farmers Home Administration.

2. White and minority.

3. MSA median is median family income of the metropolitan statistical area (MSA) in which the property related to the loan is located.

4. Census tracts are categorized by the median family income for the tract related to the

median family income for the MSA in which the tract is located. Categories are defined as follows: *Low income*, median family income for census tract less than 50 percent of median family income for MSA; *Moderate income*, median family income for census tract at least 50 percent and less than 80 percent of MSA median; *Middle income*, median family income at least 80 percent and less than 120 percent of MSA median; *Upper income*, median family income 120 percent and greater of MSA median.

5. For census tracts located in MSAs.

SOURCE. FFIEC. Home Mortgage Disclosure Act.

4.41 HOME LOANS SOLD, 2002 By Purchaser and Characteristics of Borrower and Census Tract

Characteristic	Fannie Mae		Ginnie Mae		Freddie Mac		FAMC		Commercial bank	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1 All	4,476,987	100.0	1,158,156	100.0	2,990,374	100.0	2,707	100.0	383,365	100.0
BORROWER										
<i>Racial or ethnic identity</i>										
2 American Indian or Alaskan Native	12,926	.4	3,943	.5	5,907	.2	11	.4	674	.2
3 Asian or Pacific Islander	172,198	5.1	14,024	1.7	109,843	4.5	61	2.4	14,118	4.8
4 Black	125,271	3.7	113,778	13.5	68,155	2.8	273	10.6	18,239	6.2
5 Hispanic	212,575	6.3	130,664	15.5	114,331	4.7	198	7.7	23,343	7.9
6 White	2,752,363	81.0	544,833	64.5	2,009,477	82.5	1,951	75.7	229,018	77.5
7 Other	44,676	1.3	11,700	1.4	74,702	3.1	30	1.2	2,856	1.0
8 Joint	79,589	2.3	25,646	3.0	54,256	2.2	54	2.1	7,212	2.4
9 Total	3,399,598	100.0	844,588	100.0	2,436,671	100.0	2,578	100.0	295,460	100.0
<i>Income ratio (percentage of MSA median)</i>										
10 Less than 50	217,396	6.4	77,909	12.7	134,875	5.9	177	10.6	19,243	6.4
11 50-79	664,660	19.5	216,118	35.2	414,769	18.2	460	27.5	56,750	18.9
12 80-99	516,142	15.1	121,863	19.8	326,799	14.4	273	16.3	39,971	13.3
13 100-119	474,041	13.9	82,729	13.5	313,698	13.8	190	11.3	36,052	12.0
14 120 or more	1,544,906	45.2	115,539	18.8	1,085,100	47.7	575	34.3	148,866	49.5
15 Total	3,417,145	100.0	614,158	100.0	2,275,241	100.0	1,675	100.0	300,882	100.0
CENSUS TRACT										
<i>Racial or ethnic composition (minorities as percentage of population)</i>										
16 Less than 10	2,066,963	52.2	412,648	39.5	1,490,763	57.8	1,035	50.0	166,390	48.2
17 10-19	870,787	22.0	248,320	23.8	532,904	20.6	353	17.1	83,500	24.2
18 20-49	711,777	18.0	255,734	24.5	408,981	15.8	384	18.6	66,017	19.1
19 50-79	205,077	5.2	75,113	7.2	100,797	3.9	138	6.7	17,945	5.2
20 80-100	108,193	2.7	52,252	5.0	47,244	1.8	159	7.7	11,143	3.2
21 Total	3,962,797	100.0	1,044,067	100.0	2,580,689	100.0	2,069	100.0	344,995	100.0
<i>Income</i>										
22 Low	43,715	1.1	15,613	1.5	21,833	.8	59	2.9	4,894	1.4
23 Moderate	350,845	8.8	150,685	14.4	195,615	7.6	235	11.4	34,839	10.1
24 Middle	2,008,338	50.6	628,434	59.9	1,297,900	50.2	1,274	61.5	159,493	46.0
25 Upper	1,565,943	39.5	254,134	24.2	1,069,654	41.4	502	24.3	147,421	42.5
26 Total	3,968,841	100.0	1,048,866	100.0	2,585,002	100.0	2,070	100.0	346,647	100.0
<i>Location</i>										
27 Central city	1,432,814	36.1	448,196	42.7	888,599	34.4	708	33.9	127,183	36.7
28 Non-central city	2,537,322	63.9	600,977	57.3	1,697,398	65.6	1,381	66.1	219,707	63.3
29 Total	3,970,136	100.0	1,049,173	100.0	2,585,997	100.0	2,089	100.0	346,890	100.0

4.41 HOME LOANS SOLD, 2002 By Purchaser and Characteristics of Borrower and Census Tract—Continued

Characteristic	Savings bank or savings and loan association		Life insurance company		Affiliate		Other	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
30 All	190,883	100.0	19,596	100.0	1,167,493	100.0	3,776,618	100.0
Borrower								
<i>Racial or ethnic identity</i>								
31 American Indian or Alaskan Native	1,245	.8	34	.2	2,893	.3	13,519	.5
32 Asian or Pacific Islander	7,338	4.6	731	4.2	45,825	5.4	122,267	4.4
33 Black	10,034	6.3	1,397	8.0	54,253	6.4	202,483	7.2
34 Hispanic	12,822	8.0	994	5.7	78,205	9.3	275,888	9.8
35 White	123,753	77.1	12,167	69.3	632,979	74.9	2,074,765	74.0
36 Other	1,510	.9	195	1.1	10,595	1.3	39,859	1.4
37 Joint	3,788	2.4	2,044	11.6	20,457	2.4	74,697	2.7
38 Total	160,490	100.0	17,562	100.0	845,207	100.0	2,803,478	100.0
<i>Income ratio (percentage of MSA median)¹</i>								
39 Less than 50	10,872	6.8	642	3.7	59,327	6.6	198,283	7.2
40 50-79	31,578	19.9	1,690	9.7	164,814	18.4	550,105	20.0
41 80-99	22,665	14.3	1,107	6.3	115,560	12.9	391,661	14.2
42 100-119	20,461	12.9	818	4.7	104,828	11.7	348,429	12.7
43 120 or more	73,346	46.2	13,254	75.7	449,770	50.3	1,261,402	45.9
44 Total	158,922	100.0	17,511	100.0	894,299	100.0	2,749,880	100.0
Census Tract								
<i>Racial or ethnic composition (minorities as percentage of population)</i>								
45 Less than 10	84,915	48.6	9,935	53.5	478,599	45.8	1,485,369	43.7
46 10-19	38,987	22.3	4,297	23.2	247,011	23.7	783,304	23.0
47 20-49	32,860	18.8	3,138	16.9	212,523	20.4	741,971	21.8
48 50-79	10,832	6.2	755	4.1	63,768	6.1	231,202	6.8
49 80-100	7,051	4.0	433	2.3	42,296	4.1	159,965	4.7
50 Total	174,645	100.0	18,558	100.0	1,044,197	100.0	3,401,811	100.0
<i>Income²</i>								
51 Low	2,961	1.7	163	.9	17,289	1.6	62,055	1.8
52 Moderate	19,750	11.3	1,558	8.4	108,709	10.3	396,994	11.7
53 Middle	85,659	49.0	9,506	51.3	485,522	46.0	1,685,823	49.6
54 Upper	66,391	38.0	7,319	39.5	444,292	42.1	1,257,307	37.0
55 Total	174,761	100.0	18,546	100.0	1,055,812	100.0	3,402,179	100.0
<i>Location</i>								
56 Central city	61,597	35.2	5,407	29.1	403,122	38.2	1,363,515	40.0
57 Non-central city	113,253	64.8	13,154	70.9	653,097	61.8	2,041,041	60.0
58 Total	174,850	100.0	18,561	100.0	1,056,219	100.0	3,404,556	100.0

NOTE. Includes securitized loans. See also notes to table 4.40.

Fannie Mae—Federal National Mortgage Association

Ginnie Mae—Government National Mortgage Association

Freddie Mac—Federal Home Loan Mortgage Corporation

FAMC—Federal Agricultural Mortgage Corporation

Affiliate—Affiliate of institution reporting the loan

1. Median family income of the metropolitan statistical area (MSA) in which the property related to the loan is located.

2. Census tracts are categorized by the median family income for the tract relative to the median family income for the MSA in which the tract is located. Categories are defined as follows: *Low income*, median family income for census tract less than 50 percent of median family income for MSA; *Moderate income*, median family income for census tract at least 50 percent and less than 80 percent of MSA median; *Middle income*, median family income at least 80 percent and less than 120 percent of MSA median; *Upper income*, median family income 120 percent and greater of MSA median.

SOURCE: FFIEC, Home Mortgage Disclosure Act.

4.411 LENDER SHARE AND DOLLAR VOLUME OF RESIDENTIAL-MORTGAGE ORIGINATIONS, 1993-2002¹

Year	Savings institutions ²	Commercial banks	Mortgage companies		Credit unions	Dollar volume (billions of dollars)
			Subsidiaries of banks or savings institutions ³	Independently owned ⁴		
<i>Conventional one- to four-family</i>						
1 1993	23	18	19	37	3	842
2 1994	26	21	19	31	3	539
3 1995	26	21	25	26	2	444
4 1996	26	21	25	26	3	555
5 1997	25	18	26	28	2	630
6 1998	24	16	30	28	2	1,163
7 1999	21	21	29	26	3	960
8 2000	21	23	29	25	2	783
9 2001	19	20	33	26	3	1,630
10 2002	19	17	35	26	3	2,325
<i>FHA, VA, and RHS one- to four-family</i>						
11 1993	9	5	26	59	1	151
12 1994	10	6	29	54	1	86
13 1995	10	7	34	49	1	75
14 1996	10	6	33	50	1	95
15 1997	9	6	37	48	1	101
16 1998	7	5	38	49	1	150
17 1999	6	6	41	46	1	133
18 2000	5	8	41	45	1	110
19 2001	6	7	43	44	1	185
20 2002	7	6	40	46	0	180
<i>Total one- to four-family</i>						
21 1993	21	16	20	40	3	993
22 1994	24	19	20	34	3	625
23 1995	24	19	26	30	2	519
24 1996	24	19	26	29	2	650
25 1997	23	17	28	30	2	731
26 1998	22	15	31	30	2	1,313
27 1999	19	19	31	29	2	1,093
28 2000	19	21	31	27	2	894
29 2001	17	18	34	28	2	1,815
30 2002	19	16	36	27	2	2,505
<i>Total multifamily</i>						
31 1993	63	23	6	9	0	13
32 1994	62	30	4	5	0	15
33 1995	51	41	4	4	0	13
34 1996	50	38	6	7	0	16
35 1997	47	36	6	11	0	20
36 1998	41	36	10	13	0	28
37 1999	37	30	8	25	0	32
38 2000	39	38	8	15	0	27
39 2001	34	45	7	14	0	37
40 2002	41	42	12	5	0	41
<i>Total residential</i>						
41 1993	22	16	20	40	3	1,006
42 1994	25	19	20	33	3	640
43 1995	24	19	26	29	2	532
44 1996	24	19	26	29	2	666
45 1997	24	17	27	30	2	751
46 1998	22	15	31	30	2	1,341
47 1999	20	20	30	29	2	1,125
48 2000	19	22	30	27	2	921
49 2001	18	19	33	28	2	1,852
50 2002	19	17	35	27	2	2,547

NOTE. Coverage of depository institutions declined in 1997 because of an increase in the asset size threshold for exempt institutions from \$10 million to \$28 million.

1. Based on the dollar volume of originations reported under the Home Mortgage Disclosure Act. Originations insured or guaranteed by the Rural Housing Service (RHS) include the former Farmers Home Administration.

2. Includes savings and loan associations and savings banks.

3. Includes mortgage company subsidiaries of a bank holding company or a service corporation.

4. Coverage of independently owned mortgage companies expanded in 1993 when those companies with less than \$10 million in assets but with 100 or more home-purchase originations were included.

SOURCE: FFIEC, Home Mortgage Disclosure Act, 1990-2001.

4.42 APPLICATIONS RECEIVED AND POLICIES WRITTEN FOR PRIVATE MORTGAGE INSURANCE, 1999-2002

By Insurance Company

Company	1999		2000		2001		2002	
	Applications	Policies written	Applications	Policies written	Applications	Policies written	Applications	Policies written
1 Amerin Guaranty	*	*	*	*	*	*	*	*
2 Commonwealth Mortgage Assurance	*	*	*	*	*	*	*	*
3 Radian ¹	317,775	256,924	243,684	185,224	329,295	249,833	347,273	245,938
4 GE Capital Mortgage Insurance	304,365	221,970	259,285	185,995	380,588	286,471	436,146	303,918
5 Mortgage Guaranty Insurance	479,425	377,195	430,414	317,610	598,212	447,435	677,963	500,655
6 PMI Mortgage Insurance	267,470	212,177	254,327	206,444	353,044	285,949	391,496	309,923
7 Republic Mortgage Insurance	157,794	144,618	121,706	113,894	231,138	184,515	292,008	219,426
8 Triad Guaranty Insurance	43,633	33,116	44,165	32,870	73,126	60,731	98,927	83,985
9 United Guaranty	244,637	204,667	220,504	186,004	309,658	259,298	331,981	272,537
10 Total	1,815,099	1,450,667	1,574,085	1,228,041	2,275,061	1,774,232	2,575,794	1,936,382

1. Radian is the result of a merger between Amerin Guaranty and Commonwealth Mortgage in 1999.

SOURCE: Federal Financial Institutions Examination Council.

4.43 APPLICATIONS RECEIVED AND POLICIES WRITTEN FOR PRIVATE MORTGAGE INSURANCE, 2002

By Purpose of Loan and Insurance Company

Percent

Company	Home purchase		Home refinance		Total	
	Applications	Policies written	Applications	Policies written	Applications	Policies written
1 Radian ¹	13.6	12.7	13.3	12.7	13.5	12.7
2 GE Capital Mortgage Insurance	17.1	16.0	16.7	15.2	16.9	15.7
3 Mortgage Guaranty Insurance	25.3	24.9	27.7	27.2	26.3	25.9
4 PMI Mortgage Insurance	15.0	15.6	15.5	16.5	15.2	16.0
5 Republic Mortgage Insurance	11.1	11.2	11.6	11.5	11.3	11.3
6 Triad Guaranty Insurance	3.9	4.3	3.8	4.4	3.8	4.3
7 United Guaranty	14.0	15.3	11.4	12.4	12.9	14.1
8 Total	100.0	100.0	100.0	100.0	100.0	100.0
MEMO						
9 Number of applications or policies	1,478,235	1,138,327	1,097,559	798,055	2,575,794	1,936,382

1. Radian is the result of a merger between Amerin Guaranty and Commonwealth Mortgage in 1999.

SOURCE: Federal Financial Institutions Examination Council.

4.44 APPLICATIONS FOR PRIVATE MORTGAGE INSURANCE, 2002
By Purpose of Loan and Characteristic of Applicant and Census Tract

Characteristic	Home purchase		Home refinance	
	Number	Percent	Number	Percent
APPLICANT				
<i>Race or ethnic group</i>				
1 American Indian or Alaskan Native	3,711	.3	2,322	.3
2 Asian or Pacific Islander	40,602	3.6	15,849	2.0
3 Black	73,348	6.5	47,208	6.0
4 Hispanic	121,954	10.8	51,488	6.5
5 White	808,093	71.4	602,909	76.5
6 Other	62,704	5.5	53,689	6.8
7 Joint (white and minority)	21,050	1.9	14,776	1.9
8 Total	1,131,462	100.0	788,241	100.0
<i>Income (percentage of MSA median)¹</i>				
9 Less than 50	86,075	8.0	50,992	6.0
10 50-79	259,623	24.1	187,977	22.1
11 80-99	175,855	16.3	144,849	17.1
12 100-119	150,218	13.9	129,507	15.3
13 120 or more	406,785	37.7	335,846	39.5
14 Total	1,078,556	100.0	849,171	100.0
CENSUS TRACT				
<i>Racial composition (minorities as percentage of population)</i>				
15 Less than 10	557,578	47.9	479,223	54.7
16 10-19	246,528	21.2	178,273	20.3
17 20-49	225,527	19.4	146,709	16.7
18 50-79	76,255	6.5	42,573	4.9
19 80-100	58,891	5.1	29,382	3.4
20 Total	1,164,779	100.0	876,160	100.0
<i>Income²</i>				
21 Low	26,757	2.3	10,256	1.2
22 Moderate	148,829	12.8	91,376	10.4
23 Middle	620,445	53.2	499,141	56.9
24 Upper	369,261	31.7	276,320	31.5
25 Total	1,165,292	100.0	877,093	100.0
<i>Location</i>				
26 Central city	484,741	41.1	331,922	37.3
27 Non-central city	693,661	58.9	558,131	62.7
28 Total	1,178,402	100.0	890,053	100.0

NOTE: Not all characteristics were reported for all loans.

1. MSA median is median family income of the metropolitan statistical area (MSA) in which the property related to the loan is located.

2. *Lower*: median family income for census tract less than 50 percent of median family income for MSA. *Moderate*: 50 percent to less than 80 percent. *Middle*: 80 percent to less than 120 percent. *Upper*: 120 percent or more.

3. For census tracts located in MSAs.

SOURCE: Federal Financial Institutions Examination Council.

4.45 APPLICATIONS FOR PRIVATE MORTGAGE INSURANCE, 2002

By Purpose of Loan, Disposition of Application, Characteristic of Applicant, and Census Tract
Percent

Characteristic	Home purchase					Home refinance				
	Approved	Denied	Withdrawn	File closed	Total	Approved	Denied	Withdrawn	File closed	Total
1 Total	92.6	2.2	4.4	.7	100.0	91.4	2.4	5.6	.6	100.0
APPLICANT										
<i>Race or ethnic group</i>										
2 American Indian or Alaskan Native	89.9	3.3	5.8	1.1	100.0	91.3	3.0	5.1	.6	100.0
3 Asian or Pacific Islander	91.9	2.4	4.9	.8	100.0	90.9	2.7	5.8	.6	100.0
4 Black	89.6	3.9	5.4	1.0	100.0	88.6	4.0	6.5	.8	100.0
5 Hispanic	90.7	3.4	4.9	1.0	100.0	89.7	3.7	5.7	.8	100.0
6 White	93.1	1.9	4.2	.7	100.0	92.1	2.1	5.2	.6	100.0
7 Other	96.3	.6	2.9	.2	100.0	95.2	.4	4.3	.1	100.0
8 Joint (white and minority)	93.4	2.0	4.0	.6	100.0	93.1	1.8	4.7	.5	100.0
<i>Income (percentage of MSA median)¹</i>										
9 Less than 50	91.0	3.3	5.0	.7	100.0	87.2	4.1	7.8	.9	100.0
10 50-79	93.4	2.1	4.0	.6	100.0	90.3	2.7	6.3	.6	100.0
11 80-99	94.1	1.7	3.7	.5	100.0	91.8	2.3	5.4	.6	100.0
12 100-119	94.3	1.6	3.6	.5	100.0	92.3	2.0	5.1	.6	100.0
13 120 or more	94.2	1.7	3.6	.5	100.0	92.9	1.9	4.7	.5	100.0
CENSUS TRACT										
<i>Racial composition (minorities as percentage of population)</i>										
14 Less than 10	94.4	1.6	3.6	.4	100.0	92.1	2.0	5.4	.5	100.0
15 10-19	93.8	1.8	3.9	.5	100.0	91.5	2.3	5.6	.6	100.0
16 20-49	92.9	2.2	4.3	.6	100.0	91.1	2.6	5.7	.6	100.0
17 50-79	91.8	2.7	4.7	.8	100.0	89.8	3.0	6.4	.7	100.0
18 80-100	90.4	3.4	5.3	.9	100.0	88.1	4.1	6.9	.9	100.0
<i>Income²</i>										
19 Low	90.0	3.6	5.5	.9	100.0	86.5	4.4	7.9	1.2	100.0
20 Moderate	92.2	2.8	4.4	.6	100.0	89.9	3.2	6.2	.7	100.0
21 Middle	93.8	1.9	3.9	.5	100.0	91.6	2.3	5.5	.6	100.0
22 Upper	94.2	1.5	3.8	.5	100.0	92.3	1.9	5.3	.5	100.0
<i>Location³</i>										
23 Central city	93.3	2.1	4.0	.6	100.0	91.5	2.3	5.5	.6	100.0
24 Non-central city	93.9	1.8	3.9	.4	100.0	91.6	2.3	5.6	.6	100.0

NOTE. Not all characteristics were reported for all loans.

1. Median family income of the metropolitan statistical area (MSA) in which the property related to the loan is located.

2. Lower: median family income for census tract less than 50 percent of median family income for MSA. Moderate: 50 percent to less than 80 percent. Middle: 80 percent to less than 120 percent. Upper: 120 percent or more.

3. For census tracts located in MSAs.

SOURCE: Federal Financial Institutions Examination Council.

4.46 SMALL LOANS TO BUSINESSES AND FARMS, 1996-2002

Company	1996	1997	1998 ¹	1999	2000	2001 ²	2002
<i>Total business loans</i>							
1 Number	2,424,966	2,560,795	2,736,389	3,287,974	5,110,001	6,094,606	7,556,999
2 Amount (thousands of dollars)	149,718,193	159,401,302	161,211,231	174,538,571	179,056,204	224,914,485	253,225,288
Percent to small firms ¹							
3 Number	55.9	50.0	54.5	60.2	41.7	43.7	31.0
4 Amount	43.1	42.1	47.0	48.5	45.9	45.6	44.2
<i>Total farm loans</i>							
5 Number	217,356	212,822	206,267	220,587	204,318	235,417	256,117
6 Amount (thousands of dollars)	10,480,989	11,192,400	11,373,691	12,302,881	11,634,880	14,330,467	16,222,070
Percent to small farms ¹							
7 Number	88.4	89.5	90.4	90.6	90.2	90.0	88.5
8 Amount	81.4	81.3	83.0	83.7	83.8	83.6	83.0
<i>Activity of CRA reporters (percent)²</i>							
All small loans to businesses							
9 Number	65.9	71.0	67.8	67.8	83.7	84.0	88.0
10 Amount	67.5	69.4	69.4	72.4	75.6	75.0	76.9
All small loans to farms ²							
11 Number	22.2	24.1	24.9	28.0	30.6	32.3	32.2
12 Amount	27.9	28.4	30.1	34.1	37.5	38.2	38.1
<i>Distribution of business loans by asset size of lender</i>							
Number (percent)							
13 Less than 100	3.7	1.2	1.9	1.0	.5	.4	.1
14 100 to 249	19.7	6.5	5.5	1.4	.8	13.8	.5
15 250 to 999	16.1	15.7	20.3	15.9	18.8	13.2	25.1
16 1,000 or more	60.6	76.6	72.3	81.8	79.8	72.6	74.3
17 Total	100	100	100	100	100	100	100
Amount (percent)							
18 Less than 100	1.6	1.4	0.8	1.0	.6	1.0	.4
19 100 to 249	5.7	3.5	3.2	2.2	2.0	2.7	1.6
20 250 to 999	22.4	20.9	22.7	21.6	23.0	21.8	23.6
21 1,000 or more	70.3	74.2	73.3	75.2	74.4	74.5	74.4
22 Total	100	100	100	100	100	100	100
<i>Distribution of farm loans by asset size of lender</i>							
Number (percent)							
23 Less than 100	9.8	6.4	4.9	4.9	2.2	1.2	1.0
24 100 to 249	14.2	10.4	8.2	6.6	4.8	3.4	2.5
25 250 to 999	34.5	37.4	38.7	37.7	46.7	42.7	49.1
26 1,000 or more	41.5	45.8	48.2	50.8	46.3	52.6	47.4
27 Total	100	100	100	100	100	100	100
Amount (percent)							
28 Less than 100	6.4	5.1	3.5	4.0	1.7	.9	.7
29 100 to 249	11.5	8.2	6.6	5.6	4.0	2.8	2.3
30 250 to 999	31.7	34.2	36.0	36.3	42.7	38.8	43.2
31 1,000 or more	50.4	52.5	53.9	54.1	51.5	57.5	53.8
32 Total	100	100	100	100	100	100	100
<i>Distribution of business loans by income of census tract³</i>							
Number							
33 Low	4.7	4.6	4.3	3.6	3.6	4.0	3.7
34 Moderate	15.9	16.0	15.5	14.6	14.6	15.2	15.2
35 Middle	49.4	49.1	49.5	50.1	50.2	50.1	50.5
36 Upper	29.5	29.8	30.3	31.2	31.2	30.3	30.3
37 Income not reported	.5	.5	.5	.4	.4	.4	.4
38 Total	100	100	100	100	100	100	100
Amount							
39 Low	5.6	5.4	5.2	5.0	4.9	4.9	4.7
40 Moderate	16.0	16.0	15.7	15.5	15.4	15.2	15.2
41 Middle	46.8	46.5	46.8	47.1	47.6	47.6	47.9
42 Upper	30.9	31.4	31.6	31.7	31.5	31.7	31.7
43 Income not reported	.7	.7	.7	.7	.5	.6	.6
44 Total	100	100	100	100	100	100	100
MEMO							
Number of reporters							
45 Commercial banks	1,583	1,421	1,576	1,450	1,471	1,443	1,495
46 Savings institutions	496	475	290	461	470	469	491
47 Total	2,079	1,896	1,866	1,911	1,941	1,912	1,986

1. Businesses and farms with revenues of \$1 million or less.

2. Percentages reflect the ratio of activity by CRA reporters to activity by all lenders. Calculations based on information reported in the June 1996, 1997, 1998, 1999, 2000, 2001, and 2002 Call Reports for commercial banks and the Thrift Financial Reports for savings associations.

3. *Low income*: census tract median family income less than 50 percent of metropolitan area median family income or nonmetropolitan portion of state median family income; *moderate income*: 50-79 percent; *middle income*: 80-120 percent; *upper income*: 120 percent or more. Excludes loans where census tract or block number area was not reported.

4. Revised to reflect correction of reported data.

SOURCE: FFIEC

4.47 ORIGINATIONS AND PURCHASES OF SMALL LOANS TO BUSINESSES AND FARMS, 2002

By Size of Loan

Type of borrower and loan	Size of loan (dollars)						All loans		MEMO Loans to firms with revenues of \$1 million or less	
	100,000 or less		100,001 to 250,000		More than 250,000		Total	Percent	Total	Percent
	Total	Percent	Total	Percent	Total	Percent				
Number of loans										
<i>Business</i>										
1 Originations	6,997,946	93.4	260,671	3.5	236,890	3.2	7,495,507	100	2,316,700	30.9
2 Purchases	56,600	92.0	2,080	3.4	2,812	4.6	61,492	100	25,427	41.4
3 Total	7,054,546	93.4	262,751	3.5	239,702	3.2	7,556,999	100	2,342,127	31.0
<i>Farm</i>										
4 Originations	209,228	82.2	32,321	12.7	13,054	5.1	254,603	100	225,443	88.5
5 Purchases	1,094	72.3	282	18.6	138	9.1	1,514	100	1,123	74.2
6 Total	210,322	82.1	32,603	12.7	13,192	5.2	256,117	100	226,566	88.5
<i>All</i>										
7 Originations	7,207,174	93.0	292,992	3.8	249,944	3.2	7,750,110	100	2,542,143	32.8
8 Purchases	57,694	91.6	2,362	3.7	2,950	4.7	63,006	100	26,550	42.1
9 Total	7,264,868	93.0	295,354	3.8	252,894	3.2	7,813,116	100	2,568,693	32.9
Amount of loans (thousands of dollars)										
<i>Business</i>										
10 Originations	81,000,253	32.4	45,430,559	18.2	123,661,681	49.4	250,092,493	100	111,074,212	44.4
11 Purchases	1,246,279	39.8	354,218	11.3	1,532,298	48.9	3,132,795	100	803,644	25.7
12 Total	82,246,532	32.5	45,784,777	18.1	125,193,979	49.4	253,225,288	100	111,877,856	44.2
<i>Farm</i>										
13 Originations	5,953,980	37.0	5,392,012	33.5	4,741,249	29.5	16,087,241	100	13,371,430	83.1
14 Purchases	36,592	27.1	47,380	35.1	50,857	37.7	134,829	100	87,155	64.6
15 Total	5,990,572	36.9	5,439,392	33.5	4,792,106	29.5	16,222,070	100	13,458,585	83.0
<i>All</i>										
16 Originations	86,954,233	32.7	50,822,571	19.1	128,402,930	48.2	266,179,734	100	124,445,642	46.8
17 Purchases	1,282,871	39.3	401,598	12.3	1,583,155	48.4	3,267,624	100	890,799	27.3
18 Total	88,237,104	32.7	51,224,169	19.0	129,986,085	48.2	269,447,358	100	125,336,441	46.5

SOURCE: FFIEC

4.48 ORIGINATIONS AND PURCHASES OF SMALL LOANS TO BUSINESSES AND FARMS, 2002

By Type of Borrower and Loan, Distributed by Size of Lending Institution

Type of borrower and loan	Institutions, by asset size (millions of dollars)								All institutions	
	Less than 100		100 to 249		250 to 999		1,000 or more			
	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent
	Number of loans									
<i>Business</i>										
1 Originations	10,374	0.1	35,707	0.5	1,879,557	25.1	5,569,869	74.3	7,495,507	100
2 Purchases	228	0.4	1,249	2.0	18,664	30.4	41,351	67.2	61,492	100
3 Total	10,602	0.1	36,956	0.5	1,898,221	25.1	5,611,220	74.3	7,556,999	100
<i>Farm</i>										
4 Originations	2,629	1.0	6,386	2.5	124,722	49.0	120,866	47.5	254,603	100
5 Purchases	10	0.7	0	0.0	941	62.2	563	37.2	1,514	100
6 Total	2,639	1.0	6,386	2.5	125,663	49.1	121,429	47.4	256,117	100
<i>All</i>										
7 Originations	13,003	0.2	42,093	0.5	2,004,279	25.9	5,690,735	73.4	7,750,110	100
8 Purchases	238	0.4	1,249	2.0	19,605	31.1	41,914	66.5	63,006	100
9 Total	13,241	0.2	43,342	0.6	2,023,884	25.9	5,732,649	73.4	7,813,116	100
	Amount of loans (thousands of dollars)									
<i>Business</i>										
10 Originations	975,591	0.4	3,802,407	1.5	59,144,142	23.6	186,170,353	74.4	250,092,493	100
11 Purchases	74,261	2.4	240,555	7.7	663,125	21.2	2,154,854	68.8	3,132,795	100
12 Total	1,049,852	0.4	4,042,962	1.6	59,807,267	23.6	188,325,207	74.4	253,225,288	100
<i>Farm</i>										
13 Originations	113,254	0.7	365,441	2.3	6,909,847	43.0	8,698,699	54.1	16,087,241	100
14 Purchases	1,705	1.3	0	0.0	105,411	78.2	27,713	20.6	134,829	100
15 Total	114,959	0.7	365,441	2.3	7,015,258	43.2	8,726,412	53.8	16,222,070	100
<i>All</i>										
16 Originations	1,088,845	0.4	4,167,848	1.6	66,053,989	24.8	194,869,052	73.2	266,179,734	100
17 Purchases	75,966	2.3	240,555	7.4	768,536	23.5	2,182,567	66.8	3,267,624	100
18 Total	1,164,811	0.4	4,408,403	1.6	66,822,525	24.8	197,051,619	73.1	269,447,358	100
<i>MEMO</i>										
19 Number of institutions reporting	95	.	165	.	1,218	.	508	.	1,986	.
20 Number of institutions extending loans ..	85	.	155	.	1,142	.	455	.	1,837	.

SOURCE: FFIEC

4.49 COMMUNITY DEVELOPMENT LENDING, 2002

Asset size of lender (millions of dollars)	Number of loans		Amount of loans (thousands of dollars)		MEMO: CRA reporters			
	Total	Percent	Total	Percent	Number	Percent	Community development loans	
							Number extending	Percent extending
<i>Institution assets</i>								
1 Less than 100	111	0.4	138,430	0.5	95	4.8	27	2.2
2 100 to 249	571	1.9	233,928	0.8	165	8.3	70	5.6
3 250 to 999	8,718	28.5	3,747,971	13.5	1,218	61.3	723	58.4
4 1,000 or more	21,154	69.2	23,689,850	85.2	508	25.6	419	33.8
5 All	30,554	100.0	27,810,179	100.0	1,986	100.0	1,239	100.0
MEMO								
6 Lending by all affiliates	396	1.3	913,524	3.3	.	.	30	2.4

SOURCE: FFIEC

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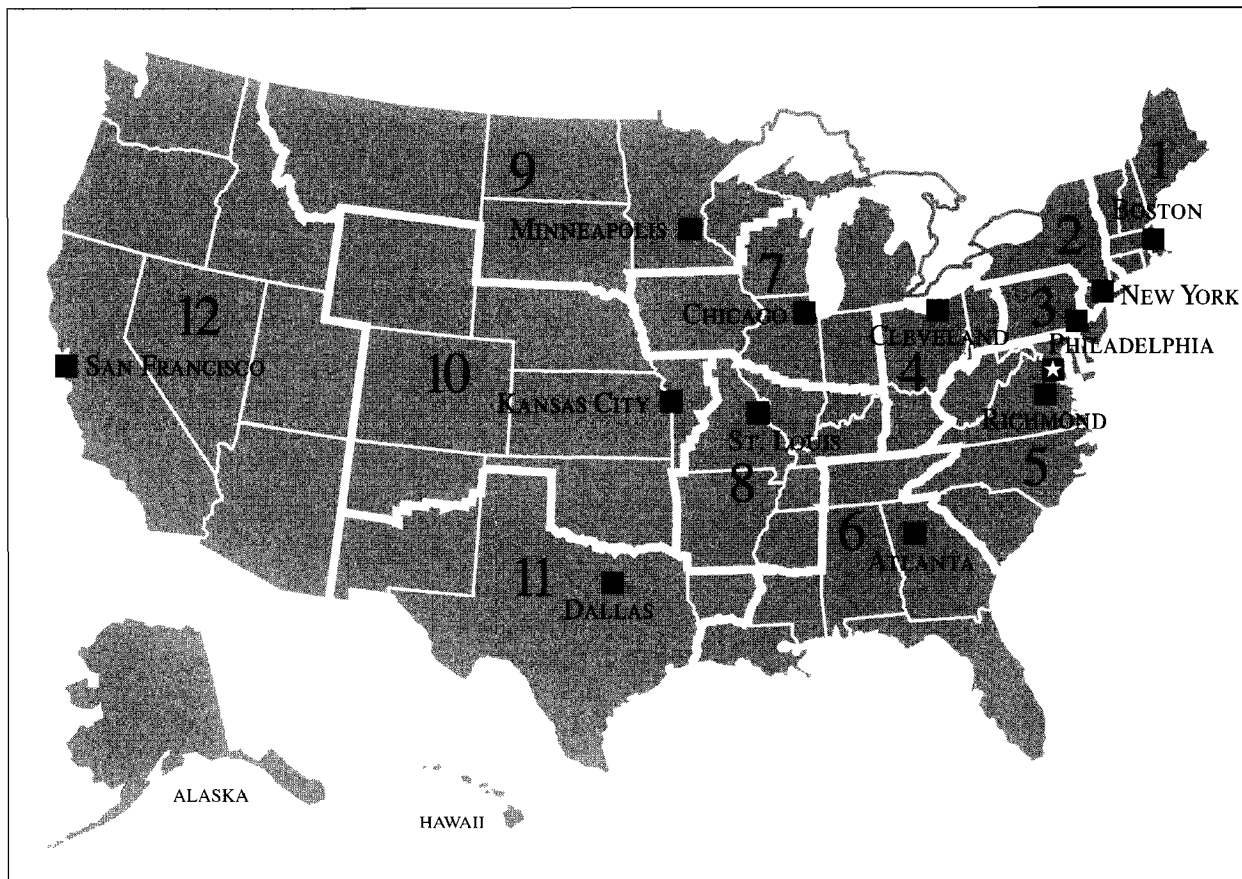
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Studies and papers on economic and financial subjects that are of general interest. Staff Studies 1–158, 161, 163, 165, 166, 168, and 169 are out of print, but photocopies of them are available. Staff Studies 165–174 are available on line at www.federalreserve.gov/pubs/staffstudies. 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

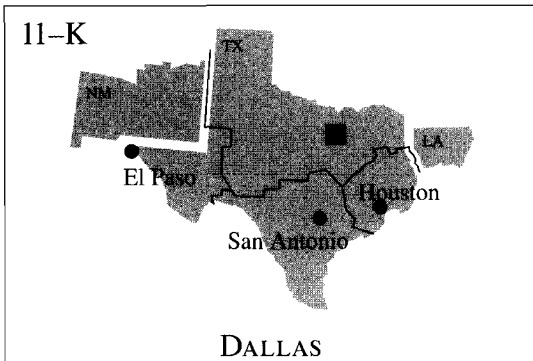
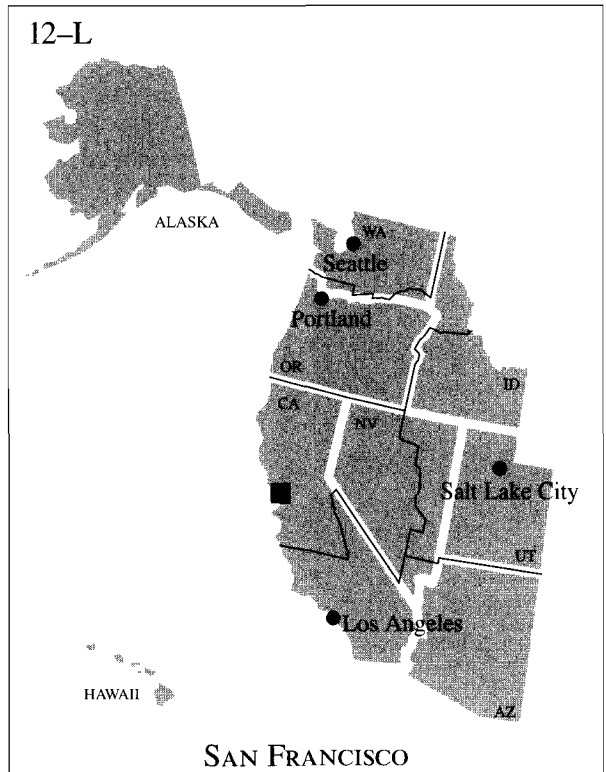
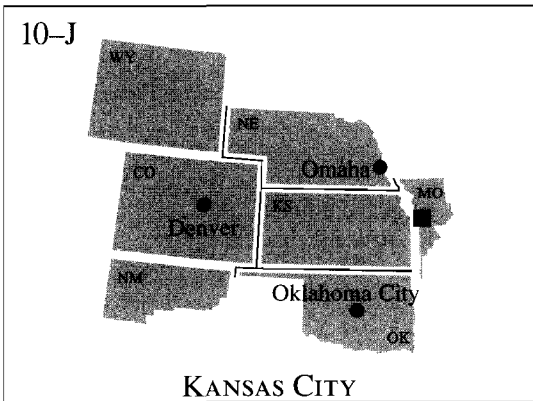
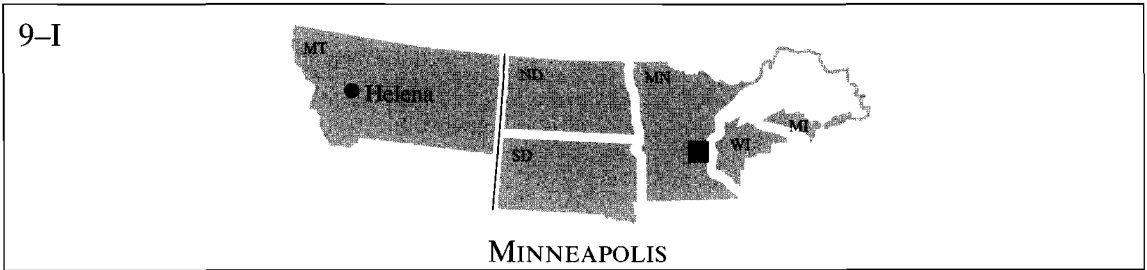
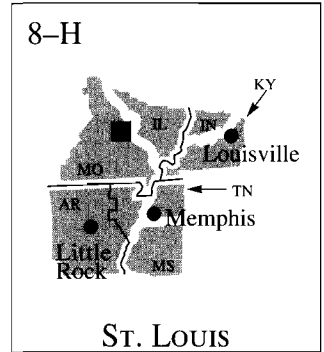
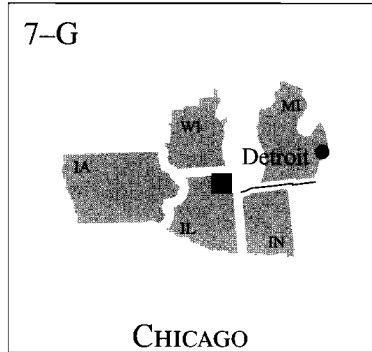
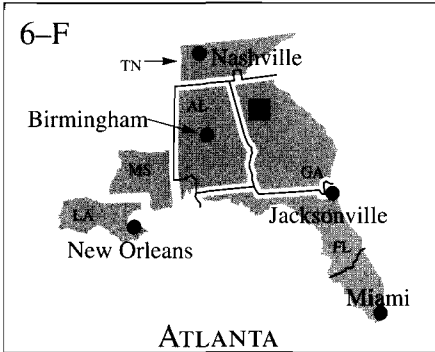
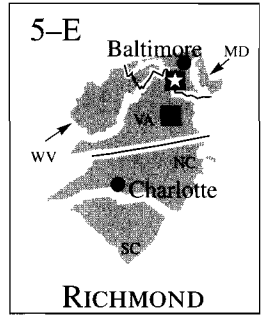
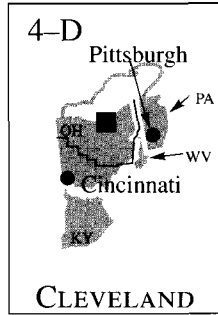
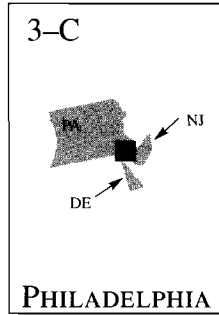
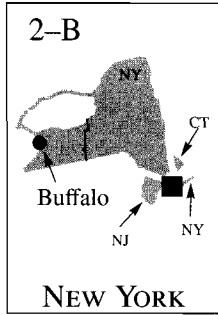
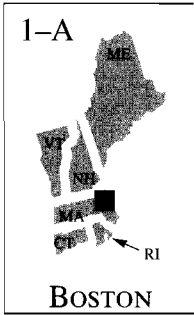
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of Puerto Rico and the U.S. Virgin Islands; the San Francisco Bank serves American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. The Board of Governors revised the branch boundaries of the System most recently in February 1996.



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