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Anatomy of the Medium-Term Note Market

Leland E. Crabbe of the Board's Division of Research and Statistics prepared this article. Joyce A. Payne, administrator of the Board's survey of issuers of medium-term notes, provided assistance. Michael Schoenbeck provided research assistance.

Over the past decade, medium-term notes (MTNs) have emerged as a major source of funding for U.S. and foreign corporations, federal agencies, supranational institutions, and sovereign countries. U.S. corporations have issued MTNs since the early 1970s. At that time, the market was established as an alternative to short-term financing in the commercial paper market and long-term borrowing in the bond market; thus the name "medium term." Through the 1970s, however, only a few corporations issued MTNs, and by 1981 outstandings amounted to only about \$800 million. In the 1980s, the U.S. MTN market evolved from a relatively obscure niche market dominated by the auto finance companies into a major source of debt financing for several hundred large corporations. In the 1990s, the U.S. market has continued to attract a diversity of new borrowers, and outside the United States, the Euro-MTN market has grown at a phenomenal rate. By year-end 1992, outstanding MTNs in domestic and international markets stood at an estimated \$283 billion (table 1).

 Size of the worldwide medium-term note market, year-end 1992
 Billions of dollars

Market sector	Amount outstanding, year-end 1992
Total	283
U.S. market	223 176
Federal agency and others	16 31
International markets Euro-MTNs	60 50
Foreign domestic markets	10

SOURCES. Merrill Lynch & Co., Websters Communications International, Federal Reserve Board.

Most MTNs are noncallable, unsecured, senior debt securities with fixed coupon rates and investment-grade credit ratings. In these features, MTNs are similar to investment-grade corporate bonds. However, they have generally differed from bonds in their primary distribution process. MTNs have traditionally been sold on a best-efforts basis by investment banks and other broker-dealers acting as agents. In contrast to an underwriter in the conventional bond market, an agent in the MTN market has no obligation to underwrite MTNs for the issuer, and the issuer is not guaranteed funds. Also, unlike corporate bonds, which are typically sold in large, discrete offerings, MTNs are usually sold in relatively small amounts either on a continuous or on an intermittent basis.

Borrowers with MTN programs have great flexibility in the types of securities they may issue. As the market for MTNs has evolved, issuers have taken advantage of this flexibility by issuing MTNs with less conventional features. Many MTNs are now issued with floating interest rates or with rates that are computed according to unusual formulas tied to equity or commodity prices. Also, many include calls, puts, and other options. Furthermore, maturities are not necessarily "medium term"they have ranged from nine months to thirty years and longer. Moreover, like corporate bonds, MTNs are now often sold on an underwritten basis, and offering amounts are occasionally as large as those of bonds. Indeed, rather than denoting a narrow security with an intermediate maturity, an MTN is more accurately defined as a highly flexible debt instrument that can easily be designed to respond to market opportunities and investor preferences.

The emergence of the MTN market has transformed the way that corporations raise capital and that institutions invest. In recent years, this transformation has accelerated because of the development of derivatives markets, such as swaps, options, and futures, that allow investors and borrowers to transfer risk to others in the financial system who have different risk preferences. A

growing number of transactions in the MTN market now involve simultaneous transactions in a derivatives market.

This article discusses the history and economics of the MTN market, analyzes statistics on MTNs collected by the Federal Reserve, and reviews recent developments in the U.S. and Euro-MTN markets.¹

BACKGROUND OF THE MTN MARKET²

General Motors Acceptance Corporation (GMAC) created the MTN market in the early 1970s as an extension of the commercial paper market. To improve their asset-liability management, GMAC and the other auto finance companies needed to issue debt with a maturity that matched that of their auto loans to dealers and consumers. However, underwriting costs made bond offerings with short maturities impractical, and maturities on commercial paper cannot exceed 270 days. The auto finance companies therefore began to sell MTNs directly to investors. In the 1970s, the growth of the market was hindered by illiquidity in the secondary market and by securities regulations requiring approval by the Securities and Exchange Commission (SEC) of any amendment to a registered public offering. The latter, in particular, increased the costs of issuance significantly because borrowers had to obtain the approval of the SEC each time they changed the posted coupon rates on their MTN offering schedule. To avoid this regulatory hurdle, some corporations sold MTNs in the private placement market.

In the early 1980s, two institutional changes set the stage for rapid growth of the MTN market. First, in 1981 major investment banks, acting as agents, committed resources to assist in primary issuance and to provide secondary market liquidity. By 1984, the captive finance companies of the three large automakers had at least two agents for their MTN programs. The ongoing financing requirements of these companies and the competition among agents established a basis for the market to develop. Because investment banks stood ready to buy back MTNs in the secondary market, investors became more receptive to adding MTNs to their portfolio holdings. In turn, the improved liquidity and consequent reduction in the cost of issuance attracted new borrowers to the market.

Second, the adoption by the SEC of Rule 415 in March 1982 served as another important institutional change. Rule 415 permits delayed or continuous issuance of so-called shelf registered corporate securities. Under shelf registrations, issuers register securities that may be sold for two years after the effective date of the registration without the requirement of another registration statement each time new offerings are made. Thus, shelf registration enables issuers to take advantage of brief periods of low interest rates by selling previously registered securities on a moment's notice. In contrast, debt offerings that are not made from shelf registrations are subject to a delay of at least forty-eight hours between the filing with the SEC and the subsequent offering to the public.

The ability of borrowers to sell a variety of debt instruments with a broad range of coupons and maturities under a single prospectus supplement is another advantage of a shelf-registered MTN program. Indeed, a wide array of financing options have been included in MTN filings.³ For example, MTN programs commonly give the borrower the choice of issuing fixed- or floating-rate debt.⁴ Furthermore, several "global" programs allow for placements in the U.S. market or in the Euromarket. Other innovations that reflect the specific funding needs of issuers include MTNs collateralized by mortgages issued by thrift institutions,

^{1.} The Federal Reserve Board conducts a survey of borrowing by U.S. corporations in the public MTN market, the largest sector of the worldwide market. The Federal Reserve collects these data to improve its estimates of new securities issues of U.S. corporations, as published in the Federal Reserve Bulletin, and to improve estimates of corporate securities outstanding, as shown in the flow of funds accounts.

^{2.} Material in this and the next two sections was originally presented in "Corporate Medium-Term Notes," Leland Crabbe, *The Continental Bank Journal of Applied Corporate Finance*, vol. 4 (Winter 1992), pp. 90–102.

^{3.} For example, MTNs have been callable, putable, and extendible; they have had zero coupons, step-down or step-up coupons, or inverse floating rates; and they have been foreign currency denominated or indexed, and commodity indexed.

^{4.} The most common indexes for floating-rate MTNs are the following: the London interbank offered rate (LIBOR), commercial paper, Treasury bills, federal funds, and the prime rate. MTN programs typically give the issuer the option of making floating-rate interest payments monthly, quarterly, or semiannually.

Medium-term notes		Yield spread of MTN over	Treasury securities		
Maturity range	Yield (percent)	Treasury securities (basis points)	Maturity	Yield (percent)	
9 months to 12 months	(¹)	(1)	9 months	3.35	
12 months to 18 months	(¹)	(1)	12 months	3.50	
18 months to 2 years	(1)	(1)	18 months	3.80	
2 years to 3 years	4.35	35	2 years	4.00	
3 years to 4 years	5.05	55	3 years	4.50	
4 years to 5 years	5.60	60	4 years	5.00	
5 years to 6 years	6.05	60	5 years	5,45	
6 years to 7 years	6.10	40	6 years	5.70	
7 years to 8 years	6.30	40	7 years	5.90	
8 years to 9 years	6.45	40	8 years	6.05	
years to 10 years	6.60	40	9 years	6.20	
10 years	6.70	40	10 years	6.30	

2. An offering rate schedule for a medium-term note program

equipment trust certificates issued by railways, amortizing notes issued by leasing companies, and subordinated notes issued by bank holding companies. Another significant innovation has been the development of asset-backed MTNs, a form of asset securitization used predominantly to finance trade receivables and corporate loans. This flexibility in types of instruments that may be sold as MTNs, coupled with the market timing benefits of shelf registration, enables issuers to respond readily to changing market opportunities.

In the early and mid-1980s, when finance companies dominated the market, most issues of MTNs were fixed rate, noncallable, and unsecured, with maturities of five years or less. In recent years, as new issuers with more diverse financing needs have established programs, the characteristics of new issues have become less generic. For example, maturities have lengthened as industrial and utility companies with longer financing needs have entered the market. Indeed, frequent placements of notes with thirty-year maturities have made the designation "medium term" something of a misnomer.

MECHANICS OF THE MARKET

The process of raising funds in the public MTN market usually begins when a corporation files a shelf registration with the SEC.⁵ Once the SEC

declares the registration statement effective, the borrower files a prospectus supplement that describes the MTN program. The amount of debt under the program generally ranges from \$100 million to \$1 billion. After establishing an MTN program, a borrower may enter the MTN market continuously or intermittently with large or relatively small offerings. Although underwritten corporate bonds may also be issued from shelf registrations, MTNs provide issuers with more flexibility than traditional underwritings in which the entire debt issue is made at one time, typically with a single coupon and a single maturity.

The registration filing usually includes a list of the investment banks with which the corporation has arranged to act as agents to distribute the notes to investors. Most MTN programs have two to four agents. Having multiple agents encourages competition among investment banks and thus lowers financing costs. The large New York-based investment banks dominate the distribution of MTNs.

Through its agents, an issuer of MTNs posts offering rates over a range of maturities: for example, nine months to one year, one year to eighteen months, eighteen months to two years, and annually thereafter (see table 2). Many issuers post rates as a yield spread over a Treasury security of comparable maturity. The relatively attractive yield spreads posted at the maturities of three, four, and five years shown in table 2 indicate that the issuer desires to raise funds at these maturities. The investment banks disseminate this offering rate information to their investor clients. When an investor expresses interest in an MTN offering, the agent contacts the issuer to obtain a confirmation of

^{1.} No rate posted.

^{5.} SEC-registered MTNs have the broadest market because they have no resale or transfer restrictions and generally fit within an investor's investment guidelines.

the terms of the transaction. Within a maturity range, the investor has the option of choosing the final maturity of the note sale, subject to agreement by the issuing company. The issuer will lower its posted rates once it raises the desired amount of funds at a given maturity. In the example in table 2, the issuer might lower its posted rate for MTNs with a five-year maturity to 40 basis points over comparable Treasury securities after it sells the desired amount of debt at this maturity. Of course, issuers also change their offering rate scales in response to changing market conditions. Issuers may withdraw from the market by suspending sales or, alternatively, by posting narrow offering spreads at all maturity ranges. The proceeds from primary trades in the MTN market typically range from \$1 million to \$25 million, but the size of transactions varies considerably.6 After the amount of registered debt is sold, the issuer may "reload" its MTN program by filing a new registration with the SEC.

Although MTNs are generally offered on an agency basis, most programs permit other means of distribution. For example, MTN programs usually allow the agents to acquire notes for their own account and for resale at par or at prevailing market prices. MTNs may also be sold on an underwritten basis. In addition, many MTN programs permit the borrower to bypass financial intermediaries by selling debt directly to investors.

THE ECONOMICS OF MTNS AND CORPORATE BONDS

In deciding whether to finance with MTNs or with bonds, a corporate borrower weighs the interest

cost, flexibility, and other advantages of each security.⁷ The growth of the MTN market indicates that MTNs offer advantages that bonds do not. However, most companies that raise funds in the MTN market have also continued to issue corporate bonds, suggesting that each form of debt has advantages under particular circumstances.

Offering Size, Liquidity, and Price Discrimination

The amount of the offering is the most important determinant of the cost differential between the MTN and corporate bond markets. For large, standard financings (such as \$300 million of straight debt with a ten-year maturity) the all-in interest cost to an issuer of underwritten corporate bonds may be lower than the all-in cost of issuing MTNs. This cost advantage arises from economies of scale in underwriting and, most important, from the greater liquidity of large issues. As a result, corporations that have large financing needs for a specific term usually choose to borrow with bonds. From an empirical point of view, the liquidity premium, if any, on small offerings has yet to be quantified. Nevertheless, the sheer volume of financing in the MTN market suggests that any liquidity premium that may exist for small offer-

^{6.} Financing strategies vary among the borrowers. Some corporate treasurers prefer to "go in for size" on one day with financings in the \$50 million to \$100 million range, reasoning that smaller offerings are more time consuming. Furthermore, a firm may be able to maintain a "scarcity value" for its debt by financing intermittently with large offerings, rather than continuously with small offerings. Other treasurers prefer to raise \$50 million to \$100 million over the course of several days with \$2 million to \$10 million drawdowns. These corporate treasurers argue that a daily drawdown of \$50 million is an indication that they should have posted a lower offering rate. In regard to the posting of offering rates, some treasurers post an absolute yield, while others post a spread over Treasuries, usually with a cap on the absolute yield. A few active borrowers typically post rates daily in several maturity sectors; less active borrowers post only in the maturity sector in which they seek financing and suspend postings when they do not require funds.

^{7.} Apart from the distribution process, MTNs have several less significant features that distinguish them from underwritten corporate bonds. First, MTNs are typically sold at par, while traditional underwritings are frequently sold at slight discounts or premiums to par. Second, the settlement for MTNs is in same-day funds, whereas corporate bonds generally settle in next-day funds. Although MTNs with long maturities typically settle five business days after the trade date (as is the convention in the corporate bond market), MTNs with short maturities sometimes have a shorter settlement period.

Finally, semiannual interest payments to noteholders are typically made on a fixed cycle without regard to the offering date or the maturity date of the MTN; in contrast, corporate bonds typically pay interest on the first or fifteenth day of the month at six-month and annual intervals from the date of the offering. The interest payment convention in the MTN market usually results in a short or a long first coupon and in a short final coupon, Consider, for example, an MTN program that pays interest on March 1 and September 1 and at maturity of the notes. A \$100,000 MTN sold on May 1 with a 9 percent coupon and a fifteen-month maturity from such a program would distribute a "short" first coupon of \$3,000 on September 1, a full coupon of \$4,500 on March 1, and a "short" final coupon of \$3,750 plus the original principal on August 1 of the following year. Like corporate bonds, interest on fixed-rate MTNs is calculated on the basis of a 360-day year of twelve 30-day months.

ings is not a significant deterrent to financing. According to market participants, the interest cost differential between the markets has narrowed in recent years as liquidity in the MTN market has improved. Many borrowers estimate that the premium is now only about 5 to 10 basis points.⁸

Furthermore, many borrowers believe that financing costs are slightly lower in the MTN market because its distribution process allows borrowers to price discriminate. Consider a stylized example of a company that needs to raise \$100 million. With a bond offering, the company may have to raise the offering yield significantly, for example, from 6 percent to 6.25 percent, to place the final \$10 million with the marginal buyer. In contrast, with MTNs the company could raise \$90 million by posting a yield of 6 percent; to raise the additional \$10 million, the company could increase its MTN offering rates or issue at a different maturity. Consequently, because all of the debt does not have to be priced to the marginal buyer, financing costs can be lower with MTNs.

The Flexibility of MTNs

Even if conventional bonds enjoy an interest cost advantage, this advantage may be offset by the flexibility that MTNs afford. Offerings of investment-grade straight bonds are clustered at standard maturities of two, three, five, seven, ten, and thirty years. Also, because the fixed costs of underwritings make small offerings impractical, corporate bond offerings rarely amount to less than \$100 million. These institutional conventions impede corporations from implementing a financing policy of matching the maturities of assets with those of liabilities. By contrast, drawdowns from MTN programs over the course of a month typically amount to \$30 million, and these drawdowns frequently have different maturities and special features that are tailored to meet the needs of the borrower. This flexibility of the MTN market allows companies to match more closely the maturities of assets and liabilities.

The flexibility of continuous offerings also plays a role in a corporation's decision to finance with MTNs. With MTNs, a corporation can "average out" its cost of funds by issuing continuously rather than coming to market on a single day. Therefore, even if bond offerings have lower average yields, a risk-averse borrower might still elect to raise funds in the MTN market with several offerings in a range of \$5 million to \$10 million over several weeks, rather than with a single \$100 million bond offering.

The flexibility of the MTN market also allows borrowers to take advantage of funding opportunities. By having an MTN program, an issuer can raise a sizable amount of debt in a short time; often, the process takes less than half an hour. Bonds may also be sold from a shelf registration, but the completion of the transaction may be delayed by the arrangement of a syndicate, the negotiation of an underwriting agreement, and the "pre-selling" of the issue to investors. Furthermore, some corporations require that underwritten offerings receive prior approval by the president of the company or the board of directors. In contrast, a corporate treasurer may finance with MTNs without delay and at his or her discretion.9

Discreet Funding with MTNs

The MTN market also provides corporations with the ability to raise funds discreetly because the issuer, the investor, and the agent are the only market participants that have to know about a primary transaction. In contrast, the investment community obtains information about underwritten bond offerings from a variety of sources.

Corporations often avoid the bond market in periods of heightened uncertainty about interest rates and the course of the economy, such as the period after the 1987 stock market crash. Underwritings at such times could send a signal of finan-

^{8.} Commissions to MTN agents typically range from 0.125 percent to 0.75 percent of the principal amount of the note sale, depending on the stated maturity and the credit rating assigned at the time of issuance. Fees to underwriters of bond offerings are somewhat higher.

^{9.} The administrative costs may be lower with MTNs than with bonds. After the borrower and the investor have agreed to the terms of a transaction in the MTN market, the borrower files a one-page pricing supplement with the SEC, stating the sale date, the rate of interest, and the maturity date of the MTN. In contrast, issuers of corporate bonds sold from shelf registrations are required to file a prospectus supplement.

cial distress to the market. Similarly, corporations in distressed industries, such as commercial banking in the second half of 1990, can use the MTN market to raise funds quietly rather than risk negative publicity in the high profile bond market. Thus, during periods of financial turmoil, the discreet nature of the MTN market makes it an attractive alternative to the bond market.

"Reverse Inquiry" in the MTN market

Another advantage of MTNs is that investors often play an active role in the issuance process through the phenomenon known as "reverse inquiry." For example, suppose an investor desires to purchase \$15 million of A-rated finance company debt with a maturity of six years and nine months. While such a security may not be available in the corporate bond market, the investor may be able to obtain it in the MTN market through reverse inquiry. In this process, the investor relays the inquiry to an issuer of MTNs through the issuer's agent. If the issuer finds the terms of the reverse inquiry sufficiently attractive, it may agree to the transaction even if it was not posting rates at the maturity that the investor desires.

According to market participants, trades that stem from reverse inquiries account for a significant share of MTN transactions. Reverse inquiry not only benefits the issuer by reducing borrowing costs but also allows investors to use the flexibility of MTNs to their advantage. In response to investor preferences, MTNs issued under reverse inquiry often include embedded options and frequently pay interest according to unusual formulas. This responsiveness of the MTN market to the needs of investors is one of the most important factors driving the growth and acceptance of the market.

THE FEDERAL RESERVE BOARD'S SURVEY OF U.S. CORPORATE MTNS

The Federal Reserve surveys U.S. corporations with MTN programs. These companies provide data on a confidential basis on the amount of MTNs they issue; respondents report monthly, quarterly, or annually depending on how active they are in the market. At year-end, all MTN issuers are asked to

provide data on the amount of their outstandings. The data on gross issuance begin in January 1983, and the data on outstandings have been collected since year-end 1989. The Federal Reserve obtains information on new programs from announcements of SEC Rule 415 registrations and contacts with MTN agents.

Because the participation rate in the Federal Reserve survey is 100 percent, it provides an accurate measure of the volume of MTN financing by U.S. corporations in the U.S. public market. However, while the U.S. corporate sector is the largest segment of the MTN market, MTNs have been issued in other markets and by non-U.S. corporations. For example, several U.S. corporations have issued MTNs in the Euro-market. Also, the survey does not include MTNs issued in the U.S. public market by government-sponsored agencies, such as the Federal National Mortgage Association, by supranational institutions, and by non-U.S. corporations. Furthermore, although the database includes MTNs issued by bank holding companies, it does not include deposit notes and bank notes offered by banks because these securities are exempt from SEC registration. Perhaps most important, the database does not include privately placed MTNs. The private placement market is particularly attractive to issuers who wish to gain access to U.S. investors without having to obtain SEC approval for a public offering. According to MTN agents, non-U.S. corporations are the largest borrowers in the market for privately placed MTNs. Because the financing costs are usually lower in the public market than in the less liquid private market, most U.S. corporations choose to issue public, SEC-registered MTNs.

Issuance Volume and Industry of the Issuers

From 1983 through 1992, the volume of MTN issuance in the public market increased in each year, rising from \$5.5 billion in 1983 to \$74.2 billion in 1992, and totaled \$330 billion over the ten-year period (table 3). Similarly, the number of borrowers increased from 12 in 1983 to 208 in 1992, and totalled 402 corporations for the period (table 3).

Borrowers in the MTN market span a wide array of industry groups. In the financial sector, major borrowers include auto finance companies, bank

Type of issuer	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	Total, 1983-92
Type of issues					Amounts	in million	of dollars		•		
All U.S. Corporations	5,459	10,252	13,488	19,811	23,153	30,676	34,008	46,617	71,918	74,162	329,543
Financial	5,431 4,750 75 591	9,896 6,800 885 2,111	12,175 6,688 1,991 2,624	16,715 8,854 2,120 3,038	20,338 9,930 2,258 4,674	22,232 6,699 3,795 6,562	26,294 8,575 3,610 8,500	29,936 9,874 3,162 12,289	45,773 12,380 11,157 14,802	50,551 13,450 6,553 18,656	239,341 88,000 35,606 73,847
companies	0 0 15	0 90 10	0 307 565	152 1,404 1,148	384 1,396 1,695	677 2,651 1,848	900 2,312 2,397	1,186 25 3,399	1,027 0 6,408	1,084 67 10,741	5,410 8,252 28,227
Nonfinancial corporations Electric, gas and water Manufacturing Services	28 0 0 20	356 0 163 186	1,313 143 848 191	3,095 344 2,103 535	2,815 494 1,064 691	8,444 1,485 2,593 1,926	7,713 2,706 2,570 961	16,681 3,221 6,497 1,237	26,145 5,143 12,503 2,409	23,610 7,535 9,130 1,747	90,202 21,069 37,471 9,901
Telephone and communication Transportation, mining,	0	0	0	0	189	514	84	1,221	1,373	1,635	5,015
and construction Wholesale and retail trade	0 8	0	25 107	38 75	81 296	752 1,175	578 815	1,933 2,573	1,800 2,918	1,018 2,546	6,225 10,520
			,		Nu	mber of iss	uers				
All U.S. corporations	12	34	52	72	86	132	138	165	223	208	402
FinancialNonfinancial	10 2	29 5	41 11	50 22	61 25	80 52	72 66	65 100	76 147	65 143	155 247
Number of new issuers Financial Nonfinancial	12 10 2	22 19 3	23 15 8	30 15 15	42 27 15	59 26 33	50 14 36	56 11 45	66 11 55	42 7 35	402 155 247

3. Gross borrowing by U.S. corporations in the U.S. medium-term note market, 1983-92

holding companies, business and consumer credit institutions, and securities brokers. In the nonfinancial sector, participants in the MTN market include utilities, telephone companies, manufacturers, service firms, and wholesalers and retailers. Within industry groups, the auto finance companies have been the heaviest borrowers, raising \$88 billion over the period. In relative terms, however, issuance by auto finance companies declined from an 87 percent share of the MTN market in 1983 to 18 percent in 1992.

In the early to mid-1980s, financial companies dominated the MTN market. Indeed, in 1983, only two nonfinancial companies issued MTNs, and they accounted for less than 1 percent of the issuance volume. In recent years, however, nonfinancial companies have increased their share of the market, and from 1990 through 1992, they accounted for about one-third of MTN issuance.

The increase in the volume of MTN issuance reflects a dramatic increase in the number of new borrowers in the market. In each year from 1984 through 1992, at least twenty companies issued

MTNs for the first time, and most of the new entrants have been nonfinancial companies. In 1991, for example, sixty-six new borrowers entered the market, of which fifty-five were nonfinancial companies. As a result of this trend, in each year beginning in 1990, the total number of nonfinancial firms issuing MTNs has exceeded the total number of financial issuers.

The Volume of Corporate MTNs Outstanding and the Components of Net Borrowing

Outstanding MTNs and issuer use of MTN programs have increased sharply since 1989. In the aggregate, outstanding MTNs increased from \$76 billion in 1989 to \$176 billion in 1992 (table 4). Over this period, outstandings of nonfinancial firms increased from \$18.5 billion to \$67.6 billion, while outstandings of financial corporations increased from \$57.5 billion to \$108.2 billion. For individual firms, outstandings of MTNs averaged \$504 million in 1992, compared with \$350 million in 1989.

^{1.} Other than auto finance companies.

4.	Medium-term notes outstanding,	1989–92
	Millions of dollars	

No. de de contra	Year-end								
Market sector	1989	1990	1991	1992					
Total outstanding	76,016	100,040	142,316	175,782					
Financial	57,505 18,511	69,146 30,894	89,823 52,493	108,180 67,602					
Average outstanding Financial Nonfinancial	350 504 180	383 591 215	453 788 262	504 925 291					

The data on net borrowing, that is, the year-overyear change in outstandings, can be dissected to determine the sources of growth in the market. For the market as a whole, new entrants accounted for about one-third of net borrowing in 1990, onefourth of net borrowing in 1991, and less than one-fifth in 1992 (table 5). Thus, firms that had already issued MTNs accounted for most of the recent growth in the market. In the financial sector, in particular, new entrants accounted for only a small proportion of the growth, simply because a large share of the financial firms that could enter the MTN market did so in the 1980s. Among nonfinancial firms, in contrast, new entrants have continued to fuel a significant share of the growth in the market.

Credit Ratings

The corporations issuing MTNs have had high credit ratings. Since 1983, more than 99 percent of MTNs have been rated investment grade (Baa or higher) at the time of issuance (table 6). In 1992, \$51 billion of the \$74 billion in MTN offerings were rated single A, and six firms, issuing a total of \$540 million, had Ba ratings. Outstanding MTNs also tend to have high credit ratings, but not as high

 Analysis of net borrowing in the corporate medium-term note market, 1990–92
 Millions of dollars

Net borrowing,	7	Year over year					
by type of borrower	1990	1991	1992				
Total net borrowing							
All U.S. corporations	24.024	42,275	33,466				
Financial	11,641	20,677	18,357				
Nonfinancial	12,382	21,599	15,109				
Net borrowing by new entrants							
All U.S. corporations	8,070	9.711	5,983				
Financial	2,341	1.926	526				
Nonfinancial	5.729	7,785	5.457				
Nonmanoial	3,123	1,103	3,437				
Net borrowing by existing issuers							
All U.S. corporations	15,953	32,565	27,482				
Financial	9,300	18,751	17,831				
Nonfinancial	6,653	13,814	9,652				
Marco Detic of wet beautiful							
MEMO: Ratio of net borrowing							
by new entrants to total							
net borrowing	200		150				
All U.S. corporations	.336	.230	.179				
Financial	.201	.093	.029				
Nonfinancial	.463	.360	.361				

as the ratings on new offerings because of the preponderance of rating downgrades in recent years. Nevertheless, 98 percent of outstanding MTNs were rated investment grade at year-end 1992 (table 7).

Maturities and Yield Spreads

Maturities on MTNs reflect the financing needs of the borrowers. Financial firms tend to issue MTNs with maturities matched to the maturity of loans made to their customers. Consequently, in the financial sector, maturities are concentrated in a range of one to five years, and only a small proportion are longer than ten years (chart 1). Nonfinancial firms, in contrast, often use MTNs to finance long-lived assets, such as plant and equipment. As a result, maturities on MTNs issued by nonfinan-

 Ratings distribution of medium-term note issuance, 1983–92 Millions of dollars

Ratings by Moody's Investors Service	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	Total issuance, 1983-92
Aaa	0 2,693 883 1,883 0	90 5,236 3,829 216 882 0	124 7,740 4,426 1,198 0	789 10,117 6,607 1,799 498 0	1,585 11,908 7,469 1,919 273 0	2,651 10,129 11,735 5,596 565 0	2,745 9,722 16,333 5,098 109 0	1,635 14,920 23,731 6,331 0	4,250 5,441 51,489 10,593 145	2,966 6,381 50,513 13,762 540 0	16,834 84,288 177,015 48,395 3,011

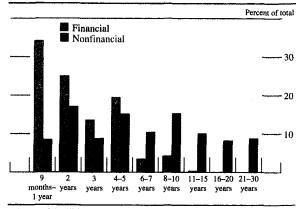
Ratings by Moody's		Year-end o	outstandings	Net change			
Investors Service	1989	1990	1991	1992	1990	1991	1992
Aaa Aa	5,918 23,069 35,208 9,491 1,448 112 770	5,416 30,879 45,874 16,675 1,066 20 110	6,715 8,753 100,757 22,827 2,556 183 525	6,077 13,137 89,205 64,009 2,851 53 450	-502 7,809 10,666 7,184 -381 -92 -660	1,299 -22,126 54,883 6,152 1,490 163 415	-638 4,384 -11,552 41,182 295 -130 -75

Ratings distribution of medium-term notes outstanding, 1989–92
 Millions of dollars

cial corporations cover a wider range, and in 1992, 25 percent to 30 percent were longer than ten years.

Yields on fixed-rate MTNs, commonly quoted as a yield spread over a Treasury security of comparable maturity, reflect the credit risk of the borrower. Other factors held constant, Baa-rated MTNs have higher yield spreads than A-rated MTNs, which in turn have higher yield spreads than Aa-rated MTNs (chart 2). Yield spreads also vary over time, particularly over the course of the business cycle. Spreads on A-rated MTNs increased from 60 basis points over Treasury securities in July 1990, a cyclical trough, to 140 basis points in January 1991. 10

1. Distribution of maturities of corporate medium-term notes, 1992



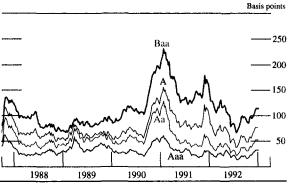
Source. Merrill Lynch.

The Relative Size of the MTN market

The MTN market accounts for a significant share of borrowing by U.S. corporations. One measure of the size of the market is the ratio of outstanding MTNs to the amount of outstanding public debt (MTNs plus public corporate bonds). According to this definition of market share, MTNs accounted for 16 percent of public corporate debt in 1992, compared with 9 percent in 1989 (table 8). This ratio understates the size of the MTN market, however, because the market is still relatively new, and outstandings are growing rapidly.

An alternative measure of the size of the market is the volume of investment-grade MTN issuance as a percentage of total investment-grade debt issuance (MTNs plus underwritten straight bonds). By this definition, the share of investment-grade debt issued as MTNs rose from 18 percent in 1983 to a peak of 42 percent in 1990 (table 9). In 1992, the

 Yield spreads between two-year medium-term notes of financial companies and two-year Treasury notes, selected ratings, October 1987–December 1992



Data are weekly

^{10.} These yield spreads are estimated using the model presented in Leland E. Crabbe and Christopher M. Turner, "A Dynamic Linear Model of the Determinants of Yield Spreads on Fixed-Income Securities," (Board of Governors of the Federal Reserve System, working paper, June 1993).

 Ratio of medium-term notes outstanding to the sum of medium-term notes and corporate bonds outstanding, 1989–92

Percent

Market sector	1989	1990	1991	1992
All U.S. corporate MTNs				
and bonds	9	11	14	16
Financial	28	31	33	32
Nonfinancial	3	5	7	9
All U.S. corporate MTNs and bonds with investment-				
grade ratings	12	14	17	19
Financial	29	34	34	33
Nonfinancial	4	6	9	11

SOURCE. For corporate bond outstandings, Moody's Investors Service. Both Moody's and Federal Reserve figures exclude private placements, asset-backed securities, bonds issued by federal agencies, Eurobonds, and Yankee bonds. Moody's figures include convertible bonds.

ratio fell to 37 percent, a decline that mainly reflects the heavy volume of refinancing in the corporate bond market, especially in the nonfinancial sector. This ratio of debt issuance may overestimate the size of the MTN market because MTNs typically have shorter maturities than corporate bonds.

MTNs represent an increasingly important source of credit to nonfinancial corporations, as companies have shifted funding from alternative credit markets. In general, nonfinancial corporations that borrow in the MTN market have access to other major credit markets: corporate bonds, commercial paper, bank loans, and privately placed bonds. From 1989 through 1992, net borrowing by nonfinancial corporations in the MTN market increased \$49 billion, while borrowing in the other four markets increased an estimated \$102 billion (table 10). Notably, corporate borrowing in the public bond market rose \$100 billion, while borrowing at banks fell \$35 billion. The shift to longterm financing (MTNs and bonds) over this period is a typical, cyclical phenomenon that occurs in periods of slow economic growth and falling longterm interest rates. However, some of the growth of the MTN market reflects a secular decline in the role of banks as financial intermediaries.

RECENT DEVELOPMENTS IN THE MTN MARKET

In recent years several changes have occurred in the MTN market as a result of innovations in other capital markets. Among the most important changes in the MTN market are the increasing use of "structured" MTNs, the increasing participation by banking organizations in the market, and the development of a system for book-entry clearing and settlement of MTN transactions. Also, foreign corporations have begun to use the MTN market more frequently since the adoption of SEC Rule 144A in April 1990.

Structured MTNs

In recent years, an increasing share of MTNs have been issued as part of structured transactions. In a structured MTN, a corporation issues an MTN and simultaneously enters into one or several swap agreements to transform the cash flows that it is obligated to make. The simplest type of structured MTN involves a "plain vanilla" interest rate swap. In such a financing, a corporation might issue a three-year, floating-rate MTN that pays LIBOR plus a premium semiannually. At the same time, the corporation negotiates a swap transaction in which it agrees to pay a fixed rate of interest semiannually for three years in exchange for receiving LIBOR from a swap counterparty. As a result of the swap, the borrower has synthetically created a fixed-rate note because the floating-rate payments are offsetting. (See the box for an outline of this transaction.)

9. Ratio of medium-term note issuance to the sum of medium-term note and corporate bond issuance, 1983–92 Percent

Market sector	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
All U.S. corporations	18	21	17	15	23	32	33	42	41	37
Financial	35	35	35	31	36	42	44	58	57	58
Nonfinancial	0	2	3	4	7	21	18	28	27	21

^{1.} In the ratio, the volume of issuance of MTNs and corporate bonds does not include speculative-grade bonds, convertible bonds, federal agency bonds, asset-backed securities, or private placements.

10.	Funding by nonfinancial corporations in major
	domestic credit markets, 1989-92
	Billions of dollars

Marshad	Outstanding	Net change		
Market	1989	1992	from 1989 to 1992	
Medium-term notes	18.5	67.6	49.1	
Public bonds	607.5	707.9	100.3	
Commercial paper	107.1	108.3	1.2	
Bank loans	553,5	518.8	-34.7	
Privately placed bonds	265.0	300.0	35.0	

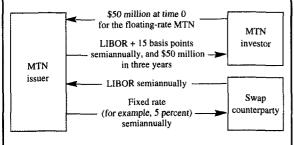
Source. For all series except public bonds, Federal Reserve Board; for public bonds, Moody's Investors Service.

At first glance, structured transactions seem needlessly complicated. A corporation could simply issue a fixed-rate MTN. However, as a result of the swap transaction, the corporation may be able

A Structured Transaction in the Medium-Term Note Market Involving an Interest Rate Swap

At time 0, an MTN issuer sells a three-year, \$50 million MTN that pays LIBOR plus 15 basis points semiannually. At the same time, the issuer agrees to an interest rate swap.

Payment obligations



The combination of the swap and the MTN result in the following semiannual cash flows for the MTN issuer:

Cash flows

- (LIBOR + 15 basis points) x \$50 million
- + (LIBOR) x \$50 million
- (5 percent) x \$50 million

Net

obligation = 5.15 percent on \$50 million

Because the floating-rate payments are offsetting, the MTN issuer has created a synthetic, fixed-rate note that pays 5.15 percent on \$50 million for three years.

to borrow at a lower rate than it would pay on a fixed-rate note. Indeed, most MTN issuers decline to participate in structured financings unless they reduce borrowing costs at least 10 or 15 basis points. Issuers demand this compensation because. compared with conventional financings, structured financings involve additional expenses, such as legal and accounting costs and the cost of evaluating and monitoring the credit risk of the swap counterparty. For complicated structured transactions, most issuers require greater compensation.

Many structured transactions originate with investors through a reverse inquiry. This process begins when an investor has a demand for a security with specific risk characteristics. The desired security may not be available in the secondary market, and regulatory restrictions or bylaws prohibit some investors from using swaps, options, or futures to create synthetic securities. Through a reverse inquiry, an investor will use MTN agents to communicate its desires to MTN issuers. If an issuer agrees to the inquiry, the investor will obtain a security that is custom-tailored to its needs. The specific features of these transactions vary in response to changes in market conditions and investor preferences. For example, in 1991 many investors desired securities with interest rates that varied inversely with short-term market interest rates. In response to investor inquiries, several corporations issued "inverse floating-rate" MTNs that paid an interest rate of, for example, 12 percent minus LIBOR. At the time of the transaction, the issuers of inverse floating-rate MTNs usually entered into swap transactions to eliminate their exposure to falling interest rates.

While structured transactions in the MTN market often originate with investors, investment banks also put together such transactions. Most investment banks have specialists in derivative products who design securities to take advantage of temporary market opportunities. When an investment bank identifies an opportunity, it will inform investors and propose that they purchase a specialized security. If an investor tentatively agrees to the transaction, the MTN agents in the investment bank will contact an MTN issuer with the proposed structured transaction.

Most investors require that issuers of structured MTNs have triple-A or double-A credit ratings. By dealing with highly rated issuers, the investor reduces the possibility that the value of the structured MTN will vary with the credit quality of the issuer. In limiting credit risk, the riskiness of the structured MTN mainly reflects the specific risk characteristics that the investor prefers. 11 Consequently, federal agencies and supranational institutions, which have triple-A ratings, issue a large share of structured MTNs. The credit quality profile of issuers of structured MTNs has changed slightly in recent years, however, as some investors have become more willing to purchase structured MTNs from single-A corporations. In structured transactions with lower-rated borrowers, the investor receives a higher promised yield as compensation for taking on greater credit risk.

Market participants estimate that structured MTNs accounted for 20 percent to 30 percent of MTN volume in the first half of 1993, compared with less than 5 percent in the late 1980s. The growth of structured MTNs highlights the important role of derivative products in linking various domestic and international capital markets. Frequently, the issuers of structured MTNs are located in a different country from that of the investors.

The increasing volume of structured transactions is testimony to the flexibility of MTNs. When establishing MTN programs, issuers build flexibility into the documentation that will allow for a broad range of structured transactions. Once the documentation is in place, an issuer is able to reduce borrowing costs by responding quickly to temporary opportunities in the derivatives market. The flexibility of MTNs is also evident in the wide variety of structured MTNs that pay interest or repay principal according to unusual formulas. Some of the common structures include the following: (1) floating-rate MTNs tied to the federal funds rate, LIBOR, commercial paper rates, or the prime rate, many of which have included caps or floors on rate movements; (2) step-up MTNs, the interest rate on which increases after a set period;

(3) LIBOR differential notes, which pay interest tied to the spread between, say, deutsche mark LIBOR and French franc LIBOR; (4) dual currency MTNs, which pay interest in one currency and principal in another; (5) equity-linked MTNs, which pay interest according to a formula based on an equity index, such as the Standard & Poor's 500 or the Nikkei; and (6) commodity-linked MTNs, which have interest tied to a price index or to the price of specific commodities such as oil or gold. The terms and features of structured MTNs continue to evolve in response to changes in the preferences of investors and developments in financial markets.

Bank Notes

Banking organizations are major participants in the MTN market. Like other corporations, bank holding companies must file registration documents with the SEC when issuing public securities. Consequently, the Federal Reserve survey captures MTNs issued by bank holding companies. Over the ten-year survey period, thirty-five bank holding companies raised funds in the MTN market, and from 1989 to 1992, outstanding MTNs of bank holding companies increased from \$8.3 billion to \$17.9 billion. Although most of these MTNs have senior status in relation to other debt outstanding, a few bank holding companies have issued subordinated MTNs. Subordinated MTNs of bank holding companies typically have long maturities of about ten years. Under regulatory capital requirements, subordinated debt with a maturity of five years or longer qualifies as tier 2 capital.

In contrast to public offerings by bank holding companies, securities issued by banks are exempt from registration under section 3(a)2 of the Securities Act of 1933. In recent years, a growing number of banks have issued exempt securities, called bank notes, that have characteristics in common with certificates of deposit (CDs), MTNs, and short-term bonds.

Like CDs, most bank notes are senior, unsecured debt obligations issued by the bank. In the event of the insolvency of the issuing institution, bank notes are likely to rank equal with deposits, except in states where deposits have priority over other debt obligations. As with institutional CDs, nearly all

^{11.} An additional reason for the high credit quality of structured MTNs is that some investors, such as money market funds, face regulatory restrictions on the credit ratings of their investments. See Leland Crabbe and Mitchel A. Post, "The Effect of SEC Amendments to Rule 2a-7 on the Commercial Paper Market," Finance and Economics Discussion Series 199 (Board of Governors of the Federal Reserve System, May 1992).

bank notes are sold to institutional investors in minimum denominations of \$250,000 to \$1 million. Bank notes are not covered by FDIC insurance, nor are they subject to FDIC insurance assessments. CDs, in contrast, are insured for \$100,000 per depositor. Furthermore, in the event of a bank failure, the FDIC could choose to protect the financial interests of some or all depositors or other creditors without treating bank notes in the same manner.

Like MTNs, bank notes may be offered continuously or intermittently in relatively small amounts that typically range from \$5 million to \$25 million. In addition, as with MTNs, most medium-term bank notes have maturities that range from one to five years. 12 However, ratings on senior bank notes are typically one notch higher than the ratings on senior MTNs, which are issued at the holding company level. Reflecting these differences in ratings and priority in the firms' capital structures, the yields on banks notes usually are significantly lower than the yields on MTNs of comparable maturity.

Some bank notes, which are similar to corporate bonds, are sold in large, underwritten, discrete offerings that range from \$50 million to \$1 billion. However, they differ from corporate bonds in that they are not registered with the SEC. From 1988 through 1992, banks issued \$14.3 billion of underwritten, senior bank notes, including \$7.8 billion in 1992. In the first half of 1993, they issued \$6.3 billion.

Book-Entry Clearing and Settlement of MTNs

In the early and mid-1980s, high administrative costs deterred some issuers from establishing MTN programs. Among the most significant of the administrative costs were those arising from transferring physical securities to investors. These costs

included printing, delivery, safekeeping, messengers, insurance, and recordkeeping. Moreover, issuers incurred significant costs in the disbursement of interest and principal payments to each individual noteholder. According to market estimates, the direct costs of transferring physical securities range from \$5 to \$30 per transaction. For small offerings, the costs of physical delivery can add significantly to the all-in cost of borrowing. As a result, many issuers refused to sell MTNs in denominations of less than \$1 million.

Since 1988, the costs of clearing and settlement of MTNs have decreased substantially as a computer-based system of book-entry recordkeeping has supplanted physical certificates. When an MTN is issued under the book-entry system, an agent bank for the issuer uses a computer link with The Depository Trust Company (DTC) to enter the descriptive information and settlement details of the transaction. The sales agent receives a copy of the computer record from DTC, and the investor receives a trade confirmation from the sales agent and periodic ownership statements from the custodian bank, in lieu of physical certificates. Secondary market trades are likewise recorded with computer entries. Under the book-entry system, an issuer makes one wire transfer to DTC that covers all interest payments on each interest payment date. This payment process contrasts with the process for physical certificates in which issuers make separate payments to each investor. Similarly, under the book-entry system, when the MTN matures, the issuer makes only one funds transfer to DTC. The DTC book-entry process costs \$4 for each issuance, and each participant in a transaction pays between \$1.29 and \$1.54 for subsequent deliveries

 Issuance and outstandings of book entry medium-term notes, 1988–1993:Q1

Period		End of period					
	Issuance volume (billions of dollars)	Principal amount outstanding (billions of dollars)	Number of issuers	Number of issues			
1988	0.6 15.6 37.3 66.5 80.2 25.4	0.6 16.2 51.4 106.2 159.8 177.8	5 138 225 368 451 484	136 2,001 6,670 12,660 16,495 17,254			

Source. The Depository Trust Company.

^{12.} Banks also issue bank notes with shorter maturities that range from seven days to one year. These short-term bank notes are sold to money market investors with interest calculated on a CD basis or discount basis. As with medium-term bank notes, short-term bank notes are issued at the bank level, and they are not insured. Short-term bank notes differ from commercial paper in that commercial paper is an obligation of the bank holding company.

in the primary and secondary markets. Besides reducing the direct cost of issuance, the book-entry system also lowers the likelihood of delayed delivery because of logistical problems and reduces the chances of failed trades arising from paperwork errors.

Book entry has become the preferred method of clearing and settlement in the MTN market. According to DTC, issuance of book-entry MTNs rose from \$600 million in 1988 to \$80 billion in 1992 (table 11). Moreover, outstanding MTNs under the book-entry system amounted to \$160 billion at year-end 1992, a total that includes 16,495 individual securities.¹³

Borrowing by Foreign Entities in the MTN Market and SEC Rule 144A 14

In the 1980s, SEC disclosure requirements associated with public offerings discouraged foreign corporations from issuing MTNs in the U.S. public market. For foreign corporations, the most burdensome requirement is that financial statements conform to U.S. generally accepted accounting principles. Most foreign issuers would have to incur considerable legal and accounting expenses to meet this requirement, and many would have to disclose more information about their operations than is required in their home markets. The expense of registering securities and satisfying ongoing reporting requirements has also deterred foreign entities from borrowing in the U.S. market. Foreign issuers could avoid the costs of a public offering by selling MTNs in the U.S. private placement market. However, yields on most private placements included an illiquidity premium resulting from regulatory restrictions on trading.

The adoption of SEC Rule 144A in April 1990 effectively created an alternative market in which foreign corporations could gain access to U.S. investors without having to satisfy the disclosure

requirements for public offerings. Rule 144A

allows institutional investors to trade private place-

ments among themselves with few restrictions. To protect less sophisticated investors, the SEC

requires that 144A securities be sold only to "qualified institutional buyers," which own and invest in

a minimum of \$100 million in securities. This

definition is broad enough to include most of the

institutions that buy MTNs, such as banks and bank

trust departments, insurance companies, pension

funds, mutual funds, investment advisers, and state

and local governments.15 A foreign issuer of a

144A security must provide, upon demand by a

security holder or potential purchaser, a brief description of the business and financial statements for the three most recent fiscal years, which can be

primary method of distribution: Typically, agents

placed MTNs in relatively small amounts continuously or intermittently, while underwriters placed

large, discrete amounts of corporate bonds. This

strict classification no longer applies, however. A growing number of MTN offerings have the characteristics of traditional corporate bonds, and

in the accounting format used in the issuer's home country. Privately placed MTNs are an example of a security that may be eligible for resale under Rule 144A. Since the adoption of Rule 144A, issuance of MTNs by foreign corporations in the U.S. private market has increased markedly. According to the Securities Data Corporation, issuance increased from \$2.2 billion in 1990 to \$10 billion in 1992. In general, MTNs issued by foreign corporations under Rule 144A have similar characteristics to those sold by U.S. corporations in the public market. Both typically are dollar denominated and investment grade, with standard covenants. DEVELOPMENTS IN THE DISTRIBUTION OF MTNS In the early and mid-1980s, the major difference between MTNs and corporate bonds was in their

^{13.} These figures on issuance and outstandings are not directly comparable with those reported in the Federal Reserve's survey because the DTC totals include bank notes and deposit notes issued by banks, as well as MTNs issued by foreign corporations.

^{14.} See Mark S. Carey, Stephen D. Prowse, John D. Rea, and Gregory F. Udell, "Recent Developments in the Market for Privately Placed Debt," *Federal Reserve Bulletin*, vol. 79 (February 1993), pp. 77–92.

^{15.} Besides meeting the securities test, banks and savings and loans must also have a net worth of at least \$25 million. In contrast to other investors, broker-dealers must own only \$10 million of securities.

regional dealers now sell a significant percentage of MTNs. Thus, as the MTN market has matured, it has become harder to define the securities and to describe their mode of distribution.

Principal Transactions

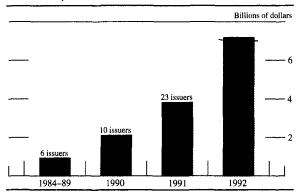
One important change in the distribution process is that a larger share of MTNs are now sold on a principal basis, rather than on an agented basis. In a principal transaction, the MTN dealer purchases an MTN for its own account and later resells it to investors. In a "riskless principal" transaction, when the dealer buys the MTN, it has already lined up an investor that has agreed to the terms of the resale. Riskless principal transactions often involve structured MTNs. In other principal transactions, dealers underwrite MTNs when they have not lined up investors but expect to do so easily and quickly.

Large, Discrete Offerings

Corporations now more often sell MTNs that are nearly indistinguishable from corporate bond offerings. These MTN offerings typically have large face amounts of \$100 million or more, the typical size of corporate bond offerings. They are sold on an underwritten basis, and they often have relatively long maturities of ten or thirty years. Furthermore, announcements of such offerings appear along with announcements of corporate bond offerings in financial publications. In 1992, thirty-one corporations issued \$7.14 billion of MTNs in large, discrete, underwritten offerings, compared with less than \$1 billion between 1983 and 1989 (chart 3).

Despite the similarities to corporate bonds, these large, discrete, underwritten securities technically are MTNs because they are issued from MTN shelf registrations. To most investors, this technical difference is largely irrelevant because the securities have the essential features of corporate bonds. As a result, the securities reportedly do not command a yield premium relative to the yield on corporate bonds.

As large, discrete offerings of MTNs have become more common, the distinction between MTNs and corporate bonds has blurred. As a result, the arguments for financing with MTNs have Large, discrete offerings of medium-term notes in the U.S. corporate market, 1984–92



become more compelling. By setting up an MTN program, a corporation does not give up the advantages of issuing large, underwritten securities that typically would be accomplished with a corporate bond offering. However, unlike a shelf registration for corporate bonds, an MTN program gives the corporation the flexibility to issue in small amounts continuously and to participate more actively in structured transactions.

Distribution through Regional Dealers

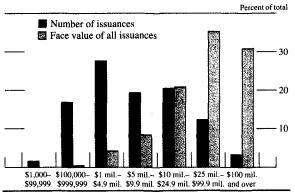
Through the mid-1980s, the major New York investment banks distributed nearly all MTNs to investors. As the market has matured, regional dealers have placed an increasing volume of MTNs. According to market estimates, placements through regional dealers now account for 5 to 15 percent of MTN issuance volume. In these placements, regional dealers receive information about issuers' offering rate schedules from MTN agents. In turn, the regional dealers communicate this information to their investor clients. When an investor buys an MTN through a regional dealer, the regional dealer receives a selling concession from the MTN agent. Placements through regional dealers improve efficiency in the market by broadening the investor base for MTNs. Many regional dealers have contacts with smaller institutional investors, such as small banks, municipalities, and individuals with high net worth, that represent a relatively stable source of funding.

Distribution of MTNs with Small Denominations to "Retail" Investors

When the market first developed, most MTNs were sold primarily to institutional investors. Indeed, most MTN programs had minimum denominations of \$100,000, which precludes small investors, sometimes called retail investors, from purchasing MTNs. In addition, some issuers declined to issue MTNs in denominations below \$1 million because bookkeeping and administrative costs become more burdensome with smaller offerings. In recent years, however, book-entry clearing through DTC and advances in computer bookkeeping have decreased the cost of issuing in small denominations. As a result, many issuers have registered MTN programs with minimum denominations of \$1,000, the standard in the corporate bond market. Although most MTNs are still sold to institutional investors, the lowering of minimum denominations has broadened the investor base to include smaller investors. Regional dealers place a significant proportion of the smaller offerings with small institutional investors.

Several MTN programs have recently been designed specifically to tap the retail market without significantly increasing the administrative costs to issuers. The process of issuing retail MTNs may differ slightly from that of MTNs sold to institutions. In one type of retail MTN program, an issuer will post rates weekly with retail brokers. For example, an issuer might post a rate of 4 percent for two-year MTNs and 5 percent for five-year MTNs. During the week that these rates are posted,

4. Distribution of offering sizes in the medium-term note market, March 1992–June 1993



Source. The Depository Trust Company.

regional brokerage firms market the securities to retail investors, who place orders in minimum denominations of \$1,000. At the end of the week, the regional brokerage firms will contact the corporate issuer and indicate the aggregate volume of orders for notes at each maturity, and the corporation will issue one security at each maturity. In the example, several hundred retail investors could place orders for MTNs with maturities of two and five years, but the administrative costs for the corporate issuer would reflect only two issues from the shelf registration. While this system has the potential to broaden the investor base for MTNs, the size of the retail MTN market is still small relative to the institutional market.

Although the size of MTN offerings has always varied considerably, the variation has become wider as a result of developments in the distribution of MTNs. In 1992, the size of MTN offerings ranged from less than \$5,000 to more than \$500 million (chart 4). In terms of dollar volume, about 65 percent of MTNs had an issue size between \$5 million and \$100 million. However, several firms have issued a large volume of MTNs with denominations of less than \$5 million. While these offerings account for less than 5 percent of the dollar volume of total proceeds, they represent 45 percent of the number of issues.

EURO-MTNS

MTNs have become a major source of financing in international financial markets, particularly in the Euro-market. Like Euro-bonds, Euro-MTNs are not subject to national regulations, such as registration requirements.¹⁶ Although Euro-MTNs and Euro-

^{16.} Bonds and MTNs may be classified as either domestic or international. By definition, a domestic offering is issued in the home market of the issuer. For example, MTNs sold in the United States by U.S. companies are domestic MTNs in the U.S. market. Similarly, MTNs sold in France by French companies are domestic MTNs in the French market. Bonds and MTNs sold in the international market can be further classified as foreign or Euro. Foreign offerings are sold by foreign entities in a domestic market of another country. For example, bonds sold by foreign companies and sovereigns in the U.S. market are foreign bonds, known as "Yankee bonds." Euro-bonds and Euro-MTNs are international securities offerings that are not sold in a domestic market. As a practical matter, statisticians, tax authorities, and market participants often disagree about whether particular securities should be classified as domestic, foreign, or Euro.

bonds can be sold throughout the world, the major underwriters and dealers are located in London, where most offerings are distributed.

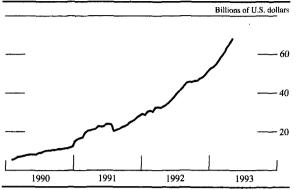
Although the first Euro-MTN program was established in 1986, the market represented a minor source of financing throughout the 1980s. In the 1990s, the Euro-MTN market has grown at a phenomenal rate, with outstandings increasing from less than \$10 billion in early 1990 to \$68 billion in May 1993 (chart 5). New borrowers account for most of this growth, as a majority of the 190 entities that have established Euro-MTN programs did so in the 1990s. As in the U.S. market, flexibility is the driving force behind the rapid growth of the Euro-MTN market. Under a single documentation framework, an issuer with a Euro-MTN program has great flexibility in the size, currency denomination, and structure of offerings. Furthermore, reverse inquiry gives issuers of Euro-MTNs the opportunity to reduce funding costs by responding to investor preferences.

The characteristics of Euro-MTNs are similar, but not identical, to MTNs issued in the U.S. market. In both markets, most MTNs are issued with investment-grade credit ratings, but the ratings on Euro-MTNs tend to be higher. In 1992, for example, 68 percent of Euro-MTNs had Aaa or Aa ratings, compared with 13 percent of U.S. corporate MTNs. In both markets, most offerings have maturities of one to five years. However, offerings with maturities longer than ten years account for a smaller percentage of the Euro-market than of the U.S. market. In both markets, dealers have committed to provide liquidity in the secondary market, but by most accounts the Euro-market is less liquid.

In many ways, the Euro-MTN market is more diverse than the U.S. market. For example, the range of currency denominations of Euro-MTNs is broader, as would be expected. The Euro-market also accommodates a broader cross-section of borrowers, both in terms of the country of origin and the type of borrower, which includes sovereign countries, supranational institutions, financial institutions, and industrial companies. Similarly, Euro-MTNs have a more diverse investor base, but the market is not as deep as the U.S. market.

In several respects, the evolution of the Euro-MTN market has paralleled that of the U.S. market. Two of the more important developments have

5. Euro-MTNs outstanding, January 1990-May 1993



Source. Websters Communications International.

been the growth of structured Euro-MTNs and the emergence of large, discrete offerings. Structured transactions represent 50 percent to 60 percent of Euro-MTN issues, compared with 20 percent to 30 percent in the U.S. market. In the Euro-MTN market, many of the structured transactions involve a currency swap in which the borrower issues an MTN that pays interest and principal in one currency and simultaneously agrees to a swap contract that transforms required cash flows to another currency. Most structured Euro-MTNs arise from investor demand for debt instruments that are otherwise unavailable in the public markets. To be able to respond to investor driven structured transactions, issuers typically build flexibility into their Euro-MTN programs. Most programs allow for issuance of MTNs with unusual interest payments in a broad spectrum of currencies and with a variety of options.

Large, discrete offerings of Euro-MTNs first appeared in 1991, and about forty of these offerings occurred in 1992. They are similar to Euro-bonds in that they are underwritten and are often syndicated using the fixed-price reoffering method. As a result of this development, the distinction between Euro-bonds and Euro-MTNs has blurred, just as the distinctions between corporate bonds and MTNs has blurred in the U.S. market.

The easing of regulatory restrictions by foreign central banks has played an important role in the growth of the Euro-MTN market. For example, over the past year MTNs denominated in deutsche marks have emerged as a major sector in the Euromarket as a result of regulatory changes made by the Bundesbank in August 1992. Under the previ-

ous rules, foreign borrowers could only issue debt denominated in deutsche marks through German subsidiaries or other German financial firms, and maturities could not be shorter than two years. Debt denominated in deutsche marks also had to be listed on a German exchange, and these offerings were subject to German law, clearing, and payment procedures. These rules effectively precluded issuers from establishing multicurrency Euro-MTN programs with a deutsche mark option.

In the August 1992 deregulation, the Bundesbank removed the minimum maturity requirement on debt denominated in deutsche marks issued by foreign nonbanks, and it eliminated or simplified issuance procedures for all issuers. Although the new rules require that a "German bank" act as an arranger or dealer, the definition is broad enough to include German branches and subsidiaries of foreign banks. The arranger is required to notify the Bundesbank monthly of the volume and frequency of issues denominated in deutsche marks. As a result of the Bundesbank's deregulation, from 1991 to 1992, the share of Euro-MTN offerings denominated in deutsche marks increased from 1.4 percent to 4.8 percent, while the volume of issuance in deutsche marks rose from \$268 million to \$1.69 billion. Other central banks have instituted similar liberalizations that may result in rapid growth of MTNs denominated in other currencies, such as the Swiss franc and the French franc.

OUTLOOK FOR THE MTN MARKET

Few innovations in finance have been as successful as the medium-term note. Its success derives from its remarkable adaptability to the needs of both borrowers and investors. The success can be measured by the number of borrowers, the diversity of note structures, and the amount of outstanding MTNs, all of which have increased dramatically over the past decade.

The adoption of SEC Rule 415 in 1982 was the key event that removed the regulatory impediments to continuous offerings of corporate notes. Other regulatory changes, such as SEC Rule 144A and liberalizations by European central banks, have been instrumental in the development of new sectors in the MTN market. As a result of these regulatory changes, financial markets have become more efficient. In 1992, the SEC eased restrictions on the types of securities eligible for shelf registration. As a result of this ruling, asset-backed MTNs may emerge as the next major growth sector in the public MTN market.

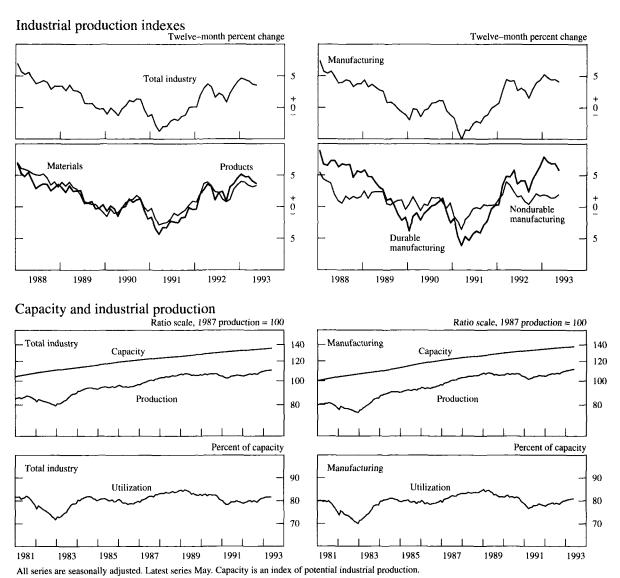
Industrial Production and Capacity Utilization for May 1993

Released for publication June 16

Industrial production increased 0.2 percent in May, a rise that matched the revised gains for March and April; the average monthly increase from October through February was about 0.7 percent.

At 110.4 percent of its 1987 annual average, total industrial production was 3.5 percent above its year-ago level. Utilization of industrial capacity, at 81.6 percent, has been little changed since February.

When analyzed by market group, the data show



Industrial	production	and	capacity	utilization 1
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Category	Industrial production, index, 1987=100									
					Percentage change					
	1993			19932				May 1992		
	Feb. r	Mar.	Apr. r	May ^p	Feb.	Mar. r	Apr. r	May ^p	to May 1993	
Total	109.9	110.1	110.2	110.4	.5	.2	.2	.2	3.5	
Previous estimate	109.9	109.9	110.0		.5	.0	.1			
Major market groups Products, total 3	109.2 108.5 131.7 97.5 110.9	109.5 108.8 133.2 96.3 110.9	109.5 108.4 134.2 96.0 111.3	109.6 108.3 134.5 96.7 111.6	.6 .9 .4 2.8 .5	.3 .2 1.1 -1.3 .0	.0 3 .8 3	.1 1 .3 .7 .3	3.7 2.4 10.2 1.4 3.3	
Major industry groups Manufacturing Durable Nondurable Mining Utilities	110.5 113.8 106.4 95.9 117.5	110.7 114.0 106.7 95.3 117.8	111.2 114.6 107.1 96.5 113.8	111.4 114.8 107.3 96.9 113.4	.5 .8 .0 -2.4 4.2	.3 .2 .3 6 .2	.4 .5 .3 1.3 -3.4	.2 .1 .3 .5 3	4.1 5.8 1.9 -1.9 2.0	
	Capacity utilization, percent						Memo Capacity,			
	Average,	Low,	High,	1992 199				93		
	1967–92	1982	1988-89	May	Feb.r	Mar. r	Apr. r	May p	May 1992 to May 1993	
Total	81.9	71.8	84.8	80.1	81.5	81.6	81.6	81.6	1.6	
Manufacturing Advanced processing Primary processing Mining Utilities	81.2 80.7 82.2 87.4 86.7	70.0 71.4 66.8 80.6 76.2	85.1 83.3 89.1 87.0 92.6	79.1 77.5 82.6 87.8 84.9	80.5 79.0 84.3 85.8 88.9	80.6 79.3 83.8 85.3 89.0	80.8 79.4 84.1 86.5 86.0	80.8 79.4 84.3 86.9 85.6	1.8 2.2 .8 9 1.2	

^{1.} Data seasonally adjusted or calculated from seasonally adjusted monthly data

that the output of durable consumer goods declined 1 percent, as assemblies of motor vehicles fell back and the production of other durable consumer goods, on balance, was unchanged. Overall, the production of consumer durables, which rose strongly at the end of last year, has changed little since January. The output of nondurable consumer goods increased 0.2 percent in May, a move reflecting gains in the output of consumer chemicals. The production of business equipment rose 0.3 percent, a much weaker advance than in March and April. The output of industrial equipment and computers continued to climb, but production of other business equipment weakened. The production of transit equipment fell more than 1½ percent; the output of other equipment, which increased rapidly from February to April, was little changed. Within intermediate products, construction supplies showed widespread increases and rose 0.7 percent, a rebound from their declines in the previous two months. The output of products has shown little change over the past two months, but the production of industrial materials increased 0.4 percent in April and 0.3 percent in May. Gains in the production of computer-related parts and in iron and steel led the advance of 0.5 percent in the output of durable goods materials. The output of nondurable goods materials rose 0.2 percent, as chemical materials strengthened and paper materials weakened. Energy materials edged down because of a strike in coal mining.

When analyzed by industry group, the data show that production in manufacturing increased 0.2 percent in May; excluding motor vehicles, the gain was 0.3 percent. Capacity utilization in manufacturing was unchanged at 80.8 percent, a level about ½ percentage point below its 1967–92 average. Production gains in many areas pushed the utiliza-

^{2.} Change from preceding month.

^{3.} Contains components in addition to those shown.

Revised.

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tion in primary-processing industries up 0.2 percentage point, to 84.3 percent, about 2 percentage points above its long-run average; operating rates in lumber, steel, and textiles were above their long-run averages. The utilization rate at advanced-processing industries, on balance, was unchanged. At 79.4 percent, the utilization rate for this group of industries was still below its 1967–92 average.

The output at mines increased 0.5 percent, despite the strike-related decline in coal production, because of increased extraction of crude oil and sharp gains in oil and gas well drilling. The output at utilities, which has been quite volatile in recent months, declined 0.3 percent in May; over the past year, production at utilities has risen about 2 percent.

Statements to the Congress

Statement by John P. LaWare, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions Supervision, Regulation and Deposit Insurance of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, June 22, 1993

I am pleased to appear before the subcommittee on behalf of the Federal Reserve Board to discuss issues associated with interstate banking. For many years, the Board has believed that full interstate banking would benefit bank customers and lead to a stronger and safer banking system. Although we have concerns about certain specific provisions of the bills before you, we strongly support the thrust of these legislative initiatives. I would like to explain the reasons for our support and to evaluate the concerns voiced by the critics of interstate banking. To assist the subcommittee in its deliberations, the appendixes to my statement provide an up-to-date summary of state laws regarding interstate banking, a discussion of recent trends, and several statistical tables that provide relevant information. 1

Interstate banking is now a reality and has been for some time. For years, both domestic and foreign banks have maintained loan production offices outside their home states, have issued credit cards nationally, have made loans from their head offices to borrowers around the nation and the world, have solicited deposits throughout the United States, have engaged in a trust business for customers domiciled outside the banks' local markets, and—through bank holding companies—have operated mortgage banking, consumer finance, and similar affiliates without geographic restraint. Since the early 1980s,

moreover, the individual states have modified their statutes to permit—under the Douglas Amendment to the Bank Holding Company Act—out-of-state bank holding companies to own banks within their jurisdiction. Indeed, to-day only Hawaii prohibits bank ownership by out-of-state bank holding companies.

Although state legislatures have supported interstate banking and more than one-fifth of domestic banking assets are already held in banks controlled by out-of-state bank holding companies, the Board believes that congressional action is needed. Our dual banking system has a desirable genius for resisting governmentimposed uniformity, but the large number of significant differences among the states impedes the interstate delivery of services to the public and reduces the efficiency of the banking business. The differences in state laws are discussed in the first appendix to this statement, but notable examples include restrictions on the home state of banking organizations allowed to enter some states, reciprocity requirements in some other states, the prohibition of de novo entry, and variable caps on the deposit shares of new entrants in still other states. In short, the states have made clear that they accept—and perhaps prefer-interstate banking, and their legislatures have made interstate banking a substantial reality today, but actions at the state level have resulted in a hodgepodge of laws and regulations that permit interstate banking in an inefficient and high-cost manner.

Restrictions on both intrastate and interstate banking were imposed in an era in which commercial banks were the dominant provider of financial services to households and businesses. These restrictions were clearly intended to limit competition and thereby insulate local banks from market pressures. Over time, branching and other geographic restraints became part of the totality of regulations designed to protect bank profits through limitations on entry and deposit

^{1.} The attachments to this statement are available from Publications Services, Board of Governors of the Federal Reserve System, Washington, DC 20551.

rate competition. In recent years, however, banks have seen their market position eroded by nonbank providers of financial services that are not subject to bank-like regulation. Indeed, the unwinding of the historically protected position of banks, such as the removal of deposit rate ceilings, has proceeded on most fronts as a lagged response to market developments that had themselves been encouraged by those same restraints on banks. Attempts to maintain antiquated geographic restrictions will only protect inefficient banks, disadvantage consumers of bank services (particularly those like small businesses that still have relatively few alternative sources of credit), encourage the entry of less regulated nonbank competitors, and increase the stress on the safety net as the long-run viability of banks is undermined.

Action to provide more uniform rules for interstate banking would provide several public benefits. First, reducing obsolete barriers to entry would increase actual and potential competition in the provision of financial services to those customers that for one reason or another have, at best, very limited access to out-of-market banks, nonbank lenders, or the securities markets. Bank customers would benefit from the resulting lower prices for credit, higher rates on their deposits, and improved quality and easier access to banking and related services. In addition, a significant proportion of our citizens live in areas in which state borders intersect; interstate banking would provide households and businesses in these regions with significantly increased convenience in conducting their banking business.

Second, greater opportunities for geographic diversification through interstate banking could help restore a level of stability to the banking system that once was accomplished, in part, through protection of local banks from competition. Although increased competition from nonbanks has undermined the protection intended to be provided to banks through controlled entry and geographic constraints, those same restrictions have made it more difficult for banks to diversify their risks and seek out new opportunities. Thus, many banks operating in a region that has experienced a local economic contraction have been neither protected by limits on bank competition nor able to avoid the disastrous

impacts of dependence on one market for both deposits and loans. Being able to cushion losses in one region with earnings in others would make banks better able to contribute to the recovery of their local economy, and more diversified banks would expose the federal safety net to fewer losses. Clearly, greater geographic diversification would have provided more stability over the past decade to banks operating in the agricultural areas of the Midwest, the oil patch of the Southwest, and the high tech and defense regions of New England and California. In short, the elimination of geographic restraints would provide an important tool in diversifying individual bank risk, thus providing for stability of the banking system and improving the flow of credit to local economies under duress.

Third, interstate banking would facilitate the allocation of resources to regions that offer both safety and higher return and would assist in the reduction of excess banking capacity. We hope that the United States will continue to be a dynamic economy. Such economies grow more rapidly but are characterized by both expanding and declining industries and by expanding and temporarily declining regions. Banks pinned by artificial geographic restrictions to local areas that experience difficulties have no choice but to pull in their horns, as it were, to protect their own viability. Only through interbank credit extensions and loan participations can they diversify their portfolio to move their assets to borrowers unaffected by the depressed local economy. Indeed, many of these institutions no doubt tend to have lower loan-to-deposit ratios in part because of their inability to find bankable local credits. Note that, given banks' long-run interest in geographic diversification, banking offices would still remain in regions experiencing difficulty but would be in a stronger position to finance local expansion when growth opportunities return.

The benefits from removal of restrictions on geographic expansion could occur through either the acquisition or de novo chartering of bank subsidiaries of bank holding companies head-quartered in another state or through the establishment of branches of a bank in another state. All the interstate banking laws enacted by the states provide for interstate banking through

bank subsidiaries of bank holding companies, although some states permit interstate banking through branches for state nonmember banks. Two of the three bills before the subcommittee, H.R.2235 and H.R.459, would authorize interstate banking on a nationwide basis through bank subsidiaries. This step removes the last few vestiges of restrictions on interstate banking through bank subsidiaries, and the Board strongly supports such statutory change. The Board also supports removing the McFadden Act's restrictions on interstate branching for national and state member banks. This removal would permit banks to choose between alternative combinations of subsidiary banks and branches in the manner that best balances their own perceived costs and benefits.

The evidence from virtually all of the limited number of studies that compare interstate banking to branching suggests that, on average, both delivery systems have about the same cost structure. However, such evidence is also consistent with the view that for some banks branching may have the lowest cost structure. Indeed, as a matter of logic, the Board believes that the cost savings from elimination of separate boards of directors, separate management teams, and separate capitalization for banks that could be branches would be significant for some organizations. In any event, we believe that no good public policy purpose is served by restraining the freedom of choice of individual banking organizations, which know best what is the least cost operating structure for them. We therefore applaud the provisions of H.R.256 and H.R.2235 that would permit, immediately upon enactment, interstate banking offices to be converted to branches, should a banking organization choose to do so.

We also support H.R.2235's approach that would extend interstate branching powers to only those banks that are at least adequately capitalized and adequately managed (which we assume means having acceptable supervisory ratings). In the Board's statements during the drafting of and debate about the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), the Board supported the principle of expanded activities only for strongly capitalized banks. In drafting recent regulations, the banking agencies have attempted, when possible, to apply this principle. Examples include the reduced documentation requirement on small medium-sized business loans and the Board's amendments to Regulation F implementing section 308 of FDICIA with regard to interbank liabilities. A policy that rewards stronger banks is a desirable supplement to the regulatory limits imposed on weaker banks. However, the subcommittee may wish to consider amending this provision of H.R.2235 to permit the banking agencies to authorize a less than adequately capitalized bank to expand into another state if it would, in the agency's judgment, improve the financial condition of the bank.

State supervisors would no doubt prefer interstate operations through separate banks in each state because it is much easier for them to supervise the activities of a single organization in their jurisdiction. It seems to the Board, however, that the criterion of ease of regulation for states is only one part of a broader cost-benefit test. So long as safety and soundness are not compromised, efficiency and least cost are far more important factors on which to base policy. We applaud the solution to this problem proposed in H.R.2235 and in the Nationwide Banking and Branching Act, H.R.459. As we understand it, under the provisions of both bills, the state in which branches of an out-of-state bank operate would negotiate a supervisory agreement with the supervisor of the bank's home state that is acceptable to both states and to the relevant primary federal regulator. Failure to reach agreement would require that the primary federal supervisor conduct examinations without deferring to the state authorities. Such an approach creates desirable incentives for the states to reach reasonable accord.

When interstate banking is implemented through bank subsidiaries, the bank in each state has all the powers that go with its charter national or state. However, should interstate banking occur through branches, legislation must clarify whether those branches must limit their activities to those permitted to banks chartered in their host state, to activities permitted to banks in their home states, or—for national or state banks—to the powers granted to national banks. The issue of the powers that interstate

branches should be permitted to exercise requires balancing several competing concerns, including preserving the dual banking system and creating incentives that could make certain types of bank charters more attractive than others. We read all three bills before the subcommittee as achieving the same balancing of the conflicting concerns. All the bills provide that interstate branches of state-chartered banks may not engage in any activities in the host state that are not permitted for banks chartered by the host state. National banks would still have the same powers regardless of which states they were in, except that, as at the present time, and consistent with the McFadden Act, branching within the host state would be limited by the laws of the host state. These provisions seem like a reasonable approach.

The interstate operations of foreign banks doing business in the United States raise issues similar to those for U.S. banks operating across state lines. It has been a long-standing policy of the U.S. government to grant foreign banks treatment equivalent to that given to U.S. chartered banks-so-called national treatment. In the present context, such an approach would permit foreign banks to operate interstate on the same basis as U.S. banks, and it is this position that the Board supports. We believe that the provisions of H.R.2235 and H.R.459 that require the banking agencies to consult the Treasury on the foreign bank's capital equivalency before approval of the first branch of the foreign bank are inconsistent with national treatment, as well as unnecessary. The Board recommends that these provisions be dropped. In addition, the Board believes that the requirement in H.R.2235 that branching be permitted only through a U.S. subsidiary bank if that structure is needed to verify adherence to U.S. standards by a foreign bank is also unnecessary. The Foreign Bank Supervision Enhancement Act of 1991 already provides that a foreign bank may not establish a branch in the United States unless its capital is determined to be equivalent to that required of a U.S. bank. Consequently, the Board recommends that this provision also be deleted.

Whether interstate banking is achieved through bank subsidiaries, bank branches, or both, and regardless of how powers are exported from the home state to the branching host state, the arguments used by opponents of interstate banking must be carefully reviewed.

The first concern is that interstate banking would result in undue concentration—and ultimately higher loan rates and lower deposit rates—as large out-of-state banks drive small in-state banks out of business. In-state market evidence simply does not support this contention. All the relevant evidence indicates that small banks generally survive entry by large out-of-market banks and are most frequently more profitable than the entrant. Similar evidence indicates that new large bank entrants to local markets, whether by de novo or by acquisition, are able to expand market share by only modest amounts, if at all.

In the 1970s, for example, when statewide branching was authorized in New York State, several large New York City banks sought an upstate presence by acquiring small banks in these markets. By the early 1980s, the acquired banks had gained on average less than one percentage point in market share, with the largest gain less than three percentage points. The acquired banks or branches continue to have small market shares or they have been sold to local banks, as the New York City banks have exited the market. Experience in California also illustrates the ability of small banks to remain viable in the face of competition from much larger organizations. California has permitted unrestricted statewide branching since 1927, and several of the state's banking organizations, most notably BankAmerica, have operated extensive branch networks for years. In spite of these extensive branch banks, California continues to have many successful independent banking organizations. For example, as of year-end 1992, 101 of the 395 banking organizations in California had less than \$50 million in assets. Moreover, over the period 1981 through 1991, about 311 de novo banks (almost 11 percent of the U.S. total of de novo banks) began operation in this unlimited branching state.

Besides their difficulties in winning customers away from existing banks, entrants by acquisition often are soon confronted with competition from a de novo bank organized by local citizens, at times led by the former managers of the bank acquired. The potential for entry—both de novo and by acquisitions by other banks outside the market—plus evidence of continued small bank success suggest it is unlikely that consumer harm would come from interstate banking. Although more than 5,000 banks have been absorbed by merger since 1979, about 3,500 new banks have been chartered. In addition, although almost 10,500 branches have been closed, 24,000 new ones have been opened during that period. The vast majority of local banking markets in the United States are incredibly dynamic and sensitive to consumer demand, and interstate banking seems likely to make them more so. The concern that interstate banking would lead to excessive concentration in local banking markets is mitigated further by the fact that antitrust enforcement in banking focuses on maintaining competitive local markets. Concentration ratios have not increased in local markets despite the substantial overall consolidation in banking in recent years. Local competition has been maintained, in part, because many bank mergers have been between firms operating in different local markets. In addition, increased concentration has been avoided by factors already noted: antitrust laws, limited ability of new large banks to increase market share, and continued vitality of small local competitors.

The importance of local markets and the evidence of little change in local market concentration suggest that attempts to ensure competition through statewide or national deposit caps are unnecessary at best and may, in fact, be anticompetitive to the extent that they prohibit entry. Indeed, the 30 percent individual bank cap that H.R.2235 would permit states to authorize would protect seventeen banks in thirteen states from out-of-state acquisitions; seven of the seventeen are already held by out-of-state banking organizations. The Board would recommend deletion of the imposition of statewide and national deposit share caps as contained in the Interstate Banking Efficiency Act. Similarly, H.R.2235 discourages entry by authorizing states to restrict entry only to acquisitions of banks or branches that are at least five years old. We see no public benefit from such restrictions, although entry is most likely to be by acquisition in any event.

Another concern of some is that new entrants

will vacuum up local deposits and channel them to out-of-market loans or that managers brought into local markets will be insensitive to, or have no authority to adjust to, local demands. However, it is important to recall that an insured bank must fulfill its Community Reinvestment Act (CRA) responsibilities in all the markets in which it operates. Moreover, the ease of entry, just discussed, should soften concerns that out-ofmarket entrants will ignore local customers. If a local branch does not meet both the deposit needs and credit demands of the community, it will not succeed and it will attract a rival that will.

However, because the Board realizes that the expansion of nationwide banking raises several issues regarding the impact on local community credit needs, it does support provisions of H.R.2235 and H.R.459 that would amend the CRA to require that performance of interstate institutions be assessed on a statewide or metropolitan area basis. This approach would maintain the concept embodied in the CRA that insured banks should be evaluated on overall performance without imposing arbitrary or costly regulatory requirements at the level of the individual branch.

On the other hand, imposing a regulatory regime that requires that individual out-of-state branches meet special credit availability requirements (H.R.2235 and H.R.459), or that establishes numeric tests for individual branch loan production (H.R.2235), would represent unnecessary and burdensome regulation of interstate branches. It would also be duplicative and unnecessary to impose new credit availability requirements on branches that are simply replacements for existing interstate banks of the same organization (H.R.2235). Evaluating the statewide or metropolitan area CRA performance of an out-of-state institution would, in the Board's view, provide adequate information to determine that an interstate institution is meeting community needs in the markets it serves.

Finally, in considering the needs of local markets, the Congress should consider the fact that large banks have higher loan-to-deposit ratios than do small banks. This could imply that large banks entering new markets would make both more in-market loans and more out-of-market loans. Many assume that most of the loans would, in fact, be made outside the community. However, as I noted, banks must both meet their CRA requirements and service their customers to remain competitive in the market. It should also be kept in mind that small, independent banks also export funds: They are relatively large lenders to other banks through the federal funds and correspondent deposit markets and purchase relatively more Treasury and out-of-market state and local bonds than large banks.

In sum, interstate banking promises wider household and business choices at better prices and, for our banking system, increased competitive efficiency, the elimination of unnecessary costs associated with the delivery of banking services, and risk reduction through diversification. By the record, most community banks are already providing services to their customers so efficiently that they have little to fear from out-of-market rivals. Those that are not providing such services *should* worry because interstate banking will—and should—mean either their displacement by a more efficient competitor or their rising to the competitive challenge and improving their own efficiency.

Statement by Richard F. Syron, President, Federal Reserve Bank of Boston, before the Subcommittee on Financial Institutions Supervision, Regulation and Deposit Insurance of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, June 22, 1993

I appreciate this opportunity to appear before you to discuss the issues surrounding interstate banking and branching. Today I will confine my remarks to issues related to the ways that interstate banking can improve credit flows, rather than to specific issues that are addressed in the various legislative proposals.

Current restrictions on interstate banking and branching are an anachronism; they reflect the state of banking when local banks were almost the exclusive source of loans, deposits, and services for both businesses and individuals. These restrictions are incongruous in the present banking environment, in which banking products have no geographic boundaries and are frequently provided by other financial intermediaries. The breakdown of geographic and institutional barriers is the inevitable outgrowth of improvements in technology and in information processing. As bank products have standardized and the economies of scale in information processing have grown, it has become much easier to provide cost-effective service independent of location.

Any new legislation should seek to promote the most efficient banking structure. By allowing bank management to choose a banking structure that improves its ability to diversify and that reduces its costs, banks will realize efficiency gains that will benefit borrowers and depositors alike. Alterations to our antiquated banking structure are already occurring without federal legislation. Not only do intermediaries far removed from the customer's location provide many banking products, but, in addition, a large number of states, including all six New England states, have adopted interstate banking laws. Thus, in many banking areas we already have de facto interstate banking.

I will first describe the limited interstate banking that has been in operation in New England for some time. Unfortunately, the expansion of New England bank holding companies under regional compacts has not extended much beyond the region.

Second, I will discuss the de facto interstate provision of many banking services that is already in place; for example, the markets for mortgage loans, consumer loans, and large business loans are now national in scope. Loans to small and medium-sized businesses remain primarily limited to local markets, however, and thus will continue to be adversely affected by any restrictions on the flow of bank capital across geographic boundaries.

Third, I will describe the ways in which the recent regional economic shock has affected the availability of credit to small and medium-sized businesses in New England. The economic shock would have been less severe if banks had been

better diversified through wider interstate banking and branching.

Finally, I will show that new evidence from New England suggests that large, multistate banks can offer improved services to borrowers and depositors without impairing the viability of small community banks because the markets served by smaller banks are often quite distinct from those in which the large banks operate.

LIMITED INTERSTATE BANKING IN NEW ENGLAND

New England has had limited interstate banking for some time. Maine first allowed nationwide reciprocal banking in 1978 and later dropped the requirement of reciprocity. Regional reciprocal banking was first allowed in Connecticut in 1983, in Massachusetts in 1984, and in New Hampshire in 1987. All three states revised their laws in 1990, as Connecticut and Massachusetts adopted nationwide reciprocal banking and New Hampshire adopted nationwide interstate banking without requiring reciprocity. Agreements that allowed regional reciprocal banking that later converted nationwide reciprocal agreements were adopted in Rhode Island in 1984 and in Vermont in 1988.

The laws adopted in the mid-1980s to allow regional mergers were utilized by many of our largest bank holding companies. For example, among the two largest bank holding companies in New England, Bank of Boston has subsidiaries in all six New England states, and Fleet Financial Group has subsidiaries in every New England state except Vermont. However, the period since the more recent adoption of laws permitting nationwide interstate banking has not been long enough to result in substantial diversification outside the region.

If New England's recent economic downturn had been limited to one state, our largest holding companies could have weathered the problem more easily and lending activities would have experienced less disruption. Unfortunately, the shock was not localized within one or even a few New England states. All six New England states experienced a severe economic slowdown and falling real estate prices. Although banks in New

England were diversified against very localized shocks, even large ones were not diversified against a widespread regional economic down-

The expansion of interstate banking and branching is not likely to have much effect on many aspects of bank lending. For example, pools of one- to four-family residential mortgages can be purchased from other parts of the United States, and credit card receivables are securitized and sold nationwide. However, the market for small to medium-sized nonresidential real estate loans is still primarily a local market. And, in particular, most small business loans depend on real estate for collateral. Because these loans cannot easily be securitized, portfolios of commercial and industrial loans tied to real estate cannot easily be diversified. Thus, the recent regional shock that deeply depressed real estate prices left many New England banking institutions quite exposed.

INTERSTATE BANKING SERVICES

Most consumers are well aware of the de facto interstate provision of banking services. Frequently, neither the owner nor the servicer of a residential mortgage is located in the same state as the borrower. Similarly, consumers with good credit ratings are likely to have access to consumer credit through a financial institution located outside the states in which they reside. Problems with the service provided by one credit card issuer can easily be rectified by responding to one of the many mail solicitations for credit cards from out-of-state banks or nonbank sources.

The same pattern has emerged on the other side of the balance sheet. In placing their deposits, consumers have an array of alternatives to local depository institutions. Mutual funds and brokerage houses provide numerous alternatives to bank deposit accounts. The plethora of banks offering money market and mutual fund services indicates how substitutable many of these accounts are in a consumer's portfolio. Again, these alternatives are frequently provided by intermediaries located outside the consumer's home state.

Businesses have even greater access to credit outside their state. Large corporations often obtain financing directly from credit markets by issuing commercial paper and bonds. It is not unusual for firms that are not quite large enough to access the financial markets directly to seek bank financing outside the confines of an individual state. In fact, because both bank management and bank regulators impose restrictions on how exposed a bank can be to a single borrower, large borrowers may pose too large a concentration risk to get all of their financing from in-state banks. Thus, in states with few large banks, large borrowers have long sought banking relationships outside their own state that can satisfy their loan demand without violating lending limits.

Table 1 illustrates this point by providing the results of a 1992 loan survey by the Federal Reserve Bank of Boston of sources of financing for small and medium-sized businesses in New England. 1 Among those businesses that sought short-term credit, only 55 percent of firms with sales between \$100 million and \$249 million obtained all their short-term credit from a New England-based bank. The same percentage received some or all of their short-term credit from one the three largest bank holding companies in New England. Thus, for many medium-sized as well as large firms only large banks can satisfy their lending needs, and their financing may not only be out-of-state but also out-of-region, thus insulating these firms from local shocks to credit supply.

Smaller business are much more dependent on local bank financing to meet their credit needs. Many small businesses have neither the collateral nor the track record to secure financing from lenders unfamiliar with their firm and the economic environment in which they operate. Such "character lending" requires an intermediary with substantial understanding of the local community that can only be obtained by maintaining a presence in the area. As a consequence, these local-bank-dependent borrowers have few alternatives should local lend-

ers be unwilling or unable to provide financing. Borrowers with annual sales ranging from \$10 million to \$49 million depend more on banks within the region than do larger corporations, but they are far less likely to borrow from the largest banking institutions. In addition, they most frequently mentioned having no short-term credit because their credit arrangements had been terminated within the past two years.

REGULATORY CONSTRAINTS IN BANKING

Most economics textbooks emphasize the role of reserve requirements in restricting expansion of bank assets and liabilities. Restrictions on capital ratios have received much less attention, even though currently they are having a substantial effect on the ability of many banks to expand.

A desirable feature of an efficient financial market is that scarce resources flow to the user that values them most highly. Unfortunately, there are many impediments to the flow of bank capital. Without nationwide banking and branching, regions of the economy experiencing severe regional shocks may be unable to attract additional bank capital when loan demand exceeds loan supply. Informational difficulties make new entry into a banking market particularly costly for a bank with little familiarity with the regional economic environment. Thus, even without regulatory impediments, the flow of bank capital is likely to be slow. In a region in which banks experience substantial losses, bank capital will be restored only with long time lags. However, if outside banks had already located branches or affiliates in the region, they would be in a position to quickly fill lending gaps.

The credit crunch experienced in New England over the past two years is an example of a severe regional economic shock that was magnified by the impaired capital position of most New England depository institutions. Figure 1 shows bank capital ratios for commercial banks in the United States and in the First Federal Reserve District, which encompasses New England. Capital ratios for commercial banks nationwide were largely unaffected by recession periods. However, as a result of the bursting of the real estate bubble and the consequent loss of bank capital, capital ratios

^{1.} The attachments to this statement are available from Publications Services, Board of Governors of the Federal Reserve System, Washington DC 20551.

declined dramatically for New England banks in 1989 and 1990.

This drop in bank capital was particularly untimely because it occurred while legislators, regulators, investors, and bank management were placing increased emphasis on improving bank capital ratios. Banks that were trying to improve capital ratios during a period of large loan losses were forced to dramatically decrease their assets. Research at the Federal Reserve Bank of Boston has found that banks with difficulty in satisfying capital ratios decreased their lending, particularly to bank-dependent borrowers.

If full interstate banking and branching had been available much earlier, these problems would have been mitigated for two reasons. First, many New England institutions could already have diversified outside the region. Although economic shocks that disproportionately affected New England would still have affected large New England institutions, the effect on their total capital position would have been lessened. And, with their overall capital position less impaired, they would have had a greater ability to lend to creditworthy borrowers. Second, outside institutions would have been able to establish branches or acquire subsidiaries to meet the demand for loans that could not be satisfied by capital-impaired banks in that locality.

Figure 1 illustrates the advantages of interregional diversification. Although New England banks suffered a severe capital shock, banks nationwide experienced no substantial reduction in capital ratios. Had some banks in other regions had a significant presence in New England, or had New England banks had a significant presence in other regions, capital ratios of individual banks would have been affected less, so that some banks would have been able to lend to borrowers that were cut off from financing primarily because of the impaired capital of their traditional local lender.

THE ROLE OF SMALL BANKS

A major concern of opponents of interstate banking and branching is the continued viability of small banks when they are forced to compete with large multistate holding companies. Evidence from New England suggests that small banks have no difficulty competing with their larger brethren. Table 2 lists the twenty most profitable commercial and savings banks in New England over the past five years. Sixteen of the twenty banks have less that \$500 million in total assets. Each New England state is represented, and most of these banks face competition from the area's largest bank holding companies, which have affiliates throughout New England.

Small banks can profit by serving market niches not easily satisfied by very large banks. To manage and control a large banking organization a certain degree of standardization must occur. Although standardization works well for larger, low-margin loans, often it is not appropriate for smaller loans that require specific knowledge about the management and economic circumstances of a particular business. Small banks that are well established in the community, and whose management is familiar with the borrower and his business, are often in a much better position to make loans when the character of the borrower is a critical component of the loan.

CONCLUSION

The question is not whether we should have interstate banking but rather the degree and the form it will take. Many bank services are already provided interstate, and intestate acquisitions have been widespread within New En-However, the remaining artificial constraints on the movement of bank capital contributed to the severity of the recent credit crunch in New England, and they continue to place banks at a competitive disadvantage with other financial intermediaries not so constrained. If we want to avoid future banking problems in other regions that experience economic downturns and if we want to prevent a further deterioration in banking in general, I strongly urge you to adopt legislation to permit interstate banking and branching.

Statement by John P. LaWare, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions Supervision, Regulation and Deposit Insurance of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, June 29, 1993

I am here this morning to discuss recent steps taken by the Federal Reserve, in cooperation with the other federal bank regulatory agencies, to reduce regulatory burden on financial institutions and to facilitate an increased flow of credit. The regulatory burden on depository institutions has taken on new importance after enactment of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), and the evidence of restrained lending by banks. The costs to commercial banks and to other depository institutions of adhering to banking laws and regulations continue to grow and, despite the industry's recent record profits, could begin to threaten the industry's long-term competitiveness. I have testified several times in recent months on these and related matters and would hope that the increased attention given to these topics can lead to meaningful reductions in regulatory burden for the banking system.

Having said that, and before discussing details of new initiatives, I would like to emphasize the limited ability of the regulatory agencies to encourage a pick-up in loan growth through administrative actions and also the inherent risks of attempting to reduce regulatory burden substantially by simply changing regulatory or supervisory policies and procedures. The results of lender surveys taken by the Federal Reserve have consistently indicated for several years that the slow or negative growth of bank lending has been more a result of weak loan demand than of any other factor.

Changes in supervisory or examination practices may help at the margin, but they are unlikely to produce fundamental changes in credit conditions. That is the case for many reasons, mostly dealing with the recent recession and the need and desire of both businesses and consumers to strengthen their balance

sheets. The large number of bank failures during the past half-dozen years also indicate that credit standards at many banks need to be improved. It is important, therefore, that any regulatory policy changes designed to spur additional bank lending not weaken the fundamental supervisory process. Recent actions we have taken have been carefully designed with that principle in mind.

RECENT POLICY ANNOUNCEMENTS

The federal bank regulatory agencies realized before passage of FDICIA that their supervisory actions may impose undue burdens on some banks and may unnecessarily constrain bank credit availability. Consequently, in late 1991 the agencies issued joint statements that clarified their examination policies regarding commercial real estate loans and encouraged banks to work with troubled borrowers to resolve problem loans.

More recently, we have jointly taken numerous other efforts to reduce regulatory burden, while still adhering to relevant banking laws and fundamental principles of bank supervision. Several initiatives were announced on March, and further details have subsequently been put forward, including a series of policy statements that was issued on June 10.

March Policy Statement

The March statement sought to improve credit availability to small and medium-sized businesses and farms, and it covered other supervisory issues as well. Perhaps the most important element of the statement was the announcement of forthcoming changes to agency rules regarding the need for real estate appraisals by certified or licensed appraisers. Such appraisals, which relate to a requirement of title XI of FIRREA, have been controversial and costly to banks and to their customers. If the proposed rules are adopted, appraisals will be required less often.

The proposed change, issued for comment on June 10, would (1) increase the threshold amount

for which such appraisals are required from \$100,000 to \$250,000, (2) expand the "abundance of caution" exemption so that an appraisal is not required when the value of the collateral is not material to the decision to make the loan, and (3) exempt from appraisals business loans of less than \$1 million when the principal source of repayment is not the sale of, or income from, the real estate held as collateral. These changes are designed to reduce burdens imposed by the appraisal regulation, while still requiring appraisals when they are needed to enhance the safety and soundness of financial institutions.

Another important provision described a policy change that would permit strong and wellmanaged banks to set aside a limited portion of their loans to small and medium-sized businesses. Examiners would then evaluate that selected portfolio of loans only on the basis of its performance and not on the level of loan documentation.

This change was intended to foster an environment in which banks could extend more so-called "character" loans to businesses with which they were familiar and to base their lending decisions principally on professional judgments about the borrower's overall creditworthiness without being exposed to examiner criticisms about the specific nature or lack of documentation about the borrower. change was consistent with an overall effort by the agencies to refocus supervisory attention to areas in which risks are high and to reduce regulatory burden to areas in which risks are less, such as with strong, well-managed banks. It was also part of a broad effort to increase the availability of credit to low- and moderateincome neighborhoods and disadvantaged rural areas.

Final elements of the March statement committed the agencies to enhance their examination appeals procedures and to take other steps to improve the examination process, reduce regulatory uncertainty, review certain accounting policies, and, in general, work to reduce regulatory burden. Some of these initiatives and others were expanded through a series of joint statements issued earlier in June. Because they are more recent actions, I will discuss them in greater detail.

June Policy Statements.

The series of June 10 policy statements dealt with various issues that were mostly intended to reduce impediments to the extension of credit and, in some cases, to conform supervisory and examination procedures to newly adopted accounting standards. The regulatory agencies also issued important new initiatives that were intended to detect and deter discriminatory lending practices. Finally, the agencies also reaffirmed earlier agreements to coordinate their examinations.

Much recent tightening of credit standards by banks and the subsequent reduction of bank credit to many borrowers can be traced to widespread problems in commercial real estate markets. In many cases, these problems resulted from weak underwriting standards that accommodated much overbuilding throughout the United States and created serious financial difficulties and even failures at some banks. Even institutions that were not materially affected by problem real estate credits were prompted by events to review their own lending standards in light of new developments and economic conditions. Similarly concerned by these events, many examiners also began to look more closely and to review more critically the strength of commercial real estate loans, in particular, and entire loan portfolios, in general. All of these factors prompted a tightening of the terms of lending and a subsequent reduction in the availability of credit.

In large part, many of these changes represented a reasonable and appropriate response to recent events and to the reduced ability of some banking institutions to incur additional risks. However, to some extent, they reflected an overreaction by both bankers and bank examiners that has required the banking agencies to review their supervisory policies and to clarify them when necessary.

Real Estate Loans

Because real estate loans have contributed to many of the recent problems within the banking industry, several of our policy statements have focused on that topic—in particular to problems

in accounting for and evaluating real estate collateral. These problems may be especially important to the financing of small and medium-sized businesses, which often rely heavily on real estate collateral to support bank loans.

One of the June 10 statements reaffirmed a November 1991 statement that emphasized it was *not* regulatory policy to value real estate collateral that underlies real estate loans on a liquidation basis. Rather, the evaluation should be based on the borrower's willingness and ability to repay and on the income-producing capacity of the underlying collateral over time.

A decline in the collateral value below the book value of the loan does not require an automatic write-down or increased loss reserve if the loan is performing and the cash flow appears adequate to service the outstanding balance. The portion of the loan balance that is adequately secured by the value of the collateral should generally be classified no worse than "substandard." Moreover, when an institution has taken a sufficient charge-off so that the remaining recorded balance of the loan is being serviced and its collection is reasonably assured, classification of that balance may not be appropriate.

The 1991 statement and the most recent reaffirmation intend to ensure that commercial real estate credits are evaluated in a consistent, prudent, and balanced fashion. The Federal Reserve will continue to ensure that these policies are appropriately implemented.

Other June statements relating to real estate credits involve the accounting treatment of loans collateralized by real estate and, more generally, the reporting of nonperforming loans. The collateralized loan issue relates to the matter of "insubstance" foreclosures and to the current accounting practice of transferring such loans to the "Other Real Estate Owned" (OREO) category with recognition of appropriate losses. This practice, which had been required under generally accepted accounting practices (GAAP), has increased the volume of OREO balances at banks and may have discouraged lenders from working with borrowers that are encountering cash flow or other financial problems.

Recently, the Financial Accounting Standards Board has issued Statement No. 114, "Accounting by Creditors for Impairment of a Loan" and has clarified that creditors should report a loan as OREO only when they have taken possession of the collateral. The policy statement applied this recent FASB change in accounting standards to the banking industry's regulatory reports. Although depository institutions must continue to recognize losses on real estate loans that meet the standards of in-substance foreclosure, the Federal Reserve believes that avoiding the designation of OREO—combined with other initiatives being taken—will reduce impediments to additional extensions of credit.

In a related area, the agencies have reached several agreements relating to "special mention" assets, which are assets that demonstrate weaknesses but that are not weak enough to warrant classification. We now have a common definition for special mention assets and will not assign loans to that status solely on the basis of documentation exceptions that are not material to the repayment of the asset. Moreover, the Federal Reserve will continue its long-standing practice of not including these assets in ratios used to measure asset quality.

Other Accounting Changes

The agencies have also revised the criteria required for banks to remove loans from nonaccrual status. Currently, banks must place loans for which payments are past due for ninety days or more on a nonaccrual status and must maintain that status until all overdue payments are received and full collectibility is assured. This requirement has sometimes overstated the severity of problem assets by failing to recognize losses that banks had taken on the loans and subsequent improvements in the ability of borrowers to service the remaining balance. In turn, the continued labeling of such loans as nonaccruing loans places pressure on banks to increase loan-loss reserves or capital levels and may tend to discourage additional loan growth.

Effective immediately, banks may return non-accruing loans to an accruing status under specified and less restrictive conditions than were previously required. Essentially, a bank may do so if a sufficient amount of a restructured loan has been charged off and the borrower's pros-

pects and recent payment experience indicate an ability to perform under the restructured agreement. Loans that have not been formally restructured and partially charged off may also be restored to accrual status if required payments are being made and full repayment is expected under the originally contracted terms.

Coordinating Examinations

The policy statement that relates to coordinating interagency examinations is principally intended to address costs to the industry of multiple or duplicative examinations. As required by law, various parts of a consolidated banking organization must be examined by different agencies the Office of the Comptroller of the Currency for national banks; the FDIC for state nonmember banks; and the Federal Reserve in the case of state member banks, parent holding companies, and nonbank subsidiaries. Reflecting this supervisory structure, for many years the banking agencies have had supervisory procedures designed to avoid, or at least to minimize, overlapping efforts by relying on examinations or inspections conducted by an entity's primary regulatory authority.

Nevertheless, industry trends have increased the real and perceived overlap in supervisory procedures. Banking organizations have become more complex and integrated in conducting their activities and have often given less consideration to the legal structure of their businesses. This pattern sometimes requires that examiners of one entity discuss or evaluate activities conducted elsewhere in the consolidated organization to understand and identify the risks. This situation increases the need for coordination among the banking agencies.

Looking forward, the requirement of FDICIA that the agencies conduct full scope, on-site examination of each depository institution every year may increase the perception of overlapping examinations and greater regulatory burden. Although annual examinations have been common for institutions that the Federal Reserve supervises, the legal requirement may increase the visibility and on-site presence of examiners at institutions that other agencies supervise.

To reduce or minimize regulatory burden on the banking system that can arise from multiple examinations, the agencies have clarified and reaffirmed the agreement that the federal regulatory agency that has primary supervisory authority for that entity will conduct the examination or inspection of a bank or bank holding company. Other agencies will rely on the reports of that agency and may, when necessary, participate in the examination or inspection by the primary regulator. Although coordinated examinations may not be practical in all cases, particular emphasis for implementing this program will be placed on large or weak institutions. The program also covers other information-sharing arrangements with both federal and state banking supervisors.

On a separate, but related, issue, the Federal Reserve is reviewing the merits of conducting on a more coordinated basis the various "special purpose" examinations, such as those for trust activities and computerized systems (EDP). The possibility of also combining examinations for consumer compliance with those for safety and soundness raises other issues, involving both logistics and policy, particularly in the present environment of emphasizing the enforcement of laws that prohibit discriminatory lending.

Although these different examinations have been traditionally conducted independently in recognition of the specialized training needed to review the disparate activities, in some cases it may be possible to perform two or more of these reviews simultaneously and with less disruption to the institution. Indeed, we are currently conducting on an experimental basis an examination of a state member bank in which several different examinations and the inspection of the parent bank holding company are being performed together. The initial reactions to this approach by bankers and staff members of the Reserve Bank have been positive.

Fair Lending Practices

A crucial element in the series of recent policy statements describes several initiatives related to fair lending practices. These initiatives were preceded in late May with a letter, signed by the

heads of all four federal bank and thrift regulatory agencies, to the chief executive officers of all U.S. depository institutions, which cited the importance of fair lending practices and stressed the commitment of the agencies to enforcing fair credit laws. The letter also urged special consideration to eleven specific fair lending activities, such as enhanced training, second review programs, and affirmative marketing and call programs.

Subsequently, on June 10, the agencies announced development of a new training program in fair lending for experienced compliance examiners and the initiation of related programs for senior industry executives. These efforts and others should increase the awareness of lenders to the often subtle practices that disadvantage low-income and minority individuals.

The agencies are also exploring additional methods of detecting discriminatory practices and will improve their procedures for referring violations of the Equal Credit Opportunity Act to the Department of Justice. Each agency will also evaluate its consumer complaint system to determine which improvements should be made to its own procedures. In the meantime, the Federal Reserve has referred ten complaints that allege mortgage credit discrimination to the Department of Housing and Urban Development under an interagency cooperation agreement signed last year.

In recent months the Federal Reserve has been testing a statistical model, similar to that used in a study by the Federal Reserve Bank of Boston, that is designed to assist examiners in analyzing the compliance of mortgage lenders with fair lending laws. This system does not, by itself, determine the presence of discrimination but would serve as a tool to lead examiners more effectively to loan files that warrant closer review for comparative analysis in making that determination. The Federal Reserve has had educational programs in place for some time and will continue to build upon them. For example, last year the Federal Reserve Bank of Kansas City sponsored a conference for bankers called "Credit and the Economically Disadvantaged," In addition, the Federal Reserve Bank of Boston recently published a brochure for bankers on lending discrimination called "Closing the Gap,"

which should help them recognize and correct potentially discriminatory policies and practices. Such educational programs for both bankers and examiners have been, and will continue to be, an important part of the Federal Reserve's effort to promote and enforce fair lending practices.

BANKING LAWS AND REGULATIONS

Banking laws and regulations exist for reasons that are critical to the smooth functioning of our economic and social structure. We must, for example, minimize or prevent significant disruptions to the nation's financial and payment systems; we must work to ensure that all citizens have fair access to credit; and we must also protect taxpayers, in general, from excessive costs of bank failures. Nevertheless, the Federal Reserve and the other banking agencies should continually review their policies and procedures to avoid placing unnecessary burdens on the banking system. As conditions change, the need for, or effect of, banking laws should also be reviewed.

In considering which steps to take, it is helpful to be guided by fundamental principles of supervision and regulation. Both the Congress and the regulatory agencies should have a clear understanding of why we supervise and regulate banks and what our goals are and should be. These goals should recognize the role of banks in our society and in financial markets. They should also recognize the high level of competition in these markets and the value of maintaining a strong, vibrant, and competitive banking system.

Our regulatory and supervisory goals should not be to prevent banks from taking risks or to have a system that is so restrictive that no bank ever fails. Risk-taking is essential for economic growth. Rather, the goals should focus on maintaining economic and financial stability, ensuring that businesses and consumers have adequate access to credit, and deterring excessive risk-taking that can arise because of the existence of deposit insurance and the overall structure of the federal safety net.

Banking laws and regulations should be compatible with social objectives, and they should also contribute to minimizing costs to the public when banks fail. However, they should not be unnecessarily restrictive or suppress innovation and growth by attempting to micromanage banking organizations. In view of this, it seems reasonable that new laws or regulations be subject to an appropriate cost-benefit analysis when they are considered.

The legislative and regulatory process should also recognize the role of supervisory actions, which can adapt to specific factors and conditions at individual institutions much better than can laws and regulations that are necessarily more formulaic and rigid. In this connection, banks that pose less risk to the safety net or that demonstrate superior performance in certain areas should be permitted greater flexibility or expanded powers than banks that have less favorable performance records or that present greater risks.

The Federal Reserve has often advocated several elements of legislative change that I believe the Congress should consider. They relate to the payment by the Federal Reserve of interest on required reserves, the elimination of barriers to interstate branching, and the expansion of powers—especially those regarding securities underwriting activities—for strong and well-managed banking organizations. Taking these steps would, I believe, improve the long-term outlook of the U.S. banking system by helping it compete more effectively with many nonbank institutions that are not similarly constrained in their activities or that do not incur these and other regulatory costs.

I would also hope that the principles I have outlined would be applied when considering the need for future legislative changes that affect banks. Some laws, including those designed to achieve desired social goals, have extracted high regulatory compliance costs on banks, often with questionable positive results.

Last year, for example, representatives of the Federal Reserve and the other federal banking agencies conducted a variety of "town meetings" throughout the United States on regulatory burden. I participated in those meetings and believe that they provided useful insights into the regulatory process and into areas that should be reconsidered. Discussions often turned to consumer compliance laws, with bankers generally

complaining about their high regulatory costs, and consumer advocates often stating that the requirements have not accomplished their intended goals. Unfortunately, when agency staff members revisit the relevant regulations, they continued to believe that most of our specific requirements are required to implement the laws.

As is often the case when making public policy, few clear and simple answers to important and complex problems are evident. Further efforts to reduce regulatory burden will undoubtedly raise difficult questions about the trade-offs to be made between competing public policies. As you know, I suggested to the subcommittee in February that one way of dealing with these issues may be to establish a nonpartisan commission to explore possible legislative changes. Regardless of the approach the Congress takes, the Federal Reserve looks forward to working to find ways to improve the framework of banking laws and regulations.

CONCLUSION

In closing, I would mention that the Federal Reserve has an ongoing program to review its regulations to monitor their effectiveness and related burdens. I would also assure the subcommittee that the Federal Reserve is highly sensitive to the matter of regulatory burden and that we seek to avoid imposing unnecessary or ineffective requirements or constraints on the banking system. Nevertheless, the level of regulatory burden has increased as new banking legislation and implementing regulations are imposed. This continuing and only additive process is taking a significant and undesired toll that is easily measured by the declining share of U.S. financial assets held by banks.

Banking institutions perform a vital and unique role in our economy by providing credit to all segments of our society, by facilitating payments of goods and services, and by providing the mechanism for the conduct of monetary policy. If the banking system is to continue its role, it is incumbent on bankers to remember their long-term interests and to conduct their activities responsibly. This means operating both prudently and fairly and being responsive to the

credit needs of their communities. In doing otherwise, banks risk the continued loss of market share and the prospects of still further rules and regulations.

Perhaps the most useful actions that bank regulators and lawmakers can take is to avoid imposing additional competitive disadvantages on banks and to conduct their activities in a balanced fashion and with a broad perspective on the role of banks in our society. Beyond that, to the extent existing laws and regulations can be reduced, made more efficient, or applied more equitably to broader segments of the financial industry, we may accomplish not only greater fairness in lending but also greater fairness in regulating.

Announcements

NOMINATIONS SOUGHT FOR APPOINTMENTS TO CONSUMER ADVISORY COUNCIL

The Federal Reserve Board announced on June 18, 1993, that it is seeking nominations of qualified individuals for seven appointments to its Consumer Advisory Council to replace members whose terms expire on December 31, 1993.

The Consumer Advisory Council comprises thirty representatives of consumer and community interests and of the financial services industry. The council was established by the Congress in 1976, at the suggestion of the Board, to advise the Board on the exercise of its responsibilities under the Consumer Credit Protection Act and on other matters on which the Board seeks its advice. The council by law represents the interests both of consumers and of the financial community. The group meets in Washington, D.C., three times a year.

Seven new members will be selected from the nominations to serve three-year terms that will begin in January 1994. The Board expects to announce the selection of new members by year-end 1993.

Nominations should be submitted in writing and should include the address and telephone number of the nominee. Also, past and present positions held, special knowledge, interests, or experience related to consumer credit or other consumer financial services should be included.

The written nominations must be received by August 30, 1993, and should be addressed to Dolores S. Smith, Associate Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551. Information about nominees will be available for inspection on request.

NEW SERVICES AVAILABLE TO FACILITATE THE SAME-DAY SETTLEMENT OF CHECKS

The Federal Reserve Board announced on June 2, 1993, adoption of new and enhanced Federal

Reserve Bank services to facilitate the same-day settlement of checks.

These services, which are effective immediately, include the following:

- Primary and alternate presentment point services for payor banks
- Supplementary payor bank information services for checks not collected through the Reserve Banks
- A new Fedwire product code to facilitate settlement for checks presented to payor banks directly by private sector banks.

The services are designed to facilitate a paying bank's responsibility to settle for checks presented by private sector banks and to enable paying banks to continue to provide timely cash management information to their corporate customers.

The fee structures for the presentment point and information services include daily minima and variable fees.

SELECTED STATISTICAL DATA NOW AVAILABLE ON COMPUTER DISKETTES

The Federal Reserve Board announced on June 28, 1993, that historical data covering six major sets of statistics are now available on computer diskettes. Data are being provided in this format on flow of funds, industrial production and capacity utilization, monetary aggregates, reserves of depository institutions, bank credit, and selected interest rates.

The 3½-inch, high-density (1.4 megabyte) diskettes are formatted for MS-DOS compatible computers using DOS version 3.3 or higher. The data are contained in ASCII text files that have in some cases been compressed. Explanatory help texts are included on the diskettes, as well as the software necessary to expand the files if necessary.

Each diskette is available from the Board's Publications Services, mail stop 402, Board of Gover-

nors of the Federal Reserve System, Washington, DC 20551. The cost is \$25.00 per diskette.

A brief summary of the information contained on each diskette follows.

Flow of Funds (three diskettes, quarterly)

Seasonally adjusted quarterly flow of funds data from the Z.1 statistical release are contained on diskette 1. The Z.1 files begin with 1952:Q1 and end with the most recently published quarter. Unadjusted flow of funds data are on diskette 2.

Diskette 3 contains outstandings and annual data from 1945 on the Balance Sheets for the U.S. Economy that are published in the C.9 statistical release. Monthly debt aggregate statistics beginning with January 1955 are also on diskette 3. Updates to the debt aggregate are published weekly in the Board's H.6 statistical release.

Data are stored in compressed files that correspond to tables in the releases. The diskettes are reissued each quarter with revisions and updates at the time the Z.1 is released.

Industrial Production and Capacity Utilization (two diskettes, monthly)

These data have been divided between a historical diskette containing data before 1986 and a more current monthly diskette containing data beginning in 1986.

The monthly diskette is available around the eighteenth of each month and contains the data published in the Federal Reserve Board's G.17 statistical release on industrial output, capacity, and capacity utilization. Survey data on use of industrial electric power are also included. The data begin with January 1986 and end with the month of the most recently published industrial production index. Data and documentation files on the diskette correspond to tables in the G.17 release.

The April indexes that were first published on the diskette issued in May reflect a revision to the industrial production and capacity utilization indexes. The revisions primarily reflect conversion of the indexes from 1987 forward to the 1987 Standard Industrial Classification and the incorporation of more comprehensive annual and monthly source data, when these data are available, for the same period.

The historical diskette contains data with various starting dates (the earliest is 1919). The ending date is December 1985 for all data.

Mortgage and Consumer Finance (one diskette, monthly)

Monthly statistics on consumer installment credit from the Board's G.19 statistical release, including seasonally adjusted and not seasonally adjusted totals, along with not seasonally adjusted components, and interest rates, are contained on the diskette. Some series begin with 1943. Data on securitized assets are available from 1989, and data on interest rates are available from 1971.

Monthly consumer finance company statistics from the Board's G.20 statistical release, including seasonally adjusted and not seasonally adjusted totals along with not seasonally adjusted components, are also on the diskette, as well as not seasonally adjusted Finance Company Quarterly Report data. Data on outstandings are available from 1980, and the Quarterly Report data are available from 1985. Data are updated on a monthly basis at the time the G.19 and G.20 statistical releases are published.

Monetary Aggregates (one diskette, annually)

This data set contains aggregate data on money stock measures and liquid assets (M1, M2, M3, and L), as well as components of the money stock measures and related items, as reported on the H.6 statistical release. The historical data reflect revisions that incorporate annual seasonal adjustment and benchmark changes. Data are updated annually, generally in late February or early March.

Monthly data are shown for the period 1959 through 1992. Weekly data, shown for the period January 6, 1975, through January 4, 1993, are based on weeks ending on Mondays to correspond with the reporting cycle under contemporaneous reserve requirements. No data before 1975 have been reconstructed on a weekly basis.

Deposits have been benchmarked using Call Reports through June 1992 and incorporate data revisions from other sources also. Seasonal factors have been revised using the X-11 ARIMA procedure adopted in 1982 with prior adjustments for special events, such as the introduction of new deposit accounts.

Reserves of Depository Institutions (one diskette, annually)

This diskette contains data on aggregate reserves, borrowings from the Federal Reserve, and the monetary base, as shown on the H.3 statistical release. The data incorporate breaks in series resulting from the January 1993 indexations of the low reserve tranche and the reserve requirement exemption levels, as well as the annual review of seasonal factors. Data are updated annually, usually in late March or early April.

Monthly data are provided for the period January 1959 through March 1993. Weekly data are provided for the period January 7, 1959, to March 31, 1993.

Bank Credit (two diskettes, quarterly)

These diskettes contain aggregate historical data on bank assets and liabilities and on bank debits. Weekly assets and liabilities, not seasonally adjusted, for large domestic banks by national totals and by Federal Reserve District (as shown on the H.4.2 statistical release) are available from 1988 to date. Weekly assets and liabilities from large U.S. branches and agencies of foreign banks, not seasonally adjusted (also on the H.4.2), are available from 1989 to date. Weekly assets and liabilities for all commercial banks and major bank groups, not seasonally adjusted (as shown on the H.8 statistical release), are available from 1984 to date.

Monthly assets for all commercial banks and major bank groups, seasonally adjusted and not seasonally adjusted (as shown on the G.7 statistical release), are available from 1972 to date, as are monthly nondeposit sources, seasonally adjusted and not seasonally adjusted (as shown on the G.10 statistical release). Monthly debits and deposit turnover, seasonally adjusted and not seasonally adjusted (as shown on the G.6 statistical release), are available from 1970 to date.

Data and documentation files on the diskette correspond to the various statistical releases.

Selected Interest Rates (one diskette, quarterly)

The diskette contains all items shown on the weekly H.15 statistical release, "Selected Interest Rates." The data include historical observations for the interest rate variables at each available frequency of observation-generally business day, weekly, monthly, and annual. Updated diskettes are available the first week of each quarter and include data through the end of the previous quarter.

Both the starting dates for individual interest rate series and the frequencies of the observations vary. The less frequently observed transformations, such as monthly or annual, are usually available for longer periods. The selection of specific frequency transformations conforms to market conventions for quoting those rates. For example, the federal funds rate is quoted daily and for statement weeks ending on Wednesday in contrast to the more common convention of weeks ending on Friday for many other rates.

PROPOSED ACTION

The Federal Reserve Board requested public comment on a proposed interagency rule to amend regulations regarding real estate appraisals, which are contained in the Board's Regulations H (Membership of State Banking Institutions in the Federal Reserve System) and Y (Bank Holding Companies and Change in Bank Control). Comments were requested by July 19, 1993.

PUBLICATION OF THE BANK HOLDING COMPANY SUPERVISION MANUAL

The first revision to the December 1992 edition of the Bank Holding Company Supervision Manual has been published by the Board's Division of Banking Supervision and Regulation and is now available for purchase by the public. The *Manual* is used by Federal Reserve examiners in the supervision, regulation, and inspection of bank holding companies and their subsidiaries. A copy of the revision is available for \$4.00. The *Manual* and the

June 1993 revision may be obtained from Publications Services, mail stop 402, Board of Governors of the Federal Reserve System, Washington, DC 20551. A copy of the *Manual* and its June 1993 revision supplement are available at a cost of \$50.00.

Legal Developments

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Bank of Boston Corporation Boston, Massachusetts

Order Approving the Acquisition of a Bank Holding Company

Bank of Boston Corporation, Boston, Massachusetts ("BBC"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire all the voting shares of Multibank Financial Corp., Dedham, Massachusetts ("Multibank"), and thereby indirectly acquire South Shore Bank, Quincy; Mechanics Bank, Worcester; and Multibank West, Pittsfield; all in Massachusetts.¹

Notice of these applications, affording interested persons an opportunity to submit comments, has been published (58 Federal Register 13,265 (1993)). The time for filing comments has expired, and the Board has considered these applications and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

BBC, with consolidated assets of \$31.6 billion, controls five banks in Connecticut, Massachusetts, Vermont, Maine, and Rhode Island.² BBC is the largest commercial banking organization in Massachusetts, controlling deposits of \$13.8 billion, representing approximately 26.7 percent of total deposits in commercial banking organizations in the state.³ Multibank is the sixth largest commercial banking organization in Massachusetts, controlling deposits of \$2.2 billion, representing approximately 4.2 percent of total deposits in commercial banking organizations in the state.

1. BBC proposes to merge its wholly owned subsidiary into Multibank, with Multibank surviving the merger. In connection with the proposed acquisition, BBC also seeks approval to acquire an option to purchase up to 19.9 percent of the voting shares of Multibank. This option will become moot upon consummation of the proposed acquisition of all the shares of Multibank.

Upon consummation of this proposal, BBC would remain the largest commercial banking organization in Massachusetts, controlling deposits of \$16 billion, representing approximately 30.9 percent of the total deposits in commercial banking organizations in the state.

BBC and Multibank compete directly in nine banking markets in Massachusetts.⁴ After considering the competition offered by commercial banks and thrift institutions⁵ in all nine banking markets, the number of competitors remaining in the respective markets, the increase in market share and market concentration in each market,⁶ and all other facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition in any relevant banking market.

In evaluating these applications, the Board is required, under the terms of section 3 of the BHC Act, to consider the financial resources of the companies and banks involved, and the effect of this proposed acquisition on the future prospects of those organizations and institutions. The Board previously has stated that a bank holding company should serve as a source of financial strength to its subsidiary banks and that the Board would closely examine the condition of an applicant and its subsidiaries in each case with this

^{2.} Asset data are as of March 31, 1993.

^{3.} State deposit data are as of June 30, 1992.

^{4.} These markets are Amherst/Northampton, Boston, Cape Cod, Fall River, Fitchburg/Leominster, Springfield, Taunton, Worcester and Providence.

^{5.} The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. See Midwest Financial Group, 75 Federal Reserve Bulletin 386 (1989); National City Corporation, 70 Federal Reserve Bulletin 743 (1984). Thus, the Board has regularly included thrift deposits in the calculation of market share on a 50 percent weighted basis. See, e.g., First Hawaiian Inc., 77 Federal Reserve Bulletin 52 (1991).

^{6.} Under the revised Department of Justice Merger Guidelines, 49 Federal Register 26,823 (June 29, 1984), a market in which the post-merger Herfindahl-Hirschman Index ("HHI") is above 1800 is considered to be highly concentrated. In such markets, the Justice Department is likely to challenge a merger that increases the HHI by more than 50 points. However, the Justice Department has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anti-competitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank mergers for anti-competitive effects implicitly recognize the competitive effect of limited-purpose lenders and other non-depository financial entities. The increase in the HHI in each market in this case would be within the Justice Department guidelines.

consideration in mind. In this regard, the Board continues to believe that bank holding companies contemplating expansion proposals must demonstrate sufficient financial flexibility necessary to meet unexpected problems in all their subsidiary banks.

BBC maintains that its improved financial condition and the benefits to be derived by BBC from the acquisition, including, in particular, projected cost savings and increased penetration of the small business loan market, support approval of the proposal. The Board notes that BBC has capital levels well above the minimums set forth in the Board's capital adequacy guidelines,⁷ and that the acquisition will not significantly reduce its capital.

The Board has carefully evaluated this proposal in light of the Board's approval today of BBC's acquisition of Society for Savings Bancorp, Inc. ("Society"), and its savings bank subsidiary, Society for Savings, both in Hartford, Connecticut. In the case of the Society proposal, which represents a substantial acquisition of approximately \$2.5 billion in total consolidated assets, the Board concluded that considerations relating to the financial resources and future prospects of these institutions were, on balance, consistent with approval. BBC's proposal to acquire Multibank, with approximately \$2.4 billion in total consolidated assets, would, in combination with the acquisition of Society, lessen BBC's capacity to serve as a source of strength for its banking subsidiaries.

To address this, BBC has committed, in connection with its proposed acquisition of Multibank, to raise significant additional new capital prior to consummating this transaction. This new capital would provide additional financial flexibility to permit BBC to assimilate Multibank and Society into its organization and to serve as a source of strength to Multibank and Society and its other subsidiary banks after the acquisition. The Board believes that this new capital should be maintained to meet unexpected problems in BBC's subsidiary banks, if necessary. Accordingly, the Board conditions its action in this case on BBC raising the proposed additional capital on or before consummation of the acquisition of Multibank, and maintaining these funds exclusively for use in addressing problems at its subsidiary banks.

On this basis, and based on all the facts of record, the Board concludes that the financial and managerial resources and future prospects of BBC and Multibank, and their respective subsidiaries, and the other supervisory factors that the Board must consider under section 3 of the BHC Act are consistent with approval of these applications.

Based on the foregoing, including the representations and commitments described in this Order and those made in connection with these applications, and all the facts of record, the Board has determined that these applications should be, and hereby are, approved. The Board's approval is specifically conditioned upon compliance by BBC with all the commitments made in connection with these applications, including its capital raising commitments and the condition that this capital be maintained exclusively for use in addressing problems at BBC's subsidiary banks. For purposes of this action, these commitments and conditions will be considered conditions imposed in writing and, as such, may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective June 9, 1993.

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

JENNIFER J. JOHNSON Associate Secretary of the Board

Abstention Statement

Our abstention reflects our strong dissatisfaction with the way in which this application was considered. A majority of the Board voted to deny the proposal as originally structured. While the Board was in the process of drafting an order reflecting its decision, Applicant proposed a restructuring of its proposal to raise additional capital. On the basis of Applicant's proposal to raise new capital, a majority of the Board agreed to reconsider the proposal.

We disagree with the Board's decision to consider information that was submitted by the Applicant after the Board initially considered this case. Applicant had ample opportunity prior to the time that this matter was scheduled to be presented to the Board to make changes to its proposal. We believe that it impairs the integrity of the Board's decision-making process to permit an applicant to submit new information after the Board has considered the record of the case and

^{7.} Capital Adequacy Guidelines, 12 C.F.R. 225, Appendices A, B, and D.

while the Board is in the process of issuing its decision.

We are concerned that this permits the misuse of the application process. The Board expects applicants, prior to the time the Board considers an application, to submit a detailed proposal that addresses all issues that the Board must consider. To do otherwise would encourage applicants to submit marginal proposals and then attempt to negotiate an acceptable proposal directly with the Board. This cannot be permitted to happen if the Board is to act promptly, carefully and fairly on each application.

Thus, we believe that the Board should issue a decision regarding each proposal that is put before the Board, as that proposal is structured at the time of the Board's original consideration of the matter. Applicants that choose to restructure proposals are presently permitted to request that the Board consider new proposals developed in response to a published Board decision, but should not have an opportunity or any incentive to attempt to negotiate each proposal with the Board.

While we find the specific process followed in this case to be unacceptable, we also believe that the Applicant's new proposal, were it to be resubmitted in its current form, would be consistent with approval on the merits.

June 9, 1993

Bank of Boston Corporation Boston, Massachusetts

Order Approving the Acquisition of a Bank Holding Company

Bank of Boston Corporation, Boston, Massachusetts ("BBC"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire all of the voting shares of Society for Savings Bancorp, Inc. ("Society"), and thereby indirectly acquire Society for Savings ("Society Bank"), a state chartered savings bank, both of Hartford, Connecticut.¹

Notice of these applications, affording interested persons an opportunity to submit comments, has been published (58 Federal Register 6640 (1993)). The time for filing comments has expired, and the Board has considered these applications and all comments received in light of the factors set forth in section 3(c) of the BHC Act.²

BBC, with consolidated assets of \$31.6 billion, controls five banks in Connecticut, Massachusetts, Vermont, Maine, and Rhode Island.³ BBC is the seventh largest commercial bank or thrift organization ("depository institution") in Connecticut, controlling deposits of \$2 billion, representing approximately 3.4 percent of total deposits in depository institutions in the state.4 Society is the eighth largest depository institution in Connecticut, controlling deposits of \$1.8 billion, representing approximately 3.2 percent of total deposits in depository institutions in the state. Upon consummation of this proposal, BBC would become the fourth largest depository institution in Connecticut, controlling deposits of \$3.8 billion, representing approximately 6.6 percent of the total deposits in depository institutions in the state.5

Competitive Considerations

BBC and Society compete directly in five banking markets in Connecticut: Bridgeport, Danbury, Hartford, New Haven, and Waterbury. Upon consummation of this proposal, all banking markets would remain moderately concentrated or unconcentrated as measured by the Herfindahl-Hirschman Index ("HHI").6 After considering the competition offered

Banking Commissioner. The Connecticut Banking Commissioner also has approved BBC's acquisition of Society.

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

- 3. Asset data are as of March 31, 1993.
- 4. State deposit data are as of June 30, 1992.
- 5. The Board previously has determined that the interstate banking statute of Connecticut permits a Massachusetts bank holding company to acquire banking organizations in Connecticut. See Shawnut National Corporation, 74 Federal Reserve Bulletin 182, 183 (1988); Bank of New England Corporation, 70 Federal Reserve Bulletin 374 (1984); Bank of Boston Corporation, 70 Federal Reserve Bulletin 737 (1984). Thus, consummation of this transaction is not barred by section 3(d) of the BHC Act (12 U.S.C. § 1842(d)).
- 6. Under the revised Department of Justice Merger Guidelines (49 Federal Register 26,823 (June 29, 1984)), a market in which the post-merger HHI is less than 1000 is considered unconcentrated, and a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated. The Justice Department has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anti-

^{1.} BBC proposes to merge its wholly owned subsidiary, Merger Subsidiary, into Society, with Society surviving the merger. BBC also proposes to merge Society Bank into BBC's subsidiary bank, Bank of Boston Connecticut, Waterbury, Connecticut ("Bank"), retaining the charter of Society Bank and the name of Bank. Bank will be owned jointly by Society and Colonial Bancorp, Inc., Waterbury, Connecticut ("Colonial"), a subsidiary bank holding company of BBC. In this regard, Colonial has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire at least 25 percent of the voting shares of Bank. The merger of Bank and Society Bank has been approved by the Federal Deposit Insurance Corporation and by the Connecticut

In connection with the proposed acquisition, BBC also seeks approval to acquire an option to purchase up to 19.9 percent of the voting shares of Society. This option will become moot upon consummation of the proposed acquisition of all of the shares of Society.

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by other depository institutions in the market,⁷ the number of competitors remaining in the respective markets, the relatively small increase in market share and market concentration in the respective markets, and all other facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition in any relevant banking market.⁸

Convenience and Needs Considerations

In acting upon an application to acquire a depository institution under the BHC Act, the Board must consider the convenience and needs of the communities to be served, and take into account the records of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 et seq.) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate, consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate

competitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank mergers for anti-competitive effects implicitly recognize the competitive effect of limited-purpose lenders and other non-depository financial entities.

7. Market deposit data are as of June 30, 1991. Market share data are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. See Midwest Financial Group, 75 Federal Reserve Bulletin 386 (1989); National City Corporation, 70 Federal Reserve Bulletin 743 (1984). Thus, the Board has regularly included thrift deposits in the calculation of market share on a 50 percent weighted basis. See, e.g., First Hawaiian Inc., 77 Federal Reserve Bulletin 52 (1991). Because Society Bank would be merged with a commercial bank under BBC's proposal, the deposits of Society Bank are included at 100 percent in the calculation of the proforma market share. See First Banks, Inc., 76 Federal Reserve Bulletin 669, 670 n.9 (1990); Norwest Corporation, 78 Federal Reserve Bulletin 452 (1992).

8. Upon consummation of this proposal, BBC would become the fourth largest of 22 depository institutions in the Bridgeport banking market, controlling deposits of \$403.8 million, representing approximately 6.5 percent of total deposits in depository institutions in the market ("market deposits"). The HHI would increase 18 points to 1512. BBC would become the fourth largest of 25 depository institutions in the Danbury banking market, controlling deposits of \$167.2 million, representing approximately 7.4 percent of market deposits. The HHI would increase 15 points to 763. BBC would become the third largest of 54 depository institutions in the Hartford banking market, controlling deposits of \$2.3 billion, representing approximately 12.4 percent of market deposits. The HHI would increase 38 points to 1686. In the New Haven banking market, BBC would become the fifth largest of 24 depository institutions, controlling deposits of \$650.1 million, representing approximately 10.1 percent of market deposits. The HHI would increase 35 points to 860. Finally, in the Waterbury banking market, BBC would remain the largest of 15 depository institutions, controlling deposits of \$860 million, representing approximately 33.4 percent of market deposits. The HHI would increase 109 points to 1733.

federal supervisory authority to "assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution," and to take that record into account in its evaluation of bank holding company applications.⁹

The Board has received comments from two organizations ("Protestants") critical of the efforts of BBC and Society to meet the credit and banking needs of their communities. In particular, Protestants allege that BBC and Society have failed to meet the credit and banking needs of residents in the Charter Oak/Zion/Southwest Hartford community because both institutions recently closed branches that service this community. 10

The Board has carefully reviewed the CRA performance records of BBC and Society, and their respective subsidiary banks, as well as all comments received regarding these applications, BBC's responses to those comments, and all of the other relevant facts of record in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").11

Record of Performance Under the CRA

A. CRA Performance Examinations

The Agency CRA Statement provides that a CRA examination is an important, and often controlling, factor in the consideration of an institution's CRA record and that these reports will be given great weight in the applications process. 12 In this case, the Board notes that all of BBC's subsidiary banks have received "outstanding" or "satisfactory" ratings from their primary regulators during the most recent examinations of each institution's CRA performance. In particular, BBC's lead subsidiary bank, First National Bank of Boston, Boston, Massachusetts, received an "outstanding" rating for CRA performance from its primary regulator, the Office of the Comptroller of the Currency ("OCC"), in October 1992. Bank of Boston Connecticut, Waterbury, Connecticut ("Bank"), also received an "outstanding" rating for CRA performance from its primary regulator, the Federal Deposit

^{9. 12} U.S.C. § 2903.

^{10.} Protestants allege that, because of these branch closings and branch closings by other banks, the only source of banking services within walking distance of their community is a single automatic teller machine ("ATM").

^{11. 54} Federal Register 13,742 (1989).

^{12.} Id. at 13,745.

Insurance Corporation ("FDIC"), in February 1993.¹³ In addition, Society Bank received a "satisfactory" rating from its primary regulator, the FDIC, in August 1992.

B. Branch Closings

In response to Protestants' comments, BBC asserts that neither of the branches closed by BBC and Society were located in Protestants' community. ¹⁴ Moreover, BBC maintains that Bank continues to service the Charter Oak/Zion/Southwest Hartford community through its Goodwin Park branch at 2035 Broad Street ("Goodwin Branch"), which is located less than one-half mile from the described community.

The Goodwin Branch provides the community with many banking services, including services expressly designed to meet the needs of low- and moderate-income customers. In particular, the Goodwin Branch provides check cashing and food stamp services, as well as services geared to the needs of local small businesses. The Goodwin Branch also offers two drive-through teller stations, a 24-hour automatic teller machine ("ATM"), and a night depository.

Bank also has been involved in programs that help meet the credit needs of the Charter Oak/Zion/Southwest Hartford community. For example, Bank has endeavored to ascertain community credit needs by calling community organizations such as Project Hope on New Britain Avenue (a nonprofit organization providing educational and training services to lowincome clients); Warburton Community Church; and the Sisters of St. Joseph on Freeman Street. Bank also has conducted banking education seminars specifically designed for low- and moderate-income consumers, and has provided credit counseling and home buyer seminars in the neighboring Frog Hollow section of Hartford. Low- and moderate-income first-time homebuyers in the Charter Oak/Zion/Southwest Hartford community also are eligible for low-cost home purchase mortgages provided by Hartford Area Rallies Together ("HART"), a partnership in which Bank participates.

The record in this case indicates that in the most recent CRA examinations of Bank and Society Bank, the FDIC found that each institution's record of open-

13. BBC's other subsidiary banks have been most recently rated for CRA performance as follows: Bank of Vermont, Burlington, Vermont, received an "outstanding" rating from the FDIC in September 1991; Casco Northern Bank, N.A., Portland, Maine, received a "satisfactory" rating from the OCC in March 1991; and Rhode Island Hospital Trust, N.A., Providence, Rhode Island, received a "satisfactory" rating from the OCC in March 1991.

ing and closing offices was satisfactory. 15 BBC has committed that the CRA policies and programs employed at Bank will be implemented at Society Bank. In this regard, Bank, which is the institution that will survive the merger with Society Bank, has formulated a formal branch closing policy that requires Bank to consider how each closing would impact the affected communities. In particular, Bank, prior to a branch closure or reduction in service, reviews the viability of the existing office, as well as internal and external market conditions. Bank also has developed procedures to analyze the effects of potential closings, and, when a branch is to be closed, sets up a task force to coordinate such closing. This task force is responsible for providing advance notice of the closing to customers and appropriate banking regulators. In addition, the task force communicates with employees, community leaders and organizations to help minimize any negative impact the closing may have on the surrounding communities.

C. Additional Elements of CRA Performance

The Board also has considered other elements of the CRA performance of BBC, Society, and their subsidiary banks. The record indicates that BBC, Society and their subsidiary banks have in place the types of policies outlined in the Agency CRA Statement that contribute to an effective CRA program. For example, Bank has established two committees designed to ensure compliance with the CRA. The Board Community Investment Committee ("Board Committee") oversees Bank's CRA programs, reviews progress toward meeting goals, and sets new CRA-related goals when appropriate. The Community Investment Management Committee ("Management Committee"), which is made up of Bank business unit and department managers, is responsible for the implementation of Bank's CRA program. The Management Committee reports to the Board Committee at least quarterly to update the status of Bank's CRA program.

Bank ascertains the credit needs of its community through formal call programs and participation in various community and governmental organizations. For example, branch managers and business unit managers make calls in their communities to determine each community's needs and make recommendations to the Management Committee to fulfill those

^{14.} In March 1991, Bank closed its branch at 440 New Park Avenue located to the west of this community, and in May 1991, Society closed its Maple Avenue branch located to the community's east.

^{15.} The FDIC's most recent examination of Bank takes into account all branch closings by Bank since the 1990 examination, including the closing of Bank's 440 New Park Avenue office, located near the Charter Oak/Zion/Southwest Hartford community. In this regard, Bank's branch closing policy requires a 90-day advance notice to customers and to the Connecticut State Banking Commissioner.

needs. Bank also communicates with members of its community through the use of multilingual pamphlets on credit and deposit programs, and by hiring bilingual personnel.

Bank efforts for marketing its credit services and products include the use of neighborhood newspapers and radio advertisements to inform the community of its credit products. Bank also meets the credit needs of its communities through programs such as First Community Bank, which is expressly designed to serve the banking needs of low- and moderate-income consumers and businesses. This program includes access to commercial, mortgage, and consumer lenders, expanded outreach and personal service, educational credit seminars, services in English and Spanish, and special efforts to draw employees from the communities its serves. Bank also participates in various loan programs, including the Connecticut Student Loan Foundation's Stafford and PLUS Loan Programs, the Connecticut Housing Finance Authority mortgage program, as well as Federal Home Administration ("FHA"), Veterans Administration ("VA"), and Small Business Administration ("SBA") loan programs.

The Board has carefully considered the entire record of the CRA performance of BBC, Society and their subsidiary banks, including the comments filed in this case by Protestants, in reviewing the convenience and needs factors under the BHC Act. Based on a review of the entire record of performance by Bank, including the CRA examinations of the subsidiary banks of BBC and Society, the Board believes that the record of BBC, Society and their subsidiary banks in helping to meet the credit needs of all segments of the communities they serve, including low- and moderateincome neighborhoods, are consistent with approval. For these reasons, and on the basis of all the facts of record, the Board concludes that the convenience and needs considerations, including the CRA performance of BBC, Society, and their subsidiary banks, are consistent with approval of these applications. 16

Other Considerations

In evaluating these applications, the Board is required, under the terms of section 3 of the BHC Act, to consider the financial resources of the companies and banks involved and the effect of this proposed acquisition on the future prospects of those organizations and institutions. The Board previously has stated that a bank holding company should serve as a source of financial strength to its subsidiary banks, and that the Board would closely examine the condition of an applicant and its subsidiaries in each case with this consideration in mind. In this regard, the Board continues to believe that bank holding companies contemplating expansion proposals must demonstrate sufficient financial flexibility necessary to meet unexpected problems in all of its subsidiary banks.

The Board has carefully considered BBC's ability to serve as a source of strength to its subsidiary banks in this case. The Board believes that the plans and projections for Society, when considered in light of BBC's improved financial condition and recent equity raising efforts, demonstrate on balance a financial flexibility that is adequate to address unexpected problems that may be encountered after the Society acquisition in any of BBC's subsidiary banks. On the basis of these and all facts of record, the Board concludes that the financial and managerial and future prospects of BBC and Society, and their respective subsidiaries, and the other supervisory factors that the Board must consider under section 3 of the BHC Act are consistent with approval of these applications.

Based on the foregoing, including the representations and commitments described in this Order and those made in these applications, and all the facts of record, the Board has determined that these applications should be, and hereby are, approved. The Board's approval is specifically conditioned upon compliance by BBC with all the commitments made in connection with these applications. For purposes of this action, these commitments and conditions will both be considered conditions imposed in writing and, as such, may be enforced in proceedings under applicable law.

The acquisition shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or the Federal

^{16.} One of the Protestants has requested that the Board hold a public meeting or hearing on these applications. The Board is not required under section 3(b) of the BHC Act to hold a hearing on an application unless the appropriate banking authority for the bank to be acquired makes a timely written recommendation of denial of the application. In this case, the Connecticut Banking Commissioner has not recommended denial of the proposal.

Generally under the Board's rules, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application, and to provide an opportunity for testimony, if appropriate. 12 C.F.R. 262.3(e) and 262.25(d). The Board has carefully considered this request. In the Board's view, interested parties have had a sufficient opportunity to present written submissions, and have submitted detailed written comments that have been considered by the Board. On the basis of all the facts of record, the Board has determined that a public meeting or hearing is not

necessary to clarify the factual record in these applications, or otherwise warranted in this case. Accordingly, the request for a public meeting or hearing on these applications is hereby denied.

Reserve Bank of Boston, acting pursuant to delegated authority.

By order of the Board of Governors, effective June 9, 1993.

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

JENNIFER J. JOHNSON Associate Secretary of the Board

Premier Financial Services, Inc. Freeport, Illinois

Premier Acquisition Company Freeport, Illinois

Order Approving the Acquisition of a Bank

Premier Financial Services, Inc., Freeport, Illinois ("Premier"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire First Northbrook Bancorp, Inc., Northbrook, Illinois ("First Northbrook"), and thereby indirectly acquire First National Bank of Northbrook, Northbrook, Illinois ("FNB Northbrook"), and First Security Bank of Cary-Grove, Cary, Illinois, a state nonmember bank ("FSB Cary-Grove").

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (58 Federal Register 6640 (1993)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Premier, with total consolidated assets of approximately \$361.7 million, is the 60th largest commercial banking organization in Illinois, controlling \$309.1 million in deposits, representing less than 1 percent of total deposits in commercial banks in the state.² Premier controls two bank subsidiaries in Illinois,³ and engages directly and through subsidi-

aries in a variety of permissible nonbanking activities. First Northbrook, with total consolidated assets of \$240 million, is the 87th largest commercial banking organization in Illinois, controlling \$228.6 million in deposits, representing less than 1 percent of total deposits in commercial banks in the state. Upon consummation of the proposal, Premier would become the 37th largest commercial banking organization in Illinois.

Premier and First Northbrook do not compete directly in any banking market. In light of all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or the concentration of banking resources in any relevant banking market.

Based on all the facts of record, including all the commitments made in connection with these applications, the Board concludes that the financial and managerial resources and future prospects of Premier, its subsidiaries, and First Northbrook, as well as the convenience and needs of the communities to be served, and the other supervisory factors that the Board must consider under section 3 of the BHC Act, are consistent with approval of this proposal. Accordingly, and based on all the facts of record, and these commitments, the Board has determined that the applications should be, and hereby are approved.

The Board's approval of this proposal is expressly conditioned on compliance with the conditions referenced in this Order, and with all the commitments made in connection with this application, including the commitments made by Premier, PAC, and the proposed principal shareholders of Premier. The commitments and conditions relied on by the Board in reaching its decision are both deemed to be conditions imposed in writing by the Board in connection with its findings and decision, and, as such, may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective June 14, 1993.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

^{1.} As proposed, First Northbrook would be merged with and into Premier's wholly owned subsidiary, Premier Acquisition Company, Freeport, Illinois ("PAC"). Following the merger, PAC would be the surviving corporation, the separate corporate existence of First Northbrook would cease, and FNB Northbrook and FSB Cary-Grove would become wholly owned direct subsidiaries of PAC. PAC has applied under section 3 of the BHC Act to become a bank holding company.

Asset, deposit, and ranking data are as of March 31, 1993.
 Those banks are First Bank North, Freeport, Illinois, and First Bank South, Dixon, Illinois, both state member banks.

Orders Issued Under Section 4 of the Bank Holding Company Act

Barnett Banks, Inc. Jacksonville, Florida

Order Approving an Application to Engage in Private Placement and "Riskless Principal" Activities

Barnett Banks, Inc., Jacksonville, Florida ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23) to engage de novo through its subsidiary, Barnett Securities, Inc., Jacksonville, Florida ("Company"), in acting as agent in the private placement of all types of securities, including providing related advisory services, and buying and selling all types of securities on the order of investors as a "riskless principal."

Notice of the application, affording interested persons an opportunity to submit comments, has been published (58 Federal Register 17,401 (1993)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

Applicant, with total consolidated assets of \$39.6 billion, is the largest banking organization in Florida, and the ninth largest banking organization in Georgia. Applicant controls 29 bank subsidiaries in Florida, and four bank subsidiaries in Georgia, and engages directly and through subsidiaries in a broad range of permissible nonbanking activities.

Company is engaged in limited bank-ineligible securities underwriting and dealing activities permissible under section 20 of the Glass-Steagall Act (12 U.S.C. § 377).² Company also is, and will continue to be, a broker-dealer registered with the Securities and Exchange Commission ("SEC"), and a member of the National Association of Securities Dealers, Inc. ("NASD"). Accordingly, Company is subject to the record-keeping, reporting, fiduciary standards, and other requirements of the Securities Exchange Act of 1934 (15 U.S.C. § 78a et seq.), the SEC, and the NASD.

Private placement involves the placement of new issues of securities with a limited number of sophisticated purchasers in a nonpublic offering. A financial intermediary in a private placement transaction acts solely as an agent of the issuer in soliciting purchasers, and does not purchase the securities and attempt to resell them. Securities that are privately placed are not subject to the registration requirements of the Securities Act of 1933, and are offered only to financially sophisticated institutions and individuals and not to the public. Applicant has committed that Company will not privately place registered securities, and will only place securities with "institutional customers" as that term is defined in section 225.2(g) of the Board's Regulation Y (12 C.F.R. 225.2(g)).

"Riskless principal" is the term used in the securities business to refer to a transaction in which a broker-dealer, after receiving an order to buy (or sell) a security from a customer, purchases (or sells) the security for its own account to offset a contemporaneous sale to (or purchase from) the customer.3 "Riskless principal" transactions are understood in the industry to include only transactions in the secondary market. Thus, Applicant proposes that Company would not act as a "riskless principal" in selling securities at the order of a customer that is the issuer of the securities to be sold, or in any transaction where Company has a contractual agreement to place the securities as agent of the issuer. Company also would not act as a "riskless principal" in any transaction involving a security for which it makes a market.

The Board previously has determined by Order that, subject to prudential limitations that address the potential for conflicts of interests, unsound banking practices, and other adverse effects, the proposed private placement and riskless principal activities are closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act. The Board also previously has determined that acting as agent in the private placement of securities, and purchasing and selling securities on the order of investors as a "riskless principal", do not constitute underwriting and dealing in securities for purposes of section 20 of the Glass-Steagall Act (12 U.S.C. § 377), and that revenue derived from such activities is not subject to the 10 percent revenue limitation on bank-ineligible securities underwriting

Private Placement and "Riskless Principal" Activities

^{1.} Asset and ranking data are as of December 31, 1992.

Company may underwrite and deal in municipal revenue bonds, 1-4 family mortgage-related securities, commercial paper, and consumer-receivable-related securities. See Barnett Banks, Inc., 75 Federal Reserve Bulletin 190 (1989).

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

^{4.} See J.P. Morgan & Company Incorporated, 76 Federal Reserve Bulletin 26 (1990) ("J.P. Morgan"); Bankers Trust New York Corporation, 75 Federal Reserve Bulletin 829 (1989) ("Bankers Trust").

and dealing.⁵ Applicant has committed that Company will conduct its private placement and "riskless principal" activities using the same methods and procedures, and subject to the same prudential limitations established by the Board in Bankers Trust and J.P. Morgan,⁶ including the comprehensive framework of restrictions designed to avoid potential conflicts of interests, unsound banking practices, or other adverse effects imposed by the Board in connection with underwriting and dealing in securities.

Financial Factors, Managerial Resources, and Other Considerations

In order to approve this application, the Board is required to determine that the performance of the proposed activities by Applicant can reasonably be expected to produce public benefits that outweigh adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act. In this regard, in every case under section 4 of the BHC Act, the Board considers the financial condition and resources of the applicant and its subsidiaries, and the effect of the proposed transaction on these resources. Based on the facts of this case, the Board concludes that the financial considerations are consistent with approval of this application. The managerial resources of Applicant also are consistent with approval.

Under the framework established in this and prior Board decisions, consummation of this proposal is not likely to result in any significantly adverse effects, such as an undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Moreover, the Board expects that the *de novo* entry of Applicant into the market for the proposed private placement and "riskless principal" services in the United States would

provide added convenience to Applicant's customers, and would increase the level of competition among existing providers of these services. Accordingly, the Board has determined that the performance of the proposed activities by Applicant could reasonably be expected to produce public benefits that would outweigh possible adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

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

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

By order of the Board of Governors, effective June 23, 1993.

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

Jennifer J. Johnson
Associate Secretary of the Board

Republic Bancorp, Inc. Ann Arbor, Michigan

Order Approving the Acquisition of a Savings Association

Republic Bancorp, Inc., Ann Arbor, Michigan ("Republic"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied pursuant to section 4(c)(8) of the BHC Act

^{5.} Id.

^{6.} Among the prudential limitations detailed more fully in Bankers Trust and J.P. Morgan are that Company will maintain specific records that will clearly identify all "riskless principal" transactions, and that Company will not engage in any "riskless principal" transactions for any securities carried in its inventory. When acting as a "riskless principal", Company will only engage in transactions in the secondary market, and not at the order of a customer that is the issuer of the securities to be sold; will not act as "riskless principal" in any transaction involving a security for which it makes a market; and will not hold itself out as making a market in the securities that it buys and sells as a "riskless principal". Moreover, Company will not engage in "riskless principal" transactions on behalf of its foreign affiliates that engage in securities dealing activities outside the United States and will not act as "riskless principal" for registered investment company securities. In addition, Company will not act as a "riskless principal" with respect to any securities of investment companies that are advised by Applicant or any of its affiliates. With regard to private placement activities, Applicant has committed that Company will not privately place registered investment company securities or securities of investment companies that are advised by Applicant or any of its

^{7. 12} C.F.R. 225.25.

(12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23), to merge with Horizon Financial Services, Inc. ("HFS"), and thereby indirectly acquire its savings association subsidiary, Horizon Savings Bank ("Horizon"), both of Beachwood, Ohio. Horizon would be owned by Republic in accordance with section 225.25(b)(9) of the Board's Regulation Y (12 C.F.R. 225.25(b)(9)).

Notice of the application, affording interested persons an opportunity to submit comments, has been published (58 Federal Register 12,038 (1993)). The time for filing comments has expired, and the Board has considered the application and all the comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

The Board has determined that the operation of a savings association is closely related to banking and permissible for bank holding companies. 12 C.F.R. 225.25(b)(9). In making this determination, the Board required that savings associations acquired by bank holding companies conform their direct and indirect activities to those permissible for bank holding companies under section 4 of the BHC Act.²

In considering an application under section 4(c)(8) of the BHC Act, the Board is required to determine that the applicant's ownership and operation of the acquired company "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8).

Republic, with total consolidated assets of approximately \$743 million, controls six banks in Michigan.³ Republic is the 16th largest banking organization in Michigan, controlling deposits of \$474 million, representing less than 1 percent of total deposits in commercial banking organizations in the state.⁴ Horizon is the 20th largest thrift organization in Ohio, controlling deposits of \$336.6 million, representing less than

Community Reinvestment Act Considerations

In considering an application to acquire a savings association under section 4 of the BHC Act, the Board reviews the records of performance of the relevant institutions under the Community Reinvestment Act (12 U.S.C. § 2901 et seq.) ("CRA").6 The CRA requires the Federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate, consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate Federal supervisory authority to "assess an institution's record of meeting the credit needs of its entire community, including low- and moderateincome neighborhoods, consistent with the safe and sound operation of the institution," and to take that record into account in its evaluation of bank holding company applications.7

In connection with this application, the Board has reviewed comments received from the Moorish Community Redevelopment Corporation, Painesville, Ohio ("Protestant"), regarding Horizon's performance under the CRA. In particular, Protestant alleges that Horizon does not have a formal program to ascertain the credit needs of the communities it serves, including low- and moderate-income neighborhoods, and that Horizon does not market all of its available credit products and services to these communities. Protestant also asserts that Horizon has not designed credit programs to attract low- and moderate-income and minority borrowers, does not participate in any governmentally insured loan programs, and does not participate in any local community development or redevelopment projects.

The Board has carefully reviewed the CRA performance records of Republic and Horizon, as well as Protestant's comments and Republic's responses to those comments, and all the other relevant facts in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agen-

¹ percent of total deposits in thrift institutions in the state.⁵

In connection with the proposed acquisition, Republic also has requested Board approval to acquire an option to purchase 19.9 percent of the voting shares of HFS.

^{2.} Republic has committed to terminate all impermissible activities conducted by Horizon. In this regard, Republic has committed to terminate the annuities and mutual funds sales activities currently engaged in by Horizon through its subsidiary, Horizon Financial Insurance Agency, Inc., Beachwood, Ohio, upon or before consummation of this proposal. Republic also has committed to divest any impermissible real estate investments within two years of consummation of this proposal, and not to engage in any new impermissible real estate development projects or investments during this period.

^{3.} Asset data are as of March 31, 1993.

^{4.} State commercial bank deposit data are as of June 30, 1992.

^{5.} State thrift deposit data are as of September 30, 1992.

^{6.} The Board previously has determined that the CRA by its terms generally does not apply to applications by bank holding companies to acquire nonbanking companies under section 4(c)(8) of the BHC Act. The Mitsui Bank, Ltd., 76 Federal Reserve Bulletin 381 (1990). The Board also has stated that, unlike other companies that may be acquired by bank holding companies under section 4(c)(8) of the BHC Act, savings associations are depository institutions, as that term is defined in the CRA, and thus, acquisitions of savings associations are subject to review under the express terms of the CRA. Norwest Corporation, 76 Federal Reserve Bulletin 873 (1990).

^{7. 12} U.S.C. § 2903.

cies Regarding the Community Reinvestment Act ("Agency CRA Statement").8

The Board notes that Protestant's comments relate to weaknesses in the CRA performance of the institution Republic proposes to acquire. In this regard, the Board has reviewed the CRA performance record of Republic and Republic's commitment to implement its policies and programs at Horizon. The Board also has considered steps taken by Horizon to improve its CRA performance. Moreover, Horizon's primary regulator, the Office of Thrift Supervision ("OTS"), has advised the Board that these initiatives have addressed the CRA performance issues noted by the OTS in Horizon's last examination.

A. CRA Performance Examination

The Agency CRA Statement provides that a CRA examination is an important, and often controlling, factor in the consideration of an institution's CRA record and that these reports will be given great weight in the applications process.9 The Board notes that all of Republic's subsidiary banks have received "outstanding" or "satisfactory" ratings during the most recent examinations of their CRA performance. In particular, Republic's lead subsidiary bank, Premier Bank, Jackson, Michigan, received an "outstanding" rating for CRA performance from its primary regulator, the Federal Deposit Insurance Corporation ("FDIC"), in December 1992.10 Horizon received a "needs to improve" CRA rating in its most recent examination by its primary regulator, the OTS, in January 1992.

B. Other Aspects of CRA Performance

Policies and Programs. Republic has in place the types of policies outlined in the Agency CRA Statement to effectively monitor the CRA performance of each of its subsidiary banks. Upon consummation of this proposal, Republic will implement these policies at Horizon and has committed to report to the Federal Reserve Bank of Chicago on the progress of Horizon within six months of consummation of this proposal.

In this regard, the CRA compliance officers of each Republic bank subsidiary meet monthly to discuss Republic's corporate programs and policies. Each bank subsidiary also is required to submit periodic reports of its CRA performance ("CRA Reports") for review by Republic. These CRA Reports provide information on the bank affiliate's community involvement and service, marketing and special credit related programs, and a description of the banking products and services available at each affiliate's offices. The CRA Reports also provide specific information with respect to each affiliate's participation in community meetings and programs.

At the holding company level, the CRA Reports are reviewed by Republic's Management Council, which assesses each bank subsidiary's level of community involvement and CRA compliance. Following this assessment, the Management Council allocates resources to ensure that each bank affiliate meets the credit needs of its communities, including low- and moderate-income neighborhoods. Republic also employs two individuals who are responsible for implementing its corporate CRA program at each bank subsidiary. These individuals coordinate CRA training and testing of all loan officers at each Republic bank subsidiary, and conduct self-assessments of Republic's overall CRA performance. These individuals report directly to Republic's board of directors.

Republic will monitor Horizon's CRA performance through its corporate CRA program and through periodic telephone contacts with Horizon's newly appointed CRA officer. Republic's executive CRA compliance officer will have overall responsibility, subject to oversight by Republic's board of directors, for strengthening Horizon's CRA performance. In addition, Republic will add three individuals to Horizon's board of directors to monitor improvements in Horizon's CRA performance.

Ascertainment and Marketing. Horizon has taken a number of steps to improve its ascertainment and marketing efforts. In particular, Horizon has increased its CRA training for all officers and employees, and has enhanced its officer call program to ascertain community credit needs. In this regard, Horizon now emphasizes the submission of call reports by officers and directors, and has redesigned its reporting mechanisms to more effectively track loan officer calls in low- and moderate-income census tracts. Management also has expanded its marketing efforts to include calls on minority realtors and has allocated funds to advertise its credit products and services in media directed at low- and moderate-income neighborhoods.

To aid in ascertaining community credit needs, Horizon plans to distribute customer satisfaction questionnaires, and will hold town hall meetings in

^{8. 54} Federal Register 13,742 (1989).

^{9.} Id. at 13,745

^{10.} Republic's other subsidiary banks have received the following ratings from the FDIC in their most recent CRA examinations: Republic Bank, Flint Township, Michigan, received a "satisfactory" rating in October 1991; Republic Bank, S.E., Bloomfeld Hills, Michigan, received a "satisfactory" rating in January 1992; Republic Bank-Ann Arbor, Ann Arbor, Michigan, received a "satisfactory" rating in September 1992; Republic Bank-Central, Williamston, Michigan, received a "satisfactory" rating in October 1991; and Republic Bank-North, Bellaire, Michigan, received a "satisfactory" rating in January 1993.

municipalities where it has branch offices. In addition, Horizon continues to advertise available credit services through newspapers, statement stuffers, lobby handouts, trade journals, magazines, mass mailings, seminar presentations, broker sales calls, and realtor mailings.

Lending and Other Activities. Horizon has introduced products and services designed to meet the credit needs of low- and moderate-income consumers. For example, Horizon has developed a "Community Homebuyers Program" that features 10-year to 30year fixed rate mortgages, flexible underwriting criteria, and a reduction in the down payment requirement and closing costs. Horizon also participates in the Earned Home Ownership Program ("EHOP") through the Northeastern Ohio League of Savings Institutions. EHOP provides pre-purchase counseling and training to families unable to obtain traditional mortgages. Moreover, Horizon has adopted a formal branch closing policy that includes the views of local community groups.

In addition to implementing its corporate CRA program at Horizon, Republic has identified steps specifically designed to improve Horizon's existing CRA program. In particular, Republic:

- (i) Will appoint a new CRA officer at Horizon;¹¹
- (ii) Will develop additional procedures to improve Horizon's ability to make loans to minorities and to residents of low- and moderate-income neighborhoods;
- (iii) Will refocus Horizon on mortgage lending with further commercial lending oriented to SBAguaranteed lending; and
- (iv) Will consider participation in various special lending programs designed to assist residents of lowand moderate-income neighborhoods in purchasing homes.

Republic will implement a "second look process" in which denied loan applications from minority applicants or applicants from low- and moderate-income neighborhoods will be reviewed by a loan underwriting manager. Republic also will implement an alternative underwriting analysis in situations in which residents of low- and moderate-income neighborhoods are unable to establish creditworthiness by traditional means. In appropriate cases, individuals also will be given the opportunity to rebut negative credit information that may impact their ability to receive a loan.

Moreover, Republic will establish a Community Investment Committee to assist Horizon's board of directors in its oversight of the institution's CRA performance.

Upon consummation of this proposal, Horizon will offer FHA and VA guaranteed loans. In addition, Republic will consider participating in programs such as Cleveland Action to Support Housing ("CASH"), and the Afford-a-Home Program through the Cleveland Housing Network.

In light of all the facts of record, including the steps Horizon has taken to improve its CRA performance and the CRA programs that Republic will implement at Horizon, the Board believes that considerations relating to the convenience and needs of the communities to be served are consistent with approval of this application. 12

Other Considerations

The banking subsidiaries of Republic and HFS do not compete in any of the same banking markets. Accordingly, the Board concludes that this proposal would not have a significantly adverse effect on competition in any relevant banking market. The financial and managerial resources of Republic and its subsidiaries, and HFS and its subsidiaries also are consistent with approval.13

Based on all the facts of record, the Board has determined that the balance of the public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of

^{11.} In this regard, Horizon, with Republic's assistance, recently has hired a new CRA officer to implement and oversee Horizon's CRA policy. This individual has extensive experience in mortgage banking in Cleveland, as well as lending to individuals in low- and moderateincome neighborhoods.

^{12.} Protestant has requested that the Board hold a public meeting or hearing on this application regarding Horizon's CRA-related activities in low- and moderate-income areas. The Board's rules provide that a hearing is required under section 4 of the BHC Act only if there are disputed issues of material fact that cannot be resolved in some other manner. In addition, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application, and to provide an opportunity for testimony, if appropriate. 12 C.F.R. 262.3(e), 262.25(d), and 225.23(g). The Board has carefully considered this request. In the Board's view, interested parties have had a sufficient opportunity to present written submissions, and they have submitted detailed written comments that have been considered by the Board. Moreover, Protestant's allegations state conclusions about Horizon's CRA record without providing any underlying material facts. On the basis of all the facts of record, the Board has determined that a public meeting or hearing is not necessary to clarify the factual record in this application or otherwise required under the Board's rules. Accordingly, the request for a public meeting or hearing on this application is hereby denied.

^{13.} Upon consummation, Republic will meet all applicable capital requirements and has committed that Horizon will meet all current and future minimum capital ratios adopted for savings associations by the OTS or the FDIC. For purposes of this commitment, investments in impermissible real estate projects and developments will be excluded from the definition of capital.

Republic's application to acquire HFS.14 Accordingly, the Board has determined that the application should be, and hereby is, approved. This approval is specifically conditioned on compliance by Republic with all of the commitments and conditions made in connection with this application. The acquisition of Horizon also is subject to all of the conditions contained in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a bank holding company, or any of its subsidiaries, as it finds necessary to assure compliance with, or prevent evasions of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. All the commitments and conditions relied on in reaching this decision in this case are deemed to be conditions imposed in writing by the Board in connection with its findings and decision, and as such may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective June 14, 1993.

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

JENNIFER J. JOHNSON Associate Secretary of the Board ORDERS ISSUED UNDER INTERNATIONAL BANKING ACT

Citizens National Bank Seoul, Korea

Order Approving Establishment of a Representative Office

Citizens National Bank, Seoul, Korea ("Bank"), a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 10(a) of the IBA (12 U.S.C. § 3107(a)) to establish a representative office in Los Angeles, California. The Foreign Bank Supervision Enhancement Act of 1991 ("FBSEA"), which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish a representative office in the United States.

Notice of the application affording interested persons an opportunity to submit comments has been published in a newspaper of general circulation in Los Angeles (Los Angeles Times, April 23, 1992). The time for filing comments has expired and all comments have been considered.

Bank, with \$20.4 billion in consolidated assets,¹ is the largest in Korea in total domestic deposits and the seventh largest in asset size. Bank has representative offices in New York, London, Tokyo, and Singapore, and a banking subsidiary in Luxembourg. Bank does not engage, directly or indirectly, in any nonbanking activities in the United States. The proposed representative office would provide customer relations and other services and would conduct general financial and economic research. The majority of Bank's stock is owned by the Government of Korea.²

In acting on an application to establish a representative office, the IBA and Regulation K provide that the Board shall take into account whether the foreign bank engages directly in the business of banking outside of the United States, has furnished to the Board the information it needs to assess adequately the application, and is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor (12 U.S.C. § 3105(d)(2); 12 C.F.R. 211.24). The Board may also take into account additional standards as set forth in the IBA (12 U.S.C. § 3105(d)(3)-(4)) and Regulation K (12 C.F.R. 211.24(c)).

The Board has previously stated that the standards that apply to the establishment of a branch or agency

^{14.} Protestant also asserts that Horizon has no affirmative action plan to employ minorities. Because Horizon employs more than 50 people and acts as an agent to sell or redeem U.S. savings bonds and notes, it is required by Treasury Department and Department of Labor regulations to:

⁽¹⁾ File annual reports with the Equal Employment Opportunity Commission; and

⁽²⁾ Have in place a written affirmative compliance program which states its intentions, efforts, and plans to achieve equal opportunity in the employment, hiring, promotion, and separation of personnel. Horizon also states that it contacts minority and women's groups in the Cleveland area when Horizon has job openings, that it takes steps to ensure that minorities and women are given full opportunities for promotions and transfers, and that its supervisors have been informed of the importance of promoting equal employment opportunities.

^{1.} Data are as of December 31, 1991, unless otherwise noted.

^{2.} The Government of Korea directly owns 72.58 percent of Bank. The Korean Government Pension Management Corporation owns an additional 6.42 percent of Bank.

need not in every case apply to the establishment of a representative office because representative offices do not engage in a banking business and cannot take deposits or make loans (see 58 Federal Register 6348, 6351 (1993)). In evaluating an application to establish a representative office under the IBA and Regulation K. the Board will take into account the standards that apply to establishment of branches and agencies, subject to the following considerations. With respect to supervision by home country authorities, a foreign bank that proposes to establish a representative office must be subject to a significant degree of supervision by its home country supervisor. Among the factors the Board may consider are the extent to which there is regular review of a substantial portion of the bank's operations by the home country supervisor through examination, review of external audits, or a comparable method, submission of periodic reports relating to financial performance, and assurance that the bank itself has a system of internal monitoring and control that enable bank management to administer properly the bank's operations. The home country supervisor must also have indicated that it does not object to the establishment of the representative office in the United States.

A foreign bank's financial and managerial resources will be reviewed to determine whether its financial condition and performance demonstrate that it is capable of complying with applicable laws and has an operating record that would be consistent with the establishment of a representative office in the United States. If the financial condition of the foreign bank significantly differs from international norms, the foreign bank would be evaluated to determine whether such difference can be justified in the context of the operations of the applicant and the proposed representative office. All foreign banks, whether operating through branches, agencies or representative offices, will be required to provide adequate assurances of access to information on the operations of bank and its affiliates necessary to determine compliance with U.S.

In this case, with respect to the issue of supervision by home country authorities, the Board has considered the following information. Bank is subject to the supervisory authority of the Korean Ministry of Finance ("Ministry"), the Board of Audit and Inspection, and the Bank of Korea, including the Superintendent of the Office of Bank Supervision and Examination (the "OBSE"), a section within the Bank of Korea. The Ministry has approved the establishment of the office by Bank. The Ministry and the OBSE perform annual, on-site examinations of Bank. In addition, the Board of Audit and Inspection performs annual examinations of Bank's head office. An annual examination includes a review of Bank's compliance with Korean banking laws, regulations, and orders issued by the Monetary Board, adequacy of the internal control system, accounting procedures, the acquisition, management, quality, and disposition of assets, capital adequacy, risk exposure, and liquidity. Bank is required to file periodic financial reports with both the Ministry and OBSE. These reports include information on loan status, changes in deposits, conditions of borrowers with large delinquent loans, new indices of borrowers with delinquent loans, and the status of internal auditing activities. The Ministry also receives regular reports on foreign operations, including audit reports and reports on transactions between Bank and its affiliates. Based on all the facts of record, which include the information described above, the Board concludes that factors relating to the supervision of Bank by its home country supervisors are consistent with approval of the proposed representative office.

The Board has also found that Bank engages directly in the business of banking outside of the United States through its commercial banking operations in Korea, and has provided the Board with the information necessary to assess the application through submissions that address relevant issues.

The Board has also taken into account the additional standards set forth in section 7 of the IBA and Regulation K (see 12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)(2)). As noted above, Bank has received the consent of the Ministry to establish the proposed representative office. In addition, the Ministry and OBSE may share information on Bank's operations with other supervisors, including the Board.

With respect to the financial and managerial resources of Bank, Bank's overall record of operations in its home country is consistent with the operation of a representative office and demonstrates that Bank is capable of operating within applicable law. Although Bank has not demonstrated that its capital position is in conformance with standards under the Basle Capital Accord, given Bank's record of performance, its overall financial resources, and its standing with its home country supervisors, the Board has determined that financial and managerial factors are consistent with approval of the proposed representative office. Bank, which currently operates a representative office in New York, appears to have the experience and capacity to support this additional representative office. Bank has also established controls and procedures for the proposed representative office to ensure compliance with U.S. law.

Bank has committed that it will make available to the Board such information on the operations of Bank and any affiliate of Bank that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act of 1956, as amended, and other applicable Federal law, to the extent permitted by law. The Board has reviewed the restriction on disclosure to information in Korea, and has communicated with certain government authorities regarding access to information. In addition, Bank has committed to cooperate with the Board to obtain approvals or consents that may be required for the Board to gain access to information that the Board may request. In light of these commitments and other facts of record, and subject to the condition described below, the Board concludes that Bank has provided adequate assurances of access to any necessary information the Board may request.

On the basis of all the facts of record, and subject to the commitments made by Bank, as well as the terms and conditions set forth in this Order, the Board has determined that Bank's application to establish a representative office should be, and hereby is, approved. If any restrictions on access to information on the operations or activities of Bank and any of its affiliates subsequently interfere with the Board's ability to determine the compliance by Bank or its affiliates with applicable federal statutes, the Board may require termination of any of the Bank's direct or indirect activities in the United States. Approval of this application is also specifically conditioned on compliance by Bank with the commitments made in connection with this application, and with the conditions contained in this Order.³ The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with its decision, and may be enforced in proceedings under 12 U.S.C. § 1818 or 12 U.S.C. § 1847 against Bank, its offices, and its affiliates.

By order of the Board of Governors, effective June 25, 1993.

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

JENNIFER J. JOHNSON Associate Secretary of the Board

Medium Business Bank of Taiwan Taipei, Taiwan

Order Approving Establishment of a Representative Office

Medium Business Bank of Taiwan ("Bank"), Taipei, Taiwan, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 10(a) of the IBA (12 U.S.C. § 3107(a)) to establish a representative office in Los Angeles, California. The Foreign Bank Supervision Enhancement Act of 1991 ("FBSEA"), which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish a representative office in the United States.

Notice of the application, affording interested persons an opportunity to submit comments, has been published in a newspaper of general circulation in Los Angeles, California (*Los Angeles Daily Journal*, April 30, 1992). The time for filing comments has expired and all comments have been considered.

Bank is a commercial bank that was chartered in 1976 through the reorganization of its predecessor, the Taiwan Mutual Loans and Savings Co., Ltd. Bank is owned by the Provincial Government of Taiwan ("Provincial Government") both directly and through the Bank of Taiwan, Taipei, Taiwan, which holds 42 percent of the voting shares of Bank.

Bank, with assets of \$20.4 billion on June 30, 1992, is the seventh largest bank in Taiwan. Bank has over 100 offices in Taiwan and operates a representative office in the Netherlands and an offshore banking unit in Taiwan. Bank does not engage directly or indirectly in any nonbanking activities in the United States. The proposed representative office would provide services that include acting as liaison with Bank's correspondents, providing customer relations services, and conducting research.

In acting on an application to establish a representative office, the IBA and Regulation K provide that the Board shall take into account whether the foreign bank engages directly in the business of banking outside of the United States, has furnished to the Board the information it needs to assess adequately the application, and is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor (12 U.S.C. § 3105(d)(2); 12 C.F.R. 211.24). The Board may also take into account additional standards as set forth in the IBA

^{3.} The Board's authority to approve the establishment of the proposed representative office parallels the continuing authority of the State of California to license offices of a foreign bank. The Board's approval of this application does not supplant the authority of the State of California, and its agent, the California State Banking Department, to license the proposed representative office of Bank in accordance with any terms or conditions that the California State Banking Department may impose.

^{1.} The Board approved the establishment of a branch by the Bank of Taiwan under the FBSEA. See Bank of Taiwan, 79 Federal Reserve Bulletin 541 (1993).

and Regulation K (12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)).

The Board has previously stated that the standards that apply to the establishment of a branch or agency need not in every case apply to the establishment of a representative office because representative offices do not engage in a banking business and cannot take deposits or make loans. See 58 Federal Register 6348, 6351 (1993). In evaluating an application to establish a representative office under the IBA and Regulation K, the Board will take into account the standards that apply to establishment of branches and agencies, subject to certain considerations relating to financial factors and supervision by home country authorities. See Citizens National Bank, 79 Federal Reserve Bulletin 805 (1993).

Bank is subject to supervision and regulation by the Ministry of Finance of Taiwan ("Ministry"), the Central Bank of China ("Central Bank"), and the Ministry of Audit of Taiwan in the same manner as other banks from Taiwan that the Board, in considering applications by those banks to establish branches or agencies, has determined are subject to comprehensive home country supervision on a consolidated basis.2 Because Bank is supervised by the Taiwanese authorities on the same terms and conditions set forth in the Board's Orders relating to those applications, the Board has determined that Bank is subject to comprehensive supervision or regulation by its home country supervisors on a consolidated basis.

The Board also has found that Bank engages directly in the business of banking outside of the United States through its commercial banking operations in Taiwan, and has provided the Board with the information necessary to assess the application through submissions that address relevant issues.

The Board has taken into account the additional standards set forth in section 7 of the IBA and Regulation K (see 12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)(2)). In this regard, Bank has received the consent of the Ministry to establish the proposed representative office. In addition, the Ministry and Central Bank may share information on Bank's operations with other supervisors, including the Board.

With respect to the financial and managerial resources of Bank, Bank's overall record of operations in its home country demonstrates that Bank is capable of operating within applicable law and is consistent with the operation of a representative office. Although Bank has not demonstrated that its capital position is in conformance with international standards under the Basle Capital Accord, given Bank's record of performance, its overall financial resources, and its standing with its home country supervisors, the Board has determined that financial and managerial factors are consistent with approval of the proposed representative office. The proposed representative office would be Bank's second foreign office, and Bank appears to have the experience and capacity to support this additional representative office. Bank has also established controls and procedures for the proposed representative office to ensure compliance with U.S. law.

Bank has committed that it will make available to the Board such information on the operations of Bank and any affiliate of Bank that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act of 1956, as amended, and other applicable Federal law, to the extent permitted by law. The Board has reviewed the restrictions on disclosure of information in Taiwan and has communicated with certain government authorities concerning access to information. The Ministry and Central Bank may share information on Bank's operations with other supervisors, including the Board. Bank also has committed to cooperate with the Board to obtain any approvals or consents that may be needed to gain access to information that the Board may request. In light of these commitments and other facts of record, and subject to the condition described below, the Board concludes that Bank has provided adequate assurances of access to any necessary information the Board may request.

On the basis of all of the facts of record, and subject to the commitments made by Bank, as well as the terms and conditions set forth in this Order, the Board has determined that Bank's application to establish a representative office should be, and hereby is, approved. If any restrictions on access to information on the operations or activities of Bank or any of its affiliates subsequently interfere with the Board's ability to determine the compliance by Bank or its affiliates with applicable federal statutes, the Board may require termination of any of the Bank's direct or indirect activities in the United States. Approval of this application is also specifically conditioned on compliance by Bank with the commitments made in connection with this application, and with the conditions contained in this Order.3 The commitments and

^{2.} See TaipeiBank, 79 Federal Reserve Bulletin 143 (1993); Chiao-Tung Bank, 79 Federal Reserve Bulletin 541 (1993); Bank of Taiwan, supra.

^{3.} The Board's authority to approve the establishment of the proposed representative office parallels the continuing authority of the State of California to license offices of a foreign bank. The Board's approval of this application does not supplant the authority of the State of California, and its agent, the California State Banking Department, to license the proposed representative office of Bank in accordance with any terms or conditions that the California State Banking Department may impose.

conditions referred to above are conditions imposed in writing by the Board in connection with its decision, and may be enforced in proceedings under 12 U.S.C. § 1818 or 12 U.S.C. § 1847 against Bank, its offices, and its affiliates.

By order of the Board of Governors, effective June 25, 1993.

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

JENNIFER J. JOHNSON Associate Secretary of the Board

Singer & Friedlander, Ltd. London, England

Order Approving Establishment of a Representative Office

Singer & Friedlander, Ltd., London, England, ("Bank"), a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 10(a) of the IBA (12 U.S.C. § 3107(a)) to establish a representative office in Miami, Florida. The Foreign Bank Supervision Enhancement Act of 1991 ("FBSEA"), which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish a representative office in the United States.

Notice of the application, affording interested persons an opportunity to submit comments, has been published in a newspaper of general circulation in Miami, Florida (*Miami Herald*, July 10, 1992). The time for filing comments has expired and all comments have been considered.

Bank is a merchant bank chartered in the United Kingdom. Bank, with assets of \$1.3 billion, is wholly owned by Singer and Friedlander Group, PLC ("Singer Group"), London, England, through two U.K. holding companies, Ancomass, Ltd., and Singer & Friedlander Holdings, Ltd.¹ The proposed representative office is intended to assist in the Bank's international financial and banking activities that are focused on Latin America and the United States. The office also will act as a liaison between Bank, its U.S. and Latin American customers, and its correspondent banks.

In acting on an application to establish a representative office, the IBA and Regulation K provide that the Board shall take into account whether the foreign bank engages directly in the business of banking outside of the United States, has furnished to the

Board the information it needs to assess adequately the application, and is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor (12 U.S.C. § 3105(d)(2)). The Board may also take into account additional standards as set forth in the IBA and Regulation K (12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)).

The Board has previously stated that the standards that apply to the establishment of a branch or agency need not in every case apply to the establishment of a representative office because representative offices do not engage in a banking business and cannot take deposits or make loans. See 58 Federal Register 6348, 6351 (1993). In evaluating an application to establish a representative office under the IBA and Regulation K, the Board will take into account the standards that apply to establishment of branches and agencies, subject to certain considerations relating to financial factors and supervision by home country authorities. See Citizens National Bank, 79 Federal Reserve Bulletin 805 (1993).

Bank is subject to supervision and regulation by the Bank of England. The Board has previously determined, in connection with an application involving a particular bank in the United Kingdom, that the U.K. bank was subject to home country supervision on a consolidated basis.2 In this case, the Board has determined that Bank is supervised in its banking operations by the Bank of England on the same terms and conditions as set forth in the earlier Order. Bank is also subject to rules of self-regulatory organizations that act under authority delegated by the Department of Trade and Industry to the Securities and Investment Board ("SIB"), The SIB establishes general principles that other self-regulatory organizations ("SROs") apply to firms engaged in particular types of investment activities. Bank is a member of two such SROs, the Securities and Futures Authority ("SFA") and the Investment Management Regulatory Organization ("IMRO").

With respect to the supervision of the investment activities of Bank, the Bank of England acts as the lead regulator of Bank.³ As lead regulator, the Bank of England meets with the SFA and IMRO periodically to discuss prudential and supervisory matters pertaining to Bank. In addition, the SFA and IMRO ensure that

^{1.} Data are as of December 31, 1992, unless otherwise noted.

^{2.} See Coutts & Co. AG, 79 Federal Reserve Bulletin 636 (1993), with respect to supervision of National Westminster Bank, PLC.

^{3.} The Bank of England has entered Memoranda of Understanding ("MOU") with the SFA and IMRO that create frameworks for the monitoring and assessment of financial soundness of institutions authorized under both the Banking Act and the Financial Services Act in order to avoid duplication of oversight. The MOU does not affect either the Bank's or the self-regulatory organizations' statutory duties to ensure that Bank remains "fit and proper" from both financial and managerial standpoints.

Bank is fit and proper to engage in securities and investment management activities through tests of the integrity and competence of Bank's management and the financial soundness of Bank. In light of all the facts of record, the Board has determined that Bank is subject to comprehensive supervision or regulation by home country supervisors on a consolidated basis.

The Board has also found that Bank engages directly in the business of banking outside of the United States through its commercial banking operations in England, and has provided the Board with the information necessary to assess the application through submissions that address relevant issues.

The Board has also taken into account the additional standards set forth in section 7 of the IBA and Regulation K (see 12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)(2)). In this regard, the Board notes that the Bank of England does not object to the establishment of the proposed representative office. In addition, the Bank of England may share information on Bank's operations with other supervisors, including the Board. With respect to financial and managerial resources of Bank, given Bank's record of operations in its home country, its overall financial resources, and its standing with its home country supervisors, the Board has determined that financial and managerial factors are consistent with approval of the proposed representative office. Bank appears to have the experience and capacity to support the proposed office and has also established controls and procedures for the proposed representative office to ensure compliance with U.S. law.

Bank has committed that it will make available to the Board such information on the operations of Bank and any affiliate of Bank that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act of 1956, as amended, and other applicable Federal law, to the extent permitted by law. The Board has reviewed the restrictions on disclosure in relevant jurisdictions in which Bank operates and has communicated with certain government authorities concerning access to information. The Board notes that certain of Bank's affiliates may not provide information without the consent of third parties. In this regard, each of Bank and Singer Group also has committed to cooperate with the Board to obtain any approvals or consents that may be needed to gain access to information that may be requested by the Board. In addition, the Bank of England and other regulators may share information on Bank's operations with other supervisors, including the Board. In light of these commitments and other facts of record, and subject to the condition described below, the Board concludes that Bank has provided adequate assurances of access to any necessary information the Board may request.

On the basis of all of the facts of record, and subject to the commitments made by Bank, as well as the terms and conditions set forth in this order, the Board has determined that Bank's application to establish a representative office should be, and hereby is, approved. If any restrictions on access to information on the operations or activities of Bank or any of its affiliates subsequently interfere with the Board's ability to determine the compliance by Bank or its affiliates with applicable Federal banking statutes, the Board may require termination of any of the Bank's direct or indirect activities in the United States. Approval of this application is also specifically conditioned on compliance by Bank with the commitments made in connection with this application, and with the conditions contained in this order.4 The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with its decision, and may be enforced in proceedings under 12 U.S.C. § 1818 or 12 U.S.C. § 1847 against Bank, its office and its affiliates.

By order of the Board of Governors, effective June 25, 1993.

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

> JENNIFER J. JOHNSON Associate Secretary of the Board

^{4.} The Board's authority to approve the establishment of the proposed representative office parallels the continuing authority of the State of Florida to license offices of a foreign bank. The Board's approval of this application does not supplant the authority of the State of Florida, and its agent, the Florida State Banking Department, to license the proposed representative office of Bank in accordance with any terms or conditions that the Florida State Banking Department may impose.

ACTIONS TAKEN UNDER THE FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991

By the Secretary of the Board

Copies are available upon request to the Freedom of Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
First Bank System, Inc., Minneapolis, Minnesota	Colorado National Bank, Denver, Colorado	Central Bank/Bank Western N.A., Denver, Colorado	June 24, 1993

ACTIONS TAKEN UNDER THE FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991

By Federal Reserve Banks

Copies are available upon request to the Freedom of Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
BB&T Financial Corporation, Wilson, North Carolina	Carolina Bank, Wilmington, North Carolina	Branch Banking and Trust Company, Wilson, North Carolina	June 11, 1993
BB&T Financial Corporation, Wilson, North Carolina	Edenton Bank, Edenton, North Carolina	Branch Banking and Trust Company, Wilson, North Carolina	June 11, 1993
Britton & Koontz Capital Corporation, Natchez, Mississippi	Natchez First Federal Savings Bank, Natchez, Mississippi	Britton & Koontz First National Bank, Natchez, Mississippi	June 10, 1993
Commerce Bancorp, Cherry Hill, New Jersey	Anchor Savings Bank, FSB, Hewlett, New York	Commerce Bank, N.A., Cherry Hill, New Jersey	June 9, 1993
First Citizens BancShares, Inc., Raleigh, North Carolina	Pioneer Savings Bank, Inc., Rocky Mount, North Carolina	First-Citizens Bank & Trust Company, Raleigh, North Carolina	June 1, 1993
First Staunton Bancshares, Inc., Staunton, Illinois	Benld Loan Association, Benld, Illinois	The First National Bank in Staunton, Staunton, Illinois	June 18, 1993

FDICIA Orders—Continued

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
First Union Corporation, Charlotte, North Carolina	Meritor Savings, F.A., Winter Haven, Florida	Dominion Bank, N.A., Roanoke, Virginia	May 21, 1993
First Union Corporation, Charlotte, North Carolina	Meritor Savings, F.A., Winter Haven, Florida	Dominion Bank of Maryland, N.A., Rockville, Maryland	May 21, 1993
irst Union Corporation, Charlotte, North Carolina	Meritor Savings, F.A., Winter Haven, Florida	Dominion Bank of Washington, N.A., Washington, D.C.	May 21, 1993
irst Union Corporation, Charlotte, North Carolina	Meritor Savings, F.A., Winter Haven, Florida	First Union National Bank of Florida, Jacksonville, Florida	May 21, 1993
ndependent Bank Corporation, Ionia, Michigan	Community First Bank, FSB, Lansing, Michigan	Independent Bank, Ionia, Michigan	June 22, 1993
ake Bancshares Corporation, Langley, Oklahoma	Cimarron Federal Savings Association, Muskogee, Oklahoma	Bank of the Lakes, Langley, Oklahoma	May 21, 1993
horeline Financial Corporation, Benton Harbor, Michigan	Standard Federal Bank, F.S.B., Troy, Michigan	Citizens Trust and Savings Bank, South Haven, Michigan Inter-City Bank, Benton Harbor, Michigan	May 24, 1993
outhern BancShares (N.C.), Inc., Mount Olive, North Carolina	Pioneer Savings Bank, Inc., Rocky Mount, North Carolina	Southern Bank and Trust Company, Mount Olive, North Carolina	June 3, 1993
outhTrust Corporation, Birmingham, Alabama outhTrust of Florida, Inc., Jacksonville, Florida	Federal Trust Bank, F.S.B., Winter Park, Florida	SouthTrust Bank of Jacksonville, N.A., Jacksonville, Florida	June 8, 1993
exas Bancshares, Inc., San Antonio, Texas	Alice Branch of First Federal Savings Bank, San Antonio, Texas	First National Bank of South Texas, Rio Grande City, Texas	May 25, 1993
United Carolina Bancshares Corporation, Whiteville, North Carolina	Home Federal Savings Bank of Eastern North Carolina, Greenville, North Carolina	United Carolina Bank, Whiteville, North Carolina	June 10, 1993

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Secretary of the Board

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

Section 3

Applicant(s)	Bank(s)	Effective Date
Trans Financial Bancorp, Inc., Bowling Green, Kentucky	Trans Kentucky Bancorp, Pikeville, Kentucky	June 4, 1993

Section 4

Applicant(s)	Nonbanking Activity/Company	Effective Date
Midland Capital Company, Oklahoma City, Oklahoma	Near Northwest Community Corporation, Oklahoma City, Oklahoma	June 11, 1993
Old National Bancorp, Evansville, Indiana	ONB Investment Services, Inc., Evansville, Indiana	June 23, 1993

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
215 Holding Co., Minneapolis, Minnesota	Southeast Bancorporation, Inc., Minneapolis, Minnesota	Minneapolis	June 21, 1993
Allendale Bancorp., Inc., Allendale, Illinois	The First National Bank of Allendale, Allendale, Illinois	St. Louis	June 16, 1993
AmSouth Bancorporation, Birmingham, Alabama	Mickler Corporation, Clearwater, Florida	Atlanta	June 2, 1993
A.N.B. Holding Company, Ltd., Terrell, Texas	The American National Bank of Terrell, Terrell, Texas	Dallas	June 9, 1993

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
The Banc Ed Corp., Edwardsville, Illinois	The Bank of Edwardsville, Edwardsville, Illinois	St. Louis	May 26, 1993
The Bank of New York Company, Inc., New York, New York	National Community Banks, Inc., West Paterson, New Jersey	New York	May 28, 1993
BancWest Bancorp, Inc., Austin, Texas	Kyle State Bank, Kyle, Texas	Dallas	June 9, 1993
Big Bend Bancshares Corp., Presidio, Texas Rio Bancshares Corporation, Wilmington, Delaware	The Marfa National Bank, Marfa, Texas	Dallas	June 2, 1993
Birthright, Inc., Wilmington, Delaware	First Tuskegee Bank, Tuskegee, Alabama	Atlanta	June 18, 1993
Boatmen's Bancshares, Inc., St. Louis, Missouri	FCB Bancshares, Inc., Merriam, Kansas	St. Louis	June 14, 1993
Centura Banks, Inc., Rocky Mount, North Carolina	Interim Bank, Granite Falls, North Carolina	Richmond	June 4, 1993
Chico Bancorp, Inc., Chico, Texas	The First State Bank of Chico, Chico, Texas	Dallas	June 22, 1993
Citizens Bancshares of El Reno, Inc., El Reno, Oklahoma	Citizens National Bank & Trust Co. of El Reno, El Reno, Oklahoma	Kansas City	June 1, 1993
C.S.B. Bancshares, Inc., Somerville, Texas	Citizens State Bank, Somerville, Texas	Dallas	May 27, 1993
The Donley County State Bank Holding Company, Clarendon, Texas	The Donley County State Bank, Clarendon, Texas	Dallas	May 24, 1993
The Estes Park Bank Restated Employees Stock Ownership 401(k) Plan and Retirement Trust, Estes Park, Colorado	Estes Bank Corporation, Estes Park, Colorado	Kansas City	May 26, 1993
Fairfield Bancshares, Inc., Fairfield, Illinois	Fairfield National Bank, Fairfield, Illinois	St. Louis	June 3, 1993
First Bancorporation, Inc., Sparta, Wisconsin	First Bank of Sparta, Sparta, Wisconsin	Chicago	June 9, 1993
First National Beatrice Corporation Employee Stock Ownership Plan, Beatrice, Nebraska	First National Beatrice Corporation, Beatrice, Nebraska	Kansas City	June 1, 1993
First Trust Financial Corporation, Clinton, Kentucky	First National Bank of Clinton, Clinton, Kentucky	St. Louis	May 18, 1993

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
First Virginia Banks, Inc., Falls Church, Virginia	United Southern Bank of Morristown, Morristown, Tennessee	Richmond	June 24, 1993
F & M National Corporation, Winchester, Virginia	First National Bankshares, Inc., Emporia, Virginia	Richmond	June 22, 1993
FNS, Inc., Schuyler, Nebraska	Howells Investment Company, Howells, Nebraska	Kansas City	May 27, 1993
Gulf Coast Bank Holding Company, Inc., New Orleans, Louisiana	Gulf Coast Bank and Trust Company, New Orleans, Louisiana	Atlanta	June 8, 1993
Hollandale Capital Corporation, Hollandale, Mississippi	Bank of Hollandale, Hollandale, Mississippi	St. Louis	June 16, 1993
Liberty Bancorp, Inc., Oklahoma City, Oklahoma	Interstate Financial Corporation, Edmond, Oklahoma	Kansas City	May 25, 1993
MCB Financial Corporation, San Rafael, California	Marin Community Bank, N.A., San Rafael, California	San Francisco	June 2, 1993
1 & F Bancshares, Inc.,Weatherford, Texas1 & F Financial Corporation,Wilmington, Delaware	Texas Bank, Grapevine, Texas	Dallas	June 11, 1993
Mountain Bancshares, Inc., Newport, Minnesota	Eagle Agency, Inc., Golden Valley, Minnesota	Kansas City	June 15, 1993
NETEX Bancorporation, Pittsburg, Texas	First State Bank, Pittsburg, Texas	Dallas	May 21, 1993
Oostburg Bancorp, Inc., Oostburg, Wisconsin	Oostburg State Bank, Oostburg, Wisconsin	Chicago	June 23, 1993
Orchard Valley Financial Corporation, Englewood, Colorado	MegaBank Financial Corporation, Englewood, Colorado	Kansas City	June 8, 1993
eoples Financial Corporation, Colfax, Illinois	Peoples State Bank of Colfax, Colfax, Illinois	Chicago	May 28, 1993
Pinnacle Bancorp, Inc., Central City, Nebraska	Centennial Bancorporation, Inc., Thermopolis, Wyoming	Kansas City	May 28, 1993

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Pinnacle Bancorp, Inc., Central City, Nebraska	Colorado National Bank Grand Junction, Grand Junction, Colorado Colorado National Bank Glenwood, Glenwood Springs,	Kansas City	June 2, 1993
	Colorado		
Quad City Holdings, Inc., Bettendorf, Iowa	Quad City Bank and Trust Company, Bettendorf, Iowa	Chicago	May 25, 1993
Republic Bancshares, Inc., Duluth, Minnesota	Republic Bank, Inc., Duluth, Minnesota	Minneapolis	June 11, 1993
River Forest Bancorp, Inc., Chicago, Illinois	Belmont National Bank, Chicago, Illinois	Chicago	May 28, 1993
Southwest Bancshares, Inc., Jonesboro, Arkansas	Cherry Valley Bancshares, Inc., Wynne, Arkansas	St. Louis	June 16, 1993
Suburban Bancorp, Inc., Palatine, Illinois	Huntley Bancshares, Inc., Huntley, Illinois	Chicago	May 28, 1993
Twin River Financial Corporation, Lewiston, Idaho	Twin River National Bank, Lewiston, Idaho	San Francisco	May 24, 1993

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Algemene Maatschappij voor Nijverheidskrediet N.V., Antwerp, Belgium	Kredietbank Global Management, L.P., Brussels, Belgium	New York	May 24, 1993
Kredietbank, N.V., Brussels, Belgium	Darien Asset Management, Inc., Stamford, Connecticut		
Britton & Koontz Capital Corporation, Natchez, Mississippi	Natchez First Federal Savings Bank, Natchez, Mississippi	Atlanta	June 10, 1993
The Long-Term Credit Bank of Japan, Ltd., Tokyo, Japan	Franchise Mortgage Acceptance Corporation, La Habra, California Franchise Mortgage Acceptance Corporation, L.P., La Habra, California	New York	June 21, 1993

Section 4—Continued

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Norwest Corporation, Minneapolis, Minnesota	Citicorp Investment Services, Long Island City, New York	Minneapolis	June 18, 1993
Washington Investment Company, Otis, Colorado	First National Bank of Akron, Akron, Colorado First National Bank of Yuma, Yuma, Colorado Wray State Bancorporation, Wray, Colorado	Kansas City	June 14, 1993
West Coast Bancorp, Inc., Cape Coral, Florida	to engage de novo in making, acquiring, or servicing loans or other extensions of credit	Atlanta	June 17, 1993

Sections 3 and 4

Applicant(s)	Nonbanking	Reserve	Effective
	Activity/Company	Bank	Date
FMSB Bancorp, Neola, Iowa	Farmers and Merchants State Bank, Neola, Iowa Hall Insurance Agency, Neola, Iowa	Chicago	June 16, 1993

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
Bank of Montana, Great Falls, Montana	Montana Bank, Billings, Montana	Minneapolis	June 18, 1993
Meridian Bank, Reading, Pennsylvania	The First National Bank of Pike County, Milford, Pennsylvania	Philadelphia	May 25, 1993

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.

Ezell v. Federal Reserve Board, No. 93-0361 (D. D.C., filed February 19, 1993). Action seeking damages for personal injuries arising from motor vehicle collision.

Amann v. Prudential Home Mortgage Co., et al., No. 93-10320 WD (D. Massachusetts, filed February 12, 1993). Action for fraud and breach of contract arising out of a home mortgage. On April 17, 1993, the Board filed a motion to dismiss.

Adams v. Greenspan, No. 93-0167 (D. D.C., filed January 27, 1993). Action by former employee under the Civil Rights Act of 1964 and the Rehabilitation Act of 1973 concerning termination of employment.

Sisti v. Board of Governors, No. 93-0033 (D. D.C., filed January 6, 1993). Challenge to Board staff interpretation with respect to margin accounts. The Board's motion to dismiss was granted on May 13, 1993. On June 3, 1993, the petitioner filed a notice of

U.S. Check v. Board of Governors, No. 92-2892 (D. D.C., filed December 30, 1992). Challenge to partial denial of request for information under the Freedom of Information Act.

CBC, Inc. v. Board of Governors, No. 92-9572 (10th Cir., filed December 2, 1992). Petition for review of civil money penalty assessment against a bank holding company and three of its officers and directors for failure to comply with reporting requirements. The Board's brief was filed on March 19, 1993.

DLG Financial Corporation v. Board of Governors, No. 392 Civ. 2086-G (N.D. Texas, filed October 9, 1992). Action to enjoin the Board and the Federal Reserve Bank of Dallas from taking certain enforcement actions, and seeking money damages on a variety of tort and contract theories. On October 9, 1992, the court denied plaintiffs' motion for a temporary restraining order. On March 30, 1993, the court granted the Board's motion to dismiss as to it, and also dismissed certain claims against the Reserve Bank. On April 29, the plaintiffs filed an amended complaint. The Board's motion to dismiss the amended complaint was filed on May 17.

Zemel v. Board of Governors, No. 92-1056 (D. D.C., filed May 4, 1992). Age Discrimination in Employment Act case. The parties' cross-motions for summary judgment are pending.

State of Idaho, Department of Finance v. Board of Governors, No. 92-70107 (9th Cir., filed February 24, 1992). Petition for review of Board order returning without action a bank holding company application to relocate its subsidiary bank from Washington to Idaho. On June 4, 1993, the Court of Appeals denied the petition for review.

In re Subpoena Served on the Board of Governors, Nos. 91-5427, 91-5428 (D.C. Cir., filed December 27, 1991). Appeal of order of district court, dated December 3, 1991, requiring the Board and the Office of the Comptroller of the Currency to produce confidential examination material to a private litigant. On June 26, 1992, the court of appeals affirmed the district court order in part, but held that the bank examination privilege was not waived by the agencies' provision of examination materials to the examined institution, and remanded for further consideration of the privilege issue. On August 6, 1992, the district court ordered the matter held in abeyance pending settlement of the underlying action.

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

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

FINAL ENFORCEMENT DECISION ISSUED BY THE BOARD OF GOVERNORS

On Certification of the Department of the Treasury—Office of the Comptroller of the Currency

In the Matter of a Notice to Prohibit Further Participation Against

John S. Knoerzer, Former Chief Executive Officer and Director Texas National Bank-Dallas, Dallas, Texas (Failed)

OCC No. AA-EC-91-166

Final Decision

This is an administrative proceeding pursuant to the Federal Deposit Insurance Act ("FDI Act") in which the Office of Comptroller of the Currency of the United States of America ("OCC") seeks to prohibit the Respondent, John S. Knoerzer, from further participation in the affairs of any financial institution as a result of his conduct as chief executive officer and director of Texas National Bank-Dallas, Dallas, Texas (Failed) (the "Bank"). The proceeding comes to the Board of Governors of the Federal Reserve System (the "Board") in the form of a Recommended Decision by Administrative Law Judge ("ALJ") Walter J. Alprin recommending that the Board issue an Order of Prohibition against Knoerzer by default pursuant to the provisions of 12 U.S.C. § 1818(e) and 12 C.F.R. 19.19(c).

Upon review of the administrative record, the Board issues this Final Decision adopting the ALJ's Recommended Decision and orders that the attached Order of Prohibition issue against Knoerzer.

I. Statement of the Case

A. Procedural History

On September 10, 1991, the OCC issued a Notice of Intention to Prohibit Further Participation (the "Notice") against Knoerzer pursuant to the provisions of 12 U.S.C. § 1818(e)(1), based on allegations that Knoerzer had engaged in misconduct during his tenure as chief executive officer and director of the Bank, which had failed on December 15, 1988. The OCC charged that Knoerzer caused, authorized, or ratified loans by the Bank to interrelated individuals and business entities in violation of the Bank's lending limit that resulted in a loss to the Bank of over \$1.6 million. The OCC alleged that this conduct violated laws and regulations applicable to national banks and constituted unsafe and unsound banking practices and breaches of Knoerzer's fiduciary duty. The OCC also alleged that the conduct caused substantial financial loss or other damage to the Bank, seriously prejudiced the interests of the Bank's depositors, and evidenced Knoerzer's personal dishonesty or a willful or continuing disregard for the Bank's safety or soundness. The Notice required that Knoerzer file an answer to the charges within 20 days of service of the Notice.

After a delay resulting from difficulty in locating Knoerzer, the OCC served the Notice by hand upon Knoerzer on June 23, 1992. Under the Uniform Rules

of Practice and Procedure ("Uniform Rules")² applicable to this proceeding, Knoerzer's answer was due to be filed on July 13, 1992, 20 days following the June 23, 1992 service upon Knoerzer. 12 C.F.R. 19.12(c)(1). The record contains a certificate from OCC Docket Clerk Lisa Chase, dated August 24, 1992, certifying that the OCC had received no answer to the Notice.

On August 28, 1992, OCC Enforcement Counsel filed with the ALJ a motion for entry of an order of default pursuant to the Uniform Rules, which provide that a failure to file an answer constitutes a waiver of a respondent's right to appear and contest the allegations in the notice. 12 C.F.R. 19.19(c). The motion indicated that Knoerzer had sent a letter to the OCC indicating his willingness to consent to an Order of Prohibition and that he had not filed an answer to the Notice of Prohibition. Knoerzer did not file any opposition to the motion for default.

On September 21, 1992, the ALJ granted the OCC's motion for default, finding that the Notice had been duly served upon Knoerzer, that Knoerzer had never filed an answer, and that no good cause had been shown for Knoerzer's failure to file a timely answer. Accordingly, ALJ Alprin issued a Recommended Decision recommending that the Board issue an Order of Prohibition against Knoerzer pursuant to the Uniform Rules provision for default upon failure to file an answer.

The Recommended Decision on Default was referred to the Board for final decision on March 10, 1993. Knoerzer has filed no exceptions to the Recommended Decision. On March 31, 1993, the Secretary to the Board notified the interested persons of record that the case had been submitted to the Board for final decision. A signed certified mail receipt returned to the Board indicates that Knoerzer received the notification on April 6, 1993.

B. Statutory Framework

The FDI Act sets forth the basis upon which a federal banking agency may issue against a bank official an order of removal from office or prohibition from further participation in banking. In order to issue such an order pursuant to section 1818(e)(1), the Board must make each of three findings:

^{1.} The record contains an affidavit from a private process server attesting to hand delivery of the Notice to Knoerzer on July 23, 1992.

^{2.} The Uniform Rules, adopted concurrently by each of the financial institution regulatory agencies, including the Board and the OCC, constitute a materially identical set of procedural rules that control most aspects of those agencies' enforcement proceedings. *Compure* 12 C.F.R. Part 19, Subpart A (OCC) with 12 C.F.R. Part 263, Subpart A (Board).

- (1) There must be a specified type of misconduct - violation of law, unsound practice, or breach of fiduciary duty;
- (2) The misconduct must have a prescribed effect - financial gain to the respondent or financial harm or other damage to the institution; and
- (3) The misconduct must involve culpability of a certain degree -- personal dishonesty or willful or continuing disregard for the safety or soundness of the institution. 12 U.S.C. § 1818(e)(1). In prohibition cases brought by the OCC with respect to a party affiliated with a national bank, the findings and conclusions of the ALJ are certified to the Board to determine whether any order shall issue. 12 U.S.C. 1818(e)(4).

The Uniform Rules provide that, following the issuance of a notice of intention to prohibit an institutionaffiliated party, a Respondent's failure to file an answer within the time provided constitutes a waiver of his or her right to appear and to contest the allegations in the notice. 12 C.F.R. 19.19(c). If no timely answer is filed, Enforcement Counsel is authorized to file a motion for entry of an order of default. Id. Upon a finding that no good cause has been shown for the failure to file a timely answer, the ALJ is directed to file a recommended decision containing the findings and relief sought by the agency. Id.

II. Discussion

In the circumstances of this case, it is clear that the OCC has established the basis for a default order of prohibition under the terms of the Uniform Rules. The fact that Knoerzer was duly served with notice of the proceeding and of his obligation to answer is supported by the notarized affidavit of the process server. Knoerzer has had repeated opportunities to respond to the charges and there is no basis for any inference that Knoerzer's default is the result of any mischance or inadvertence. The ALJ acted reasonably and in accordance with the Uniform Rules in finding that no good cause existed for relieving Knoerzer from the consequences of his failure to submit an answer to the Notice.

Conclusion

For these reasons, the Board orders that the attached Order of Prohibition issue.

Order of Removal and Prohibition

WHEREAS, pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended, (the "Act") (12 U.S.C. § 1818(e)), the Board of Governors of the Federal Reserve System ("the Board") is of the opinion, for the reasons set forth in the accompanying Final Decision, that a final Order of Removal and Prohibition should issue against JOHN S. KNO-ERZER,

NOW, THEREFORE, IT IS HEREBY OR-DERED, pursuant to sections 8(b)(3), 8(e), and 8(j) of the Act, (12 U.S.C. § 1818(b)(3), 1818(e) and 1818(j)), that:

- 1. JOHN S. KNOERZER is removed from all offices he holds with any insured depository institution or bank holding company;
- 2. In the absence of prior written approval by the Board, and by any other Federal financial institution regulatory agency where necessary pursuant to section 8(e)(7)(B) of the Act (12 U.S.C. § 1818(e)(7)(B)), JOHN S. KNOERZER is hereby prohibited:
 - (a) From participating in the conduct of the affairs of any bank holding company, any insured depository institution or any other institution specified in subsection 8(e)(7)(A) of the Act (12 U.S.C. § 1818(e)(7)(A));
 - (b) From soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in subsection 8(e)(7)(A) of the Act (12) U.S.C. \$ 1818(e)(7)(A));
 - (c) From violating any voting agreement previously approved by the appropriate Federal banking agency; or
 - (d) From voting for a director, or from serving or acting as an institution-affiliated party as defined in section 3(u) of the Act, (12 U.S.C. § 1813(u)), such as an officer, director, or employee.
- 3. This Order, and each provision hereof, is and shall remain fully effective and enforceable until expressly stayed, modified, terminated or suspended in writing by the Board.

This Order shall become effective upon the expiration of thirty days after service is made.

By order of the Board of Governors, this 20th day of April, 1993.

> Board of Governors of the Federal Reserve System

> > WILLIAM W. WILES Secretary of the Board

On Certification of the Department of the Treasury—Office of the Comptroller of the Currency

In the Matter of a Notice to Prohibit Further Participation Against

Michael A. O'Connell, Former President and Director, Metropolitan National Bank, N.A. McAllen, Texas Respondent.

OCC No. AA-EC-92-22

Final Decision

This is an administrative proceeding pursuant to section 8(e) of the Federal Deposit Insurance Act ("FDI Act"), 12 U.S.C. § 1818(e), in which the Office of the Comptroller of the Currency of the United States of America ("OCC") seeks to prohibit Michael A. O'Connell from further participation in the affairs of any federally-supervised financial institution as a result of his conduct during his former affiliation as president and director of Metropolitan National Bank, N.A., McAllen, Texas (the "Bank"). As required by statute, the OCC has referred the action to the Board of Governors of the Federal Reserve System ("Board") for final decision.

The proceeding comes before the Board in the form of a Recommended Decision by Administrative Law Judge ("ALJ") Walter J. Alprin, issued following an administrative hearing held on September 29–30, 1992, in Corpus Christi, Texas, and the filing of post-hearing briefs by the parties. In the Recommended Decision, the ALJ found that as President of the Bank, O'Connell had, without authority, pledged a security belonging to a Bank customer as collateral for a margin account through which O'Connell engaged in unauthorized active trading of United States Treasury bonds that resulted in a \$219,000 loss to the Bank.

O'Connell has submitted exceptions to the Recommended Decision that are confined exclusively to objections to evidentiary rulings made by the ALJ during the course of the hearing. O'Connell requests that the Board decline the ALJ's recommendations and order a new hearing. Based on a review of the record and the arguments raised by O'Connell, the Board rejects these exceptions, finding in each case that the ALJ acted reasonably within the scope of his authority over the conduct of the hearing.¹

Accordingly, the Board hereby makes its Final Decision, and adopts the ALJ's Recommended Decision, Recommended Findings of Fact and Recommended Conclusions of Law together with the reasoning and citations contained therein, except as specifically supplemented or modified herein.² The Board therefore orders that the attached Order of Prohibition issue against Respondent prohibiting him from future participation in the affairs of any federally-supervised financial institution without the approval of the appropriate supervisory agency.

I. Statement of the Case

A. Standards for Prohibition Order

Under the FDI Act, the ALJ is responsible for conducting an administrative hearing on a notice of intention to prohibit participation. 12 U.S.C. § 18(e)(4). Following the hearing, the ALJ issues a recommended decision that is referred to the Board. The parties may then file with the Board exceptions to the ALJ's recommendations. The Board makes the final findings of fact, conclusions of law, and determination whether to issue an order of prohibition. *Id.*; 12 C.F.R. 263.40.

The FDI Act sets forth the substantive basis upon which a federal banking agency may issue against a bank official an order of prohibition from further participation in banking. In order to issue such an order pursuant to section 1818(e)(1), the Board must make each of three findings:

- (1) There must be a specified type of misconduct violation of law, unsafe or unsound practice, or breach of fiduciary duty;
- (2) The misconduct must have a prescribed effect — financial gain to the respondent or substantial financial harm or other damage to the institution; and
- (3) The misconduct must involve culpability of a certain degree personal dishonesty or willful or continuing disregard for the safety or soundness of the institution.

B. Relevant Individuals and Business Entities

At all times relevant to this proceeding, the Bank was a national banking association, chartered and examined by the OCC. The Bank was declared insolvent on October 19, 1990.

^{1.} Without stating any reasons, O'Connell has requested the opportunity to present oral argument before the Board with respect to his exceptions. Because the legal and factual issues have been fully and

adequately explained in the written submissions, the Board denies the request for oral argument, See 12 C.F.R. 263.40.

^{2.} The Board also adopts the technical correction submitted by the OCC in the form of an exception, as discussed below.

At all times relevant to this proceeding, Respondent O'Connell was President and a director of the Bank, and therefore an "institution-affiliated party" under the terms of the FDI Act subject to the OCC's supervisory authority. O'Connell resigned as president and director of the Bank on October 9, 1990.

Ernesto Ayala was the Finance Director of the City of Pharr, Texas, and represented Pharr in all respects in the events relevant to this case. Wayne and Joseph Moran were broker/dealers employed in Austin, Texas, by Spelman & Co., Inc., a brokerage firm headquartered in San Diego, California.

II. Findings and Conclusions

Upon review of the record of this proceeding, the Board hereby adopts such of the ALJ's recommended decision, findings, and conclusions as are not specifically modified herein as the findings and conclusions of the Board, and incorporates by reference the ALJ's reasoning and citations to the record.

A. Findings

On November 14, 1989, the Bank entered into a Depository contract with the city of Pharr, Texas, whereby the Bank would provide depository and funds management services to Pharr. In April 1990, O'Connell caused a meeting to be held at the Bank including O'Connell, Ernesto Ayala (Pharr's Finance Director) and Wayne and Joseph Moran, the Spelman & Co. stock brokers from Austin, Texas.3 O'Connell called the meeting to discuss the extension of Pharr's bank account into a "margin account" with Spelman, which would increase the capital available for trading by borrowing from the broker amounts secured by Pharr's collateral. No decision as to the margin account was reached at the meeting.

The ALJ found that, after the meeting, O'Connell contacted Wayne Moran, stated that the Bank was interested in opening a margin trading account, represented that the Bank was Pharr's agent, and represented that O'Connell had the authority to engage in actively trading in the market for United States thirtyyear bonds on a day trade basis. O'Connell further represented that the Bank would guarantee Pharr a 9 percent return from the trading program, with the Bank taking all profits over 9 percent and also assuming all the trading risks.

The margin trading account styled "Metropolitan National Bank, Agent for Pharr", was opened by O'Connell on April 30, 1990.4 On that day, the Bank wire-transferred \$400,000 from Pharr's account to the clearing agent, which was used to purchase for Pharr a United States Treasury Note with a yield of 8.7 percent to maturity of \$435,000 on May 15, 1991. The purchase price of the Note was \$398,156. The Note and the excess funds of \$1,844 remained in the margin account. The ALJ found that O'Connell directed that Pharr's note be used as the collateral required by the terms of the margin account. In order to open the account, O'Connell executed a Corporate Authorization to Trade form specifying that the Bank's board of directors had conferred upon him specific authorization to conduct a number of activities with respect to the account. O'Connell also executed a Customer/ Margin Agreement agreeing to maintain collateral in the margin trading account against which the account could be charged to satisfy any monthly debit/loss balance. The Agreement also provided that BCC, the clearing agent, would hold a lien on certain Bank property for the purpose of discharging all indebtedness on the margin trading account and authorized BCC to sell all securities or property in the margin account without prior notice, and that O'Connell and/or the Bank was liable for the payment of any debt balance in the margin trading account.

The ALJ found that O'Connell was not authorized by the Bank's board of directors or by the Pharr Depository Contract to open the margin account and to engage in such trading. The ALJ found that the Depository Contract between the Bank and Pharr did not grant the Bank or O'Connell the authority to participate in a trading program on behalf of or as agent for Pharr. Furthermore, the trading in the margin account exceeded the scope of the board of directors' authorization for O'Connell to engage in general trading activities. The ALJ found that the high-risk, speculative margin account was a departure from the Bank's normal practice of investing only in long-term high-quality securities and that it was unsafe and unsound for a bank of approximately \$400,000 in primary capital to maintain a trading account. The Bank's records, including its quarterly Call Reports, do not indicate the existence of any trading activity on behalf of the Bank.

When O'Connell failed to submit documentation supporting his representation that he was an agent for Pharr and that he was authorized by the Bank to open

^{3.} The Board adopts the OCC's exception noting that, contrary to the Recommended Decision, Bank outside director Dr. Casso was not present at this meeting.

^{4.} Three numbered and associated accounts were opened, one of which, Number 23D-11052, served as an interest-bearing account into which profits (or losses) from margin account 23D-11075 would be transferred on a daily basis. The accounts were established with Broadcort Capital Corporation ("BCC") a wholly owned subsidiary of Merrill Lynch & Co. that provided security clearing services for Spelman.

the account, Spelman became concerned as to whether Pharr was aware of O'Connell's trading activities. Spelman's compliance officer directed that documentation be obtained from O'Connell to clarify the ownership of the account. On June 18, 1990, Wayne Moran met with O'Connell to have O'Connell re-execute the Corporate Authorization to Trade form and the Customer/Margin Agreement. O'Connell represented to Moran that he had been authorized by the board of directors to execute the forms by the unanimous vote of the Bank's board of directors at a meeting on April 17, 1990. The ALJ found that the corporate resolution passed by the Board of Directors on April 17, 1990, did not authorize O'Connell to establish a trading account, but only authorized O'Connell to transact for funds on accounts held at other banks.

Pursuant to Spelman's direction, the Customer/Margin agreement was modified to reflect a change in name from "Metropolitan National Bank, Agent for the City of Pharr" to "Metropolitan National Bank (2)". The ALJ found that O'Connell later admitted to the Bank's board of directors that the reason for the change of name on the margin account was to avoid having to disclose the trading activities to Pharr. The re-executed Customer/Margin Agreement was backdated to show a date of April 27, 1990.

From on or about May 11, 1990 until approximately September 19, 1990 over 200 day trades involving the buying and selling of U.S. Treasury Bonds were made in the trading accounts using the margin supported by the Pharr note. The ALJ found that O'Connell specifically authorized day trading on margin by giving orders to Wayne Moran, and that all trades were made with O'Connell's express authority and at his instructions. Respondent agreed to the transfer of all profits or losses to an associated interest-bearing account each day.

The ALJ found that O'Connell was notified on a regular basis concerning the losses in the margin trading account. On May 25, 1990, O'Connell had a conversation with Wayne Moran regarding losses in the margin trading account of approximately \$35,469. O'Connell wanted to continue trading. On May 31, 1990, O'Connell reasserted to Wayne Moran that he was not overly concerned with the loss in the trading account. On June 6, 1990, Wayne Moran notified O'Connell that there was a loss in the margin trading account of \$76,438. O'Connell wanted to continue to trade to recoup the loss in the account, indicating that he was negotiating with potential purchasers for the Bank. On July 24, 1990, O'Connell stated that he was becoming more concerned about the loss in the account, that he thought he could still recover the loss, and that he intended to keep trading until he recovered the loss.

Pursuant to O'Connell's instruction, the Note was sold for \$408,694 on August 1, 1990 to cover losses in

the margin trading account. The proceeds from the sale of the Note were used to offset the loss in the margin account and the remainder of the proceeds were transferred to the interest-bearing account. On August 30, 1990, O'Connell stated that he had to recover the entire loss in the trading accounts before the new owners assumed control of the Bank. The total losses associated with the trading accounts were about \$219,109.

On September 21, 1990, O'Connell disclosed to the Bank's board of directors that he had traded in the bond market and had pledged Pharr's note as collateral. The ALJ found that prior to O'Connell's disclosure, the board of directors had no knowledge of the trading activities and that O'Connell admitted his activities because increasing losses in the trading account had reached the point where there was no hope of recouping the losses. On September 24, 1990, the Bank's board of directors suspended O'Connell, notified Spelman to cease all future trading activities, and notified the OCC. The Bank compensated Pharr for the trading loss, paying Pharr \$435,000, the value of the Note at maturity.

As a result of the loss attributable to O'Connell's trading activities, potential buyers of the Bank chose not to infuse the Bank with \$1 million in capital, and the Bank was not sold. The ALJ found that the \$219,000 in losses caused the Bank's subsequent insolvency.

III. Conclusions

The ALJ reasonably rejected as irrelevant O'Connell's arguments that brokers Wayne and Joe Moran were not credible, and that the brokers had overcharged O'Connell on the trades. The ALJ noted that O'Connell had conceded that, with knowledge of increasing losses, he had continued to trade in the margin account for months without authority, even after the Pharr note had been sold to satisfy losses. The ALJ also noted that O'Connell did not testify, and did not deny any of the relevant testimony. The ALJ therefore reasonably found that the OCC had supported its charges by a preponderance of the relevant credible evidence.

A. Misconduct

Upon these facts, The ALJ found that O'Connell's actions constituted both unsafe and unsound practices and breaches of O'Connell's fiduciary duty. With neither authority nor express permission, O'Connell caused the Note owned by Pharr, a Bank customer, to be pledged as collateral for the margin trading account. O'Connell also executed all the forms necessary to

open a margin trading account and actively engaged in an unauthorized scheme of trading which involved more than 200 trades of 30-year United States Treasury bonds. O'Connell initiated, controlled and directed each trade, each of which was evidenced by both a confirmation slip and monthly account statement which were delivered to O'Connell at the Bank. The ALJ found that O'Connell repeatedly misrepresented his authority to the Spelman brokers, misleading them to believe that he was authorized to act as agent for Pharr and to trade on behalf of the Bank. O'Connell also directed the sale of the note to satisfy the outstanding amount of the loss in the margin trading account. The ALJ reasonably found this misconduct to satisfy the applicable standards for an unsafe or unsound banking practice,5 and for breach of fiduciary duty.

B. Effects

The ALJ also found that O'Connell's misconduct satisfied the Effects tier of elements necessary for a prohibition in that the Bank lost over \$219,000 as a result of the trading losses incurred by O'Connell and reimbursed to Pharr by the Bank. Furthermore, the ALJ found that the losses caused the Bank to lose a potential investment of \$1 million in capital that investors had proposed to infuse into the Bank. Accordingly, O'Connell's misconduct was a contributing factor to the insolvency of the Bank.6

C. Culpability

The ALJ also reasonably found that O'Connell's misconduct satisfied the Culpability tier of elements for a prohibition order in that it evidenced personal dishonesty as well as a willful and continuing disregard for the Bank's safety and soundness.

The ALJ found that O'Connell's conduct in conducting active trading using the security of a bank customer without obtaining the authority of either the bank customer or the Bank, together with O'Connell's misrepresentations of his authority to the brokers constituted personal dishonesty. The ALJ found that conclusion supported by O'Connell's knowledge that Pharr did not wish to authorize active trading or trading on margin and that he knew of the Bank's delicate condition and of the impending sale of the Bank. Furthermore, the ALJ noted that O'Connell admitted to the board of directors that his reason for changing the name on the account was to avoid disclosing his unauthorized trading to Pharr.

The ALJ found that, for the same reasons that the conduct evidenced personal dishonesty, it also satisfied the remaining culpability standards of willful and continuing disregard for safety or soundness in that O'Connell's conduct was willful and in that he continued to engage in the conduct over a period of several months.

D. O'Connell's Exceptions

The only exceptions filed by O'Connell relate entirely to the ALJ's evidentiary rulings. Since O'Connell did not testify, and called only one person as an adverse witness, he relied almost entirely upon cross-examination. O'Connell objects that the ALJ was unduly restrictive in the scope of the questioning permitted to O'Connell's counsel. He lists 11 instances where he submits that the ALJ erred, and requests a new hearing.

The Administrative Procedure Act ("APA") that generally governs formal agency adjudications specifies that presiding officials may "rule on offers of proof and receive relevant evidence", as well as "regulate the course of the hearing." 5 U.S.C. § 556(c)(3), (5). The APA also specifies that "the agency as a matter of policy shall provide for the exclusion of irrelevant, immaterial or unduly repetitious evidence." 5 U.S.C. § 556(d).

This statutory authority is mirrored in the OCC's Rules of Practice and Procedure applicable to adjudicatory proceedings required to be conducted on the record. The ALJ is generally vested with "all powers necessary to conduct a proceeding in a fair and impartial manner and to avoid unnecessary delay." 12 C.F.R. 19.5(a). More specifically, the ALJ is vested with the power "to consider and rule upon all procedural and other motions [other than granting a motion to dismiss] appropriate in an adjudicatory proceeding. 12 C.F.R. 19.5(b)(7). The evidentiary standards permit the admission of all evidence that is relevant, material, reliable, and not unduly repetitive. 12 C.F.R. 19.36(a)(1),(c).

O'Connell first complains that his counsel was not permitted to elicit character and reputation evidence concerning O'Connell during his cross-examination of a Bank director. A review of the record demonstrates that the ALJ acted reasonably and within his authority in permitting limited questioning as to O'Connell's reputation as to the culpability elements at issue, but

^{5.} An "unsafe or unsound banking practice" has been defined as a practice "deemed contrary to accepted standards of banking operation which might result in abnormal risk or loss to a banking institution or shareholder.' First Nat'l Bank of Eden v. Comptroller of the Currency, 568 F.2d 610 (8th Cir. 1978).

^{6.} The ALJ also found that O'Connell received a financial gain from his misconduct in that he never reimbursed the Bank for the \$219,000 in trading losses the Bank had restored to Pharr. The ALJ noted that there is no indication that O'Connell would have claimed any profits that might have resulted from the trading as personal income. The Board declines to reach the question of O'Connell's financial gain in light of the conclusion that the alternative effects element of loss to the Bank has been satisfied.

in restricting the scope of questioning as to general questions of character as irrelevant.

The bulk of O'Connell's exceptions relate to instances where the ALJ restricted the scope of cross-examination by O'Connell's counsel to matters elicited on direct examination. The ALJ generally explained each such ruling as a relevance determination. In a number of instances, O'Connell joins these exceptions with objections to the ALJ's rulings forbidding O'Connell's counsel from questioning witnesses as to documents that did not appear on O'Connell's list of proposed exhibits.

The OCC's Rules of Practice and Procedure do not directly address the scope of cross-examination. The Rules provide generally that "Hearings shall be conducted so as to provide a fair and expeditious presentation of the relevant disputed issues. Each party has the right to present its case or defense by oral and documentary evidence and to conduct such crossexamination as may be required for full disclosure of the facts." 12 C.F.R. 19.35; see 5 U.S.C. § 556(d). Accordingly, the right to conduct cross-examination is generally qualified by the limitation of testimony to the relevant disputed issues, as determined by the ALJ.8 A party seeking cross-examination in an administrative hearing bears the burden of showing that crossexamination is in fact necessary, a decision committed to the discretion of the presiding officer. Seacoast Anti-Pollution League v. Costle, 572 F.2d 872, 880 n.16 (1st Cir.) cert. denied, 439 U.S. 824 (1978). A partial or complete rehearing on the basis of improperly excluded evidence will generally be provided only where the exclusion is so prejudicial as to result in an unfair hearing. See Jacob Stein, Glenn Mitchell and Basil Mezines, Administrative Law (1993) § 30.03.

The Board's review of each instance where the ALJ restricted the scope of cross-examination demonstrates that in each case the ALJ made reasonable relevance determinations after permitting O'Connell's counsel to explain what he hoped to elicit from a line of questioning. The ALJ reasonably concluded that O'Connell's attempt to establish wrongdoing by the

The same relevance issues prevent O'Connell from demonstrating any prejudice resulting from the ALJ's restriction on the use of documents not identified on O'Connell's pre-hearing exhibit list. Here, the ALJ acted in accord with the authority provided by Rule of Practice and Procedure 19.32(b), which specifies that "No witness may testify and no exhibits may be introduced at the hearing if such witness or exhibit is not listed in the prehearing submissions . . . , except for good cause shown." 12 C.F.R. 19.32(b). The ALJ did not apply the rule inflexibly, finding in at least one instance that such good cause had been shown where a document would not "expand the scope" of the proceeding. Transcript 386–87.

Accordingly, O'Connell has not demonstrated that he has suffered prejudice from the ALJ's evidentiary rulings rendering the proceeding unfair, and the Board denies O'Connell's exceptions and request for a new hearing.

Conclusion

For the foregoing reasons, the Board orders that the attached Order issue.

Order of Prohibition

WHEREAS, pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended, (the "Act")(12 U.S.C. 1818(e)), the Board of Governors of the Federal Reserve System ("the Board") is of the opinion, for the reasons set forth in the accompanying Final Decision, that a final Order of Prohibition should issue against MICHAEL A. O'CONNELL,

NOW, THEREFORE, IT IS HEREBY OR-DERED, pursuant to sections 8(e), and 8(j) of the Act, (12 U.S.C. §§ 1818(e) and 1818(j)), that:

- 1. In the absence of prior written approval by the Board, and by any other Federal financial institution regulatory agency where necessary pursuant to section 8(e)(7)(B) of the Act (12 U.S.C. § 1818(e)(7)(B)), MICHAEL A. O'CONNELL is hereby prohibited:
 - (a) From participating in the conduct of the affairs of any bank holding company, any insured depository institution or any other insti-

Morans was simply beside the point in light of the ample documentary evidence establishing O'Connell's knowledge of the margin trading accounts and his own statement to the Bank's board of directors. Similarly, the ALJ reasonably restricted as immaterial questioning seeking to establish O'Connell's theory that he had no legal liability as a result of the Bank's decision to reimburse Pharr as a result of the losses for which he was responsible.

^{7.} O'Connell's reliance on Federal Rule of Evidence 608 in support of this exception is inapposite. Rule 608 does not address reputation evidence going to the merits of a proceeding, but deals narrowly with the submission of opinion or reputation evidence as to the character for truthfulness of a witness only when that witness's credibility is at issue. Here, O'Connell was not a witness in the hearing, and the evidence that O'Connell's counsel sought to elicit dealt not with his character for truthfulness as a witness, but his character as a banker.

^{8.} While the Federal Rules of Evidence are not applicable to these proceedings, the conclusion would be the same if they did apply. Rule 611(b) specifies that "Cross-examination should be limited to the subject matter of the direct examination and matters affecting the credibility of the witness. The Court may, in the exercise of discretion, permit inquiry into additional matters as if on direct examination." Federal Rule of Evidence 611(b).

tution specified in subsection 8(e)(7)(A) of the Act (12 U.S.C. § 1818(e)(7)(A));

- (b) From soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in subsection 8(e)(7)(A) of the Act (12 U.S.C. § 1818(e)(7)(A));
- (c) From violating any voting agreement previously approved by the appropriate Federal banking agency; or (d) from voting for a director, or from serving or acting as an institution-affiliated party as defined in section 3(u) of the Act, (12 U.S.C. § 1813(u)), including serving as an officer, director, or employee.
- 2. This Order, and each provision hereof, is and shall remain fully effective and enforceable until expressly stayed, modified, terminated or suspended in writing by the Board.
- 3. This Order shall become effective upon the expiration of thirty days after service is made.

By order of the Board of Governors, this 28th day of June, 1993.

Board of Governors of the Federal Reserve System

WILLIAM W. WILES Secretary of the Board

FINAL ENFORCEMENT ORDERS ISSUED BY THE BOARD OF GOVERNORS

Country Hill Bancshares, Inc. Lenexa, Kansas

The Federal Reserve Board announced on June 3, 1993, the issuance of a Cease and Desist Order against Country Hill Bancshares, Inc., Lenexa, Kansas.

Victor J. Vargas Irausquin New York, New York

The Federal Reserve Board announced on June 18, 1993, the issuance of a consent Order against Victor J. Vargas Irausquin, an institution-affiliated party of CapitalBanc Corporation, New York, New York.

WRITTEN AGREEMENTS APPROVED BY FEDERAL RESERVE BANKS

Missouri State Financial Corporation St. Louis, Missouri

The Federal Reserve Board announced on June 3, 1993, the execution of a Written Agreement between the Federal Reserve Bank of St. Louis and Missouri State Financial Corporation, St. Louis, Missouri.

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Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

c	Corrected	G-10	Group of Ten
e	Estimated	GNMA	Government National Mortgage Association
n.a.	Not available	GDP	Gross domestic product
n.e.c.	Not elsewhere classified	HUD	Department of Housing and Urban
p	Preliminary		Development
r	Revised (Notation appears on column heading	IMF	International Monetary Fund
	when about half of the figures in that column	10	Interest only
	are changed.)	IPCs	Individuals, partnerships, and corporations
*	Amounts insignificant in terms of the last decimal	IRA	Individual retirement account
	place shown in the table (for example, less than	MMDA	Money market deposit account
	500,000 when the smallest unit given is millions)	NOW	Negotiable order of withdrawal
0	Calculated to be zero	OCD	Other checkable deposit
	Cell not applicable	OPEC	Organization of Petroleum Exporting Countries
ATS	Automatic transfer service	OTS	Office of Thrift Supervision
BIF	Bank insurance fund	PO	Principal only
CD	Certificate of deposit	REIT	Real estate investment trust
CMO	Collateralized mortgage obligation	REMIC	Real estate mortgage investment conduit
FFB	Federal Financing Bank	RP	Repurchase agreement
FHA	Federal Housing Administration	RTC	Resolution Trust Corporation
FHLBB	Federal Home Loan Bank Board	SAIF	Savings Association Insurance Fund
FHLMC	Federal Home Loan Mortgage Corporation	SCO	Securitized credit obligation
FmHA	Farmers Home Administration	SDR	Special drawing right
FNMA	Federal National Mortgage Association	SIC	Standard Industrial Classification
FSLIC	Federal Savings and Loan Insurance Corporation	SMSA	Standard metropolitan statistical area
G-7	Group of Seven	VA	Veterans Administration

GENERAL INFORMATION

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

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.
"U.S. government securities" may include guaranteed issues

of U.S. government agencies (the flow of funds figures also

include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

1.10 RESERVES, MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted !

		1992		1993			1993		
Monetary and credit aggregate	Q2	Q3	Q4	Q1	Jan.	Feb.	Mar.	Apr.r	May
Reserves of depository institutions ² 1 Total. 2 Required 3 Nonborrowed 4 Monetary base ³	14.8	9.3	25.8	9,3	6.9	5.6	5.3	.7	36.5
	15.3	9.9	25.3	8,7	4.7	9.3	3.0	3.3	39.5
	14.6	8.4	27.1	9,5	6.0	8.3	4.3	1.1	35.5
	7.8	10.5	12.6	9,1	8.3	8.5	8.9	7.6	13.8
Concepts of money, liquid assets, and debt ⁴ 5 M1	10.6	11.7	16.8	6.6	7.8	2	2.7	9.0	27.6
	.3	.8	2.7	-2.0	-3.4	-4.1	9 ^r	.7	10.8
	6	.1	2	-3.8 ^r	-7.4	-1.7 ^r	-1.3 ^r	2.4	9.3
	1.3	1.1	2.0	-2.1 ^r	-5.7 ^r	-1.4 ^r	6 ^r	3.6	n.a.
	5.5	4.9	4.3 ^r	4.4 ^r	3.1 ^r	3.9 ^r	5.5 ^r	5.9	n.a.
Nontransaction components 10 In M2'	-3.4	-3.2	-2.8	-5,5	-8.1	-5.6	-2.4 ^r	-2.9	3.7
	-4.9	-3.5	-14.4	-13,2 ^r	-28.0	10.3 ^r	-3.5 ^r	11.7	1.4
Time and savings deposits Commercial banks 12 Savings, including MMDAs. 13 Small time 8.9 14 Large time 8.9 Thrift institutions 15 Savings, including MMDAs. 16 Small time 17 Large time 8.9	12.6	10.9	12.9	1.6	-3.2	2.5	-2.9	3.2	14.0
	-13.4	-17.4	-17.1	-7.6	-10.2	3.1	-2.9	-9.1	-10.3
	-13.3	-18.6	-18.4	-17.9	-26.9	-12.3	-20.9	10.0	4.7
	18.1	9.2	8.7	2	-8	-10.0	-5.1	2.3	9.6
	-29.8	-18.6	-21.7	-19.2	-16.5	-24.1	-12.6	-9.0	-5.6
	-31.9	-14.9	-11.3	-17.3	-3.6	-28.6	-18.3	11.2	-12.9
Money market mutual funds 18 General purpose and broker-dealer	-6.6	-7.4	-4.2	-10.1	-9.5	-21.2	~1.8	-5.0	17.4
	23.9	32.9	-19.4	-14.1	-27.3	25.5	~5.9	-3.0	14.4
Debt components ⁴ 20 Federal	14.4	10.7	6.0	8.6 ^r	2.9	5.3	15.0	10.9	n,a.
	2.6 ^r	3.0 ^r	3.7 ^r	2.9 ^r	3.2 ^r	3.4 ^r	2.2 ^r	4.1	n.a.

1. Unless otherwise noted, rates of change are calculated from average

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

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

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

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

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

M2: M1 plus (1) overnight (and continuing-contract) repurchase agreements (RPs)—in a mounts of less than \$100,000, and (3) balances in both taxable and tax-exempt general-purpose and broker-dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances and both taxable and tax-exempt general-purpose and broker-dealer money market funds. Excludes individual retirement accoun

tax-exempt, institution-only money market funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also excluded is the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. Seasonally adjusted M3 is computed by adjusting its non-M2 component as a whole and then adding this result to seasonally adjusted M2.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, net of money market fund holdings of these assets. Seasonally adjusted L is computed by summing U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, each seasonally adjusted separately, and then adding this result to M3.

Debt: Debt of domestic nonfinancial sectors consists of outstanding credit-

this result to M3.

Debt: Debt of domestic nonfinancial sectors consists of outstanding creditmarket debt of the U.S. government, state and local governments, and private
nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers
acceptances, and other debt instruments. Data are derived from the Federal
Reserve Board's flow of funds accounts. Data on debt of domestic nonfinancial
sectors are monthly averages, derived by averaging adjacent month-end levels.
Growth rates for debt reflect adjustments for discontinuities over time in the levels
of debt resented in other tables.

Growth rates for debt reflect adjustments for discontinuities over time in the levels of debt presented in other tables.

5. Sum of (1) overnight RPs and Eurodollars, (2) money market fund balances (general purpose and broker-dealer), (3) savings deposits (including MMDAs), and (4) small time deposits.

6. Sum of (1) large time deposits, (2) term RPs, (3) term Eurodollars of U.S. residents, and (4) money market fund balances (institution-only), less (5) a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. This sum is seasonally adjusted as a whole.

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

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

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

institutions

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT 1 Millions of dollars

Millions of dollars										
		Average of daily figures			Average of	daily figure	s for week e	ending on da	te indicated	
Factor		1993					1993			
	Mar.	Apr.	May	Apr. 14	Apr. 21	Apr. 28	May 5	May 12	May 19	May 26
Supplying Reserve Funds								1		
1 Reserve Bank credit outstanding U.S. government securities ²	337,743	344,222 ^r	346,082	344,936	347,045 ^r	344,073 ^r	344,142	344,996	344,923	348,867
2 Bought outright—System account 3 Held under repurchase agreements	298,823 1,984	303,316 3,293	305,421 2,598	300,124 6,742	305,346 3,920	305,711 625	305,429 0	305,098 1,094	305,724 904	305,947 5,686
Federal agency obligations Bought outright Held under repurchase agreements	5,173 112	5,106 25	5,086 117	5,111 73	5,095 0 0	5,095 0 0	5,095 0 0	5,095 14 0	5,095 114 0	5,084 390
6 Acceptances	69	29	0 43	0	38	65	15	128	8	20
8 Seasonal credit	26 0	40 0	83 0	32	41	52	67 1	74	87 0	93
10 Float	1,153 30,404	618 ^r 31,794 ^r	436 32,298	1,322 31,525	231 ^r 32,373	422 ^r 32,102	916 32,618	412 33,081	671 32,319	161 31,485
12 Gold stock 13 Special drawing rights certificate account 14 Treasury currency outstanding	11,055 8,018 21,556	11,054 8,018 21,605	11,054 8,018 21,657	11,054 8,018 21,598	11,054 8,018 21,608 ^r	11,054 8,018 21,619 ^r	11,054 8,018 21,629	11,054 8,018 21,643	11,054 8,018 21,657	11,054 8,018 21,671
Absorbing Reserve Funds								[
15 Currency in circulation	331,646 509	335,293 ^r 514	338,480 497	335,968 ^r 515	336,086 ^r 517	335,140 ^r 512	336,294 505	338,035 505	338,604 498	338,602 488
Federal Reserve Banks	5,472 290	6,062 241	5,851 272	5,348 230	8,135 246	4,770 227	6,116 273	5,646 379	5,937 268	6,110 196
19 Service-related balances and adjustments	6,498 347	6,391 317	6,193 310	6,532 311	6,213 322	6,473 316	6,048 304	5,986 307	6,296 322	6,324 312
21 Other Federal Reserve liabilities and capital	9,091	9,148	9,509	9,161	9,172	9,195	9,779	9,920	9,243	9,267
22 Reserve balances with Federal Reserve Banks ³	24,520	26,933 ^r	25,700	27,540	27,036 ^r	28,131 ^r	25,523	24,932	24,485	28,311
	End-	of-month fig	ures			We	dnesday figi	ıres		
	Mar.	Apr.	May	Apr. 14	Apr. 21	Apr. 28	May 5	May 12	May 19	May 26
Supplying Reserve Funds										
Reserve Bank credit outstanding U.S. government securities ²	343,481	343,696 ^r	346,963	348,681	347,301 ^r	342,924 ^r	345,343	352,418	342,687	356,734
2 Bought outright—System account 3 Held under repurchase agreements	298,461 6,756	305,381 0	304,494 5,347	302,476 8,526	305,525 3,920	305,477 0	305,399 0	305,580 7,660	305,540 35	306,148 11,930
Federal agency obligations Bought outright Held under repurchase agreements Acceptances	5,123 567 0	5,095 0 0	5,054 0 0	5,095 57 0	5,095 0 0	5,095 0 0	5,095 0 0	5,095 95 0	5,095 10 0	5,054 1,120 0
Loans to depository institutions Adjustment credit	720	20	37	7	9	29	5	13	5	19
8 Seasonal credit 9 Extended credit 10 Float	32 0 337	63 2 619 ^r	92 0 58	37 0 781	43 0 190 ^r	59 2 79 ^r	70 0 1,871	81 0 452	94 0 895	93 0 351
11 Other Federal Reserve assets	31,484	32,517	31,881	31,702	32,519	32,183	32,903	33,442	31,012	32,019
12 Gold stock 13 Special drawing rights certificate account 14 Treasury currency outstanding	11,054 8,018 21,578	11,054 8,018 21,629 ^r	11,053 8,018 21,685	11,054 8,018 21,598 ^r	11,054 8,018 21,608	11,054 8,018 21,619 ^r	11,054 8,018 21,629	11,054 8,018 21,643	11,054 8,018 21,657	11,054 8,018 21,671
Absorbing Reserve Funds										
15 Currency in circulation 16 Treasury cash holdings Deposits, other than reserve balances, with Federal Reserve Banks	332,822 515	335,907 ^r 505	340,867 489	336,536 ^r 517	335,612 ^r 513	335,557 ^r 505	337,159 506	338,645 499	338,568 489	339,528 483
17 Treasury	6,752 318	7,273 221	5,787 194	4,793 589	13,052 198	5,291 229	5,318 355	4,952 210	6,080 263	5,369 246
adjustments	6,899 314	6,048 ^r 291	6,299 300	6,532 352	6,213 311	6,473 324	6,048 304	5,986 313	6,296 323	6,324 311
21 Other Federal Reserve liabilities and capital	8,844	9,847	9,263	9,099	9,052	9,032	9,749	9,128	9,094	9,139
Reserve Banks ³	27,668	24,305 ^r	24,521	30,932	23,031 ^r	26,204 ^r	26,605	33,399	22,302	36,077
			. —							

For amounts of cash held as reserves, see table 1.12.
 Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes any securities sold and scheduled to be bought back under matched sale-purchase transactions.

^{3.} Excludes required clearing balances and adjustments to compensate for float.

Domestic Financial Statistics August 1993

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

			P	rorated mo	nthly averag	ges of biwe	ekly average	es		
Reserve classification	1990	1991	1992	19	992			1993		
	Dec.	Dec.	Dec.	Nov.	Dec,	Jan.	Feb.	Mar.	Apr.	May
Reserve balances with Reserve Banks ² Total vault cash ³ Applied vault cash ⁴ Surplus vault cash ⁵ Total reserves ⁵ Required reserves Excess reserve balances at Reserve Banks ⁷ Total borrowings at Reserve Banks ⁸ Seasonal borrowings Extended credit	30,237 31,789 28,884 2,905 59,120 57,456 1,664 326 76 23	26,659 32,510 28,872 3,638 55,532 54,553 979 192 38 1	25,368 34,535 31,172 3,364 56,540 55,385 1,155 124 18	25,462 32,457 29,205 3,252 54,666 53,624 1,043 104 40 0	25,368 34,535 31,172 3,364 56,540 55,385 1,155 124 18	23,636 35,991 32,368 3,623 56,004 54,744 1,260 165 11	23,515 33,914 30,368 3,546 53,882 52,778 1,104 45 18	24,383 33,293 29,912 3,381 54,296 53,083 1,213 91 26 0	26,975 ^r 32,721 29,567 3,154 56,541 ^r 55,445 1,096 ^r 73 41 0	25,968 33,462 30,133 3,329 56,100 55,104 997 121 84 0
			Biv	veekly aver	ages of dail	y figures fo	r weeks end	ting		
					19	93				
	Feb. 3	Feb. 17	Mar. 3	Mar. 17	Mar. 31	Apr. 14	Apr. 28 ^r	May 12 ^r	May 26	June 9
1 Reserve balances with Reserve Banks ² 2 Total vault cash ³ 3 Applied vault cash ⁴ 5 Surplus vault cash ⁵ 5 Total reserves ⁶ 6 Required reserves 7 Excess reserve balances at Reserve Banks ⁷ 8 Total borrowings at Reserve Banks ⁸ 9 Seasonal borrowings 10 Extended credit ⁹	21,500 36,368 32,470 3,898 53,970 52,740 1,230 64 11 3	23,301 34,764 31,069 3,695 54,370 52,875 1,495 33 18	24,335 32,163 28,902 3,261 53,237 52,666 571 56 20 0	24,029 34,487 30,944 3,543 54,973 53,683 1,290 93 22 0	24,747 32,343 29,098 3,245 53,845 52,572 1,273 98 32 0	26,612 33,218 29,995 3,223 56,607 55,763 844 38 31 0	27,586 32,010 28,960 3,050 56,546 55,160 1,387 99 47	25,228 34,225 30,816 3,409 56,044 55,217 828 142 71	26,396 32,728 29,455 3,273 55,851 54,649 1,202 105 90	26,540 33,685 30,391 3,293 56,931 56,105 826 118 101 0

institutions (that is, those whose vault cash exceeds their required reserves) to

institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.

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

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

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

8. Also includes adjustment credit.

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

^{1.} Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover.

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

3. Total "lagged" vault cash held by depository institutions subject to reserve requirements. Dates refer to the maintenance periods during which the vault cash can be used to satisfy reserve requirements. The maintenance period for weekly reporters ends sixteen days after the lagged computation period during which the vault cash is held. Before Nov. 25, 1992, the maintenance period ended thirty days after the lagged computation period 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"

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Banks¹

Millions of dollars, averages of daily figures

				1993, w	eek ending	Monday			
Source and maturity	Apr. 5	Apr. 12	Apr. 19	Apr. 26	May 3	May 10	May 17	May 24	May 31
Federal funds purchased, repurchase agreements, and other selected borrowings From commercial banks in the United States For one day or under continuing contract For all other maturities From other depository institutions, foreign banks and official institutions, and U.S. government agencies For one day or under continuing contract. For all other maturities	73,835	76,974	72,059	66,142	68,032	68,197	69,117	65,952	70,624
	11,799	14,364	12,264 ^r	12,985 ^r	13,709	13,490	13,227	12,864	12,825
	19,121	17,641	18,236	19,437	16,829	15,975	18,618	21,775	18,376
	18,665	18,429	19,311	19,603	19,943	19,771	21,278	20,739	20,968
Repurchase agreements on U.S. government and federal agency securities Brokers and nonbank dealers in securities 5 For one day or under continuing contract. 6 For all other maturities. All other customers 7 For one day or under continuing contract. 8 For all other maturities.	14,302	13,274	14,332	13,356	12,017	12,028	12,650	13,386	13,028
	26,122	27,696	27,039	26,549	26,812	26,127	26,634	27,626	27,872
	23,168	22,301	23,085	23,077	24,272	22,777	23,066	23,164	24,170
	14,470	15,269	13,573	14,061	14,152	13,650	13,877	13,886	14,364
MEMO Federal funds loans and resale agreements in immediately available funds in maturities of one day or under continuing contract 9 To commercial banks in the United States	43,155	38,319	37,897	37,289	42,605	41,271	40,746	39,174	43,503
	21,654	21,849	23,093	21,827	22,042	22,351	23,830	20,707	20,010

^{1.} Banks with assets of \$4 billion or more as of Dec. 31, 1988.

Data in this table also appear in the Board's H.5 (507) weekly statistical release.

For ordering address, see inside front cover.

^{2.} Brokers and nonbank dealers in securities, other depository institutions, foreign banks and official institutions, and U.S. government agencies.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

C			11-
Current	ana	previous	ieveis.

E. L. I. D.		Adjustment credit	ı		Seasonal credit ²		Extended credit ³			
Federal Reserve Bank	On 6/30/93	Effective date	Previous rate	On 6/30/93	Effective date	Previous rate	On 6/30/93	Effective date	Previous rate	
Boston	3	7/2/92 7/2/92 7/2/92 7/6/92 7/2/92 7/2/92	3.5	3.10	6/24/93 6/24/93 6/24/93 6/24/93 6/24/93 6/24/93	3.10	3.60	6/24/93 6/24/93 6/24/93 6/24/93 6/24/93 6/24/93	3.60	
Chicago	3	7/2/92 7/7/92 7/2/92 7/2/92 7/2/92 7/2/92 7/2/92	3.5	3.10	6/24/93 6/24/93 6/24/93 6/24/93 6/24/93 6/24/93	3.10	3.60	6/24/93 6/24/93 6/24/93 6/24/93 6/24/93 6/24/93	3.60	

Range of rates for adjustment credit in recent years⁴

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1977 1978—Jan. 9	-	N.Y. 6 6.5 6.5 7 7 7.25 7.75 8.5 8.5 9.5 9.5 10 10.5 11 11 12 12	1981—May 5	Banks 13-14 14 13-14 13 12 11.5-12 11.5-11 10.5 10-10.5 10-10.5 10-9.5 9-9.5 9-9.5 9-9.5 8.5-9 8.5-9 8.5-9 8.5-9 8.5-9	N.Y. 14 13 13 12 11.5 11.5 10 10 9.5 9.5 9 9 8.5 8.5	1986—Aug. 21	5.5-6 5.5 5.5-6 6-6.5 6.5-7 7 6.5 6-6.5 5.5-6 5.5-5 4.5 3.5-4.5 3.5	N.Y. 5.5 5.5 6 6.5 7 7 6.5 6 6 5.5 5.5 5.5 4.5 4.5 3.5
May 29 30 30 June 13 6 29 July 28 Sept. 26 Nov. 17 Dec. 5	12-13 12-13 12 11-12 11-10 10-11 11 12 12-13	13 13 12 11 11 10 10 10 11 12	1985—May 20	8.5-8 8 7.5-8 7.5 7-7.5 7 6.5-7 6	7.5 7.5 7.6.5	1992—July 2	3-3.5	3 3

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

2. Available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of intrayearly movements in their deposits and loans and that cannot be met through special industry lenders. The discount rate on seasonal credit takes into account rates on market sources of funds and ordinarily is reestablished on the first business day of each two-week reserve maintenance period; however, it is never less than the discount rate applicable to adjustment credit.

3. May be made available to depository institutions when similar assistance is not reasonably available from other sources, including special industry lenders.

^{3.} May be made available from other sources, including special industry lenders. Such credit may be provided when exceptional circumstances (including sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance) or practices involve only a particular institution, or to meet the needs of institutions experiencing difficulties adjusting to changing market conditions over a longer period (particularly at times of deposit disintermediation). The discount rate applicable to adjustment credit

ordinarily is charged on extended-credit loans outstanding less than thirty days; however, at the discretion of the Federal Reserve Bank, this time period may be shortened. Beyond this initial period, a flexible rate somewhat above rates on market sources of funds is charged. The rate ordinarily is reestablished on the first business day of each two-week reserve maintenance period, but it is never less than the discount rate applicable to adjustment credit plus 50 basis points.

4. For earlier data, see the following publications of the Board of Governors: Banking and Monetary Statistics, 1914–1941, and 1941–1970; and the Annual Statistical Digest, 1970–1979.

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment-credit borrowings by institutions with deposits of \$500 million or more than borrowed in successive weeks or in more than four weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980, through May 7, 1980. A surcharge of 2 percent was reimposed on Nov. 17, 1980; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981, and to 2 percent effective Cet. 12, 1981, As of Oct. 1, 1981, the formula for applying the surcharge was changed from a calendar quarter to a moving thirteen-week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

_		Requi	rements
	Type of deposit ²	Percent of deposits	Effective date
1 2	Net transaction accounts ³ \$0 million-\$46.8 million. More than \$46.8 million ⁴ .	3 10	12/15/92 12/15/92
3	Nonpersonal time deposits ⁵	0	12/27/90
4	Eurocurrency liabilities ⁶ .	0	12/27/90

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

2. The Garn-St Germain Depository Institutions Act of 1982 (Public Law 97-320) requires that \$2 million of reservable liabilities of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease. On Dec. 15, 1992, the exemption was raised from \$3.6 million to \$3.8 million. The exemption applies in the following order: (1) net negotiable order of withdrawal (NOW) accounts (NOW accounts less allowable deductions); and (2) net other transaction accounts. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement.

3. Include all deposits against which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, and telephone and preauthorized transfers in excess of three per month for the purpose of making payments to third persons or others. However, money market deposit accounts (MMDAs) and similar accounts subject to the rules that

permit no more than six preauthorized, automatic, or other transfers per month, of which no more than three may be checks, are not transaction accounts (such accounts are savings deposits).

The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 each year. Effective Dec. 15, 1992, for institutions reporting weekly, the amount was increased from \$42.2 million to \$46.8 million 4. The reserve requirement was reduced from 12 percent to 10 percent on Apr. 2, 1992, for institutions that report weekly, and on Apr. 16, 1992, for institutions that report weekly, and on Apr. 16, 1992, for institutions that report weekly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to 1½ percent for the maintenance period that began Dec. 13, 1990, and to zero for the maintenance period that began Dec. 13, 1990. The reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to zero on Jan. 17, 1991.

6. The reserve requirement on Eurocurrency liabilities was reduced from 3 percent to zero in the same manner and on the same dates as were the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to zero in the same manner and on the same dates as were the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to zero in the same manner and on the same dates as were the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to zero in the same manner and on the same dates as were the reserve requirement on nonpersonal time deposits with an original maturity of less th

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1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

	1000	1001	1003		1992			19	93	
Type of transaction	1990	1991	1992	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
U.S. Treasury Securities										
Outright transactions (excluding matched transactions)									į	
Treasury bills Gross purchases Gross sales Exchanges Redemptions	24,739 7,291 241,086 4,400	20,158 120 277,314 1,000	14,714 1,628 308,699 1,600	4,072 0 28,907 0	1,064 0 25,468 0	3,669 0 29,562 0	0 0 24,542 0	0 0 19,832 0	0 0 23,796 0	121 0 30,124 0
Others within one year Gross purchases Gross sales Maturity shifts. Exchanges Redemptions	425 0 25,638 -27,424 0	3,043 0 24,454 -28,090 1,000	1,096 0 36,662 -30,543 0	0 0 2,010 -982 0	461 0 7,160 -4,615 0	2,777 -1,570 0	0 0 561 -1,202 0	0 0 2,892 -6,044 0	279 0 4,303 -2,602 0	244 0 1,950 -1,100 0
One to five years 10 Gross purchases 11 Gross sales 12 Maturity shifts 13 Exchanges	250 200 -21,770 25,410	6,583 0 -21,211 24,594	13,118 0 -34,478 25,811	200 0 -1,762 884	4,172 0 -6,800 3,415	200 0 -2,777 1,570	0 0 -64 882	0 0 -2,617 4,564	1,441 0 -4,303 2,602	2,490 0 -1,630 800
Five to ten years 14 Gross purchases 15 Gross sales 16 Maturity shifts 17 Exchanges 18 Exchanges 19 19 19 19 19 19 19 1	0 100 -2,186 789	1,280 0 -2,037 2,894	2,818 0 -1,915 3,532	0 0 -248 97	1,176 0 -187 800	100 0 0 0	0 0 -497 0	0 0 -98 1,000	716 0 0 0	1,147 0 -320 300
More than ten years 18 Gross purchases 19 Gross sales 20 Maturity shifts 21 Exchanges	0 0 -1,681 1,226	375 0 -1,209 600	2,333 0 -269 1,200	0 0 0	947 0 -173 400	0 0 0 0	0 0 0 0	0 0 -177 480	705 0 0 0	1,110 0 0 0
All maturities 22 Gross purchases 23 Gross sales 24 Redemptions	25,414 7,591 4,400	31,439 120 1,000	34,079 1,628 1,600	4,272 0 0	7,820 0 0	3,969 0 0	0 0 0	0 0 0	3,141 0 0	5,111 0 0
Matched transactions 25 Gross sales 26 Gross purchases	1,369,052 1,363,434	1,570,456 1,571,534	1,482,467 1,480,140	116,024 114,917	115,020 117,020	144,232 142,578	114,543 116,510	111,491 113,349	146,563 143,049	127,115 128,924
Repurchase agreements ² 27 Gross purchases 28 Gross sales	219,632 202,551	310,084 311,752	378,374 386,257	18,698 35,383	42,373 39,117	48,904 44,697	34,768 42,231	28,544 25,889	37,815 33,714	30,197 36,953
29 Net change in U.S. government securities	24,886	29,729	20,642	-13,520	13,075	6,521	-5,497	4,513	3,728	163
Federal Agency Obligations										
Outright transactions 30 Gross purchases 31 Gross sales 32 Redemptions	0 0 183	0 5 292	0 0 632	0 0 0	0 0 0	0 0 121	0 0 103	0 0 85	0 0 101	0 0 28
Repurchase agreements ² 33 Gross purchases	41,836 40,461	22,807 23,595	14,565 14,486	1,778 3,253	2,760 2,506	1,601 1,224	2,237 2,868	1,107 832	1,811 1,519	197 764
35 Net change in federal agency obligations	1,192	-1,085	-554	-1,475	254	256	-734	190	191	-595
36 Total net change in System Open Market Account	26,078	28,644	20,089	-14,995	13,329	6,777	-6,231	4,703	3,918	-431

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

^{2.} In July 1984 the Open Market Trading Desk discontinued accepting bankers acceptances in repurchase agreements.

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹ Millions of dollars

			Wednesday		· · · · · · · · · · · · · · · · · · ·		End of mont	h
Account			1993				1993	
	Apr. 28	May 5	May 12	May 19	May 26	Mar. 31	Apr. 30	May 31
			Co	nsolidated co	ndition stater	nent		
Assets								
Gold certificate account Special drawing rights certificate account Coin.	11,054 8,018 485	11,054 8,018 489	11,054 8,018 482	11,054 8,018 472	11,054 8,018 452	11,054 8,018 503	11,054 8,018 487	11,053 8,018 441
Loans 4 To depository institutions. 5 Other. 6 Acceptances held under repurchase agreements.	89 0 0	75 0 0	94 0 0	99 0 0	112 0 0	753 0 0	84 0 0	129 0 0
Federal agency obligations 7 Bought outright	5,095 0	5,095 0	5,095 95	5,095 10	5,054 1,120	5,123 567	5,095 0	5,054
9 Total U.S. Treasury securities	305,477	305,399	313,240	305,575	318,078	305,217	305,381	309,841
10 Bought outright ²	305,477 144,130 123,936 37,411 0	305,399 144,052 123,936 37,411 0	305,580 144,233 123,936 37,411 7,660	305,540 144,194 123,870 37,477 35	306,148 144,802 123,870 37,477 11,930	298,461 142,104 120,211 36,146 6,756	305,381 144,034 123,936 37,411 0	304,494 143,148 123,870 37,477 5,347
15 Total loans and securities	310,661	310,570	318,524	310,780	324,364	311,660	310,560	315,025
16 Items in process of collection	5,298 1,035	8,075 1,035	5,574 1,036	5,424 1,038	4,938 1,038	5,338 1,031	5,359 1,034	4,473 1,039
Other assets 18 Denominated in foreign currencies ³	22,411 8,718	23,115 8,751	23,134 9,308	23,171 6,878	23,197 7,861	22,328 8,092	23,043 8,550	23,143 7,820
20 Total assets	367,681	371,106	377,131	366,835	380,922	368,024	368,106	371,013
21 Federal Reserve notes	314,928	316,524	317,983	317,872	318,791	312,263	315,270	320,112
22 Total deposits	38,760	38,848	44,915	34,949	48,269	41,917	38,365	37,279
23 Depository institutions 24 U.S. Treasury—General account 25 Foreign—Official accounts 26 Other	32,919 5,291 229 324	32,871 5,318 355 304	39,440 4,952 210 313	28,283 6,080 263 323	42,343 5,369 246 311	34,533 6,752 318 314	30,579 7,273 221 291	31,000 5,787 194 300
27 Deferred credit items	4,961 2,189	5,985 2,156	5,105 2,269	4,919 2,205	4,722 2,239	5,001 2,251	4,624 2,220	4,358 2,217
29 Total liabilities	360,838	363,514	370,271	359,945	374,022	361,430	360,479	363,966
CAPITAL ACCOUNTS 30 Capital paid in	3,259 3,054 529	3,260 3,054 1,278	3,273 3,054 533	3,284 3,054 552	3,300 3,054 546	3,187 3,054 353	3,260 3,054 1,313	3,300 3,054 693
33 Total liabilities and capital accounts	367,681	371,106	377,131	366,835	380,922	368,024	368,106	371,013
MEMO 34 Marketable U.S. Treasury securities held in custody for foreign and international accounts	304,784	309,814	310,221	312,958	312,869	304,825	310,903	313,505
			Fe	deral Reserve	e note statem	ent		
35 Federal Reserve notes outstanding (issued to Bank) 36 LBSS: Held by Federal Reserve Bank 37 Federal Reserve notes, net	378,128 63,200 314,928	379,044 62,519 316,524	380,288 62,305 317,983	381,079 63,207 317,872	381,807 63,016 318,791	373,886 61,624 312,263	378,585 63,315 315,270	382,009 61,897 320,112
Collateral held against notes, net: 38 Gold certificate account 39 Special drawing rights certificate account 40 Other eligible assets. 41 U.S. Treasury and agency securities	11,054 8,018 0 295,856	11,054 8,018 0 297,452	11,054 8,018 0 298,911	11,054 8,018 0 298,800	11,054 8,018 0 299,720	11,054 8,018 0 293,190	11,054 8,018 0 296,198	11,053 8,018 0 301,040
42 Total collateral	314,928	316,524	317,983	317,872	318,791	312,263	315,270	320,112

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

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

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1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding Millions of dollars

			Wednesday				End of month	1	
Type of holding and maturity			1993			1993			
	Apr. 28	May 5	May 12	May 19	May 26	Mar. 31	Apr. 30	May 31	
1 Total loans	89	75	94	99	112	753	84	129	
2 Within fifteen days ¹	84 5 0	21 54 0	33 61 0	97 2 0	105 7 0	741 12 0	54 30 0	82 47 0	
5 Total acceptances	0	0	0	0	0	0	0	0	
6 Within fifteen days ¹	0 0 0	0 0 0	0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	
9 Total U.S. Treasury securities	305,477	305,399	313,240	305,575	308,488	305,217	305,381	304,494	
10 Within fifteen days¹ 11 Sixteen days to ninety days 12 Ninety-one days to one year 13 One year to five years 14 Five years to ten years 15 More than ten years	15,052 68,275 97,132 73,624 21,471 29,922	16,967 69,582 94,542 72,915 21,471 29,922	21,181 69,509 98,242 72,915 21,471 29,922	15,707 69,198 97,900 71,065 21,606 30,099	18,246 69,481 97,991 71,065 21,606 30,099	17,889 67,037 99,880 71,255 20,344 28,813	11,295 74,524 95,254 72,915 21,471 29,922	8,196 79,097 94,431 71,065 21,606 30,099	
16 Total federal agency obligations	5,095	5,095	5,190	5,105	5,504	5,690	5,095	5,054	
17 Within fifteen days¹ 18 Sixteen days to ninety days 19 Ninety-one days to one year 20 One year to five years 21 Five years to ten years 22 More than ten years	115 643 1,177 2,307 711 142	0 744 1,191 2,307 711 142	136 703 1,216 2,282 711 142	327 427 1,216 2,282 711 142	751 402 1,261 2,237 711 142	855 507 1,057 2,419 711 142	115 643 1,177 2,307 711 142	301 527 1,136 2,237 711 142	

^{1.} Holdings under repurchase agreements are classified as maturing within fifteen days in accordance with maximum maturity of the agreements.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

The same of the sa	1989	1990	1991	1992		1992				1993		
Item	Dec.	Dec.	Dec.	Dec.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Adjusted for						Seasonall	y adjuste	d				
CHANGES IN RESERVE REQUIREMENTS ² 1 Total reserves ³ 2 Nonborrowed reserves ⁴ 3 Nonborrowed reserves plus extended credit ³ 4 Required reserves 5 Monetary base ⁸	40.49 40.23 40.25 39.57 267.73	41.77 41.44 41.46 40.10 293.19	45.53 45.34 45.34 44.56 317.17	54.35 54.23 54.23 53.20 350.80	52.84 52.69 52.69 51.76 344.85	53.82 53.71 53.71 52.77 347.83	54.35 54.23 54.23 53.20 350.80	54.67 54.50 54.50 53.41 353.22	54.92 54.88 54.88 53.82 355.73	55.17 55.07 55.07 53.95 358.37	55.20 55.12 ^r 55.12 ^r 54.10 360.64 ^r	56.88 56.76 56.76 55.88 364.78
					No	t seasona	ılly adjus	ted				
6 Total reserves ⁷ 7 Nonborrowed reserves 8 Nonborrowed reserves plus extended credit ³ 9 Required reseryes ⁸ 10 Monetary base	41.77 41.51 41.53 40.85 271.18	43.07 42.74 42.77 41.40 296.68	46.98 46.78 46.78 46.00 321.07	56.06 55.93 55.93 54.90 354.55	52.62 52.47 52.47 51.54 343.63	54.08 53.97 53.97 53.04 347.89	56.06 55.93 55.93 54.90 354.55	55.97 55.80 55.80 54.71 354.41	53.81 53.77 53.77 52.71 353.18	54.18 54.09 54.09 52.96 356.00	56.37 56.29 ^r 56.29 ^r 55.27 361.64 ^r	55.88 55.75 55.75 54.88 364.09
Not Adjusted for Changes in Reserve Requirements ¹⁰												
11 Total reserves 11 12 Nonborrowed reserves 13 Nonborrowed reserves plus extended credit 5 14 Required reserves 15 Monetary base 5 16 Excess reserves 11 17 Borrowings from the Federal Reserve	62.81 62.54 62.56 61.89 292.55 .92 .27	59.12 58.80 58.82 57.46 313.70 1.66	55,53 55,34 55,34 54,55 333,61 .98 .19	56.54 56.42 56.42 55.39 360.90 1.16 .12	53.14 52.99 52.99 52.06 349.81 1.07 .14	54.67 54.56 54.56 53.62 354.25 1.04 .10	56.54 56.42 56.42 55.39 360.90 1.16 .12	56.00 55.84 55.84 54.74 360.88 1.26 .17	53.88 53.84 53.84 52.78 359.56 1.10 .05	54.30 54.20 54.20 53.08 362.59 1.21 .09	56.54 ^r 56.47 56.47 55.45 368.18 ^r 1.10 .07	56.10 55.98 55.98 55.10 370.47 1.00 .12

1. Latest monthly and biweekly figures are available from the Board's H.3 (502) weekly statistical release. Historical data and estimates of the impact on require reserves of changes in reserve requirements are available from the Monetary and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, 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 nonborrowed reserves equal seasonally adjusted, break-adjusted nonborrowed reserves equal seasonally adjusted, break-adjusted total reserves (line 1) less total borrowings of depository institutions from the Federal Reserve (line 17).

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

6. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

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

8. To adjust required reserves for discontinuities that are due to regulatory

plus excess reserves (line 16).

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

(but not reservable nondeposit liabilities).

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

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

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

12. The monetary base, not break-adjusted and not seasonally adjusted.

satisfy reserve requirements.

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

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

A14 Domestic Financial Statistics □ August 1993

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

	1989	1990	1991	1992		19	993	
Item	Dec.	Dec.	Dec.	Dec.	Feb.	Mar.	Apr.	May
				Seasonall	y adjusted			
Measures ² 1 M1 2 M2 3 M3 4 L 5 Debt.	794.6	827.2	899.3	1,026.6	1,033.1	1,035.4	1,043.2 ^r	1,067.2
	3,233.3	3,345.5	3,445.8	3,497.0	3,475.2	3,472.7 ^r	3,474.7 ^r	3,506.0
	4,056.1	4,116.7	4,168.1	4,166.5	4,134.9 ^r	4,130.4 ^r	4,138.7 ^r	4,170.9
	4,886.1	4,965.2	4,982.2	5,052.1	5,022.4 ^r	5,019.7 ^r	5,034.6	4,966.6
	10,076.7	10,751.3	11,219.3	11,779.7	11,848.6 ^r	11,903.2 ^r	11,961.6	10,755.3
MI components 6 Currency 7 Travelers checks 8 Demand deposits 9 Other checkable deposits 6	222.7	246.7	267.2	292.3	296.8	299.0	301.4	304.0
	6.9	7.8	7.8	8.1	8.0	8.0	8.1	8.2
	279.8	278.2	290.5	340.9	341.9	342.0	347.3	359.2
	285.3	294.5	333.8	385.2	386.4	386.4	386.4	395.8
Nontransaction components 10 In M2'	2,438.7	2,518.3	2,546.6	2,470.3	2,442.1	2,437.3 ^r	2,431.4 ^r	2,438.9
	822.8	771.2	722.3	669.6	659.6 ^r	657.7 ^r	664.1 ^r	664.9
Commercial banks 12 Savings deposits, including MMDAs 13 Small time deposits 14 Large time deposits 15 Commercial banks	541.4	582.2	666.2	756.1	755.7	753.9	755.9 ^r	764.7
	534.9	610.3	601.5	507.0	504.0	502.8	499.0	494.7
	387.7	368.7	341.3	290.2	280.8	275.9	278.2 ^r	279.3
Thrift institutions 15 Savings deposits, including MMDAs 16 Small time deposits 17 Large time deposits 19 Large time deposits	349.6	338.6	376.3	429.9	426.6	424.8	425.6	429.0
	617.8	562.0	463.2	363.2	351.0	347.3	344.7 ^r	343.1
	161.1	120.9	83.4	67.3	65.5	64.5	65.1 ^r	64.4
Money market mutual funds 18 General purpose and broker-dealer	317.4	350.5	363.9	342.3	333.6	333.1	331.7	336.5
	108.8	135.9	182.1	202.3	201.9	200.9	200.4	202.8
Debt components 20 Federal debt	2,249.5	2,493.4	2,764.8	3,069.0 ^r	3,090.0	3,128.5	3,156.8	n.a.
	7,837.0	8,261.9	8,454.5 ^r	8,710.7 ^r	8,758.5 ^r	8,774.7 ^r	8,804.9	n.a.
				Not season	ally adjusted	<u> </u>	<u> </u>	
Measures ² 22 M1 23 M2 24 M3 25 L 26 Debt.	811.5	843.7	916.4	1,045.8	1,022.3	1,030.8	1,058.4 ^r	1,058.0
	3,245.1	3,357.0	3,457.9	3,511.2	3,469.2	3,479.5 ^r	3,498.1 ^r	3,490.5
	4,066.4	4,126.3	4,178.1	4,178.6	4,132.3 ^r	4,140.4 ^r	4,157.8 ^r	4,157.4
	4,906.0	4,988.0	5,004.2	5,077.0	5,022.7 ^r	5,033.3 ^r	5,052.4	n.a.
	10,073.4	10,743.9	11,209.4 ^r	11,771.3	11,815.2 ^r	11,863.5 ^r	11,919.8	n.a.
MI components 27 Currency 28 Travelers checks 29 Demand deposits 30 Other checkable deposits	225.3	249.5	269.9	295.0	295.3	297.9	301.3	304.4
	6.5	7.4	7.4	7.8	7.7	7.8	7.8	7.9
	291.5	289.9	302.9	355.3	334.3	336.4 ^r	350.7	352.1
	288.1	296.9	336.3	387.7	384.9	388.9	398.7	393.5
Nontransaction components 31 ln M2'	2,433.6	2,513.2	2,541.5	2,465.4	2,447.0	2,448.7 ^r	2,439.7 ^r	2,432.5
	821.4	769.3	720.1	667.4	663.0 ^r	660.9 ^r	659.7 ^r	667.0
Commercial banks 33 Savings deposits, including MMDAs 34 Small time deposits ¹⁰ , 11 35 Large time deposits ¹⁰ , 11	543.0	580.1	663.3	752.3	753.1	757.5	760.7 ^c	765.8
	533.8	610.5	602.0	507.8	504.6	502.1	497.8	492.4
	386.9	367.7	340.1	289.1	280.3	276.8 ^r	277.4 ^c	280.9
Thrift institutions 36 Savings deposits, including MMDAs 37 Small time deposits ¹⁰ . 38 Large time deposits ¹⁰ .	347.4	337.3	374.7	427.8	425.1	426.8	428.3	429.6
	616.2	562.1	463.6	363.8	351.4	346.8	343.8	341.5
	162.0	120.6	83.1	67.1	65.4	64.7	65.0	64.7
Money market mutual funds 39 General purpose and broker-dealer	315.7	348.4	361.5	340.0	339.8	342.2	337.9	334.8
	109.1	136.2	182.4	202.4	210.3	203.6	199.5	203.0
Repurchase agreements and eurodollars 41 Overnight	77.5	74.7	76.3	73.9	72.9	73.2 ^r	71.1 ^r	68.3
	178.4	158.3	130.1	126.3	128.9 ^r	135.8 ^r	138.1 ^r	139.0
Debt components 43 Federal debt	2,247.5	2,491.3	2,765.0	3,069.8	3,087.3	3,121.4	3,142.9	n.a.
	7,826.0	8,252.5	8,444.4 ^r	8,701.5 ^r	8,727.9 ^r	8,742.1 ^r	8,776.9	n.a.

For notes see following page.

NOTES TO TABLE 1.21

Latest monthly and weekly figures are available from the Board's H.6 (508) weekly statistical release. Historical data are available from the Money and

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

2. Composition of the money stock measures and debt is as follows:
M1: (1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions; (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float; and (4), other checkable deposits (OCDs), consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted separately.
M2: M1 plus (1) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) savings (including MMDAs) and small time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (3) balances in both taxable and tax-exempt general purpose and broker-dealer money market funds. Also excludes all balances held by U.S. commercial banks, money market funds. Also excludes all balances held by U.S. commercial banks, and the U.S. government. Seasonally adjusted M1 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

M3: M2 plus (1) large time deposits and term RP liabilities (in amounts of \$100,000 or more) issued by all depository institutions, (2) term Eurodollars held by U.S. commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusted M1.

M3: M2 plus (1) large time deposi

market fund holdings of these assets. Seasonally adjusted L is computed by summing U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, each seasonally adjusted separately, and then adding

summing U.S. savings bonds, snort-term treasury securities, commercial paper, and bankers acceptances, each seasonally adjusted separately, and then adding this result to M3.

Debt: Debt of domestic nonfinancial sectors consists of outstanding credit market debt of the U.S. government, state and local governments, and private nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers acceptances, and other debt instruments. Data are derived from the Federal Reserve Board's flow of funds accounts. Debt data are based on monthly averages. This sum is seasonally adjusted as a whole.

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

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

5. Consists of NOW and ATS account balances at all depository institutions,

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

 7. Sum of (1) overnight RPs and overnight Eurodollars, (2) money market fund
 balances (general purpose and broker-dealer), (3) savings deposits (including
 MMDAs), and (4) small time deposits.

 8. Sum of (1) large time deposits, (2) term RPs, (3) term Eurodollars of U.S.
 residents, and (4) money market fund balances (institution-only), less a consolidation adjustment that represents the estimated amount of overnight RPs and
 Eurodollars held by institution-only money market funds.

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

 10. Large time deposits are those issued in amounts of
 story of the deposits are those issued in amounts of
 the deposits 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, U.S. government, and foreign banks and official
 institutions.

A16 Domestic Financial Statistics □ August 1993

1.22 DEPOSIT INTEREST RATES AND AMOUNTS OUTSTANDING Commercial and BIF-insured saving banks¹

		T	T				Ţ		*****		
Item	1990	1991		15	192 T				1993	T	T
	ļ		Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.r	May
				In	terest rates	(annual ef	fective yiel	ds)			
Insured Commercial Banks											
1 Negotiable order of withdrawal accounts 2 Savings deposits ²	4.89 5.84	3.76 4.30	2,45 3,00	2.39 2.94	2.36 2.90	2.33 2.88	2.32 2.85	2.27 2.80	2.21 2.73	2.16 2.68	2.13 2.65
Interest-bearing time deposits with balances of less than \$100,000, by maturity 3 7 to 91 days	6.94 7.19	4.18 4.41 4.59	2,95 3,16	2.89 3.11	2.91 3.14	2.90 3.16	2.86 3.13	2.81 3.08 3.29	2.75 3.03	2.72 2.99	2.70 2.98
6 More than 1 year to 2½ years 7 More than 2½ years	7.33 7.42 7.53	4.95 5.52	3.37 3.86 4.62	3.30 3.78 4.60	3.34 3.83 4.70	3.37 3.88 4.77	3.34 3.88 4.72	3.83 4.59	3.22 3.74 4.52	3.19 3.66 4.47	3.18 3.64 4.45
BIF-Insured Savings Banks ³											
8 Negotiable order of withdrawal accounts 9 Savings deposits ²	5.38 6.01	4.44 4.97	2.71 3.39	2.57 3.29	2.52 3.22	2.45 3.20	2.41 3.17	2.37 3.14	2.32 3.06	2.25 2.99	2.21 2.95
Interest-bearing time deposits with balances of less than \$100,000, by maturity 10 7 to 91 days 11 92 to 182 days 12 183 days to 1 year 13 More than 1 year to 2½ years 14 More than 2½ years	7.64 7.69 7.85 7.91 7.99	4.68 4.92 4.99 5.23 5.98	3.17 3.47 3.60 3.95 4.91	3.08 3.41 3.56 3.90 4.84	3.10 3.42 3.59 3.93 4.88	3.13 3.44 3.61 4.02 5.00	3.06 3.38 3.58 3.94 5.02	3.01 3.35 3.57 3.89 4.98	2.98 3.31 3.54 3.84 4.89	2.94 3.27 3.50 3.85 4.84	2.92 3.23 3.47 3.76 4.77
		1		Amo	unts outst	anding (mil	lions of do	lars)	1	L	L
Insured Commercial Banks											
15 Negotiable order of withdrawal accounts 16 Savings deposits 2 17 Personal 18 Nonpersonal	209,855 570,270 n.a. n.a.	244,637 652,058 508,191 143,867	261,946 725,256 565,385 159,871	267,709 736,057 570,532 165,525	275,465 740,841 575,399 165,442	286,541 738,253 578,757 159,496	277,226 733,833 579,715 154,118	279,904 742,966 585,309 157,657	288,426 748,427 591,879 156,547	281,202 745,515 587,244 158,271	284,394 753,870 591,800 162,069
Interest-bearing time deposits with balances of less than \$100,000, by maturity 19 7 to 91 days	50,189 168,044 221,007 150,188 139,420	47,094 158,605 209,672 171,721 158,078	38,363 129,988 177,387 157,912 167,382	39,472 128,683 171,263 155,668 168,556	38,985 127,636 166,995 153,784 168,586	38,474 127,831 163,098 152,977 169,708	38,257 128,050 160,786 151,637 169,351	36,739 128,214 159,569 151,536 172,312	35,748 125,914 158,388 148,037 177,789	34,743 122,309 157,064 146,906 178,984	33,424 119,366 156,941 144,786 180,054
24 IRA/Keogh Plan deposits	131,006	147,266	148,391	147,664	147,319	147,350	147,039	146,859	146,686	145,492	144,721
BIF-Insured Savings Banks ³	}						}				
25 Negotiable order of withdrawal accounts 26 Savings deposits ² 27 Personal 28 Nonpersonal	8,404 64,456 n.a. n.a.	9,624 71,215 68,638 2,577	10,388 81,922 78,752 3,170	10,126 81,022 77,798 3,224	10,642 82,919 79,667 3,252	10,871 81,786 78,695 3,091	9,981 79,775 76,799 2,976	9,919 80,061 77,039 3,022	10,412 80,480 77,371 3,109	10,026 79,773 76,740 3,034	10,168 80,315 77,203 3,112
Interest-bearing time deposits with balances of less than \$100,000, by maturity 29 7 to 91 days 30 92 to 182 days 31 183 days to 1 year 22 More than 1 year to 2½ years 33 More than 2½ years	5,724 25,864 37,929 26,103 20,243	4,146 21,686 29,715 25,379 18,665	3,819 17,928 24,376 20,491 19,929	3,695 17,298 23,085 19,330 19,128	3,895 17,632 22,888 19,258 19,543	3,867 17,345 21,780 18,442 18,845	3,562 16,248 20,848 17,717 18,633	3,479 15,959 20,436 17,533 18,902	3,551 15,468 20,164 17,207 19,261	3,496 15,237 19,805 16,718 19,273	3,428 14,986 19,579 16,444 19,534
34 IRA/Keogh Plan accounts	23,535	23,007	23,484	22,069	22,265	21,713	21,491	21,418	21,252	21,014	20,922
											

^{1.} Data in this table also appear in the Board's H.6 (508) Special Supplementary Table monthly statistical release. For ordering address, see inside front cover. Estimates are based on data collected by the Federal Reserve System from a stratified random sample of about 460 commercial banks and 80 savings banks on the last Wednesday of each period. Data are not seasonally adjusted and include

IRA/Keogh deposits and foriegn currency denominated deposits. Data exclude retail repurchase agreements and deposits held in U.S. branches and agencies of foreign banks.

2. Includes personal and nonpersonal money market deposits.

3. BIF-insured savings banks include both mutual and federal savings banks.

1.23 BANK DEBITS AND DEPOSIT TURNOVER¹

Debits are in billions of dollars; turnover is ratio of debits to deposits; monthly data are at annual rates

					1992			1993	
Bank group, or type of customer	1990°2	1991 ²	1992²	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
DEBITS TO				Sea	asonally adjus	ted			
Demand deposits ³ 1 All insured banks 2 Major New York City banks 3 Other banks	277,157.5	277,758.0	315,806.1	326,893.0	322,187.1	331,038.8	300,654.9 ^r	331,183.5 ^r	331,040.2
	131,699.1	137,352.3	165,572.7	176,372.6	173,393.4	176,089.1	159,192.4 ^r	176,683.5	166,866.6
	145,458.4	140,405.7	150,233.5	150,520.4	148,793.7	154,949.8	141,462.4 ^r	154,500.0 ^r	164,173.5
4 Other checkable deposits ⁴ 5 Savings deposits including MMDAs ³	3,349.0	3,645.5	3,788.1	3,700.5	3,610.0	3,683.9	3,292.3 ^r	3,601.3 ^r	3,572,8
	3,483.3	3,266.1	3,331.3	3,468.2	3,497.2	3,407.3	3,032.3	3,363.3	3,562,7
Deposit Turnover			}	1	į		}]
Demand deposits ³ 6 All insured banks. 7 Major New York City banks	797.8	803.5	832.4	818.9	796.1	830,5	746.6 ^r	817.5	811.4
	3,819.8	4,270.8	4,797.9	4,855.5	4,624.0	4,693,3	4,154.7	4,525.8	4,129.1
	464.9	447.9	435.9	414.8	405.2	429,1	388.3	422.0	446.6
9 Other checkable deposits ⁴	16.5	16.2	14.4	13.5	12.9	13.1	11.6	12.6	12.5
	6.2	5.3	4.7	4.7	4.7	4.6	4.1	4.5	4.8
DEBITS TO				Not s	seasonally adj	usted			
Demand deposits ³ 11 All insured banks	277,290.5	277,715.4	315,808.2	335,289.0	308,015.6	340,982.1	304,813,5 ^r	303,672.3 ^r	339,186.6
	131,784.7	137,307.2	165,595.0	182,584.2	167,578.4	179,987.6	159,198.8	161,174.1	170,855.0
	145,505.8	140,408.3	150,213.3	152,704.8	140,437.2	160,994.5	145,614.7 ^r	142,498.2 ^r	168,331.6
14 Other checkable deposits ⁴	3,346.7	3,645.6	3,788.1	3,689.7	3,351.3	3,849.3	3,596.0 ^r	3,296.6 ^r	3,630.5
	3,483.0	3,267.7	3,329.0	3,403.2	3,240.4	3,588.0	3,248.7 ^r	3,080.3	3,529.1
Deposit Turnover							[
Demand deposits ³ 16 All insured banks. 17 Major New York City banks. 18 Other banks.	798.2	803.4	832.5	839.2	754.3	815.2	738.3	771.9	854.5
	3,825.9	4,274.3	4,803.5	5,025.6	4,494.4	4,418.1	3,936.3	4,213.4	4,385.4
	465.0	447.9	436.0	420.5	378.5	426.5	391.0	401.2	470.2
19 Other checkable deposits ⁴	16.4	16.2	14.4	13.7	12.1	13.5	12.4	11.6	12.6
	6.2	5.3	4.7	4.6	4.4	4.8	4.4	4.1	4.7

^{1.} Historical tables containing revised data for earlier periods can be obtained from the Banking and Money Market Statistics Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

Data in this table also appear on the Board's G.6 (406) monthly statistical release. For ordering address, see inside front cover.

Annual averages of monthly figures.
 Represents accounts of individuals, partnerships, and corporations and of states and political subdivisions.
 Accounts authorized for negotiable orders of withdrawal (NOWs) and accounts authorized for automatic transfer to demand deposits (ATSs).
 Money market deposit accounts.

A18 Domestic Financial Statistics August 1993

1.24 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars, averages of Wednesday figures

				4000						4000		
[tem		,		1992						1993		
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.r	Маг.	Apr. ^r	May
						Seasonall	y adjusted					
1 Total loans and securities ¹	2,882.8	2,886.9	2,902.2	2,917.4	2,926.0	2,932.4	2,937.6	2,933.4°	2,937.7	2,951.2°	2,963.4	2,985.4
2 U.S. government securities	610.7	619.2	632.6	640.6	647.3	651.4	657.1	656.9	667.3	681.7	691.6	694.2
	175.8	177.9	178.2	178.2	178.8	177.3	176.0	174.0	175.2	177.0	178.3	179.5
	2,096.2	2,089.8	2,091.4	2,098.6	2,099.8	2,103.8	2,104.6 ^r	2,102.4 ^r	2,095.2	2,092.6 ^r	2,093.5	2,111.7
	604.6	602.5	601.4	601.2	600.8	600.5	597.6	598.1 ^r	596.1	592.5	589.9	592.8
	6.3	6.5	6.5	6.3	7.5	7.9	7.8	7.5 ^r	8.7	8.9 ^r	9.0	9.6
industrial	598.4	596.0	594.9	594.9	593.3	592.6	589.9	590.6 ^r	587.4	583.6 ^r	580.9	583.2
	588.3	585.3	584.3	583.6	582.6	582.3	580.2	580.9 ^r	577.6	573.4 ^r	571.1	573.6
	10.1	10.7	10.6	11.3	10.7	10.3	9.7	9.7	9.8	10.1	9.7	9.6
	881.8	881.5	883.1	886.8	890.7	892.5	892.4	889.9 ^r	887.8	888.2 ^r	887.5	893.7
	359.0	358.6	357.4	357.0	355.8	355.4	355.5	358.2	360.4	360.9	364.2	366.8
	63.3	60.5	61.6	64.0	64.7	64.2	64.8	63.0	61.7	62.5	60.7	66.8
institutions	42.4	41.5	42.0	44.0	43.9	44.7	43.6	44.9	44.7	44.5	45.3	45.9
	34.6	34.9	35.3	35.2	35.1	35.2	35.0	34.5	34.3	34.0 ^r	34.0	34.1
subdivisions	26.8	26.2	25.9	25.8	25.4	25.1	24.8	24.2	23.7	23.4	23.1	23.3
	7.5	7.7	7.2	7.9	7.6	7.5	7.7	7.7	8.5	8.1	8.0	8.1
	2.0	2.2	2.3	2.5	2.4	2.8	2.8	2.8	3.0	2.9	2.9	2.8
	31.0	30.8	30.8	31.0	30.8	30.9	30.9	30.3	30.4	30.3	30.4	30.7
	43.3	43.2	44.3	43.2	42.6	45.0	49.5	48.8	44.5	45.3	47.6	46.7
					N	lot season	ally adjuste	d	·			
20 Total loans and securities 1	2,882.9	2,876.1	2,894.5	2,914.9	2,925.2	2,939.0	2,947.4°	2,935.5°	2,940.5	2,955.0°	2,965.0	2,980.3
21 U.S. government securities	608.9	615.3	631.3	638.7	645.1	654.1	655.8	657.3	670.9	687.4	693.4	693.2
	175.4	176.8	178.1	177.9	179.2	178.3	176.2	174.6	175.4	176.6 ^r	177.7	179.0
	2,098.7	2,084.0	2,085.0	2,098.3	2,100.9	2,106.6	2,115.4	2,103.6 ^r	2,094.2	2,090.9 ^r	2,093.9	2,108.2
	606.5	601.5	597.6	597.6	598.4	600.8	600.6	596.5 ^r	595.3	595.7	592.9	594.6
	6.2	6.3	6.3	6.2	7.4	8.2	8.0	7.7 ^r	9.1	9.0 ^r	8.9	9.5
industrial	600.3	595.2	591,4	591.4	591.0	592.6	592.5	588.9 ^r	586.2	586.6 ^r	584.0	585.1
	589.5	584.2	580,5	580.3	580.7	582.8	583.0	579.2 ^r	576.3	576.7 ^r	574.2	575.5
	10.8	11.0	10.8	11.1	10.3	9.8	9.5	9.6	9.8	10.0	9.8	9.6
	882.0	881.6	883.7	887.6	891.5	893.9	893.7 ^r	889.6 ^r	886.0	885.6 ^r	886.4	893.7
	357.2	356.4	356,9	358.6	356.2	356.3	360.0	362.3	360.4	358.5 ^r	361.6	365.0
	63.5	58.0	59,4	62.5	64.2	63.5	65.5	64.5	64.7	64.6	64.0	63.8
institutions	42.9	41.3	41.8	43.5	43.5	45.0	45.6	45.1	44.6	44.2 ^r	44.7	45.3
	35.1	35.8	36.5	36.7	36.1	35.2	34.8	33.6 ^r	33.0	32.7 ^r	33.2	33.7
subdivisions	26.8	26.1	25.9	25.9	25.5	25.2	24.8	24.0	23.6	23.5°	23.1	23.3
	7.3	7.8	7.0	8.1	7.8	7.8	8.2	7.7	8.4	7.8	7.7	7.9
	2.0	2.2	2.3	2.5	2.4	2.8	2.8	2.8	3.0	2.9	2.9	2.8
	31.0	30.6	30.6	30.8	30.8	30.8	30.9	30.7	30.6	30.5	30.5	30.7
	44.4	42.6	43.2	44.6	44.4	45.4	48.6	46.6	44.7	45.0	47.1	47.3

Adjusted to exclude loans to commercial banks in the United States.
 Includes nonfinancial commercial paper held.

^{3.} United States includes the fifty states and the District of Columbia.

1.25 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS¹

Billions of dollars, monthly averages

				1992					-	1993		
Source of funds	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^r	Feb.	Mar.	Apr.	May
						Seasonall	y adjusted	1				
Total nondeposit funds ²	295.9	297.0	302.5	309.5	304.6	308.4	312.0	310.8	309.8 ^r	319.7	328.3 ^r	324.0
	61.2	61.7	61.4	64.0	63.8	68.1	71.8	74.1	73.3	79.1	88.3	83.1
in United States Domestically chartered banks. Foreign-related banks.	234.7	235.3	241.1	245.6	240.9	240.2	240.2	236.7	236.5 ^r	240.6 ^r	240.0 ^r	240.9
	147.6	147.2	151.6	153.5	154.7	153.9	154.7	155.1	155.6	159.8	164.3	162.5
	87.2	88.1	89.6	92.1	86.2	86.3	85.5	81.6	80.9 ^r	80.8 ^r	75.6	78.5
		4	<u> </u>	· · · · · · · ·	N N	ot season	ally adjust	ed				
6 Total nondeposit funds ² 7 Net balances due to related foreign offices ³ 8 Domestically chartered banks 9 Foreign-related banks	295.2	291.5	297.6	304.1	306.9	313.7	311.9	309.7	314.1 ^r	324.5 ^r	324.5 ^r	328.7
	59.2	58.4	57.6	61.6	64.9	69.8	75.9	76.7	75.1 ^r	79.8 ^r	85.4	85.3
	-6.3	-7.0	-9.3	-11.0	-13.4	-12.6	~15.1	-15.8	-10.6	-7.0	-9.5	-9.8
	65.6	65.4	66.9	72.6	78.3	82.4	91.0	92.5	85.7 ^r	86.8 ^r	94.9	95.1
10 Borrowings from other than commercial banks in United States* 11 Domestically chartered banks	236.0	233.1	239.9	242.5	242.0	243.8	236.0	233.0	238.9 ^r	244.7 ^r	239.1 ^r	243.4
	147.4	144.1	150.5	152.3	155.8	158.4	153.7	152.1	157.3	162.7	162.3	164.0
borrowings ⁵ 13 Other ⁶ 14 Foreign-related banks ⁶	143.3	140.0	146.6	148.5	152.3	154.3	149.7	148.5	154.1	159.3	158.9	160.3
	4.1	4.2	3.9	3.8	3.6	4.1	4.0	3.6	3.2	3.3	3.5	3.7
	88.6	89.0	89.5	90.1	86.1	85.5	82.3	80.9	81.6 ^r	82.0 ^r	76.8 ^r	79.4
Memo Gross large time deposits ⁷ 15 Seasonally adjusted	393.3	387.7	385,8	383.2	375.7	371.3	366.5	359.9	358.4	355.7	355.0 ^r	356.2
	394.9	387.4	387,1	383.6	374.9	371.1	365.5	358.0	358.0	356.5	354.2 ^r	357.9
U.S. Treasury demand balances at commercial banks ⁸ 17 Seasonally adjusted	24.7	23.1	28.0	24.1	21.5	20.7	20.4	25.6	23.6	18.8	24.2	19.1
	25.2	19.6	22,4	28.6	21.9	16.5	19.5	33.1	29.5	17.4	20.3	20.3

^{1.} Commercial banks are nationally and state-chartered banks in the fifty states and the District of Columbia, agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.

Data in this table also appear in the Board's G.10 (411) release. For ordering address, see inside front cover.

2. Includes federal funds, repurchase agreements (RPs), and other borrowing from nonbanks and net balances due to related foreign offices.

3. Reflects net positions of U.S. chartered banks, Edge Act corporations, and U.S. branches and agencies of foreign banks with related foreign offices plus net positions with own International Banking Facilities (IBFs).

4. Borrowings through any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes

borrowings from Federal Reserve Banks and from foreign banks, term federal funds, loan RPs, and sales of participations in pooled loans.

5. Figures are based on averages of daily data reported weekly by approximately 120 large banks and quarterly or annual data reported by other banks.

6. Figures are partly averages of daily data and partly averages of Wednesday data.

o. Figures are paid; a condition of \$100,000 or more. Estimated averages of daily data.

7. Time deposits in denominations of \$100,000 or more. Estimated averages of daily data.

8. U.S. Treasury demand deposits and Treasury tax and loan notes at commercial banks. Averages of daily data.

A20 Domestic Financial Statistics □ August 1993

1.26 ASSETS AND LIABILITIES OF COMMERCIAL BANKS¹ Wednesday figures Millions of dollars

					1993				
Account	Mar. 31 ^r	Apr. 7 ^r	Apr. 14 ^r	Apr. 21 ^r	Apr. 28 ^r	May 5	May 12	May 19	May 26
ALL COMMERCIAL BANKING INSTITUTIONS ²									
Assets 1 Loans and securities 2 Investment securities 3 U.S. government securities 4 Other 5 Trading account assets 6 U.S. government securities 7 Other securities 8 Other trading account assets 9 Total loans 10 Interbank loans 11 Loans excluding interbank. 12 Commercial and industrial 13 Real estate. 14 Revolving home equity. 15 Other 16 Individual. 17 All other. 18 Total cash assets 19 Balances with Federal Reserve Banks 20 Cash in vault. 21 Demand balances at U.S. depository institutions 22 Cash items 23 Other cash assets.	3,117,484 833,241 670,170 163,071 36,247 22,194 11,593 2,247,997 11,593 2,247,997 164,459 2,083,538 593,867 885,706 73,483 812,223 358,806 245,161 214,219 30,287 31,376 29,092 82,103 41,361 278,472	3,119,369 832,726 669,796 162,930 39,174 25,351 11,453 2,247,470 11,453 2,091,130 592,319 885,206 73,364 811,842 254,712 206,290 28,422 29,656 29,551 77,123 41,538 276,391	3,122,119 832,509 668,080 164,429 39,447 25,269 2,248 11,930 2,250,163 157,064 2,093,099 590,589 886,720 73,637 813,083 360,521 255,269 217,384 32,645 32,289 30,921 81,815 39,714 274,472	3,106,482 832,192 668,480 163,712 38,119 24,855 2,334 10,930 2,236,171 141,480 2,094,693 594,013 884,933 74,031 810,902 362,284 253,461 203,367 25,760 32,038 29,395 75,381 40,794 40,794	3,106,722 829,265 665,163 164,103 40,102 26,031 11,498 2,237,355 143,466 2,093,896 887,495 74,204 813,291 364,236 248,263 213,471 29,086 32,153 31,350 80,119 40,762 262,627	3,125,230 834,071 669,516 164,555 39,677 25,638 2,676 11,363 2,251,482 147,890 2,103,595 595,165 890,819 74,271 816,548 362,769 254,839 211,863 29,367 32,105 81,935 39,147 275,776	3,127,592 834,330 669,373 164,957 36,009 22,140 2,488 11,382 2,257,253 150,071 2,107,183 592,876 894,561 74,343 820,218 364,211 255,535 215,129 31,583 30,515 78,808 39,133 269,819	3,124,017 831,659 666,654 165,005 40,589 25,328 2,649 12,612 2,251,769 2,105,006 593,739 892,585 74,306 818,279 365,207 365,207 365,207 31,814 29,919 74,077 39,610 272,876	3,121,949 828,556 664,917 163,638 36,428 21,411 2,844 12,173 2,256,965 151,016 2,105,965 74,402 819,144 366,840 251,626 217,049 38,281 32,623 30,733 74,862 40,550 267,484
25 Total assets	3,610,175	3,602,050	3,613,974	3,579,833	3,582,820	3,612,869	3,612,540	3,596,909	3,606,481
Liabilities 26 Total deposits 27 Transaction accounts 28 Demand, U.S. government 29 Demand, depository institutions 30 Other demand and all checkable deposits 31 Savings deposits (excluding checkable). 32 Small time deposits 33 Time deposits over \$100,000. 34 Borrowings 35 Treasury tax and loan notes 36 Other 37 Other liabilities	2,489,080 761,831 3,940 35,891 722,001 751,699 628,083 347,466 493,002 14,853 478,149 346,411	2,504,583 769,067 3,268 38,144 727,655 762,119 627,483 345,914 483,866 3,877 479,989 333,182	2,513,936 783,344 4,844 38,342 740,159 759,114 625,787 345,690 479,794 6,054 473,740 338,499	2,467,963 746,886 4,768 37,387 704,730 748,149 623,299 349,629 494,746 32,986 461,760 335,255	2,476,114 755,143 3,852 39,306 711,986 748,800 622,395 349,776 490,654 24,738 465,916 336,771	2,511,258 774,452 3,564 40,204 730,684 621,824 354,058 488,721 18,546 470,175 330,988	2,499,013 761,148 3,011 38,471 719,666 764,031 621,093 352,742 490,769 14,143 476,626 339,079	2,479,234 748,091 3,134 37,900 707,058 758,956 619,714 352,473 500,705 16,619 484,086 333,652	2,483,275 753,730 3,333 38,912 711,485 758,574 618,621 352,351 497,978 14,737 483,241 342,696
38 Total liabilities.	3,328,493	3,321,631	3,332,229	3,297,964	3,303,539	3,330,967	3,328,861	3,313,591	3,323,948
39 Residual (assets less liabilities) ³	281,682	280,419	281,746	281,870	279,281	281,902	283,679	283,318	282,533

Footnotes appear on the following page.

1.26 ASSETS AND LIABILITIES OF COMMERCIAL BANKS1 Wednesday figures—Continued Millions of dollars

	<u> </u>								
Account					1993				
Account	Mar. 31 ^r	Apr. 7 ^r	Apr. 14 ^r	Apr. 21 ^r	Apr. 28 ^r	May 5	May 12	May 19	May 26
DOMESTICALLY CHARTERED COMMERCIAL BANKS ⁴									
Assets 40 Loans and securities 41 Investment securities 42 U.S. government securities 43 Other 44 Trading account assets 45 U.S. government securities 46 Other securities 47 Other trading account assets 48 Total loans 49 Interbank loans 50 Loans excluding interbank 51 Commercial and industrial 52 Real estate 53 Revolving home equity 54 Other 55 Individual 56 All other 57 Total cash assets 58 Balances with Federal Reserve Banks 59 Cash in vault 60 Demand balances at U.S. depository institutions 61 Cash items 62 Other cass assets 63 Other assets	2,763,345 761,462 620,126 141,335 36,247 22,194 2,459 11,593 1,965,636 137,011 1,828,625 440,786 836,218 73,483 762,735 358,806 192,815 184,622 29,224 31,346 27,616 78,821 17,615	2,777,776 761,702 621,509 140,192 39,174 25,351 1,976,901 138,780 1,838,120 438,466 836,578 73,364 763,215 358,893 204,184 179,157 28,028 29,625 28,198 74,358 18,948 178,336	2,776,944 762,705 621,538 141,168 39,447 25,269 2,248 11,930 1,974,791 135,477 1,839,314 437,152 838,173 73,637 764,536 360,521 203,469 191,669 31,948 32,259 29,519 79,303 18,640 180,446	2,763,376 762,493 622,032 140,461 38,119 24,855 2,334 10,930 1,962,764 124,484 1,838,281 439,629 836,172 74,031 762,141 362,284 3200,195 176,832 25,388 32,007 27,996 72,581 18,859 172,354	2,762,047 759,402 618,237 141,165 40,102 26,031 11,498 1,962,543 124,994 1,837,550 364,236 74,204 764,350 364,236 194,809 185,785 28,421 32,123 29,863 76,924 18,454 168,893	2,783,079 762,120 620,739 141,381 39,677 25,638 2,676 11,363 1,981,282 129,536 1,851,746 441,942 842,259 74,271 767,988 362,769 204,777 185,275 28,811 29,338 30,638 79,817 16,671 176,755	2,781,379 763,552 621,943 141,610 36,009 22,140 2,488 11,382 1,981,818 127,724 1,854,094 439,806 846,101 74,343 771,758 364,211 203,977 188,236 34,282 31,552 28,739 76,607 17,056	2,776,363 761,082 619,399 141,682 40,589 25,328 2,649 12,612 1,974,692 125,545 1,849,147 74,396 769,815 365,207 200,618 174,206 24,198 31,784 28,604 71,888 17,732 172,693	2,773,048 757,986 617,067 (40,919 36,428 21,411 2,844 12,173 1,978,634 128,965 1,849,669 439,744 845,008 74,402 770,606 366,840 198,078 190,305 37,491 32,593 29,284 72,815 18,122
64 Total assets	3,129,578	3,135,269	3,149,058	3,112,562	3,116,725	3,145,109	3,145,796	3,123,262	3,132,523
Liabilities 65 Total deposits 66 Transaction accounts 67 Demand, U.S. government 68 Demand, depository institutions 69 Other demand and all checkable deposits 70 Savings deposits (excluding checkable). 71 Small time deposits 72 Time deposits over \$100,000 73 Borrowings 74 Treasury tax and loan notes 75 Other 76 Other liabilities.	2,334,487 748,871 3,939 32,934 711,997 747,496 625,919 212,202 372,084 14,853 357,231 144,543	2,358,352 757,742 3,267 719,208 757,934 625,358 217,318 364,968 3,877 361,091 134,748	2,367,664 772,226 4,843 35,446 731,936 754,980 623,671 216,788 367,835 6,054 361,781 135,031	2,318,659 735,995 4,768 34,677 696,551 744,015 621,187 217,462 382,485 32,986 349,499 132,766	2,323,627 742,097 3,851 36,450 701,796 744,735 620,282 216,513 380,823 24,738 356,085 136,212	2,358,090 763,584 3,564 37,416 722,605 756,681 619,661 218,164 370,358 18,546 351,812 137,977	2,346,099 749,245 3,011 35,679 710,555 759,703 618,984 218,167 378,554 14,143 364,411 140,682	2,326,351 737,496 3,133 35,106 699,257 754,661 617,597 216,596 380,760 16,619 364,141 136,050	2,329,703 742,595 3,333 36,113 703,149 754,272 616,520 216,316 383,117 14,737 368,380 140,388
77 Total liabilities	2,851,113	2,858,068	2,870,530	2,833,910	2,840,662	2,866,424	2,865,334	2,843,161	2,853,208
78 Residual (assets less liabilities) ³	278,465	277,201	278,528	278,652	276,063	278,684	280,462	280,100	279,315

^{1.} Excludes assets and liabilities of International Banking Facilities.
2. Includes insured domestically chartered commercial banks, agencies and branches of foreign banks, Edge Act and Agreement corporations, and New York State foreign investment corporations. Data are estimates for the last Wednesday of the month based on a sample of weekly reporting foreign-related and domestic institutions and quarter-end condition reports.

This balancing item is not intended as a measure of equity capital for use in capital adequacy analysis.
 Includes all member banks and insured nonmember banks. Loans and securities data are estimates for the last Wednesday of the month based on a sample of weekly reporting banks and quarter-end condition reports.

A22 Domestic Financial Statistics □ August 1993

1.27 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS

Millions of dollars, Wednesday figures

					1993				
Account	Mar. 31 ⁵	Apr. 7	Apr. 14	Apr. 21	Apr. 28 ^r	May 5	May 12	May 19	May 26
Assets) 		<u>}</u>	}		<u>'</u>]	
1 Cash and balances due from depository institutions	105,518	103,803 ^r	112,024	101,677	109,047	106,657	110,686	97,947	113,587
2 U.S. Treasury and government securities	283,624 18,987	288,386 ^r 22,606	288,949 ^r 22,858	289,088 ^r 22,570	288,313 23,644	291,535	287,913 19,998	289,755 23,059	284,649 19,204
3 Trading account	264,637	265,780°	266,091	266.518	264,670	23,455 268,080	267,915	266,696	265,445
Investment account	83,464	83,713	83,613 ^r	83,941 ^r	84,294	84,233	83,790	81,635	81,844
All others, by maturity	,	02,110	05,010		0.,,25		00,,,,	1	01,011
6 One year or less		41,062	40,838	41,560	40,625	42,278	43,229	45,156	44,769
7 One year through five years	74,339	74,397	74,691	74,542	73,936	73,679	73,868	73,788	74,436
8 More than five years	65,570	66,608	66,949	66,474	65,815	67,889	67,028	66,117	64,395
9 Other securities	57,081 2,276	55,847 2,187	55,899	55,726 2,151	56,106 2,389	55,817	55,843 2,303	55,896	55,651
10 Trading account	54,805	53,660	2,063 53,837	53,575	53,717	2,492 53,325	53,540	2,466 53,429	2,666 52,985
12 State and political subdivisions, by maturity	20,026	19,861	19,880	19,879	19,928	19,774	19.807	19.814	19.828
13 One year or less	3.392	3,375	3,402	3,394	3,426	3,407	3,451	3,445	3,465
14 More than one year	16,634	16,486	16,478	16,484	16,503	16,367	16,356	16,369	16,363
15 Other bonds, corporate stocks, and securities	34,779	33,799	33,957	33,696	33,789	33,551	33,733	33,615	33,157
16 Other trading account assets	11,470	11,331	11,805	10,808	11,376	11,240	11,258	12,490	12,052
17 Federal funds sold ²	81,565	85,507	86,530	84,493r	81,028	86,252	85.374	81,413	81,305
18 To commercial banks in the United States	58,381	54,169	54,724	52,351	54.691	53,820	53,475	52,407	55,686
19 To nonbank brokers and dealers	19,473	24,815	26,113	26,806	21,965	26,538	26,228	24,746	20,464
20 To others ³	3,711	6,524	5,693	5,336 ^r	4,372	5,893	5,670	4,259	5,156
21 Other loans and leases, gross	975,842	974,248 ^r	974,107 ^r	971,688 ^r	975,162	978,471	980,069	978,967	982,227
22 Commercial and industrial	277,719 2,705	275,098 ^r 2,730	273,822 ^r 2,587	275,204 ^r 2,626	275,584 3,079	277,589 3,090	275,796 3,045	275,350 3,079	275,882 3,134
23 Bankers acceptances and commercial paper	275.015	272,369r	271,235r	272,577 ^r	272,505	274,499	272,751	272,271	272,748
25 U.S. addressees	273,447	270,811 ^r	269,662 ^r	271.003	270,950	272,902	271,184	270,766	271,161
26 Non-U.S. addressees	1,568	1,557	1,574	1,574	1,555	1,597	1,567	1,505	1,587
27 Real estate loans	395,561	395,939r	397,014 ^r	394,560 ^r	396,028	395,589	397,977	395,771	396,100
28 Revolving, home equity	43,472	43,426 ^t	43,560 ^r	43,827 ^r	43,905	43,827	43,819	43,824	43,876
29 All other	352,089	352,513 ^r	353,453 ^r	350,733 ^r	352,124	351,762	354,158	351,947	352,224
To individuals for personal expenditures	183,738 33,750	183,119 ^r 35,028	183,854	183,979	184,767 34,761	185,367	185,627	186,093 35,793	186,766 36,703
To financial institutions	12,532	12,622	33,832 12,203	33,272 12,029	12,292	35,189 12,072	34,854 11,954	13,153	13,863
33 Banks in foreign countries	2,113	2,623	2,309	2,242	2,850	2,385	2,431	2,629	2,479
Nonbank financial institutions	19,104	19,783	19,320	19,001	19,619	20,731	20,470	20,011	20,361
35 For purchasing and carrying securities	15,587	15,382	17,349	16,511	15,627	16,104	16,832	16,706	16,556
36 To finance agricultural production	5,536	5,576	5,632	5,545	5,599	5,648	5,639	5,688	5,696
37 To states and political subdivisions	14,033	13,881	13,848	13,800	13,798	13,777	13,671	14,082	14,053
38 To foreign governments and official institutions	1,379	1,438	1,378	1,352 ^r	1,418	1,522	1,380	1,344	1,339
39 All other loans ⁴	24,132 24,406	24,356 ^r 24,430	23,010 ^r 24,368	23,099 ^r 24,365 ^r	23,102 24,477	23,144 24,541	23,749 24,545	23,568 24,574	24,443 24,689
	2,153	2,134	2,142	24,303	2,110	24,341	2,086	24,374	2,084
41 Less: Unearned income	36,267	36.166 ^t	36,207°	35,962 ^r	35,946	36,447	36,384	36,401	36,313
43 Other loans and leases, net	937,422	935,949r	935,759r	933,594 ^r	937,106	939,940	941,599	940,472	943,831
44 Other assets	165,464	164,345 ^r	167,773 ^r	161,585 ^r	157,827	164,273	164,709	162,125	159,513
45 Total assets	1,642,145	1,645,169 ^r	1,658,740°	1,636,971	1,640,803	1.655,713	1,657,381	1,640,097	1,650,588
43 TOTAL ASSETS	1,042,143	1,043,109	1,030,740	1,030,971	1,040,003	1,033,/13	1,037,381	1,040,07/	1,030,388

Footnotes appear on the following page.

1.27 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS—Continued Millions of dollars, Wednesday figures

Account		******			1993		· · ·		
Account	Mar. 3	Mar. 10	Mar. 17	Mar. 24	Mar. 31	Apr. 7	Apr. 14	Apr. 21	Apr. 28
Liabilities									
46 Deposits	265,665 216,112 49,553 8,847 2,094 22,182 5,811 0,062 121,220 728,441 702,551 25,890 21,415 2,040	1,102,172 254,792 209,423 45,369 8,576 1,835 20,511 4,742 858 8,847 118,168 729,212 703,570 25,642 21,067 2,218 332	1,105,409 261,522 212,684 48,841 8,759 1,694 21,394 5,715 739 10,540 117,506 726,381 701,123 25,258 20,694 2,026 2,198 340	1,091,129 253,854 205,103 48,751 8,805 2,138 20,554 6,014 810 10,429 116,249 721,031 695,940 25,091 20,475 2,192 342	1,102,700 268,676 221,836 46,840 8,890 2,348 20,344 5,083 712 9,463 119,216 714,808 692,253 22,555 20,135 20,135 336	1,118,197 269,672 221,314 48,358 8,371 2,048 22,061 4,929 1,177 9,772 122,088 726,437 703,150 23,287 20,505 332	1,126,046 279,815 230,135 49,680 8,727 3,343 21,916 4,962 687 10,046 122,233 723,997 700,939 23,059 20,244 495 1,984 336	1,095,332 260,009 211,735 48,274 8,997 3,590 21,536 4,884 646 8,622 118,945 716,378 691,496 24,882 20,342 2,199 2,008 333	1,101,516 272,103 220,685 51,418 9,216 62,737 23,068 4,821 (0,963 114,964 714,449 689,953 24,496 20,467 1,663 2,094 332
64 Liabilities for borrowed money ⁵ 65 Borrowings from Federal Reserve Banks 66 Treasury tax and loan notes 67 Other liabilities for borrowed money ⁶ 68 Other liabilities (including subordinated notes and debentures)	283,979 35 4,476 279,467 105,653	273,186 0 6,461 266,725 106,525	282,774 860 17,789 264,126	278,849 0 12,658 266,191 103,273	281,319 707 11,624 268,988 112,270	277,492 0 2,830 274,662 103,767	281,962 0 4,370 277,593 103,842	292,386 0 28,877 263,508 101,553	288,465 0 22,356 266,108 103,728
69 Total liabilities	1,504,958	1,481,883	1,492,875	1,473,251	1,496,290	1,499,455	1,511,850	1,489,271	1,493,708
70 Residual (total assets less total liabilities) ⁷	142,635	142,849	142,942	143,630	145,138	145,341	146,531	146,961	146,241
MEMO 71 Total loans and leases, gross, adjusted, plus securities ⁸ . 72 Time deposits in amounts of \$100,000 or more 73 Loans sold outright to affiliates 74 Commercial and industrial 75 Other 76 Foreign branch credit extended to U.S. residents ¹⁰ 77 Net due to related institutions abroad	1,347,927 113,729 898 453 446 23,407 -8,870	1,343,950 112,598 897 452 445 23,846 -10,560	1,349,673 111,983 896 451 445 23,850 -8,945	1,338,923 110,167 893 449 444 23,150 - 10,070	1,338,398 104,128 869 447 422 23,225 -12,328	1,348,509 108,678 876 447 429 23,227 -13,221	1,350,343 108,431 875 447 429 23,321 -16,158	1.346,841 109,441 875 447 429 23,464 ~12,016	1,345,033 108,087 872 443 428 23,333 -8,995

Includes certificates of participation, issued or guaranteed by agencies of the U.S. government, in pools of residential mortgages.
 Includes securities purchased under agreements to resell.
 Includes allocated transfer risk reserve.
 Includes negotiable order of withdrawal accounts (NOWs), automatic transfers revice (ATS), and telephone and preauthorized transfers of savings deposits.
 Includes borrowings only from other than directly related institutions.
 Includes federal funds purchased and securities sold under agreements to repurchase.

repurchase.
7. This balancing item is not intended as a measure of equity capital for use in capital-adequacy analysis.
8. Excludes loans to and federal funds transactions with commercial banks in

the United States.

^{9.} Affiliates include a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

10. Credit extended by foreign branches of domestically chartered weekly reporting banks to nonbank U.S. residents. Consists mainly of commercial and industrial loans, but includes an unknown amount of credit extended to other than nonfinancial businesses.

Note. Data that formerly appeared in table 1.28, Assets and Liabilities of Large Weekly Reporting Commercial Banks in New York City, can be obtained from the Board's H.4.2 (504) weekly statistical release. For ordering address, see inside

Domestic Financial Statistics August 1993

LARGE WEEKLY REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS Assets and Liabilities1

Millions of dollars, Wednesday figures

					1993				
Account	Mar. 31 ^r	Apr. 7 ^r	Apr. 14 ^r	Apr. 21 ^r	Apr. 28 ^r	May 5	May 12	May 19	May 2
Cash and balances due from depository									
institutions	19,477	17,756	16,838	17,317	18,063	17,361	17,608	16,845	17,45
U.S. Treasury and government agency securities	31,493	30,341	29,275	29,146	29,553	30,723	29,924	29,750	30.09
Other securities	8,420	8,795	9,017	8,976	8,855	8,966	9,050	9,026	8,78
Other securities	23,044	18,667	21,235	19,330	19,858	18,481	20,572	21,077	22,55
To commercial banks in the United States	8,710 14,334	4,110 14,556	5,984 15,251	3,445 15,884	4,293 15,565	3,872 14,609	5,889 14,683	5,341 15,736	5,58
To others ² Other loans and leases, gross	160,773	158,669	158,915	159,902	160,113	158,158	159,557	160,264	159,50
Commercial and industrial	95,548	95,831	95,741	95,939	95,654	95,464	95,866	96,609	96,3
Bankers acceptances and commercial		1	ľ		1		1	1	ĺ
paper	2,538	2,684	2,466	2,444	2,494	2,549	2,474	2,612	2,59
All other	93,010 89,730	93,147 89,807	93,275 90,019	93,494 90,188	93,160 89,849	92,915 89,679	93,392 90,051	93,997 90,569	93,79 90,5
Non-U.S. addressees	3,280	3,340	3,256	3,306	3,311	3,236	3,342	3,428	3,2
Loans secured by real estate	32,843	32,217	32,226	32,277	32,399	32,202	32,091	32,043	32,0
To financial institutions	25,568	24,803	24,226	25,468	25,512	23,865	24,943	25,130	25,0
Commercial banks in the United States	4,935	4,973	4,914	5,056	4,981	5,360	5,392	5,268	5,4
Banks in foreign countries	1,871 18,763	1,802 18,029	1,822 17,490	1,659 18,754	1,680 18,851	1,732 16,773	1,722 17,828	1,740 18,122	1,8 17,8
Nonbank financial institutions For purchasing and carrying securities	3,809	2,718	3,513	3,008	3,264	3,375	3,533	3,491	2,9
To foreign governments and official		2,7.20	, ,,,,,		[5,25.	0,575		.,	
institutions	368	364	406	388	382	389	372	340	3
All other	2,637 33,860	2,735 31,571	2,803 32,088	2,821 31,875	2,902 32,012	2,862 33,308	2,753 31,964	2,651 31,769	2,63 32,13
Other assets (claims on nonrelated parties)		· ·	· .		i		·	′	
Total assets ³	306,177	297,943	296,670	298,250	296,965	297,935	297,323	301,790	301,97
Deposits or credit balances due to other	102,844	97,042	97,249	99,311	101.357	101,440	101,271	101,527	102,53
than directly related institutions Demand deposits	4,934	4,137	4.099	3,963	5,008	3,961	4,396	3,829	4,1
Individuals, partnerships, and	.,,	1,10	1,022	0,200	2,000	-,,-0.	,,,,,,,	-,	.,,.
corporations	3,413	2,945	3,182	3,052	3,533	3,134	3,111	3,056	3,3
Other	1,521 97,910	1,192 92,905	918 93,150	911 95,348	1,476 96,349	827	1,285 96,875	774 97,698	98,4
Nontransaction accounts	37,310	92,903	93,130	73,340	90,349	97,479	90,073	97,096	70,4
corporations	67,973	65,569	65,287	67,111	67,247	68,601	68,173	68,175	68,3
Other	29,937	27,336	27,863	28,238	29,102	28,878	28,702	29,523	30,0
Borrowings from other than directly	86,400	85,897	81,727	81,999	70.666	95 503	81.673	86,786	82,64
related institutions Federal funds purchased	45,283	49,938	45,816	42,625	79,666 39,287	85,582 44,173	39,990	42,050	38,7
From commercial banks in the	45,205	15,550	15,010	12,023	37,207	17,173	35,550	42,030	30,7
United States	18,704	17,405	13,751	12,841	12,057	13,997	11,530	13,393	13,52
From others	26,579	32,533	32,065	29,783	27,230	30,176	28,460	28,657	25,2
Other liabilities for borrowed money	41,117	35,959	35,912	39,375	40,379	41,409	41,683	44,735	43,8
To commercial banks in the United States	8,886	7.924	7,077	7,018	7,584	7,363	6.871	7,533	8,0
To others	32,231	28,035	28,835	32,357	32,795	34,046	34,812	37,202	35,8
Other liabilities to nonrelated parties	32,619	30,456	30,249	30,529	30,624	30,691	31,295	30,095	30,5
Total liabilities ⁶	306,177	297,943	296,670	298,250	296,965	297,935	297,323	301,790	301,97
Мемо	***								
Total loans (gross) and securities, adjusted	210,085	207,388	207,543	208,852	209,105	207,096	207,822	209,507	209,90
Net due to related institutions abroad	55,203	52,404	58,141	54,706	56,808	49,283	54,437	50,323	54,80

Includes securities purchased under agreements to resell,
 Includes transactions with nonbank brokers and dealers in securities,
 Includes net due from related institutions abroad for U.S. branches and agencies of foreign banks having a net "due from" position.

Includes securities sold under agreements to repurchase.
 Includes net to related institutions abroad for U.S. branches and agencies of foreign banks having a net "due to" position.
 Excludes loans to and federal funds transactions with commercial banks in the United States.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

		Year	ending Dec	ember		19	92		19	93	
ltem .	1988	1989	1990	1991	1992	Nov.	Dec.	Jan. ^r	Feb. ^r	Mar. ^r	Apr.
			Cor	nmercial pa	per (seasor	nally adjust	ed unless n	oted otherw	vise)		
1 All issuers	458,464	525,831	562,656	531,724	549,433	558,414	549,433	540,191	527,529	534,116	535,971
Financial companies ¹ Dealer-placed paper ² Total	159,777	183,622	214,706	213,823	228,260	230,966	228,260	213,049	202,126	219,076	210,317
3 Bank-related (not seasonally adjusted)	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4 Total	194,931	210,930	200,036	183,379	172,813	179,279	172,813	181,264	177,370	171,959	175,384
5 Bank-related (not seasonally adjusted) ³	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies ⁵	103,756	131,279	147,914	134,522	148,360	148,169	148,360	145,878	148,033	143,081	150,270
				Bankers d	ollar accep	tances (not	seasonally	adjusted) ⁶			
7 Total	66,631	62,972	54,771	43,770	38,200 ^r	37,664 ^r	38,200 ^r	36,001	35,221	34,939	35,317
Holder 8 Accepting banks 9 Own bills 10 Bills bought from other banks Federal Reserve Banks	9,086 8,022 1,064	9,433 8,510 924	9,017 7,930 1,087	11,017 9,347 1,670	10,561 ^r 9,103 ^r 1,458	10,314 ^r 9,169 ^r 1,145	10,561 ^r 9,103 ^r 1,458	9,121 7,927 1,193	9,878 8,361 1,516	11,036 9,162 1,873	10,582 9,232 1,350
11 Foreign correspondents	1,493 56,052	1,066 52,473	918 44,836	1,739 31,014	1,276 26,364	1,289 26,061	1,276 26,364	1,317 25,563	1,169 24,175	1,108 22,795	909 23,826
Basis Imports into United States Id Exports from United States If All other	14,984 14,410 37,237	15,651 13,683 33,638	13,095 12,703 28,973	12,843 10,351 20,577	12,212 ^r 8,096 17,893 ^r	12,135 ^r 7,673 17,856 ^r	12,212 ^r 8,096 17,893 ^r	11,148 7,740 17,112	11,126 7,547 16,548	11,129 7,304 16,506	t0,746 7,629 16,942

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.
 Includes all financial-company paper sold by dealers in the open market.
 Bank-related series were discontinued in January 1989.
 As reported by financial companies that place their paper directly with investors.

1.33 PRIME RATE CHARGED BY BANKS on Short-Term Business Loans¹ Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1990 Jan. 1	10.50 10.00 9.50 9.00 8.50 8.50 8.00 7.50 6.50	1990	10.01 8.46 6.25 10.11 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00 10.00	1991— Jan. Feb. Mar. Apr. May June July Aug Sept. Oct. Nov. Dec.	9.52 9.05 9.00 8.50 8.50 8.50 8.20 8.7.38 7.21	1992— Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec. 1993— Jan. Feb. Mar. Apr. Apr.	6.50 6.50 6.50 6.50 6.50 6.00 6.00 6.00

^{1.} Data in this table also appear in the Board's H.15 (519) weekly and G.13 (415) monthly statistical releases. For ordering address, see inside front cover.

^{5.} Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

6. Data on bankers acceptances are gathered from approximately 100 institutions. The reporting group is revised every January.

7. In 1977 the Federal Reserve discontinued operations in bankers acceptances for its one account.

for its own account.

1.35 INTEREST RATES Money and Capital Markets

Averages, percent per year; weekly, monthly, and annual figures are averages of business day data unless otherwise noted

					19	993			1993	3, week en	ding	
Item	1990	1991	1992	Feb.	Mar.	Apr.	May	Apr. 30	May 7	May 14	May 21	May 28
Money Market Instruments												
1 Federal funds ^{1,2,3}	8.10	5.69	3.52	3.03	3.07	2.96	3.00	2.87	2.98	2.90	3.01	3.07
	6.98	5.45	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Commercial paper 2,5,6 -month	8.15	5.89	3.71	3.14	3.15	3.13	3.11	3.10	3.08	3.09	3.11	3.15
	8.06	5.87	3.75	3.18	3.17	3.14	3.14	3.11	3.10	3.11	3.15	3.19
	7.95	5.85	3.80	3.27	3.24	3.19	3.20	3.16	3.13	3.14	3.22	3.30
Finance paper, directly placed ^{3,5,7} 6 1-month 7 3-month 8 6-month	8.00	5.73	3.62	3.18	3.15	3.06	3.05	3.03	3.02	3.03	3.05	3.09
	7.87	5.71	3.65	3.27	3.17	3.06	3.07	3.04	3.03	3.05	3.08	3.13
	7.53	5.60	3.63	3.21	3.14	3.07	3.07	3.05	3.04	3.05	3.07	3.13
Bankers acceptances ^{3,5,8} 9 3-month 10 6-month	7.93	5.70	3.62	3.06	3.07	3.05	3.06	3.04	3.03	3.04	3.07	3.12
	7.80	5.67	3.67	3.15	3.14	3.10	3.13	3.09	3.07	3.08	3.15	3.23
Certificates of deposit, secondary market 19 11 I-month	8.15	5.82	3.64	3.08	3.10	3.08	3.07	3.06	3.04	3.06	3.08	3.10
	8.15	5.83	3.68	3.12	3.11	3.09	3.10	3.08	3.06	3.07	3.12	3.16
	8.17	5.91	3.76	3.22	3.20	3.16	3.20	3.14	3.12	3.14	3.23	3.29
14 Eurodollar deposits, 3-month ^{3,10}	8.16	5.86	3.70	3.12	3.11	3.10	3.12	3.06	3.06	3.08	3.13	3.20
U.S. Treasury bills Secondary market ^{1,5} 15 3-month 16 6-month 17 1-year Auction average ^{3,5,11} 18 3-month 19 6-month 20 1-year	7.50	5.38	3.43	2.93	2.95	2.87	2.96	2.91	2.87	2.91	2.99	3.06
	7.46	5.44	3.54	3.07	3.05	2.97	3.07	2.98	2.97	3.01	3.09	3.20
	7.35	5.52	3.71	3.25	3.20	3.11	3.23	3.12	3.11	3.14	3.26	3.39
	7.51	5.42	3.45	2.95	2.97	2.89	2.96	2.88	2.88	2.89	3.00	3.06
	7.47	5.49	3.57	3.08	3.08	3.00	3.07	2.95	2.98	2.99	3.10	3.19
	7.36	5.54	3.75	3.32	3.09	3.24	3.13	n.a.	3.13	n.a.	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities 12 21 1-year	7.89	5.86	3.89	3.39	3.33	3.24	3.36	3.25	3.23	3.27	3.40	3.55
	8.16	6.49	4.77	4.10	3.95	3.84	3.98	3.83	3.78	3.86	4.07	4.21
	8.26	6.82	5.30	4.58	4.40	4.30	4.40	4.30	4.24	4.30	4.48	4.60
	8.37	7.37	6.19	5.43	5.19	5.13	5.20	5.14	5.05	5.10	5.28	5.36
	8.52	7.68	6.63	5.87	5.66	5.59	5.66	5.60	5.53	5.58	5.74	5.78
	8.55	7.86	7.01	6.26	5.98	5.97	6.04	6.01	5.92	5.96	6.12	6.14
	8.61	8.14	7.67	7.09	6.82	6.85	6.92	6.89	6.83	6.88	7.00	6.97
Composite 28 More than 10 years (long-term)	8.74	8.16	7.52	6.89	6.65	6.64	6.68	6.66	6.58	6.62	6.76	6.75
STATE AND LOCAL NOTES AND BONDS						"""	5.55			"""		"""
Moody's series ¹³ 29 Aaa 30 Baa 31 Bond Buyer series ¹⁴	6.96	6.56	6.09	5.61	5.42	5.47	n.a.	5.38	5.35	5.42	5.45	5.66
	7.29	6.99	6.48	5.98	5.81	5.88	n.a.	5.79	5.76	5.82	5.86	6.09
	7.27	6.92	6.44	5.87	5.64	5.76	5.73	5.75	5.71	5.69	5.77	5.73
Corporate Bonds												
32 Seasoned issues, all industries ¹⁵	9.77	9.23	8.55	8.01	7.83	7.76	7.78	7.74	7.71	7.75	7.84	7.82
Rating group 33 Aaa	9.32	8.77	8.14	7.71	7.58	7.46	7.43	7.40	7.37	7.41	7.48	7.46
	9.56	9.05	8.46	7.90	7.72	7.62	7.61	7.59	7.55	7.59	7.67	7.64
	9.82	9.30	8.62	8.03	7.86	7.80	7.85	7.80	7.77	7.82	7.91	7.89
	10.36	9.80	8.98	8.39	8.15	8.14	8.21	8.15	8.13	8.18	8.28	8.27
37 A-rated, recently offered utility bonds ¹⁶	10.01	9.32	8.52	7.80	7.61	7.66	7.75	7.76	7.67	7.74	7.84	7.77
MEMO Dividend-price ratio ¹⁷ 38 Preferred stocks 39 Common stocks	8.96	8.17	7.46	7.37	6.70	6.69	6.65	6.67	6.61	6.64	6.78	6.74
	3.61	3.25	2.99	2.81	2.76	2.82	2.77	2.86	2.82	2.82	2.80	2.77

The daily effective federal funds rate is a weighted average of rates on trades through New York brokers.
 Weekly figures are averages of seven calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.
 Annualized using a 360-day year or bank interest.
 Rate for the Federal Reserve Bank of New York.
 Quoted on a discount basis.
 An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.
 An average of offering rates on paper directly placed by finance companies.
 Representative closing yields for acceptances of the highest-rated money center banks.
 An average of dealer offering rates on nationally traded certificates of deposit.

deposit.

10. Bid rates for Eurodollar deposits at 11 a.m. London time. Data are for

indication purposes only.

11. Auction date for daily data; weekly and monthly averages computed on an issue-date basis.

^{12.} Yields on actively traded issues adjusted to constant maturities. Source: U.S. Treasury.
13. General obligations based on Thursday figures; Moody's Investors Service.
14. General obligations only, with twenty years to maturity, issued by twenty state and local governmental units of mixed quality. Based on figures for Thursday.

state and local governmental units of mixed quality. Based on ngures for Thursday.

15. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.

16. Compilation of the Federal Reserve. This series is an estimate of the yield on recently offered. A-rated utility bonds with a thirty-year maturity and five years of call protection. Weekly data are based on Friday quotations.

17. Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratios on the 500 stocks in the price index.

Note. These data also appear in the Board's H.15 (519) and G.13 (415) releases. For ordering address, see inside front cover.

1.36 STOCK MARKET Selected Statistics

		[i.	992				1993		
Indicator	1990	1991	1992	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
	Prices and trading volume (averages of daily figures)											
Common stock prices (indexes) 1 New York Stock Exchange (Dec. 31, 1965 = 50) 2 Industrial 3 Transportation 4 Utility 5 Finance 6 Standard & Poor's Corporation (1941-43 = 10) 7 American Stock Exchange (Aug. 31, 1973 = 50) Volume of trading (thousands of shares) 8 New York Stock Exchange 9 American Stock Exchange	183.66 226.06 158.80 90.72 133.21 335.01 338.32	206.35 258.16 173.97 92.64 150.84 376.20 360.32	229.00 284.26 201.02 99.48 179.29 415.75 391.28	230.13 285.76 191.61 102.26 178.27 418.48 382.67	226.97 279.70 192.30 101.62 181.36 412.50 371.27	232.84 287.80 204.63 101.13 189.27 422.84 387.75 208,221 14,925	239.47 290.77 212.35 103.85 196.87 435.64 392.69	239.75 292.11 221.00 105.52 203.38 435.40 402.75	243.41 294.40 226.96 109.45 209.93 441.76 409.39 288,540 18.154	248.12 298.75 229.42 112.53 217.01 450.15 418.56 251,170 16,150	244.72 292.19 237.97 113.78 216.02 443.08 418.54 279,778 15.521	246.02 297.83 237.80 111.21 209.40 445.25 429.72
7 Millerican Stock Dachange	15,155	12,400		1	1	millions of	1	<u> </u>		1		20,133
•		Γ	T			Γ		Ι .	Γ	r –	Γ	Γ
10 Margin credit at broker-dealers ³	28,210	36,660	43,990	41,250	41,590	43,630	43,990	44,020	44,290	45,160	47,420	48,630
Free credit balances at brokers ⁴ 11 Margin accounts ³ 12 Cash accounts	8,050 19,285	8,290 19,255	8,970 22,510	8,060 19,650	8,355 18,700	8,500 19,310	8,970 22,510	8,980 20,360	9,790 22,190	9,650 21,395	9,805 21,450	9,560 21,610
			M	argin requ	irements (percent of	market va	lue and ef	fective da	te) ⁶		
	Mar. 11, 1968 June 8, 1968 May 6, 1970 Dec. 6							6, 1971 Nov. 24, 1972		Jan. 3, 1974		
13 Margin stocks	70 50 70		80 60 80		65 50 65		55 50 55		65 50 65		50 50 50	

^{1.} Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40

on securities other than options are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1,

1971.

On Jan. 1, 1977, the Board of Governors for the first time established in Regulation T the initial margin required for writing options on securities, setting it at 30 percent of the current market value of the stock underlying the option. On Sept. 30, 1985, the Board changed the required initial margin, allowing it to be the same as the option maintenance margin required by the appropriate exchange or self-regulatory organization; such maintenance margin rules must be approved by the Securities and Exchange Commission. Effective Jan. 31, 1986, the SEC approved new maintenance margin rules, permitting margins to be the price of the option plus 15 percent of the market value of the stock underlying the option. Effective June 8, 1988, margins were set to be the price of the option plus 20 percent of the market value of the stock underlying the option (or 15 percent in the case of stock-index options).

case of stock-index options).

financial.

2. On July 5, 1983, the American Stock Exchange rebased its index, effectively

^{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. New series since June 1984.

6. These requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements

A28 Domestic Financial Statistics ☐ August 1993

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities¹

Millions of dollars, end of period

Account	1990	1991	1992								1993			
Account	1990	1991	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar		
		SAIF-insured institutions												
Assets	1,084,821	919,979	861,517	856,390	856,165	847,235	846,730	840,605	832,039	†	+	†		
Mortgages	633,385	551,322	516,654	512,264	512,077	508,815	502,863	496,974	490,558	, ,	\ 			
Mortgage-backed securities	155,228	129,461	123,282	122,385	120,438	119,715	120,715	120,292	122,171					
Contra-assets to mortgage assets ² .	16,897	12,307	11,282	11,044	11,164	11,073	11,207	10,509	12,742		ĺĺ			
Commercial loans	24,125 48,753	17,139 41,775	14,020 37,403	13,929 37,230	13,525 37,123	13,419 36,732	13,630 35,938	13,180 36,019	8,109 363,562					
Contra-assets to non- mortgage loans ²	1,939	1,239	944	910	932	982	931	845	1,083	n.a.	n.a.	n.a.		
Cash and investment	l '		!		· ·						11.4.			
securities Other	146,644 95,522	120,077 73,751	119,539 62,844	120,220 62,317	124,140 60,958	120,684 59,925	126,719 59,002	127,893 57,600	132,210 41,695]]))		
Liabilities and net worth .	1,084,821	919,979	861,517	856,390	856,165	847,235	846,730	840,605	832,039			} }		
Deposits	835,496	731,937	682,535	676,141	672,354	667,027	660,906	654,047	650,010					
Borrowed money	100,391	121,923 65,842	108,943 62,760	109,036 62,359	110,109 62,225	110,022 64,105	114,123 63,065	114,354 64,742	114,980 64,615					
Other		56,081 17,560	46,183 17,740	46,677 18,570	47,884 20,523	45,917 18,017	51,058 19,853	49,612 20,406	50,365 16,078					
Net worth	30,640	48,559	52,299	52,642	53,178	52,169	51,846	51,798	50,867		♦	i ∳		

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

		Fiscal year		Calendar year							
Type of account or operation	1990	1991	1002	1992	1993						
	1990	1991	1992	Dec.	Jan.	Feb.	Mar.	Apr.	May		
U.S. budget 1 Receipts, total 2 On-budget 3 Off-budget 4 Outlays, total 5 On-budget 6 Off-budget 7 Surplus or deficit (-), total 8 On-budget 9 Off-budget	1,031,308	1,054,265	1,090,513	113,690	112,718	66,138	83,453	132,122	70,758		
	749,654	760,382	788,087	89,594	90,129	41,038	57,259	96,413	44,636		
	281,654	293,883	302,426	24,096	22,589	25,100	26,194	35,709	26,122		
	1,251,766	1,323,757	1,380,657	152,637	82,903	113,732	128,030	124,034	107,716		
	1,026,701	1,082,072	1,128,318	116,575	84,928	89,276	103,793	101,861	83,320		
	225,064	241,685	252,339	36,061	-2,025	24,456	24,237	22,174	24,395		
	-220,458	-269,492	-290,144	-38,946	29,815	-47,594	-44,577	8,088	-36,957		
	-277,047	-321,690	-340,231	-26,981	5,201	-48,238	-46,534	-5,448	-38,684		
	56,590	52,198	50,087	-11,965	24,614	644	1,957	13,535	1,727		
Source of financing (total) 10 Borrowing from the public. 11 Operating cash (decrease, or increase (-)) 12 Other	220,101	276,802	310,918	21,078	-8,355	30,689	37,727	5,464	30,832		
	818	-1,329	-17,305	-3,175	-16,436	27,227	-2,452	-18,945	20,196		
	-461	-5,981	-3,469	21,043	-5,024	-10,322	9,302	5,393	-14,071		
MEMO 13 Treasury operating balance (level, end of period) 14 Federal Reserve Banks	40,155	41,484	58,789	29,890	46,326	19,099	21,551	40,496	20,300		
	7,638	7,928	24,586	7,492	9,572	5,350	6,752	7,273	5,787		
	32,517	33,556	34,203	22,399	36,754	13,749	14,799	33,233	14,514		

^{1.} In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, all former off-budget entries are now presented on-budget. Federal Financing Bank (FFB) activities are now shown as separate accounts under the agencies that use the FFB to finance their programs. The act also moved two social security trust funds (federal old-age survivors insurance and federal disability insurance) off budget. The Postal Service is included as an off-budget item in the Monthly Treasury Statement beginning in 1990.

2. Includes special drawing rights (SDRs); reserve position on the U.S. quota in the International Monetary Fund (IMF); loans to the IMF; other cash and

monetary assets; accrued interest payable to the public; allocations of SDRs; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain or loss for U.S. currency valuation adjustment; net gain or loss for IMF loan-valuation adjustment; and

profit on sale of gold.
SOURCES. Monthly Treasury Statement of Receipts and Outlays of the U.S. Government (MTS) and the Budget of the U.S. Government.

Beginning December 1992, data are available on a quarterly basis and are no longer available monthly.
 Contra-assets are credit-balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels. Contra-assets to loans in process, unearned discounts and deferred loan fees, valuation allowances for mortgages "held for sale," and specific reserves and other valuation allowances. Contra-assets to nonmortgage loans include loans in process, unearned discounts and deferred loan fees, and specific reserves and valuation allowances.

^{3.} Includes holding of stock in Federal Home Loan Bank and finance leases plus interest.

plus interest.

Note. Components do not sum to totals because of rounding. Data for credit unions and life insurance companies have been deleted from this table. Starting in the December 1991 issue, data for life insurance companies are shown in a special table of quarterly data.

Source. Office of Thrift Supevision (OTS), insured by the Savings Association Insurance Fund (SAIF) and regulated by the OTS.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS1

Millions of dollars

	Fisca	al year				Calendar yea	г		
Source or type	1991	1992	19	91	19	992		1993	
	1991	1992	Н1	Н2	Ні	H2	Mar.	Apr.	May
Receipts									
1 All sources	1,054,265	1,090,513	540,504	519,181	560,350	540,506	83,453	132,122	70,758
2 Individual income taxes, net	467,827 404,152 32	476,049 ^r 408,352 30	232,389 193,440	234,939 210,552	236,586 ^r 198,868 20	246,961 215,591 10	27,935 40,006	56,137 32,691	17,919 31,264 5
5 Nonwithheld	142,693 79,050	149,430 ^r 81,763 ^r	109,405 70,487	33,296 8,910	110,995 ^r 73,297 ^r	39,371 8,011	5,253 17,330	44,755 21,315	2,281 15,631
Corporation income taxes 7 Gross receipts. 8 Refunds 9 Social insurance taxes and contributions, net	113,599 15,513	117,949 ^r 17,679 ^r	58,903 7,904	54,016 8,649	61,682 ^r 9,402	58,022 7,219	14,644 1,920	19,272 1,477	3,022 646
	396,011	413,689	214,303	186,839	224,569	192,599	33,652	49,176	42,277
contributions ²	370,526	385,491	199,727	175,802	208,110	180,758	32,980	45,164	33,062
contributions ³	25,457 20,922 4,563	24,421 23,410 4,788	22,150 12,296 2,279	3,306 8,721 2,317	20,433 14,070 2,389	3,988 9,397 2,445	873 240 432	12,183 3,581 431	1,620 8,849 365
14 Excise taxes 15 Customs deposits. 16 Estate and gift taxes 17 Miscellaneous receipts	42,430 15,921 11,138 22,852	45,570 17,359 11,143 26,522	20,703 7,488 5,631 8,991	24,429 8,694 5,507 13,406	22,388 ^r 8,146 5,700 ^r 10,695	23,456 9,497 5,733 11,472	4,514 1,598 977 2,051	4,168 1,544 1,898 1,404	3,502 1,419 1,009 2,257
OUTLAYS								ĺ	l
18 All types	1,323,757	1,380,657	632,153	694,364	704,288	723,367	128,030	124,034	107,716
National defense International affairs General science, space, and technology Energy Natural resources and environment Agriculture	272,514 16,167 15,946 2,511 18,708 14,864	298,361 16,106 16,409 4,509 20,017 14,997	122,089 7,592 7,496 1,235 8,324 7,684	147,669 7,691 8,472 1,698 11,130 7,418	147,065 ^r 8,540 ^r 7,951 1,442 8,601 ^r 7,526	155,501 9,911 8,521 3,109 11,617 8,881	25,511 1,181 1,103 560 1,549 4,244	27,192 536 1,444 431 1,709 2,666	20,460 1,410 1,382 453 1,071 1,739
25 Commerce and housing credit	75,639 31,531 7,432	9,753 33,759 7,923	17,992 14,748 3,552	36,534 17,093 3,783	15,615 ^r 15,673 ^r 3,903	-7,843 18,477 4,540	-1,368 3,383 760	-3,961 2,591 987	-1,896 2,398 862
social services	41,479	45,248	21,234	21,114	23,696 ^r	20,922	4,607	3,695	3,433
29 Health	71,183 373,495 171,618	89,570 406,569 197,867	35,608 190,247 88,778	41,459 193,098 87,693	44,154 ^r 205,500 104,616 ^r	47,223 232,109 98,693	8,379 37,235 21,056	8,883 37,236 20,408	7,758 35,020 15,900
32 Veterans benefits and services 33 Administration of justice 34 General government 35 Net interest ⁶ 36 Undistributed offsetting receipts ⁷	31,344 12,295 11,358 195,012 -39,356	34,133 14,450 12,939 199,429 -39,280	14,326 6,187 5,212 98,556 -18,702	17,425 6,574 6,794 99,149 -20,436	15,597 7,435 5,050 100,154 ^r -18,229	18,561 7,283 8,138 98,549 -20,914	4,090 1,270 1,040 16,415 -2,987	4,332 1,581 655 16,585 -2,935	801 1,199 886 17,420 -2,579

^{1.} Functional details do not sum to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for outlays does not correspond to calendar year data because revisions from the Budger have not been fully distributed across months.

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

3. Old-age, disability, and hospital insurance.

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

5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
6. Includes interest received by trust funds.
7. Consists of rents and royalties for the outer continental shelf and U.S. government contributions for employee retirement.
SOURCES. U.S. Department of the Treasury, Monthly Treasury Statement of Receipts and Outlays of the U.S. Government, and the U.S. Office of Management and Budget, Budget of the U.S. Government, Fiscal Year 1994.

A30 Domestic Financial Statistics ☐ August 1993

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

•	, <u> </u>	19	91			1993			
Item	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31
Federal debt outstanding	3,492	3,563	3,683	3,820	3,897	4,001	4,083	4,196	4,250°
Public debt securities. Held by public. Held by agencies.	3,465 2,598 867	3,538 2,643 895	3,665 2,746 920	3,802 2,833 969	3,881 2,918 964	3,985 2,977 1,008	4,065 3,048 1,016	4,177 3,129 1,048	4,231 3,188 ^r 1,043 ^r
5 Agency securities 6 Held by public. 7 Held by agencies	27 26 0	25 25 0	18 18 0	19 19 0	16 16 0	16 16 0	18 18 0	19 19 0	20 ^r 20 ^r 0 ^r
8 Debt subject to statutory limit	3,377	3,450	3,569	3,707	3,784	3,891	3,973	4,086	4,140
9 Public debt securities	3,377 0	3,450 0	3,569 0	3,706 0	3,783 0	3,890 0	3,972 0	4,085 0	4,139 0
MEMO 11 Statutory debt limit	4,145	4,145	4,145	4,145	4,145	4,145	4,145	4,145	4,145

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

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

Billions of dollars, end of period

Torsed belder	1989 1990	1991 1992	1002		1993			
Type and holder	1989	1990	1991	1992	Q2	Q3	Q4	Qı
i Total gross public debt	2,953.0	3,364.8	3,801.7	4,177.0	3,984.7	4,064.6	4,177.0	4,230.6
By type 2 Interest-bearing 3 Marketable 4 Bills 5 Notes 6 Bonds 7 Nonmarketable 8 State and local government series 9 Foreign issues 10 Government 1 Public 12 Savings bonds and notes 13 Government account series 14 Non-interest-bearing 14 Non-interest-bearing 15 Marketable 16 Non-interest-bearing 17 Non-interest-bearing 18 Non-interest-bearing	2,931.8 1,945.4 430.6 1,151.5 348.2 986.4 163.3 6.8 6.8 0 115.7 695.6 21.2	3,362.0 2,195.8 527.4 1,265.2 388.2 1,160.8 43.5 43.5 43.5 124.1 813.8 2.8	3,798.9 2,471.6 590.4 1,430.8 435.5 1,327.2 159.7 41.9 41.9 9.0 135.9 959.2 2.8	4,173.9 2,754.1 657.7 1,608.9 472.5 1,419.8 153.5 37.4 37.4 0 155.0 1,043.5 3.1	3,981.8 2,605.1 618.2 1,517.6 454.3 1,376.7 161.9 38.7 38.7 38.7 143.2 1,002.5 2.9	4,061.8 2,677.5 634.3 1,566.4 461.8 1,384.3 157.6 37.0 37.0 148.3 1,011.0 2.8	4,173.9 2,754.1 657.7 1,608.9 472.5 1,419.8 153.5 37.4 37.4 0 155.0 1,043.5 3.1	4,227.6 2,807.1 659.9 1,652.1 480.2 1,420.5 151.6 37.0 37.0 0 161.4 1,040.0 3.0
By holder 4 15 U.S. Treasury and other federal agencies and trust funds. 16 Federal Reserve Banks. 17 Private investors. 18 Commercial banks 19 Money market funds. 20 Insurance companies. 21 Other companies. 22 State and local treasuries Individuals 23 Savings bonds. 24 Other securities. 25 Foreign and international 5 26 Other miscellaneous investors 6	707.8 228.4 2,015.8 164.9 14.9 125.1 93.4 487.5 117.7 98.7 392.9 520.7	828.3 259.8 2,288.3 171.5 45.4 142.0 108.9 490.4 126.2 107.6 421.7 674.5	968.7 281.8 2,563.2 233.4 80.0 168.7 150.8 520.3 138.1 125.8 455.0 691.1	1,047.8 302.5 2,839.9 293.4 ^r 80.6 190.3 ^r 192.5 534.8 ^r 157.3 131.9 512.5 746.6 ^r	1,007.9 276.9 2,712.4 267.3 79.4 180.8 175.0 528.5 145.4 129.7 492.9 713.5	1,016.3 296.4 2,765.5 287.4 ⁷ 79.8 185.6 ⁷ 180.8 529.5 ⁷ 150.3 130.9 499.0 722.1 ^r	1,047.8 302.5 2,839.9 293.4 ^r 80.6 190.3 ^r 192.5 534.8 ^r 157.3 131.9 512.5 746.6 ^r	1,043.2 305.2 2,895.0 296.0 77.6 194.0 199.3 536.0 163.6 134.1 528.4 766.0

I. Includes (not shown separately) securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.
 Nonmarketable series denominated in dollars, and series denominated in foreign currency held by foreigners.
 Held almost entirely by U.S. Treasury and other federal agencies and trust funds.

SOURCES. U.S. Treasury Department, Monthly Statement of the Public Debt of the United States and Treasury Bulletin.

^{4.} Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.

^{5.} Consists of investments of foreign balances and international accounts in the United States.

6. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. Treasurs deposit accounts, and federally sponsored agencies. Sources: U.S. Treasury Department, data by type of security, Monthly Statement of the Public Debt of the United States; data by holder, the Treasury Bulletin.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

Item IMMEDIATE TRANSACTIONS ² By type of security U.S. Treasury securities 1 Bills	Feb. 44,475 ^r 56,575	Mar.	Apr.	Mar. 31	Apr. 7	Apr. 14	Apr. 21	Apr. 28	May 5	May 12	May 19	1426
By type of security U.S. Treasury securities Bills	l '	43.300							Way 5	May 12	May 19	May 26
U.S. Treasury securities 1 Bills	l '	43.300	ŀ									
Coupon securities, by maturity 2 Less than 3.5 years 3 3.5 to 7.5 years 4 7.5 to 15 years 5 15 years or more Federal agency securities Debt, by maturity	48,296 28,512 21,502	47,300 45,252 23,269 17,592	41,043 ^r 36,975 ^r 42,812 ^r 19,229 16,963 ^r	36,263 43,291 42,606 17,455 13,979	34,141 37,288 18,214 18,751	42,055 35,705 49,562 17,864 17,133	36,580 30,816 37,940 20,333 16,422	39,664 45,077 47,458 21,071 16,665	38,696 42,379 40,316 17,817 14,160	48,407 41,351 28,140 16,146	50,017 61,051 47,856 21,645 19,793	40,679 60,388 47,314 18,731 14,926
6 Less than 3.5 years	6,719 881 1,194	5,790 788 1,125	5,715 640 578 ^r	6,718 503 1,228	4,704 520 1,162	5,447 729 375	6,188 706 339	6,392 598 528	6,033 657 350	4,867 702 424	7,242 665 373	6,104 427 330
9 Pass-throughs	22,571 4,509	14,705 4,059	17,293 3,336	9,461 4,401	15,789 2,553	25,851 3,685	16,051 2,830	13,271 3,844	12,820 4,414	24,851 3,556	20,592 2,998	15,170 3,118
By type of counterparty Primary dealers and brokers 11 U.S. Treasury securities Federal agency securities	123,545	110,173	97,491 ^r	97,905	92,876	100,757	88,099	108,652	96,439	103,168	123,857	116,255
12 Debt	1,970 11,756	1,771 7,388	1,155 8,855	1,832 5,108	1,530 7,994	1,120 12,470	907 8,735	1,068 7,166	1,137 6,489	1,089 11,762	876 10,456	1,013 8,940
14 U.S. Treasury securities Federal agency securities	75,814 ^r	66,539	59,531 ^r	55,689	62,330	61,561	53,992	61,284	56,928	61,288	76,504	65,784
15 Debt	6,825 15,324	5,931 11,378	5,778 ^r 11,775	6,616 8,754	4,856 10,349	5,431 17,066	6,325 10,146	6,450 9,949	5,903 10,745	4,903 16,646	7,404 13,134	5,847 9,348
Futures and Forward Transactions	'	,										
By type of deliverable security U.S. Treasury securities 17 Bills Coupon securities, by maturity 18 Less than 3.5 years 19 3.5 to 7.5 years 20 7.5 to 15 years 21 15 years or more Federal agency securities Debt, by maturity 22 Less than 3.5 years 23 3.5 to 7.5 years 24 7.5 years or more	2,679 2,622 1,890 3,847 11,748	2,205 2,348 2,287 3,542 11,335	2,378 ^r 1,942 1,384 2,377 9,025	1,067 1,791 2,096 2,937 7,764	1,267 1,719 1,250 2,238 9,300	2,150 2,280 1,241 3,126 9,611	2,325 1,734 1,265 1,663 8,061	3,892 2,031 1,674 2,463 9,178	2,078 1,947 1,646 2,420 8,896	1,976 1,526 1,326 3,608 8,855	3,439 2,168 1,483 2,844 12,552	2,741 2,012 2,084 2,985 10,952
7.5 years or more	44 17,514	32 22,141	33 21,378	39 18,189	11 19,263	41 25,251	20,743	48 21,300	7 18,768	22 23,463	17 22,108	13 14,529
26 Others ³	1,478	1,471	1,463	1,089	1,887	716	1,847	1,397	1,479	1,968	1,900	1,636
OPTIONS TRANSACTIONS ³ By type of underlying security U.S. Treasury, coupon securities, by maturity 27 Less than 3.5 years 28 3.5 to 7.5 years 29 7.5 to 15 years 30 15 years or more Federal agency, mortgage-backed securities 31 Pass-throughs	1,692 443 679 1,286	1,662 431 687 972	1,611 ^r 564 ^r 507 ^r 1,084 ^r	1,400 503 413 737	1,593 755 427 1,059	1,849 626 557 940	1,661 449 541 799	1,484 462 564 1,499	1,257 472 357 1,180	1,312 868 390 953 (1,248 419 473 1,111	900 1,038 774 1,713

^{1.} Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Averages are based on the number of trading days in the period. Immediate, forward, and futures transactions are reported at principal value, which does not include accrued interest; options transactions are reported at the face value of the underlying securities.

Dealers report cumulative transactions for each week ending Wednesday.

2. Transactions for immediate delivery include purchases or sales of securities (other than mortgage-backed agency securities) for which delivery is scheduled in five business days or less and "when-issued" securities that settle on the issue date of offering. Transactions for immediate delivery of mortgage-backed agency securities include purchases and sales for which delivery is scheduled in thirty days or less. Stripped securities are reported at market value by maturity of coupon or corpus.

3. Includes such securities are collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), interest-only securities (IOs), and principal-only securities (POs).

^{4.} Futures transactions are standardized agreements arranged on an exchange. Forward transactions are agreements made in the over-the-counter market that specify delayed delivery. All futures transactions are included regardless of time to delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty days.

5. Options transactions are purchases or sales of put-and-call options, whether arranged on an organized exchange or in the over-the-counter market, and include options on futures contracts on U.S. Treasury and federal agency securities. NOTE. In tables 1.42 and 1.43, "n.a," indicates that data are not published because of insufficient activity.

Data for several types of options transactions—U.S. Treasury securities, bills; Federal agency securities, debt; and mortgage-backed securities, other than pass-throughs—are no longer available because activity is insufficient.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

		1993			-		1993, we	ek ending			
Item	Feb.	Mar.	Apr.	Mar. 31	Apr. 7	Apr. 14	Apr. 21	Apr. 28	May 5	May 12	May 19
		<u> </u>		<u> </u>		Positions ²					···
NET IMMEDIATE POSITIONS ³											
By type of security U.S. Treasury securities 1 Bills	7,553	13,550	18,483	20,480	21,070	21,266	17,886	15,059	13,757	4,818	8,062
Coupon securities, or maunity 2 Less than 3.5 years. 3 3.5 to 7.5 years. 4 7.5 to 15 years. 5 15 years or more. Federal agency securities Debt, by maturity	800	1,628	2,928	3,798	2,930	2,429	-478	5,944	6,038	11,219	8,007
	-10,824	-14,104	-17,023	-15,290	-18,071	-15,721	-17,141	-17,266	-16,651	-17,854	-23,033
	-9,682	-10,240	-12,805	-11,174	-11,541	-13,929	-13,214	-12,886	-11,584	-6,990	-8,787
	7,126	9,342	9,248	9,424	9,466	9,908	9,653	8,192	8,447	7,707	7,439
6 Less than 3.5 years	6,674	6,451	6,342	4,937	7,305	8,193	5,345	5,115	4,274	5,910	3,829
	2,708	3,332	3,178	3,216	3,136	3,198	3,203	3,082	3,510	3,197	2,617
	3,811	4,896	3,958	4,931	4,194	4,254	3,899	3,641	3,408	3,416	2,943
9 Pass-throughs	34,699	33,009	34,056	21,988	35,026	39,434	36,431	28,627	22,530	40,102	29,843
	24,540	25,734	25,866	28,773	26,683	25,931	25,317	24,979	27,808	26,619	25,617
11 Certificates of deposit	3,571	3,212	3,203	3,719	2,438	3,506	3,310	3,538	3,280	2,699	3,594
	6,911	6,237	5,145	6,008	4,725	5,948	4,879	5,165	4,671	5,403	5,387
	990	1,139	972	1,208	1,197	1,130	941	733	574	739	921
Futures and Forward Positions ⁵											
By type of deliverable security U.S. Treasury securities Bills. Coupon securities, by maturity	-5,805	-5,103	-7,951	-5,297	-6,419	-7,161	-7,785	-9,765	-10,315	-8,312	-2,732
15	839	-568	-1,433	-1,781	-1,958	-1,624	-1,592	-852	-409	-1,679	-1,376
	2,513	4,333	4,857	5,392	5,070	3,982	5,100	5,498	4,086	4,763	5,267
	1,851	2,954	4,385	5,250	4,761	3,744	4,208	4,689	4,861	3,877	5,681
	-3,781	-5,119	-5,103	-5,399	-4,601	-6,405	-5,231	-4,367	-4,433	-5,518	-4,244
19 Less than 3.5 years		-194 -39 33	-285 -50 -74	-275 -50 -44	-43 89 -73	-6 -17 -70	-35 -259 -64	-897 8 -101	-844 -128 -27	-272 -93 -100	18 -71 -220
22 Pass-throughs 23 All others 24 Certificates of deposit	-14,374	-13,086	-12,900	-3,608 ^r	-16,638	-17,114	14,919	-5,723	-3,124	-18,952	-6,724
	3,326	3,371	4,770	3,655	4,130	3,693	4,364	7,360	3,139	2,907	2,164
	-117,589	-156,612	-160,960	-165,264	-171,999	-163,417	150,788	-162,196	-144,995	-161,008	-161,550
						Financing ⁶					
Reverse repurchase agreements 25 Overnight and continuing 26 Term	230,919	233,038	223,214	219,779	237,057	225,016	217,913	214,686	216,856	228,208	235,710
	364,102	360,955	393,238	304,913	386,911	388,465	392,306	406,831	387,767	409,092	357,602
Repurchase agreements 27 Overnight and continuing	404,809	403,942	406,560	372,903	395,432	417,640	416,451	402,418	386,607	397,630	419,306
	351,505	349,516	369,281	290,358	371,382	361,406	368,604	380,581	352,304	387,153	333,158
Securities borrowed 29 Overnight and continuing	113,700	115,244	117,774	107,573	113,794	118,011	120,540	117,993	120,427	120,229	125,020
	52,467	40,753	44,365	37,719	41,060	42,219	44,619	49,794	43,553	43,315	41,154
Securities loaned 31 Overnight and continuing	3,898	3,504	4,762	3,206	3,771	5,409	4,569	5,380	4,484	4,668	5,358
	467	482	587	179	148	288	1,064	874	489	1,189	1,221
Collateralized loans 33 Overnight and continuing	16,403	14,209	14,434	12,959	12,738	13,696	14,159	17,090	14,622	15,839	14,596
MEMO: Matched book ⁷ Reverse repurchase agreements 34 Overnight and continuing	160,307 ^r	156,399 ^r	148,137 ^r	141,932 ^r	152,495	154,922	148,784	138,578	140,334	142,860	152,953
	318,532 ^r	313,182 ^r	341,856 ^r	261,551 ^r	336,996	334,621	341,050	356,218	336,744	356,067	303,795
Repurchase agreements 36 Overnight and continuing	219,777 ^r	214,034 ^r	204,658 ^r	204,748 ^r	199,655	204,619	208,893	203,931	210,027	213,256	210,595
	269,264 ^r	266,309 ^r	283,791 ^r	216,502 ^r	289,674	279,808	282,535	288,502	265,052	288,478	242,717

^{1.} Data for positions and financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Weekly figures are close-of-business Wednesday data; monthly figures are averages of weekly data.

2. Securities positions are reported at market value.

3. Net immediate positions include securities purchased or sold (other than mortgage-backed agency securities) that have been delivered or are scheduled to be delivered in five business days or less and "when-issued" securities that settle on the issue date of offering. Net immediate positions of mortgage-backed agency securities include securities purchased or sold that have been delivered or are scheduled to be delivered in thirty days or less.

4. Includes such securities as collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), interest-only securities (IOs), and principal-only securities (POs).

5. Futures positions reflect standardized agreements arranged on an exchange. Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. All futures positions are included regardless of time to

delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty days.

6. Overnight financing refers to agreements made on one business day that mature on the next business day; continuing contracts are agreements that remain in effect for more than one business day but have no specific maturity and can be terminated without advance notice by either party; term agreements have a fixed maturity of more than one business day.

7. Matched-book data reflect financial intermediation activity in which the borrowing and lending transactions are matched. Matched-book data are included in the financing breakdowns given above. The reverse repurchase and repurchase numbers are not always equal because of the "matching" of securities of different values or different types of collateralization.

Note. Data for futures and forward commercial paper and bankers acceptances and for term financing of collateralized loans are no longer available because of insufficient activity.

activity.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding Millions of dollars, end of period

	1000	1000		1004	19	192	1	1993	
Agency	1988	1989	1990	1991	Nov.	Dec.	Jan.	Feb.	Mar.
l Federal and federally sponsored agencies	381,498	411,805	434,668	442,772	481,050	483,970	487,331	494,739	494,656
2 Federal agencies 3 Defense Department 4 Export-Import Bank 5 Federal Housing Administration 6 Government National Mortgage Association certificates of	35,668 8 11,033 150	35,664 7 10,985 328	42,159 7 11,376 393	41,035 7 9,809 397	42,081 7 7,698 344	41,829 7 7,208 374	41,641 7 7,208 231	42,115 7 7,208 237	42,051 7 6,749 3
participation 7 Postal Service 8 Tennessee Valley Authority 9 United States Railway Association 6	6,142 18,335 0	6,445 17,899 0	6,948 23,435 0	8,421 22,401 0	10,660 23,372 0	10,660 23,580 0	10,660 23,535 0	10,660 24,003 0	10,440 24,596 0
10 Federally sponsored agencies ⁷ 11 Federal Home Loan Banks 12 Federal Home Loan Mortgage Corporation 13 Federal National Mortgage Association 14 Farm Credit Banks 15 Student Loan Marketing Association 16 Financing Corporation 17 Farm Credit Financial Assistance Corporation 18 Resolution Funding Corporation	345,832 135,836 22,797 105,459 53,127 22,073 5,850 690 0	375,428 136,108 26,148 116,064 54,864 28,705 8,170 847 4,522	392,509 117,895 30,941 123,403 53,590 34,194 8,170 1,261 23,055	401,737 107,543 30,262 133,937 52,199 38,319 8,170 1,261 29,996	438,969 114,364 30,914 161,308 52,728 39,737 8,170 1,261 29,996	442,141 114,733 29,631 166,300 51,910 39,650 8,170 1,261 29,996	445,690 113,253 34,479 165,958 52,264 39,812 8,170 1,261 29,996	452,624 113,347 44,490 163,538 51,502 39,822 8,170 1,261 29,996	452,605 115,272 41,183 165,818 51,630 38,776 8,170 1,261 29,996
MEMO 19 Federal Financing Bank debt 13	142,850	134,873	179,083	185,576	156,579	154,994	151,059	147,464	146,097
Lending to federal and federally sponsored agencies 20 Export-Import Bank ³ 21 Postal Service ⁶ 22 Student Loan Marketing Association 23 Tennessee Valley Authority 24 United States Railway Association ⁶	11,027 5,892 4,910 16,955 0	10,979 6,195 4,880 16,519 0	11,370 6,698 4,850 14,055 0	9,803 8,201 4,820 10,725 0	7,692 10,440 4,790 6,975 0	7,202 10,440 4,790 6,975	7,202 10,440 4,790 6,825 0	7,202 10,440 4,790 6,825 0	6,743 10,440 4,790 6,675
Other lending 14 25 Farmers Home Administration	58,496 19,246 26,324	53,311 19,265 23,724	52,324 18,890 70,896	48,534 18,562 84,931	42,979 18,172 65,531	42,979 18,172 64,436	42,979 18,037 60,786	42,979 18,036 57,192	42,979 17,966 56,504

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 Housing and Urban Development, the Small Business Administration, and the Veterans' Administration.

6. Off-budget.

7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Some data are estimated.

8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, shown 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 in order 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, while the Rural Electrification Administration entry consists of both agency assets and guaranteed loans.

A34 Domestic Financial Statistics August 1993

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer,	1990	1991	1992		1992				1993		
or use	1990	1991	1992	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1 All issues, new and refunding ¹	120,339	154,402	215,191	21,092	14,133	19,577	17,981	17,793	27,471	18,661	25,822
By type of issue 2 General obligation 3 Revenue	39,610 81,295	55,100 99,302	78,611 136,580	7,733 13,359	5,203 8,930	6,024 13,553	4,840 13,141	6,963 10,830	8,254 19,217	8,272 10,581	9,452 16,370
By type of issuer 4 State 5 Special district or statutory authority ² 6 Municipality, county, or township	15,149 72,661 32,510	24,939 80,614 48,849	25,295 127,618 60,210	2,742 13,113 5,237	1,688 8,197 4,248	2,339 11,159 6,079	1,339 12,556 3,994	3,485 9,654 4,654	2,139 18,355 6,977	1,463 7,628 9,570	2,910 14,085 8,827
7 Issues for new capital	103,235	116,953	120,272	13,760	8,028	8,010	5,875	4,636	9,716	5,385	9,386
By use of proceeds 8 Education 9 Transportation 10 Utilities and conservation 11 Social welfare 12 Industrial aid 13 Other purposes	17,042 11,650 11,739 23,099 6,117 34,607	21,121 13,395 21,039 25,648 8,376 30,275	22,071 17,334 20,058 21,796 5,424 33,589	2,083 1,364 3,340 2,365 367 4,241	1,800 531 960 1,070 581 3,086	1,658 831 1,258 1,121 339 2,803	1,033 829 894 777 337 2,005	1,264 131 423 618 69 2,131	1,482 2,111 538 1,556 765 3,264	833 699 806 942 134 1,971	1,596 813 955 1,756 601 3,665

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

Sources. Securities Data Company beginning January 1993. Investment Dealer's Digest for earlier data.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering,	1990	1991	1992		19	992			19	93	
or issuer	1990	1991	1992	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 All issues ¹	340,049	465,483	n.a.	42,849	39,280	35,525	39,424	50,793	59,504 ^r	55,745°	42,751
2 Bonds ²	299,884	390,018	404,992	37,539	32,314	31,026	33,375	45,559	49,444 ^r	46,907°	36,500
By type of offering 3 Public, domestic 4 Private placement, domestic 5 Sold abroad	188,848 86,982 23,054	287,125 74,930 27,962	377,453 n.a. 27,539	36,185 n.a. 1,355	30,249 n.a. 2,066	28,774 n.a. 2,252	31,835 n.a. 1,540	41,675 n.a. 3,884	47,165 n.a. 2,278 ^r	41,699 n.a. 5,208 ^r	33,000 n.a. 3,500
By industry group 6 Manufacturing 7 Commercial and miscellaneous 8 Transportation 9 Public utility 10 Communication 11 Real estate and financial	51,779 40,733 12,776 17,621 6,687 170,288	86,628 36,666 13,598 23,945 9,431 219,750	69,538 30,049 6,497 44,643 13,073 241,192	5,974 2,374 677 5,230 1,191 22,093	7,975 2,813 290 3,700 427 17,110	3,467 2,396 0 1,289 374 23,499	4,232 2,176 611 2,867 516 22,973	9,393 3,074 316 4,282 3,019 25,475	8,150 ^r 2,268 248 5,624 2,890 30,264	8,067 2,695 1,067 7,058 3,270 24,751 ^r	8,201 2,099 100 5,985 1,915 18,200
12 Stocks ²	40,165	75,467	n.a.	5,310	6,966	4,499	6,049	5,234	10,060	8,838	6,251
By type of affering 13 Public preferred 14 Common 15 Private placement ³	n.a. n.a. 16,736	17,408 47,860 10,109	21,332 57,099 n.a.	1,233 4,077 n.a.	2,901 4,065 n.a.	1,540 2,958 n.a.	1,608 4,441 n.a.	1,112 4,122 n.a.	1,898 8,161 n.a.	1,647 7,191 n.a.	702 5,549 n.a.
By industry group 16 Manufacturing 17 Commercial and miscellaneous 18 Transportation 19 Public utility 20 Communication 21 Real estate and financial	5,649 10,171 369 416 3,822 19,738	24,154 19,418 2,439 3,474 475 25,507	n.a. n.a. n.a. n.a. n.a.	307 602 59 595 1,051 2,695	1,779 940 53 359 99 3,735	288 1,366 304 150 22 2,369	1,468 2,226 118 92 126 2,019	722 1,688 65 310 0 2,438	2,616 2,021 64 350 0 5,009	1,741 2,488 336 743 7 3,522	1,387 1,564 250 412 30 2,579

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

Monthly data cover only public offerings.
 Monthly data are not available.
 Sources. IDD Information Services, Inc. and the Board of Governors of the Federal Reserve System.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets

Millions of dollars

r. 1	1001	1002		19	992			19	93	
ltem ^t	1991	1992	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Арг.
1 Sales of own shares ²	463,645	647,055	50,039	52,214	52,019	70,618	71,607	60,676	69,080	66,766
2 Redemptions of own shares	342,547 121,098	447,140 199,915	37,862 12,177	37,134 15,080	34,126 17,893	51,993 18,625	46,545 25,062	39,684 20,992	47,414 21,666	46,518 20,248
4 Assets ⁴	808,582	1,056,310	978,507	983,151	1,019,618	1,056,310	1,082,653	1,116,784	1,154,445	1,178,644
5 Cash ⁵	60,292 748,290	73,999 982,311	76,498 902,009	75,808 907,343	80,247 939,371	73,999 982,311	76,764 1,005,889	79,763 1,037,021	81,536 1,072,910	86,205 1,092,440

Data on sales and redemptions exclude money market mutual funds but include limited-maturity municipal bond funds. Data on assets exclude both money market mutual funds and limited-maturity municipal bond funds.
 Includes reinvestment of dividends. Excludes reinvestment of capital gains distributions.

Market value at end of period, less current liabilities.
 Includes all U.S. Treasury securities and other short-term debt securities.
 SOURCE. Investment Company Institute. Data based on reports of membership, which comprises substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect underwritings of new communics.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

	1000	1991	1003		1991			19	92		1993
Account	1990	1991	1992	Q2	Q3	Q4	QI	Q2	Q3	Q4	Ql ^r
Profits with inventory valuation and capital consumption adjustment Profits before taxes. Profits tax liability. Profits after taxes Dividends Undistributed profits. Inventory valuation. Capital consumption adjustment	218.7	346.3 334.7 124.0 210.7 146.5 64.2 3.1 8.4	393.8 371.6 140.2 231.4 149.3 82.1 -7.4 29.5	347.3 332.3 122.9 209.4 146.2 63.2 9.9 5.1	341.2 336.7 127.0 209.6 145.1 64.5 -4.8 9.3	347.1 332.3 125.0 207.4 143.9 63.4	384.0 366.1 136.4 229.7 143.6 86.2 -5.4 23.3	388.4 376.8 144.1 232.7 146.6 86.1 -15.5 27.0	374.1 354.1 131.8 222.2 151.1 71.1 -9.7 29.7	428.5 389.4 148.5 241.0 155.9 85.0	429.6 398.3 147.2 251.1 160.2 90.9 -9.4 40.6

Source. U.S. Department of Commerce, Survey of Current Business.

1.50 NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

Billions of dollars; quarterly data at seasonally adjusted annual rates

	1001	1000	1002	1991	_	19	992	_		1993	
Industry	1991	1992	19931	Q4	QI	Q2	Q3	Q4	QI	Q2	Q3 ¹
1 Total nonfarm business	528.39	546.08	581.12	529.87	535.72	540.91	547.53	560.16	564.81	587.29	587.05
Manufacturing Durable goods industries Nondurable goods industries	77.64 105.17	73.41 100.50	77.49 100.74	76.40 102.66	74.19 99.79	74.26 97.52	71.84 100.39	73.34 104.28	79.32 95.85	78.06 104.73	75.01 102.17
Nonmanufacturing 4 Mining Transportation	10.02	8.90	9.51	9.99	8.87	9.18	9.09	8.44	8.84	10.10	10.15
5 Railroad. 6 Air. 7 Other. Public utilities	5.95 10.17 6.54	6.77 8.97 7.04	6.71 7.50 9.12	5.44 10.41 6.45	6.65 8.86 6.37	6.50 9.75 7.27	6.87 10.13 7.69	7.08 7.13 6.84	6.01 7.43 9.06	6.68 8.89 8.42	6.87 7.59 9.09
8 Electric 9 Gas and other 10 Commercial and other 2	43.76 22.82 246.32	48.05 23.91 268.54	52.75 22.99 294.32	44.75 22.67 251.11	46.06 22.75 262.17	48.45 24.19 263.80	47.73 23.92 269.86	49.95 24.78 278.32	49.87 23.44 284.99	54.11 23.58 292.72	53.66 22.54 299.96

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

Figures are amounts anticipated by business.
 "Other" consists of construction, wholesale and retail trade, finance and

insurance, personal and business services, and communication.
Source. U.S. Department of Commerce, Survey of Current Business.

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1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

	1000	1001	1000		1991			19	992	
Account	1990	1991	1992	Q2	Q3	Q4	Qı	Q2	Q3	Q4
Assets										
l Accounts receivable, gross². Consumer. Business Real estate.	492.3 133.3 293.6 65.5	480.6 121.9 292.9 65.8	482.1 117.1 296.5 68.4	488.9 127.5 295.7 65.7	485.2 125.3 293.7 66.2	480.6 121.9 292.9 65.8	475.6 118.4 290.8 66.4	476.7 116.7 293.2 66.8	473,9 116,7 288,5 68,8	482.1 117.1 296.5 68.4
5 Less: Reserves for unearned income	57.6 9.6	55.1 12.9	50.8 15.8	58.0 11.1	57.6 13.1	55.1 12.9	53.6 13.0	51.2 12.3	50.8 12.0	50.8 15.8
7 Accounts receivable, net	425.1 113.9	412.6 149.0	415.5 150.6	419.8 122.8	414.6 136.4	412.6 149.0	409.0 145.5	413.2 139.4	411.1 146.5	415.5 150.6
9 Total assets	539.0	561.6	566.1	542.6	551.1	561.6	554.5	552.6	557.6	566.1
LIABILITIES AND CAPITAL										
10 Bank loans	31.0 165.3	42.3 159.5	37.6 156.4	36.9 156.1	39.6 156.8	42.3 159.5	38.0 154.4	37.8 147.7	38.1 153.2	37.6 156.4
Debt 12 Other short-term 13 Long-term 14 Owed to parent 15 Not elsewhere classified 16 All other liabilities 17 Capital, surplus, and undivided profits 18 Other Short 19 Other	n.a. n.a. 37.5 178.2 63.9 63.7	n.a. n.a. 34.5 191.3 69.0 64.8	n.a. n.a. 37.8 195.3 71.2 67.8	n.a. n.a. 34.2 184.5 67.1 63.3	n.a. n.a. 36.5 185.0 68.8 63.8	n.a. n.a. 34.5 191.3 69.0 64.8	n.a. n.a. 34.5 189.8 72.0 66.0	n.a. n.a. 34.8 191.9 73.4 67.1	n.a. n.a. 34.9 191.4 73.7 68.1	n.a. n.a. 37.8 195.3 71.2 67.8
18 Total liabilities and capital	539.6	561.2	566.1	542.1	550.5	561.2	554.6	552.7	559.4	566.1

^{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 since they are not on the books.

Millions of dollars, amounts outstanding, end of period

1.52 DOMESTIC FINANCE COMPANIES Consumer, Real Estate, and Business Credit¹

1992 1993 1991 1992 Type of credit 1990 Nov. Dec. Jan. Feb. Маг. Apr. Seasonally adjusted 534,845 531,398 519.910 530,702 534.845 532,144 532,425 1 Total 522,474 529,256 160,468 154,822 65,383 157,707 156,277 156,363 65,147 296,858 68,581 305,385 68,726 307,141 69,791 306,272 68.011 68.011 68,942 70 016 299,705 309,127 309,127 303,649 Not seasonally adjusted 5 Total 525,888 523,192 538,158 530,367 538,158 528,847 528,490 532,298 534,286 156,430 57,165 58,844 155,362 53,986 58,510 155,713 158,631 157.149 158,631 155,929 154,933 Consumer... 161.360 Consumer
Motor vehicles
Other consumer
Securitized motor vehicles
Securitized other consumer
Real estate
Business
Motor vehicles 155,713 63,415 58,522 23,166 10,610 65,760 301,719 90,613 22,957 158,631 57,605 59,522 29,775 11,729 68,410 311,118 87,456 19,303 58,386 58,172 28,964 11,626 154,933 53,508 58,346 32,915 10,164 68,135 309,230 91,647 57,605 59,522 29,775 11,729 75,045 58,213 54,036 58,651 58,844 28,894 11,527 68,889 303,527 86,491 19,124 28,727 38,640 32,443 10,423 69,344 309,579 91,695 17,231 35,063 19,837 8,265 65,509 32,860 10,383 68,761 304,457 85,621 19,708 26,894 39,020 68,410 311,118 87,456 19,303 29,962 38,191 69,216 303,345 86,412 17,881 Real estate
Business

Motor vehicles

Retail

Wholesale⁶ 65,509 299,019 92,125 26,454 33,573 32,098 12 13 14 15 16 17 18 19 16,961 35,894 38,792 145,878 32,560 29,962¹ 38,191 30,059 36,440 141,399 30,962 38,472 39,400 Leasing..... Leasing Other business'. 137,654 31,968 11,101 146,820 32,458 8,582 151,607 32,212 148,127 31,427 151,607 32,212 145,886 32,430 145,877 32,170 9,671 100,766 60,900 8,807 576 5,285 2,946 8,669 110,726 57,464 14,590 1,118 8,756 8,669 110,726 57,464 14,590 1,118 8,824 107,877 56,926 8 318 8,656 8 642 8,582 105,780 55,760 14,457 1,036 8,582 4,839 8,656 104,662 56,153 15,552 904 9,824 4,824 94,585 63,773 5,467 105,138 55,962 15,085 973 105,066 56,144 36,926 13,782 607 8,813 4,362 15,863 1,434 9,756 Retail Wholesale 23 24 25 9,408 4,704 8,756 4,716 4,716 Leasing 4,673

^{2.} Before deduction for unearned income and losses.

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

2. Includes all loans secured by liens on any type of real estate, for example, first and junior mortgages and home equity loans.

3. Includes personal cash loans, mobile home loans, and loans to purchase other types of consumer conds such as applicances appears to present precedures.

types of consumer goods such as appliances, apparel, general merchandise, and

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

^{5.} Passenger car fleets and commercial land vehicles for which licenses are

required.

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

7. 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

				19				1993		
Item	1990	1991	1992	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
		L	Ter	ns and yiel	lds in prima	ry and seco	ondary mar	kets	<u> </u>	L
Primary Markets										
Terms ¹ 1 Purchase price (thousands of dollars)	153.2 112.4 74.8 27.3 1.93	155.0 114.0 75.0 26.8 1.71	158.1 118.1 76.6 25.6 1.60	165.4 117.3 75.3 24.9 1.54	154.0 117.7 77.7 26.1 1.31	158.6 119.5 76.8 25.7 1.49	159.7 114.5 75.4 23.8 1.43	156.2 121.5 79.3 26.9 1.50	150.9 115.0 78.5 24.9 1.23	153.1 118.8 79.5 26.9 1.43
Yield (percent per year) 6 Contract rate 7 Effective rate (13) 8 Contract rate (HUD series) ⁴ .	9.68 10.01 10.08	9.02 9.30 9.20	7.98 8.25 8.43	7.81 8.07 8.38	7.65 7.88 8.19	7.57 7.82 7.93	7.52 7.77 7.63	7.22 7.46 7.59	7.26 7.46 7.51	7.14 7.37 7.59
SECONDARY MARKETS										
Yield (percent per year) 9 FHA mortgages (Section 203) ⁵ 10 GNMA securities ⁶	10.17 9.51	9.25 8.59	8.46 7.77	8.54 7.90	8.12 7.57	8.04 7.39	7.55 7.02	7.57 6.79	7.56 6.77	7.59 6.79
				Acti	ivity in seco	ondary mar	kets			
Federal National Mortgage Association										
Mortgage holdings (end of period) 11 Total	113,329 21,028 92,302	122,837 21,702 101,135	142,833 22,168 120,664	153,306 22,372 130,934	158,119 22,593 135,526	159,204 22,640 136,564	159,766 22,573 137,193	161,147 22,700 138,447	163,719 22,682 141,037	166,849 22,691 144,158
Mortgage transactions (during period) 14 Purchases	23,959	37,202	75,905	7,980	8,832	4,993	4,118	4,730	6,761	7,526
Mortgage commitments (during period) 15 Issued	23,689 5,270	40,010 7,608	74,970 10,493	6,084 237	6,185 1,811	4,189 1,159	4,177 221	6,644 0	7,764 112	7,791 30
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period) ⁸ 17 Total 18 FHAVA 19 Conventional	20,419 547 19,871	24,131 484 23,283	29,959 408 29,552	32,703 359 32,343	33,665 352 33,313	32,370 347 32,023	32,454 343 32,112	35,421 337 35,084	38,361 330 38,031	39,960 325 39,635
Mortgage transactions (during period) 20 Purchases	75,517 73,817	97,727 92,478	191,125 179,208	19,607 19,154	20,792 19,602	15,512 16,536	12,063 12,105	12,587 10,286	15,885 13,807 ^r	18,842 17,532
Mortgage commitments (during period) ⁹ 22 Contracted	102,401	114,031	261,637	29,717	32,453	17,591	23,366	21,103	20,731	18,908

^{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 rates 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 yields on thirty-year, minimum-downpayment, first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of

subsequent month.

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.

mitments 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, while the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING1

Tree of helder and one code	1080	1000	1001		19	92		1993
Type of holder and property	1989	1990	1991	Q1	Q2	Q3	Q4	Q1 ^p
1 All holders.	3,537,301	3,751,476 ^r	3,890,830 ^r	3,933,754 ^r	3,967,017 ^r	4,003,714 ^r	4,035,405 ^r	4,059,391
By type of property 2 One- to four-family residences 3 Multifamily residences 4 Commercial 5 Farm	2,392,742 ^r 307,045 ^r 757,038 ^r 80,476 ^r	2,597,175 ^r 310,095 ^r 765,458 ^r 78,748 ^r	2,741,824 ^r 307,944 ^r 761,782 ^r 79,281 ^r	2,788,987 ^r 308,514 ^r 753,578 ^r 82,676 ^r	2,833,318 ^r 304,104 ^r 746,357 ^r 83,237 ^r	2,887,877 ^r 300,728 ^r 731,407 ^r 83,702 ^r	2,940,165 ^r 293,376 ^r 718,910 ^r 82,953 ^r	2,976,623 289,202 710,208 83,359
By type of holder 6 Major financial institutions 7 Commercial banks* 8 One- to four-family 9 Multifamily 10 Commercial 11 Farm 12 Savings institutions* 13 One- to four-family 14 Multifamily 15 Commercial 16 Farm 17 Life insurance companies 18 One- to four-family 19 Multifamily 20 Commercial 21 Farm	1,931,537 767,069 389,632 38,876 321,906 16,656 910,254 669,220 106,014 134,370 650 254,214 12,231 26,907 205,472 9,604	1,914,315 844,826 455,931 37,015 334,648 17,231 801,628 600,154 91,806 109,168 500 267,861 13,005 28,979 215,121 10,756	1,846,910 876,284 486,572 37,424 333,852 18,436 705,367 538,358 79,881 86,741 388 265,258 11,547 29,562 214,105 10,044	1,825,983 880,377 492,910 37,710 330,837 18,919 682,338 524,536 77,166 80,278 358 263,269 11,214 29,693 212,865 9,497	1,803,488 884,598 496,518 38,314 330,229 19,538 659,624 508,545 74,788 75,947 345 259,266 10,676 29,425 210,139 9,026	1,793,505 891,484 506,658 38,985 325,934 19,906 648,178 501,604 73,723 72,517 334 253,843 10,451 28,804 205,709 8,878	1,769,058° 894,549° 511,976° 38,011° 19,882° 627,972° 489,622° 69,791° 68,235° 324 246,537° 10,158° 27,997° 199,943° 8,439°	1,750,365 888,395 508,496 37,814 322,166 19,919 620,755 486,126 67,491 66,812 327 241,214 9,830 27,454 195,816 8,114
22 Federal and related agencies. 23 Government National Mortgage Association. 24 One- to four-family 25 Multifamily. 26 Farmers Home Administration ⁴ 27 One- to four-family 28 Multifamily. 29 Commercial 30 Farm 31 Federal Housing and Veterans' Administrations 32 One- to four-family 33 Multifamily. 34 Resolution Trust Corporation. 35 One- to four-family 36 Multifamily 37 Commercial 38 Farm 39 Federal National Mortgage Association. 40 One- to four-family 41 Multifamily 42 Federal Land Banks 43 One- to four-family 44 Farm 45 Federal Home Loan Mortgage Corporation 46 One- to four-family 47 Multifamily 48 Federal Home Loan Mortgage Corporation 49 One- to four-family 40 One- to four-family 41 Federal Home Loan Mortgage Corporation 42 One- to four-family	197,778 23 23 0 41,176 18,422 9,054 4,443 9,257 6,087 6,087 3,212 0 0 0 0 99,001 90,575 8,426 29,640 1,210 28,430 21,851 18,248 3,603	239,003 20 20 0 41,439 18,527 9,640 4,690 8,582 8,801 3,593 5,208 32,600 15,800 8,736 0 104,870 94,323 10,547 29,416 1,838 27,577 19,185 2,672	266,146' 19 19 0 41,713 18,496 10,141 4,905 8,171 10,733 4,036 6,697 45,822 14,535 15,018 16,269 0 112,283 100,387 11,896 12,7074' 26,809 24,125 2,684	278,396 19 0 41,791 18,488 10,270 4,961 8,072 11,332 4,254 7,078 49,345 15,458 16,266 17,621 0 118,238 105,869 12,36	278,091° 23 23 0 41,628 41,628 4,998 8,557 11,480 7,077 44,624 15,032 13,316 16,276 0 122,939° 110,223 12,716° 28,775 1,693 27,082 28,621 26,001 2,620	277,485 27 27 0 41,671 17,292 10,468 5,072 8,839 11,768 4,531 7,236 37,099 12,614 11,130 0 126,476 113,407 13,069 28,815 1,695 27,119 31,629 29,039 2,591	285,965' 30' 30' 0 41,695 16,912 10,575 5,158 9,050 12,581 32,045 12,960' 9,621' 0 137,584 124,016 13,568 28,365' 1,669' 26,696' 33,665 31,032 2,633	288,199 45 37 8 41,724 16,418 10,679 5,226 9,402 13,950 6,159 7,791 27,331 11,375 8,070 0 141,192 127,252 13,940 28,536 1,679 26,857 35,421 32,831 2,881
48 Mortgage pools or trusts ⁵ 49 Government National Mortgage Association 50 One- to four-family 51 Multifamily 52 Federal Home Loan Mortgage Corporation 53 One- to four-family 54 Multifamily 55 Federal National Mortgage Association 60 One- to four-family 77 Multifamily 87 Multifamily 88 Farmers Home Administration ⁴ 89 One- to four-family 90 Multifamily 61 Commercial 62 Farm 63 Private mortgage conduits 64 One- to four-family 65 Multifamily 66 Commercial 66 Commercial 67 Farm	917,848° 368,367 358,142 10,225 272,870 266,060 6,810 228,232 219,577 8,655 80 21 0 26 33 48,299° 43,325° 462 4,512 0	1,079,103' 403,613 391,505 12,108 316,359 308,369 7,990 299,833 291,194 8,639 66 17 0 24 26 59,232' 53,335' 731 5,166 0	1,250,666' 425,295 415,767 9,528 359,163 351,906 7,257 371,984 362,667 9,317 47 11 0 19 17 94,177' 84,000' 3,698 6,479 0	1,288,823 421,977 412,574 9,404 367,878 360,887 6,991 389,853 380,617 9,236 43 10 0 18 16 109,071 95,600 4,686 8,784	1,341,338 422,922 413,828 9,094 382,797 376,177 6,620 413,226 403,940 9,286 43 9 0 18 122,350 105,700 5,796 10,855	1,385,460 422,255 413,063 9,192 391,762 385,400 6,362 429,935 420,835 9,100 18 14 141,468 123,000 5,796 12,673 0	1,425,546 419,516 410,675 8,841 407,514 401,525 5,989 444,979 435,979 9,000 38 0 17 13 153,499 132,000 6,305 15,194 0	1,459,899 421,514 412,798 8,716 420,932 415,279 5,654 437,316 448,483 8,833 36 7 0 17 160,100 137,000 6,858 16,242 0
68 Individuals and others ⁶ 69 One- to four-family 70 Multifamily 71 Commercial 72 Farm	490,138 ^r 303,181 ^r 84,800 ^r 86,310 ^r 15,846 ^r	519,055 ^r 330,378 ^r 86,695 ^r 87,905 ^r 14,077 ^r	527,108° 327,704° 84,842° 99,411° 15,150°	540,552 ^r 338,676 ^r 84,932 ^r 98,213 ^r 18,732 ^r	544,100 ^r 342,832 ^r 84,698 ^r 97,896 ^r 18,675 ^r	547,263 ^r 348,252 ^r 84,272 ^r 96,129 ^r 18,610 ^r	554,836 ^r 356,451 ^r 83,617 ^r 96,218 ^r 18,549 ^r	560,929 362,853 83,306 96,043 18,727

Based on data from various institutional and governmental sources; figures for some quarters estimated in part by the Federal Reserve. Multifamily debt refers to loans on structures of five or more units.

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

 Includes savings banks and savings and loan associations.

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

^{5.} Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated.
6. 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. Line 64, Inside Mortgage Securities.

1.55 CONSUMER INSTALLMENT CREDIT¹

Millions of dollars, amounts outstanding, end of period

Y 14	1000	1001	1002	19	92		19	993	
Holder and type of credit	1990	1991	1992	Nov.	Dec.	Jan.	Feb.	Mar.r	Apr.
				Sea	asonally adjus	ted			
1 Total	738,765	733,510	741,093	736,023	741,093	744,196	748,765	751,727	754,006
2 Automobile 3 Revolving 4 Other	284,739 222,552 231,474	260,898 243,564 229,048	259,627 254,299 227,167	258,860 252,086 225,077	259,627 254,299 227,167	258,463 256,435 229,299	260,945 259,378 228,443	261,449 260,990 229,288	261,868 262,624 229,514
		·		Not :	seasonally adj	usted			
5 Total	752,883	749,052	756,944	737,651	756,944	749,153	746,914	744,713	748,244
By major holder 6 Commercial banks 7 Finance companies. 8 Credit unions 9 Retailers. 10 Savings institutions 11 Gasoline companies 12 Pools of securitized assets ²	347,087 133,258 93,057 43,464 52,164 4,822 79,030	340,713 121,937 92,681 39,832 45,965 4,362 103,562	331,869 117,127 97,641 42,079 43,461 4,365 120,402	325,149 116,558 96,092 36,678 42,746 4,365 116,063	331,869 117,127 97,641 42,079 43,461 4,365 120,402	330,355 116,009 98,261 40,057 43,428 4,366 116,677	330,060 112,686 98,785 38,462 43,516 4,148 119,257	329,764 111,854 99,778 38,030 43,255 4,080 117,952	331,072 112,496 101,534 38,218 43,344 4,280 117,300
By major type of credit ¹ 13 Automobile 14 Commercial banks 15 Finance companies 16 Pools of securitized assets ²	284,903 124,913 75,045 24,620	261,219 112,666 63,415 28,915	259,964 109,743 57,605 33,878	259,148 109,459 58,386 32,979	259,964 109,743 57,605 33,878	257,744 109,671 57,165 32,388	259,344 111,005 54,036 36,031	259,089 111,287 53,508 36,096	260,266 111,384 53,986 36,178
17 Revolving 18 Commercial banks 19 Retailers 20 Gasoline companies 21 Pools of securitized assets ²	234,801 133,385 38,448 4,822 45,637	256,876 138,005 34,712 4,362 63,595	267,949 132,582 36,629 4,365 74,243	252,877 127,481 31,444 4,365 70,889	267,949 132,582 36,629 4,365 74,243	261,217 129,567 34,666 4,366 71,927	258,430 127,877 33,110 4,148 72,024	257,544 128,079 32,681 4,080 70,890	258,940 129,455 32,838 4,280 69,919
22 Other 23 Commercial banks 24 Finance companies 25 Retailers 26 Pools of securitized assets ²	233,178 88,789 58,213 5,016 8,773	230,957 90,042 58,522 5,120 11,052	229,031 89,544 59,522 5,450 12,281	225,626 88,209 58,172 5,234 12,195	229,031 89,544 59,522 5,450 12,281	230,192 91,117 58,844 5,391 12,362	229,141 91,178 58,651 5,352 11,202	228,080 90,398 58,346 5,349 10,966	229,038 90,233 58,510 5,380 11,203

^{1.} The Board's series on amounts of credit covers most short—and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments.

Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT¹

Percent per year except as noted

•	1000	1001	1992		1992			19	193	
Item	1990	1991	1992	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Interest Rates										
Commercial banks ² 1 48-month new car. 2 24-month personal 3 120-month mobile home 4 Credit card.	11.78	11.14	9.29	n.a.	8.60	n.a.	n.a.	8.57	n.a.	n.a.
	15.46	15.18	14.04	n.a.	13.55	n.a.	n.a.	13.57	n.a.	n.a.
	14.02	13.70	12.67	n.a.	12.36	n.a.	n.a.	12.38	n.a.	n.a.
	18.17	18.23	17.78	n.a.	17.38	n.a.	n.a.	17.26	n.a.	n.a.
Auto finance companies 5 New car	12,54	12.41	9.93	9.51	9.65	9.65	10.08	10.32	9.95	9.61
	15,99	15.60	13.80	13.37	13.37	13.66	13.72	13.90	13.21	12.74
Other Terms ³	1								1	
Maturity (months) 7 New car 8 Used car	54.6	55.1	54.0	54.1	54.1	53.6	53.9	54.3	54.6	54.5
	46.0	47.2	47.9	47.9	47.8	47.7	49.2	49.0	49.0	48.9
Loan-to-value ratio 9 New car	87	88	89	89	89	90	90	91	90	90
	95	96	97	97	97	97	97	98	98	98
Amount financed (dollars) 11 New car	12,071	12,494	13,584	13,885	14,043	14,315	13,975	13,849	14,013	14,021
	8,289	8,884	9,119	9,373	9,475	9,464	9,472	9,457	9,641	9,731

Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

^{2.} Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.

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

Data are available for only the second month of each quarter.
 At auto finance companies.

A40 Domestic Financial Statistics □ August 1993

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transportion autocomy or coats	1988	1989	1990	1991 ^r	1992 ^r		1991	=		19	92 ^r	
Transaction category or sector	1986	1989	1990	1991	1992'	Q2	Q3	Q4	Q1	Q2	Q3	Q4
					1	Nonfinan	ial sector	's				
1 Total net borrowing by domestic nonfinancial sectors	775.8	740.8	665.0	461.0	574.4	548.6°	411.5°	403.8°	672.2	560.3	486.7	578.2
By sector and instrument 2 U.S. government. 3 Treasury securities. 4 Agency issues and mortgages.	155.1 137.7 17.4	146.4 144.7 1.6	246.9 238.7 8.2	278.2 292.0 -13.8	304.0 303.8 .2	276.7 282.9 -6.2	288.4 317.2 -28.8	320.4 316.6 3.8	368.9 380.1 -11.2	351.9 351.5 .4	193,4 184,4 9.0	301.7 299.1 2.7
5 Private	620.7	594.4	418.2	182.8	270.4	271.9 ^r	123.1 ^r	83.4 ^r	303.3	208.5	293.2	276.5
By instrument Tax-exempt obligations 7 Corporate bonds 8 Mortgages 9 Home mortgages 10 Multifamily residential 11 Commercial 2 Farm 13 Consumer credit 14 Bank loans n.e.c. 15 Open market paper 16 Other 17 Other 17 Other 18 Other 18 Other 19 Other 19	53.7 103.1 317.3 241.8 16.7 60.8 -2.1 50.1 41.0 11.9 43.6	65.0 73.8 303.0 245.3 16.4 42.7 -1.5 41.7 40.2 21.4 49.3	51.2 47.1 244.0 219.4 3.7 21.0 1 17.5 4.4 9.7 44.2	45.8 78.8 138.5 144.6 -2.4 -4.3 .5 -13.1 -33.3 -18.4 -15.6	53.3 67.3 140.9 198.3 -14.6 -42.9 .1 9.3 -17.7 8.6 8.6	48.5 96.5 187.8 ^r 166.0 ^r 15.3 ^r 6.6 ^r 1 ^r -6.6 ^r - 34.5 -15.9 -4.1 ^r	53.5 81.6 53.3 ^r 135.4 ^r -36.3 ^r -45.3 ^r -4 ^r -24.8 ^r -18.2 -36.3 13.8 ^r	45.5 60.2 106.3 ^r 128.4 ^r 10.2 ^r -32.4 ^r 0 -11.9 ^r -65.3 ^r -7.0 -44.3 ^r	52.0 76.3 194.1 225.0 2.4 -32.5 8 -2.0 -22.9 13.3 -7.5	73.0 77.8 96.5 140.9 -17.7 -28.9 2.2 -15.5 -22.9 -3.1 2.7	52.3 61.3 140.9 212.6 -13.6 -60.0 1.9 9.2 -4.5 .5 33.5	35.9 53.7 132.3 214.9 -29.5 -50.1 -3.0 45.6 -20.6 23.8 5.8
By borrowing sector	48.9 318.6 253.1 -7.5 61.8 198.8	63.2 305.6 225.6 1.6 50.4 173.6	48.3 254.2 115.6 2.5 26.7 86.4	38.5 160.2 -15.9 2.2 -23.4 5.3	47.0 222.6 .8 .0 -40.1 40.9	38.6 197.9 ^r 35.4 ^r 2.7 ^r 10.4 ^r 22.3 ^r	37.6 148.3 ^r -62.8 ^r 1.9 ^r -65.8 ^r 1.2 ^r	41.9 136.5 ^r -95.0 ^r -2.2 -51.9 ^r -40.9 ^r	46.1 231.5 25.8 -1.4 -22.9 50.0	63.4 157.9 -12.9 6.6 -49.9 30.5	50.0 238.0 5.2 1.0 -38.6 42.8	28.6 262.8 -14.9 -6.2 -49.0 40.3
23 Foreign net borrowing in United States 24 Bonds 25 Bank loans n.e.c. 26 Open market paper 27 U.S. government loans.	6.4 6.9 -1.8 8.7 -7.5	10.2 4.9 1 13.1 -7.6	23.9 21.4 -2.9 12.3 -6.9	14.1 14.9 3.1 6.4 -10.2	23.9 17.8 2.3 5.2 -1.4	-63.2 10.6 -3.5 -51.9 -18.3	15.6 15.5 1.4 16.0 -17.2	41.0 22.3 6.5 14.9 -2.7	9.7 4.9 1.5 -8.0 11.4	55.2 21.9 14.1 27.8 -8.5	29.5 21.0 3.9 13.1 -8.6	1.1 23.5 -10.3 -12.1 .0
28 Total domestic plus foreign	782.2	750.9	688.9	475.1	598.2	485.4 ^r	427.1 ^r	444,8 ^r	681.8	615.5	516.2	579.3
						Financia	l sectors			_		
29 Total net borrowing by financial sectors	211.4	220.1	187.1	138.4	226.0	113.1 ^r	146.0 ^r	170,0°	155.9	233.8	277.7	236.4
By instrument 30 U.S. government-related Sponsored-credit-agency securities 2	119.8 44.9 74.9 .0	151.0 25.2 125.8 .0	167.4 17.1 150.3 1	150.0 9.2 140.9 .0	167.1 40.2 126.9	129.4 -29.7 159.0	156.0 20.6 135.5 .0	158.5 32.6 125.9 1	137.4 11.5 125.9 .0	222.8 48.3 174.4 .0	165.6 67.7 97.9	142.7 33.5 109.2 .0
34 Private. 35 Corporate bonds 36 Mortgages. 37 Bank loans n.e.c. 38 Open market paper 39 Loans from Federal Home Loan Banks	91.7 16.2 .3 .6 54.8 19.7	69.1 46.8 .0 1.9 31.3 -11.0	19.7 34.4 .3 1.2 8.6 -24.7	-11.6 54.3 .9 3.2 -32.0 -38.0	58.8 51.5 .0 7.2 7 .8	-16.3 ^r 79.5 ^r .9 -2.9 -46.0 -47.7	-10.0 ^r 31.8 ^r .4 10.2 -16.7 -35.7	11.6 ^r 50.6 ^r 2.1 ^r 4.5 -12.7 -33.0	18.5 11.4 4 8.2 8.8 -9.5	11.0 14.9 .1 3.9 -13.4 5.7	112.1 73.5 .3 5.4 11.6 21.3	93.7 106.1 .2 11.3 -9.7 -14.2
By borrowing sector 40 Sponsored credit agencies 41 Mortgage pools 42 Private 43 Commercial banks 44 Bank affiliates 45 Savings and loan associations 46 Mutual savings banks 47 Finance companies 48 Real estate investment trusts (REITs) 49 Securitized credit obligation (SCO) issuers	44.9 74.9 91.7 -3.0 5.2 19.9 1.9 31.5 3.6 32.5	25.2 125.8 69.1 -1.4 6.2 -14.1 -1.4 59.7 -1.9 22.0	17.0 150.3 19.7 -1.1 -27.7 -29.9 5 35.6 -1.9 45.2	9.1 140.9 -11.6 -13.3 -2.5 -39.5 -3.5 7.8 .9 38.5	40.2 126.9 58.8 4.5 2.3 -4.7 1.8 16.4 .6 38.0	-29.7 159.0 -16.3 ^r -11.7 -3.5 -48.7 -1.7 2.7 ^r .1 46.4 ^r	20.6 135.5 -10.0 ^r -9.2 -6.8 -41.1 -5.5 11.8 ^r 3 41.1 ^r	32.5 125.9 11.6 ^r -14.1 9.6 -25.1 -8.7 12.8 ^r 3.6 ^r 33.3 ^r	11.5 125.9 18.5 7.2 2.7 -20.3 4.3 1.1 1.1 22.4	48.3 174.4 11.0 .8 -8.2 2.7 .3 -20.0 .9 34.5	67.7 97.9 112.1 1.6 10.5 10.0 8.3 28.6 1.3 52.0	33.5 109.2 93.7 8.3 4.0 -11.2 -5.6 55.9 9 43.2

1.57—Continued

Transaction actors as a continu	1988	1989	1990	1991 ^r	1992 ^r		1991			19	92 ^r	
Transaction category or sector	1988	1989	1990	1991	1992	Q2	Q3	Q4	Qı	Q2	Q3	Q4
						All se	ectors					
50 Total net borrowing, all sectors	993.6	971.0	876.0	613.5	824.2	598.5°	573.1°	614.8 ^r	837.8	849.4	793.9	815.7
51 U.S. government securities 52 State and local obligations 53 Corporate and foreign bonds 54 Mortgages. 55 Consumer credit 65 Bank loans n.e.c. 57 Open market paper. 58 Other loans	53.7 126.3 317.5	297.3 65.0 125.5 303.0 41.7 41.9 65.9 30.6	414.4 51.2 102.9 244.3 17.5 2.8 30.7 12.4	428.3 45.8 147.9 139.4 -13.1 -26.9 -44.0 -63.9	471.1 53.3 136.6 141.0 9.3 -8.2 13.1 8.0	406.1 48.5 186.6 ^r 188.8 ^r -6.6 ^r -40.9 -113.8 -70.1 ^r	444.4 53.5 128.9 ^r 53.7 ^r -24.8 ^r -6.7 -37.0 -39.0 ^r	479.0 45.5 133.2 ^r 108.4 ^r -11.9 ^r -54.3 ^r -4.9 -80.1 ^r	506.3 52.0 92.6 193.6 -2.0 -13.2 14.1 -5.6	574.7 73.0 114.5 96.6 -15.5 -4.9 11.2 2	359.0 52.3 155.8 141.1 9.2 4.9 25.2 46.3	444.4 35.9 183.3 132.5 45.6 -19.6 2.0 -8.4
				External	corporate	equity fi	ınds raise	d in Uni	ted States	•		
59 Total net share issues	-118.4	-65.7	22.1	198.9	279.6	182.3	232.5	268.5°	263.6	291.7	286.8	276.5
60 Mutual funds 61 All other 62 Nonfinancial corporations 63 Financial corporations 64 Foreign shares purchased in United States	6.1 -124.5 -129.5 4.1 .9	38.5 -104.2 -124.2 2.7 17.2	67.9 -45.8 -63.0 9.8 7.4	150.5 48.4 18.3 .0 30.2	215.4 64.3 26.8 6.4 31.2	125.6 56.7 12.0 8.1 36.6	182.5 50.0 19.0 -3.2 34.1	195.9 72.6 ^r 48.0 1.7 ^r 22.9	183.5 80.1 46.0 4.1 29.9	236.2 55.5 36.0 8.5 11.0	233.3 53.6 11.0 7.9 34.7	208.4 68.1 14.0 5.0 49.1

^{1.} Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.2 through F.5. For ordering address, see inside front cover.

A42 Domestic Financial Statistics August 1993

1.58 SUMMARY OF FINANCIAL TRANSACTIONS¹

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

T	1988	1989	1990	1991	1992 ^r		1991			19	92 ^r	
Transaction category or sector	1900	1989	1990	1991	1992	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Lending in Credit Markets ²												
1 Total net lending in credit markets	993.6	971.0	876.0	613.5 ^r	824.2	598.5°	573.1 ^r	614.8 ^r	837.8	849.4	793.9	815.7
2 Private domestic nonfinancial sectors	226.2 198.9	209.6 179.5	203.8 172.3	31.8 ^r	75.0 79.9	202.2 ^r 191.6 ^r	-131.1 ^r -170.1 ^r	-25.9 ^r -67.8 ^r	162.4 181.9	118.0 105.3	-166.4 -159.0	186.1 191.5
4 Nonfarm noncorporate business	3.1 5.7	8 12.9	-1.4	-2.3 ^r 17.5 ^r	-2.2	-2.5 ^r 23.6 ^t	-1.9 ^r	-2.8 ^r 26.6 ^r	-1.9 -1.4	-2.6 11.8	-2.2 10.6	-2.2 14.3
5 Nonfinancial corporate business	18.6	17.9	6.6 26.2	16.3	8.8 -11.5	-10.6	28.8 ^r 12.1	18.2	-16.1	3.4	-15.9	-17.6
7 U.S. government	-10.6 96.3	-3.1 74.1	33.7 58.4	10.0 42.6	-12.7 95.3	24.8 51.4	-2.1 37.3	-17.9 71.0	13.9 88.4	-24.9 139.2	-27.0 63.4	-12.8 90.3
9 Financial sectors	681.8 37.1	690.4 5	580.2 16.4	529.1 ^r 14.2	666.5 68.7	320.2 ^r -22.3 ^r	669.0°	587.6 ^r 19.7 ^r	573.0 93.1	617.0 39.9	924.0 76.5	552.1 65.3
11 Mortgage pools	74.9 10.5	125.8 -7.3	150.3	140.9	126.9 27.9	159.0 -4.0	135.5 48.1	125.9	125.9	174.4 9.8	97.9 10.8	109.2 57.8
13 Commercial banking	157.1 127.1	176.8 145.7	125.4 95.2	84.0 38.9	91.9 69.5	34.7 6.4	82.4 26.5	104.3 45.6	98.9 91.9	58.4	157.4 132.0	53.1 53.4
15 Foreign banking offices	29.4	26.7	28.4	48.5	16.5	33.7	56.7	61.3	.6	58.6	6.5	.4 -1.6
16 Bank affiliates	1	2.8 1.6	-2.8 4.5	-1.5 -1.9	5.7	-2.6 -2.8	2.4 -3.3	-1.1 -1.5	6.4	6 1	18.5	.8
18 Private nonbank finance	402.2 119.0	395.7 -91.0	279.9 -151.9	259.0 ^r -144.9	351.1 -61.7	152.8 ^r 164.8	371.3 ^r -176.8	315.3 ^r -49.5 ^r	222.0 -113.1	334.5 -81.4	581.3 -40.5	266.8 -11.8
20 Savings and loan associations	87.4 15.3	-93.9 -4.8	-143.9 -16.5	-140.9 -15.5	-76.7 -1.4	-144.0 -31.1	-156.3 -30.8	-83.3 11.5	-137.9 7.6	-92.4 -7.4	-38.5 -13.0	-38.1 7.4
22 Credit unions	16.3 186.2	7.7 207.7	8.5 188.5	11.5 219.5	16.4 178.9	10.2 212.0	10.3 259.0 ^r	22.3 ^r 159.2 ^r	17.2	18.5 183.9	11.0	18.9 174.0
24 Life insurance companies	103.8	93.1 29.7	94.4 26.5	83.2 34.7	89.7 17.3	132.8 37.0	73.8 36.8	13.2	80.6 33.1	81.9 22.2	96.5 2.5	99.9
26 Private pension funds	18.1	36.2	16.6	64.7 ^r	36.9	-6.8r	115.0 ^r	96.9r	-32.2	49.7	109.8	20.3
21 Mutual savings banks 22 Credit unions 23 Insurance 24 Life insurance companies 25 Other insurance companies 26 Private pension funds 27 State and local government retirement funds 28 Finance n.e.c. 29 Finance companies 30 Mutual funds 31 Money market funds	35.1 96.9	48.7 278.9	51.0 243.3	37.0 184.4	35.0 233.9	49.0 105.6	33.4 289.2 ^r	17.0 205.6 ^r	29.2 224.4	30.0 232.0	38.2 374.8	42.6 104.5
Finance companies	49.2 11.9	69.3 23.8	41.6 41.4	-22.5 ^r 90.3	21.5 132.3	-14.0 ^r 75.3	-5.4 ^r 117.1	-54.9 ^r 124.8	39.2 99.1	-22.3 169.0	8.5 150.7	60.5 110.4
Money market funds	10.7 .9	67.1	80.9 7	30.1 -1.0	1.3	-68.9 1	1.1	53.8 -1.9 ^r	65.8 .3	-24.8 2.6	-16.3 3	-19.2 1
32 Real estate investment trusts (REITs)	-8.2 32.5	96.3 22.0	34.9 45.2	49.0 38.5 ^r	40.2 38.0	66.8 46.4 ^r	135.8 41.1	50.5 33.3	-2.4 22.4	73.0 34.5	180.3 52.0	-90.2 43.2
RELATION OF LIABILITIES TO FINANCIAL ASSETS	52.5	22.0		00.0			(\				[15.2
35 Net flows through credit markets	993.6	971.0	876.0	613.5 ^r	824.2	598.5°	573.1 ^r	614.8 ^r	837.8	849.4	793.9	815.7
Other financial sources 36 Official foreign exchange	4.0	24.8	2,0	-5.9	-1.6	-4.8	-15.5	-5.0	3.5	~6.5	-8.5	5.1
37 Treasury currency and special drawing rights	.5 25.3	4.1	2.5	.0	-1.8]	.4	.4	19.2	30.5	.3	33.3	~7.7
38 Life insurance reserves	193.6	28.8 221.4	25.7 186.8	24.5 268.6 ^r	29.9 232.9	31.4 190.4 ^r	19.4 344.1 ^r	244.2 ^r	125.5	28.4 178.6	325.8	27.5 301.6
40 Interbank claims	2.9 259.9	-16.5 290.0	34.2 96.8	-3.7 61.1	50.5 14.5	-79.6 -75.4	99.9 27.3	-32.5 47.8	55.4 73.5	22.1 -77.2	118.0 194.2	6.4 -132.4
42 Checkable deposits and currency	43.2 120.8	6.1 96.7	44.2 59.9	75.8 16.7	122.7 -61.1	7.9 -1.1	104.5 -42.4	114.4 13.0	88.6 -29.9	92.8 -89.3	202.7	106.8 -42.1
44 Large time deposits	53.6 21.9	17.6 90.1	-66.7 70.3	-60.9 41.2	-79.7 3.9	-63.0 -58.7	-78.1 4.0	-117.4 26.8	-78.8 110.2	-104.9 -42.3	-54.8 -13.0	-80.4 -39.1
46 Security repurchase agreements	23.5 -3.1	78.3 1.1	-23.5 12.6	-16.4 4.6	34.1 -5.5	43.1 -3.6	36.3 3.0	16.0 -5.0	10.2 -26.9	118.9 52.5	77.1 65.2	-69.7 -8.0
48 Mutual fund shares. 49 Corporate equities	6.1 -124.5	38.5 -104.2	67.9 -45.8	150.5 48.4 ^r	215.4 64.3	125.6 56.7	182.5 50.0	195.9 72.6	183.5 80.1	236.2 55.5	233.3	208.4 68.1
50 Security credit	3.0	15.6	3.5	51.4	4.2	20.1	82.4	120.7	-72.1	~5.3	84.9	9.3
51 Trade debt	89.2 5.3	60.0 2.0	44.1 5	10.4 9.0	52.5 7.8	41.2 -11.4	47.6 13.1	-7.3 -3.2	71.1 10.6	38.8 9.4	64.8 6	35.1 11.7
53 Noncorporate proprietors' equity	-31.2 222.3	~32.5 269.9	-39.3 120.5	~2.7 ^r 136.8 ^r	-4.3 186.3	-35,2 ^r 88,6 ^r	43.2 ^r 39.0 ^r	4.8 ⁷ 204.4 ⁷	-16.7 181.9	10.7 260.8	-18.2 225.2	7.0 77.3
55 Total financial sources	1,650.2	1,772.7	1,374.3	1,343.9°	1,674.7	946.6 ^r	1,506.5°	1,477.1°	1,564.6	1,601.2	2,099.8	1,433.0
Floats not included in assets (-) 56 U.S. government checking deposits 57 Other checkable deposits	1.6 .8	8.4 -3.2	3.3 2.5	-13.1 2.0	.7 1.6	15.6 3.0	23.9 -2.1	-73.1 -6.1	4.4 16.7	-11.7 2.5	-5.3 -13.9	15.3 1.1
58 Trade credit	9	.6	21.5	15,0 ^r	22.4	35.3 ^r	23.8 ^r	-7.1 ^r	24.3	-7.8	55.3	17.7
Liabilities not identified as assets (-) 59 Treasury currency	~.1	2	.2	6	-,2	3	2	1	4	~.1	3	1
60 Interbank claims 61 Security repurchase agreements	-3.0 -29.8	-4.4 23.9	1.6 -34.8	26,2 10,4	2 -5.5 11.5	20.8 76.2	28.4 36.9	44.0	13.4 -46.5	~15.1 86.3	-2.6 26.1	-17.7 -19.8
62 Taxes payable 63 Miscellaneous	6.3 4.4	2.3 -95.6	6.5 -13.8	5.6 -34,1 ^r	14.4 -38.6	2.0 8.9 ^r	23,4 -195,7 ^r	11.4 182.3	1.6 -119.0	24.5 -95.7	15.3 27.6	16.3 32.8
64 Totals identified to sectors as assets	1,670.7	1,841.0			1,668.5						1,997.7	
OF TOTALS INCHINED to Sectors as assets	1,0/0./	1,041.0	1,387.5	1,004,0	1,000.3	102.1.	1,568.1 ^r	1,343.1	1,670.2	1,010.4	1,991.1	1,387.6

^{1.} Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.6 and F.7. For ordering address, see inside front cover.

^{2.} Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING¹

-	billions of donars, end of period]	Ţ <u> </u>	Ţ <u></u>	<u> </u>	1991			19	92 ^r	-
	Transaction category or sector	1989	1990	1991 ^r	1992 ^r	Q2	Q3	Q4 ^r	QI	Q2	Q3	Q4
_						Non	financial se	ectors			<u> </u>	•
1	Total credit market debt owed by domestic nonfinancial sectors	10,087.1	10,760.8	11,222.9	11,801.3	10,971.5 ^r	11,095.2 ^r	11,222.9	11,353.6	11,488.0	11,634.5	11,801.3
3	By lending sector and instrument U.S. government Treasury securities Agency issues and mortgages.	2,251.2 2,227.0 24.2	2,498.1 2,465.8 32.4	2,776.4 2,757.8 18.6	3,080.3 3,061.6 18.8	2,591.9 2,567.1 24.8	2,687.2 2,669.6 17.6	2,776.4 2,757.8 18.6	2,859.7 2,844.0 15.8	2,923.3 2,907.4 15.9	2,998.9 2,980.7 18.1	3,080.3 3,061.6 18.8
6 7 8 9 10 11 12 13 14 15 16	Private By instrument Tax-exempt obligations Corporate bonds Mortgages Home mortgages Multifamily residential Commercial Farm Consumer credit Bank loans n.e.c. Open market paper Other	7,835.9 1,004.4 926.1 3,647.5 2,515.1 304.4 742.6 85.3 791.8 760.7 107.1 598.4	8,262.6 1,055.6 973.2 3,907.3 2,760.0 305.8 757.6 84.0 809.3 758.0 116.9 642.6	8,446.6 1,101.4 1,051.9 4,045.7 2,904.6 303.3 753.3 84.5 799.9 724.7 98.5 624.5	8,720.9 1,154.7 1,119.2 4,190.2 3,102.9 288.7 710.4 88.2 809.2 707.0 107.1 633.5	8,379.6 ^c 1,072.5 1,016.5 4,005.0 ^c 2,837.9 ^c 309.8 ^c 772.7 ^c 84.6 ^c 791.1 ^c 742.0 119.4 633.1 ^c	1,089.3 1,036.9 4,020.3 ^r 2,873.6 ^r 300.8 ^r 761.4 ^r 84.5 ^r 790.1 ^r 734.1 107.0 630.3 ^r	8,446.6 1,101.4 1,051.9 4,045.7 2,904.6 303.3 753.3 84.5 799.9 724.7 98.5 624.5	8,493.9 1,111.5 1,071.0 4,088.7 2,951.8 303.9 745.2 87.9 777.6 713.7 110.4 620.8	8,564.7 1,128.6 1,090.4 4,122.0 2,996.1 299.5 737.9 88.5 776.9 710.3 112.0 624.5	8,635.6 1,145.6 1,105.8 4,158.6 3,050.7 296.1 722.9 88.9 784.5 705.7 108.2 627.3	1,154.7 1,119.2 4,190.2 3,102.9 288.7 710.4 88.2 809.2 707.0 107.1 633.5
17 18 19 20 21 22	By borrowing sector State and local government. Household. Nonfinancial business. Farm Nonfarm noncorporate. Corporate	815.7 3,508.2 3,512.0 139.2 1,177.5 2,195.3	864.0 3,780.6 3,618.0 140.5 1,204.2 2,273.4	902.5 3,944.5 3,599.6 140.1 1,180.7 2,278.7	949.6 4,167.0 3,604.3 143.8 1,140.6 2,319.9	878.5 3,853.6 ^r 3,647.4 ^r 140.4 ^r 1,211.0 ^r 2,296.1 ^r	891.4 3,897.0 ^r 3,619.6 ^r 141.7 ^r 1,191.3 ^r 2,286.7 ^r	902.5 3,944.5 3,599.6 140.1 1,180.7 2,278.7	911.3 3,970.3 3,612.3 141.3 1,174.5 2,296.5	925.9 4,023.0 3,615.8 145.1 1,163.5 2,307.2	942.3 4,087.8 3,605.5 146.2 1,150.8 2,308.5	949.6 4,167.0 3,604.3 143.8 1,140.6 2,319.9
23	Foreign credit market debt held in United States	254.8	278.6	292.7	307,3	277.6	282.2	292.7	282.3	298.3	306,6	307.3
25 26	Bonds. Bank loans n.e.c. Open market paper U.S. government loans	88.0 21.4 63.0 82.4	109.4 18.5 75.3 75.4	124.2 21.6 81.8 65.2	142,0 23.9 77.7 63.7	114.8 19.7 74.0 69.1	118.6 20.0 78.0 65.6	124.2 21.6 81.8 65.2	125.4 22.0 70.5 64.4	130.9 25.5 77.4 64.5	136.2 26.5 80.7 63.3	142.0 23.9 77.7 63.7
28	Total credit market debt owed by nonfinancial sectors, domestic and foreign	10,341.9	11,039.4	11,515.7	12,108.6	11,249.1 ^r	11,377.5 ^r	11,515.7	11,635.9	11,786.3	11,941.1	12,108.6
					<u></u>	Fir	nancial sect	ors			L	
29	Total credit market debt owed by financial sectors	2,333.0	2,524.2	2,670.3	2,897.0	2,580.8°	2,618.4°	2,670.3	2,701.2	2,758.1	2,828.6	2,897.0
31 32 33	By instrument U.S. government-related Sponsored credit-agency securities Mortgage pool securities Loans from U.S. government Private Corporate bonds Mortgages Bank loans n.e.c. Open market paper Loans from Federal Home Loan Banks	1,249.3 373.3 871.0 5.0 1,083.7 491.9 3.4 37.5 409.1 141.8	1,418.4 393.7 1,019.9 4.9 1,105.8 528.2 4.2 38.6 417.7 117.1	1,574.3 402.9 1,166.7 4.8 1,095.9 584.2 5.1 41.8 385.7 79.1	1,741.5 443.1 1,293.5 4.8 1,155.6 627.2 5.1 49.0 394.3 79.9	1,489.6 389.6 1,095.2 4.9 1,091.3 ^r 564.9 ^r 4.5 37.0 390.1 94.7	1,531.1 394.7 1,131.5 4.9 1,087.3 ^r 572.8 ^r 4.6 39.0 387.0 83.9	1,574.3 402.9 1,166.7 4.8 1,095.9 584.2 5.1 41.8 385.7 79.1	1,603.8 405.7 1,193.2 4.8 1,097.4 581.3 5.0 41.6 393.2 76.3	1,658.3 417.8 1,235.6 4.8 1,099.8 583.7 5.0 43.7 390.5 76.9	1,702.0 434.7 1,262.5 4.8 1,126.6 602.3 5.1 44.5 394.6 80.2	1,741.5 443.1 1,293.5 4.8 1,155.6 627.2 5.1 49.0 394.3 79.9
40 41 42 43 44 45 46 47 48 49	By borrowing sector Sponsored credit agencies Mortgage pools Private financial sectors Commercial banks Bank affiliates Savings and loan associations Mutual savings banks Finance companies Real estate investment trusts (REITs), Securitized credit obligation (SCO) issuers.	378.3 871.0 1,083.7 77.4 142.5 145.2 17.2 504.2 10.1 187.1	398.5 1,019.9 1,105.8 76.3 114.8 115.3 16.7 539.8 10.6 232.3	407.7 1,166.7 1,095.9 63.0 112.3 75.9 13.2 547.5 12.3 271.9	447.9 1,293.5 1,155.6 67.4 114.6 71.1 15.1 563.8 13.6 309.9	394.4 1,095.2 1,091.3 ^r 65.9 113.3 91.0 16.6 540.0 ^r 11.0 253.3 ^r	399.5 1,131.5 1,087.3 ^r 64.6 110.6 79.0 15.2 543.3 ^r 11.2 263.6 ^r	407.7 1,166.7 1,095.9 63.0 112.3 75.9 13.2 547.5 12.3 271.9	410.5 1,193.2 1,097.4 60.8 115.0 71.2 13.5 546.7 12.7 277.5	422.6 1,235.6 1,099.8 61.7 70.3 14.3 541.6 13.2 286.1	439.5 1,262.5 1,126.6 63.3 114.4 70.9 16.2 549.1 13.7 299.1	447.9 1,293.5 1,155.6 67.4 114.6 71.1 15.1 563.8 13.6 309.9
					····		All sectors			 1		
51 52 53 54 55 56 57	Total credit market debt, domestic and foreign U.S. government securities State and local obligations Corporate and foreign bonds Mortgages Consumer credit Bank loans n.c.c Open market paper Other loans	3,495.6 1,004.4 1,506.0 3,650.9 791.8 819.6 579.2 827.5	3,911.7 1,055.6 1,610.7 3,911.5 809.3 815.1 609.9 839.9	4,345.9 1,101.4 1,760.4 4,050.8 799.9 788.2 565.9 773.5	15,005.6 4,817.0 1,154.7 1,888.5 4,195.4 809.2 780.0 579.0 781.9	13,830.0° 4,076.6 1,072.5 1,696.1° 4,009.5° 791.1° 798.7 583.6 801.9°	13,995.8 ^r 4,213.5 1,089.3 1,728.3 ^r 4,024.9 ^r 790.1 ^r 793.2 572.0 784.7 ^r	4,345.9 1,101.4 1,760.4 4,050.8 799.9 788.2 565.9 773.5	4,458.7 1,111.5 1,777.8 4,093.8 777.6 777.3 574.1 766.3	14,544.4 4,576.8 1,128.6 1,805.0 4,127.0 776.9 779.5 579.9 770.7	4,696.0 1,145.6 1,844.2 4,163.7 784.5 776.6 583.6 775.5	15,005.6 4,817.0 1,154.7 1,888.5 4,195.4 809.2 780.0 579.0 781.9

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

A44 Domestic Financial Statistics August 1993

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES¹

Billions of dollars except as noted, end of period

	1000	1000	1001	1007		1991			19	92 ^r	
Transaction category or sector	1989	1990	1991	1992 ^r	Q2	Q3	Q4	Qı	Q2	Q3	Q4
Credit Market Debt Outstanding ² 1 Total credit market assets	12,674.9	13,563.6	14,186.0 ^r	15,005.6	13,830.0°	13,995.8 ^r	14,186.0 ^r	14,337.1	14,544.4	14,769.7	15,005.6
2 Private domestic nonfinancial sectors 3 Households 4 Nonfarm noncorporate business 5 Nonfinancial corporate business 6 State and local governments 7 U.S. government 8 Foreign 9 Financial sectors 10 Soposored credit agencies 11 Mortgage pools 12 Monetary authority 13 Commercial banking 14 U.S. commercial banks 15 Foreign banking offices 16 Bank affiliates 17 Banks in U.S. possession 18 Private nonbank finance 19 Thrift institutions 20 Savings and loan associations 21 Mutual savings banks 22 Credit unions 23 Insurance 24 Life insurance companies 25 Other insurance companies 26 Private pension funds 27 State and local government retirement funds 28 Finance n.e.c. 29 Finance n.e.c. 20 Finance companies 30 Mutual funds 31 Money market funds 32 Real estate investment trusts (REITs) 33 Brokers and dealers 34	2,440.5 1,710.1 180.3 493.7 205.1 734.2 9,295.1 367.2 871.0 233.3 2,643.9 2,368.4 242.3 16.2 17.1 1,184.9 2,140.3 1,013.1 1,01	2,644.2 1,882.3 55.0 55.0 186.9 519.9 238.7 7 792.4 9,888.3 383.6 1,019.9 241.4 2,769.3 2,463.6 270.8 13.4 21.6 5,474.1 1,335.5 945.1 227.1 163.4 2,329.1 1,116.5 3,44.0 431.3 437.4 1,658.7 7,7 7,7 177.9 232.3	2,552.8° 1,760.5° 52.6° 203.4° 536.2 246.2 835.1 10,552.0° 7272.5 2,853.3 32,502.5 11.9 19.7° 5,861.7° 1,190.7° 804.2 211.5 1,749.9 2,676.8° 1,199.6 378.7 624.2° 474.3 1,994.3° 635.5° 402.7° 6.8° 226.9 271.9°	2,622.8 1,835.5 50.4 212.3 524.7 233.5 930.8 11.218.5 466.4 1,2945.2 2,571.9 335.8 17.6 20.0 6,212.9 1,129.0 1,29.0 2,571.9 2,571.9 2,571.9 2,571.9 2,571.9 2,571.9 2,571.9 335.8 1,7.6 20.0 6,212.9 1,22.9 5,71.9 2,855.7 1,289.6 661.1 5,09.3 2,285.9 4,041.1 7,44 2,67.1 3,09.9	2,670.7° (1,901.9° 531.1° 187.0° 528.8 252.9 807.9 10,998.5° 72,796.6 2,480.0° 284.4° 11.3 20.9 5.570.3° 1,248.6° 3,216.4° 165.7° 2,444.7° 1,183.7° 2,444.7° 1,187.2° 651.9° 74.4° 389.9° 7.4° 180.4° 253.3°	2,666.2 ^r 1,897.3 ^r 536.0 ^r 186.3 ^r 530.0 817.2 10,260.3 ^r 389.0 ^r 1,131.5 264.7 2,817.8 2,488.7 11.6 20.0 5,657.2 ^r 1,205.1 208.7 170.2 2,508.7 ^r 1,201.4 389.5 7.2 2,14.3 263.6 ^r	2,552.8° 1,760.5° 52.6° 52.6° 52.6° 52.6° 53.6.2° 246.2 835.1 10,552.0° 397.7 1,166.7 272.5° 2,853.3 2,502.5° 319.2° 75.861.7° 1,190.7° 804.2° 211.5° 174.9° 2,676.8° 1,199.6° 378.7 624.2° 474.3° 1,994.3° 635.5° 402.7° 6.8° 226.9° 271.9°	2,559,5 1,784,6 51,4 192,1 531,4 250,2 857,2 10,670,2 419,9 1,193,2 271,8 2,860,6 2,514,0 313,3 13,6 19,7 5,924,8 1,161,8 771,1 213,4 177,3 2,709,0 1,224,3 387,0 616,1 481,6 2,053,9 640,5 478,8 424,0 6,8 226,3 277,5	2,561.6 1,773.4 50.8 204.2 533.3 892.0 10,845.5 429.0 1,235.6 2,882.9 2,521.9 328.2 13.1 1748.8 211.6 182.7 2,757.3 1,247.1 392.5 628.5 489.1 2,151.9 1,247.1 2,150.0 413.5 641.2 522.0 413.5 7.5 244.6 286.1	2,551.6 1,776.1 50.2 197.7 527.6 238.1 908.2 211.071.8 446.3 1,262.5 285.2 2,922.9 2,556.7 328.9 17.5 19.8 6,155.0 1,133.7 737.9 208.3 187.4 2,818.1 1,270.3 187.4 2,818.1 1,270.3 187.4 2,818.1 1,270.3 1,270	2,622.8 1,835.5 50.4 212.3 524.7 233.5 930.8 11,218.5 466.4 1,293.5 300.4 2,945.2 2,571.9 335.8 17.6 20.0 6,212.9 1,129.0 2,855.7 1,285.7 1,285.7 2,945.2 2,571.9 2,855.7 1,282.6 66.1 509.3 2,282.2 656.9 82.8 404.1 7,4 267.1 309.9
RELATION OF LIABILITIES TO FINANCIAL ASSETS 35 Total credit market debt	12,674.9	13,563.6	14,186.0 ^r	15,005.6	13,830.0 ^r	13,995.8°	14,186.0 ^r	14,337.1	14,544.4	14,769.7	15,005.6
Other liabilities 36 Official foreign exchange	53.6 23.8 354.3 32.10.5 4,644.6 888.6 615.4 43.9 566.2 133.9 903.9 81.8 2,508.3	61.3 380.0 3,303.0 64.0 4,741.4 932.8 2,325.3 548.7 498.4 379.7 56.6 602.1 137.4 938.0 81.4 2,678.8	55.4 26.3 402.0 4,208.5 65.2 4,802.5 1,008.5 339.6 61.2 487.9 539.6 61.2 813.9 940.9 72.3 2,817.3	51.8 24.5 431.9 4,573.7 115.4 4,817.0 1,131.0 408.4 543.6 397.5 1,050.2 217.3 1,003.6 80.1 2,931.8	53.6 26.1 392.3 3,551.7 35.9 4,765.7 933.1 2,351.5 532.6 532.8 354.0 61.7 683.7 137.5 909.4 65.8 2,699.7	52.9 26.2 397.2 3,717.7 60.9 4,769.5 948.3 2,339.7 517.1 533.1 368.9 62.4 744.2 158.1 935.3 71.9 2,733.9	55.4 26.3 402.0 4,208.8° 65.2 4,802.5 1,008.5 2,342.0 487.9 539.6 61.2 813.9 940.9 72.3 2,817.3°	52.7 26.3 409.6 4.226.3 67.2 4.796.4 984.3 2.340.9 469.7 572.0 375.1 54.4 860.4 194.6 939.8 77.4 2,834.5	54.4 26.4 416.7 70.8 4,785.1 1,032.3 2,314.7 438.7 557.2 401.0 41.3 928.3 193.3 944.9 72.7 2,876.0	55.4 26.5 425.0 4.418.1 101.6 4.829.9 1.071.6 2.293.3 428.8 553.2 425.4 571.2 214.5 971.2 214.5 987.7 75.8 2,911.5	51.8 24.5 431.9 4,573.7 115.4 4,817.0 1,131.0 408.4 543.6 397.5 55.6 1,050.2 217.3 1,003.6 80.1 2,931.8
	25,188.3	26,577.2	28,579.6 ⁷	30,303.0	27,151.4 ^r	27,663.7°	28,579.6°	28,822.3	29,191.8	29,786.8	30,303.0
Financial assets not included in liabilities (+) 54 Gold and special drawing rights 55 Corporate equities 56 Household equity in noncorporate business	21.0 3,819.7 2,524.9	22.0 3,506.6 2,449.4	22.6 ^r 4,357.9 ^r 2,366.0 ^r	19.6 4,827.2 2,260.8		22.1 ^r 4,170.5 ^r 2,493.4 ^r	22.6 ^r 4,357.9 ^r 2,366.0 ^r	22.7 4,461.9 2,365.5	23.2 4,404.7 2,346.4	24.5 4,576.8 2,322.2	19.6 4,827.2 2,260.8
Floats not included in assets (-) 57 U.S. government checking deposits 58 Other checkable deposits 59 Trade credit	6.1 26.5 -159.7	15.0 28.9 -148.0	3.8 30.9 -138.5 ^r	6.8 32.5 -105.9	8.3 29.9 -160.4 ^r	19.8 23.6 ~157.7 ^r	3.8 30.9 -138.5 ^r	.9 29,5 -135,3	1.4 32.6 -149.5	4.0 23.3 -131.3	6.8 32.5 ~105.9
Liabilities not identified as assets (-) 60 Treasury currency. 61 Interbank claims 62 Security repurchase agreements. 63 Taxes payable 64 Miscellaneous 65 Totals identified to sectors as assets	-4.3 -31.0 11.5 20.6 -251.1 31,935.2	-4.1 -32.0 -23.3 21.8 -247.3	-4.8 -4.2 -12.9 18.9 -458.5 ^r	-5.0 -9.9 -2.8 32.0 -558.3 38,021.1	-4.7 -9.9 -25.8 11.8 -241.1 ^r	-4.7 -4.7 -10.6 17.6 -300.6 ^r 34,767.1 ^r	-4.8 -4.2 -12.9 18.9 -458.5 ^r 35,891.3 ^r	-4.9 -1.8 -11.4 14.7 -458.1 36,238.9	-4.9 -4.0 5.8 20.9 -476.5 36,540.2	-5.0 -5.9 16.7 25.4 -527.9 37,311.0	-5.0 -9.9 -2.8 32.0 -558.3 38,021.1

^{1.} Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.6 through L.7. For ordering address, see inside front cover.

^{2.} Excludes corporate equities and mutual fund shares.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, 1987=100 except as noted

	1000	1001	1002		19	992		l		1993		
Measure	1 99 0	1991	1992	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.r	Apr.r	May
I Industrial production 1	196.0	104.1	106.5	106.2	107.5	108.4	108,9	109.3	109.9	110.1	110.2	110.4
Market groupings 2 Products, total. 3 Final, total. 4 Consumer goods 5 Equipment 6 Intermediate. 7 Materials	105.5 107.0 103.4 112.1 101.2 106.8	103.1 105.3 102.8 108.9 96.5 105.5	105.6 108.2 105.2 112.7 97.6 107.9	105.3 108.1 104.4 113.5 96.9 107.4	107.1 110.1 106.4 115.4 97.8 108.1	107.8 111.0 107.1 116.7 98.1 109.3	108.2 111.5 107.5 117.2 98.3 110.0	108,5 111,9 107.6 118,1 98,2 110,4	109.2 ^r 112.4 ^r 108.5 ^r 118.0 ^r 99.3 110.9 ^r	109.5 112.8 108.8 118.6 99.6 110.9	109.5 112.9 108.4 119.3 99.4 111.3	109.6 112.9 108.3 119.5 99.6 111.6
Industry groupings 8 Manufacturing	106.1	103.7	106.9	106.8	108.0	108.9	109.2	109.9	110.5	110.7	111.2	111.4
9 Capacity utilization, manufacturing (percent)2	81.1	77.8	78.8	78.4	79.2	79.7	79.8	80.3	80.5	80.6	80.8	80.8
10 Construction contracts ³	95.3	89.7	94.1 ^r	89.0	104.0	92.0	90.0	100.0	95.0	94.0	94.0	91.0
11 Nonagricultural employment, total ⁴ 12 Goods-producing, total 13 Manufacturing, total 14 Manufacturing, production worker 15 Service-producing. 16 Personal income, total 17 Wages and salary disbursements 18 Manufacturing 19 Disposable personal income ⁵ 20 Retail sales ⁶	107.7 ^r 101.2 ^r 100.6 ^r 109.8 ^r 122.7 121.3 113.5 122.9 120.2	106.2 ^r 96.6 ^r 97.1 ^r 96.3 ^r 109.3 ^r 127.0 124.4 113.6 128.0 121.3	106.4 ^r 94.9 ^r 95.8 ^r 95.3 ^r 110.0 ^r 133.0 129.0 115.4 134.7 127.2	106.6 ^r 93.3 ^r 94.5 ^r 94.0 ^r 110.8 ^r 133.6 129.5 115.3 135.2 128.1	106.7 ^r 93.2 ^r 94.3 ^r 93.9 ^r 111.0 ^r 135.3 130.5 116.5 137.0 130.7	106.8 ^r 93.2 ^r 94.3 ^r 94.0 ^r 111.2 ^r 135.3 131.2 116.0 136.8 130.5	107.0 ^r 93.2 ^r 94.3 ^r 94.1 ^r 111.4 ^r 136.6 132.3 118.0 138.2 131.9	107.1 ^r 93.2 ^r 94.4 ^r 94.3 ^r 111.6 ^r 137.4 133.1 117.2 138.8 132.0	107.4 ^r 93.5 ^r 94.5 ^r 94.5 ^r 111.9 ^r 137.5 132.9 117.8 139.0 131.9	107.5 93.3 94.4 94.4 112.0 138.4 132.8 117.8 140.0 130.5	107.7 93.1 94.0 94.0 112.3 138.5 133.3 118.1 140.1 132.6	107.9 93.2 93.8 93.8 112.6 139.3 134.6 118.0 140.9 132.7
Prices ⁷ 21 Consumer (1982–84–100)	130.7 119.2	136.2 121.7	140.3 123.2	141.3 123.3	141.8 124.4	142.0 124.0	141.9 123.8	142.6 124.2 ^r	143.1 124.3	143.6 124.6	144.0 125.3	144.2 125.7

^{1.} A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision," Federal Reserve Bulletin, vol. 76 (April 1990), pp. 187-204.

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

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

NOTE. Basic data (not indexes) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 can also be found in the Survey of

Current Business

Figures for industrial production for the latest month are preliminary, and many figures for the three months preceding the latest month have been revised. See "Recent Developments in Industrial Capacity and Utilization," Federal Reserve Bulletin, vol. 76 (June 1990), pp. 411-35.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted except as noted

0.4	1990	1991	1992		1992 ^r				1993		
Category	1990	1991	1992	Oct.	Nov.	Dec.	Jan. ^r	Feb.	Mar.	Apr.r	Мау
Household Survey Data											
I Noninstitutional population ¹	189,686	191,329	193,142	193,683	193,847	194,026	194,159	194,298	194,456	194,618	194,767
2 Labor force Civilian labor force	126,424 124,787	126,867 125,303	128,548 126,982	128,618 127,066	128,896 127,365	129,108 127,591	128,598 127,083	128,839 127,327	128,926 127,429	128,833 127,341	129,615 128,131
4 Nonagricultural industries ²	114,728 3,186	114,644 3,233	114,391 3,207	114,518 3,169	114,855 3,209	115,049 3,262	114,879 3,191	115,335 3,116	115,483 3,082	115,356 3,060	116,203 3,070
6 Number	6,874 5,5 63,262	8,426 6.7 64,462	9,384 7.4 64,594	9,379 7.4 65,065	9,301 7.3 64,951	9,280 7.3 64,918	9,013 7.1 65,561	8,876 7.0 65,459	8,864 7.0 65,530	8,925 7.0 65,785	8,858 6.9 65,152
ESTABLISHMENT SURVEY DATA											
9 Nonagricultural payroll employment ³	109,782	108,310	108,434	108,789	108,921	109,079	109,235	109,539	109,565	109,781	109,990
10 Manufacturing 11 Mining. 12 Contract construction 13 Transportation and public utilities 14 Trade 15 Finance 16 Service 17 Government	19,117 710 5,133 5,808 25,877 6,729 28,130 18,304	18,455 691 4,685 5,772 25,328 6,678 28,323 18,380	18,192 635 4,594 5,741 25,120 6,672 28,903 18,578	17,911 618 4,466 5,699 25,454 6,570 29,361 18,710	17,917 616 4,462 5,699 25,466 6,569 29,430 18,762	17,913 613 4,459 5,707 25,522 6,575 29,524 18,766	17,936 611 4,454 5,719 25,609 6,578 29,573 18,755	17,954 600 4,515 5,725 25,726 6,577 29,665 18,777	17,935 600 4,481 5,724 25,707 6,574 29,756 18,788	17,860 599 4,517 5,717 25,754 6,584 29,955 18,795	17,821 599 4,584 5,727 25,787 6,583 30,081 18,808

Persons sixteen years of age and older, including Resident Armed Forces. Monthly figures are based on sample data collected during the calendar week that contains the twelfth day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures.
 Includes self-employed, unpaid family, and domestic service workers.
 Includes all full- and part-time employees who worked during, or received

pay for, the pay period that includes the twelfth day of the month; excludes proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1984 benchmark, and only seasonally adjusted data are available at this time.

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

<sup>sources.
3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Co., F. W. Dodge Division.
4. Based on data from U.S. Department of Labor, Employment and Earnings. Series covers employees only, excluding personnel in the armed forces.
5. Based on data from U.S. Department of Commerce, Survey of Current Rutiness.</sup>

Domestic Nonfinancial Statistics ☐ August 1993

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION1 Seasonally adjusted

	T		1992		1993		1992		1993		1992		1993
Series	<u> </u>	Q2	Q3	Q4	Q1	Q2	Q3	Q4	QI	Q2	Q3	Q4	Q1
			Output (1987=100)	-	Capac	ity (percer	nt of 1987	output)	Capaci	ity utilizat	ion rate (p	percent)
1 Total industry		106.3	106.5	108.3	109.7	133.2	133.7	134.2	134.8	79.8	79.7	80.7	81.4
2 Manufacturing]	106.7	107.0	108.7	110.4	135.4	136.0	136.6	137.2	78.8	78.7	79.6	80.5
Primary processing Advanced processing		103.9 108.0	103.7 108.5	104.7 110.6	106.4 112.3	126.1 139.8	126.4 140.6	126.6 141.3	126.8 142.1	82.4 77.3	82.1 77.2	82.7 78.3	83.9 79.0
5 Durable goods		107.8 95.1 101.3 104.7 96.7 122.6 119.0 105.7	108.3 96.0 99.7 103.5 94.5 126.8 120.9 103.6	110.8 98.5 101.5 105.0 96.7 132.4 124.0 111.4	113.6 99.7 105.0 109.1 99.3 137.1 127.0 120.6	141.2 112.3 125.6 130.8 118.5 159.0 149.9 151.2	141.9 112.4 125.3 130.4 118.3 160.6 151.3 152.9	142.6 112.5 125.0 129.9 118.2 162.1 152.6 154.5	143.4 112.6 124.9 129.8 118.1 163.7 154.1 155.8	76.3 84.7 80.7 80.1 81.6 77.1 79.4 69.9	76.3 85.4 79.6 79.4 79.8 79.0 80.0 67.7	77.7 87.6 81.2 80.8 81.8 81.7 81.2 72.1	79.2 88.6 84.1 84.1 83.7 82.4 77.4 70.5
14 Nondurable goods 15 Textile mill products 16 Paper and products 17 Chemicals and products 18 Plastics materials 19 Petroleum products		105.4 104.6 108.7 114.8 109.8 102.7	105.4 105.2 108.6 114.7 110.5 100.2	106.1 105.2 107.9 116.9 106.6 104.2	106.5 106.1 110.0 116.9 111.7 104.2	128.3 116.4 121.3 141.7 127.8 116.9	128.7 116.6 121.7 142.6 128.3 116.6	129.1 116.7 122.1 143.5 128.8 116.2	129.6 116.9 122.5 144.4 129.5 115.9	82.2 89.8 89.6 81.0 85.9 87.8	81.9 90.3 89.2 80.4 86.2 85.9	82.1 90.1 88.4 81.4 82.8 89.7	82.2 90.8 89.8 80.9 86.2 89.9
20 Mining. 21 Utilities. 22 Electric		97.8 111.1 110.7	97.5 110.9 110.6	97.9 114.7 114.3	96.5 116.0 115.2	112.6 130.9 127.4	112.3 131.4 127.9	112.0 131.8 128.5	111.7 132.2 129.0	86.9 84.8 86.9	86.9 84.5 86.4	87.4 87.1 89.0	86.3 87.8 89.3
	1973	1975	Previou	s cycle ²	Latest	cycle ³	1992	1992			1993		
	High	Low	High	Low	High	Low	Мау	Dec.	Jan.	Feb.	Mar.	Apr.	May
					C	apacity ut	ilization ra	ate (percer	nt)				
1 Total industry	99.0	82.7	87.3	71.8	84.8	78.3	80.1	81.0	81.2	81.5	81.6	81.6	81.6
2 Manufacturing	99.0	82.7	87.3	70.0	85.1	76.6	79.1	79.8	80.3	80.5	80,6	80.8	80.8
Primary processing Advanced processing	99.0 99.0	82.7 82.7	89.7 86.3	66.8 71.4	89.1 83.3	77.9 76.1	82.6 77.5	82.9 78.6	83.5 78.9	84.3 79.0	83.8 79.3	84.1 79.4	84.3 79.4
5 Durable goods	99.0 99.0 99.0 99.0 99.0 99.0 99.0 99.0	82.7 82.7 82.7 82.7 82.7 82.7 82.7 82.7	86.9 87.6 102.4 110.4 90.5 92.1 89.4 93.0	65.0 60.9 46.8 38.3 62.2 64.9 71.1 44.5	83.9 93.3 92.9 95.7 88.9 83.7 84.9 84.5	73.8 76.8 74.3 72.3 75.9 73.0 76.8 57.9	76.8 85.6 80.4 80.1 81.0 77.5 79.7 71.3	78.2 87.1 82.0 82.7 80.9 82.3 81.6 74.9	78.9 88.2 82.3 82.4 82.2 82.8 82.0 77.7	79.4 90.4 86.5 87.0 85.9 83.5 82.5 77.5	79.4 87.1 83.4 82.9 84.3 84.9 82.9 76.9	79.6 86.5 84.4 85.0 83.6 86.0 82.7 77.1	79.6 87.0 85.3 86.2 83.9 86.6 83.1 75.9
14 Nondurable goods	99.0 99.0 99.0 99.0 99.0 99.0	82.7 82.7 82.7 82.7 82.7 82.7 82.7	87.0 91.7 94.2 85.1 90.9 89.5	76.9 73.8 82.0 70.1 63.4 68.2	86.8 92.1 94.9 85.9 97.0 88.5	80.4 78.7 86.0 78.5 75.5 84.2	82.2 90.2 89.2 81.0 86.2 87.7	82.0 90.8 88.6 81.2 80.5 89.1	82,2 91.5 88.8 81.1 86.0 89.0	82.1 90.8 90.1 80.4 85.3 90.3	82.3 90.0 90.6 81.2 87.4 90.4	82.4 89.6 92.2 81.1 87.5 90.0	82.5 90.4 91.8 81.8 87.2 91.6
20 Mining	99.0 99.0 99.0	82.7 82.7 82.7	96.6 88.3 88.3	80.6 76.2 78.7	87.0 92.6 94.8	86.8 83.4 87.4	87.8 84.9 86.9	87.8 88.5 90.4	87.9 85.4 87.7	85.8 88.9 90.3	85.3 89.0 90.0	86.5 86.0 87.4	86.9 85.6 87.0

^{1.} Data in this table also appear in the Board's G.17 (419) monthly statistical release. For ordering address, see inside front cover. For a detailed description of the series, see "Recent Developments in Industrial Capacity and Utilization," Federal Reserve Bulletin, vol. 76 (June 1990), pp. 411-35. See also "Industrial

Production Capacity and Capacity Utilization since 1987," Federal Reserve Bulletin, vol. 79, (June 1993), pp. 590-605.

2. Monthly highs, 1978 through 1980; monthly lows, 1982.

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹ Monthly data seasonally adjusted

_	Wolting data seasonany adjusted															
	Group	1987 pro- por-	1992 avg.	Ĺ			19	92						1993		
		tion	avg.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.r	Mar.	Apr."	May
									Index	(1987 =	= 100)					
	Major Markets		}													
1	Total index	100.0	106.5	106.7	106.0	106.8	106.6	106.2	107.5	108.4	108.9	109.3	109.9	110.1	110.2	110.4
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Products. Final products. Consumer goods, total Durable consumer goods Automotive products. Autos and trucks Autos, consumer Trucks, consumer Auto parts and allied goods Other Appliances, A/C, and TV. Carpeting and furniture. Miscellaneous home goods Nondurable consumer goods Foods and tobacco Clothing Chemical products Paper products Energy Fuels	60.8 46.0 26.0 5.6 6 2.5 1.5 .9 1.4 20.4 9.1 2.6 3.5 2.5 2.7	105.6 108.2 105.2 102.5 99.4 96.9 79.0 127.9 103.7 105.2 110.4 99.9 105.6 105.9 104.7 100.8 108.3 108.3	105.7 108.3 105.6 102.9 102.1 85.3 131.2 104.4 107.9 116.8 102.7 106.3 105.9 104.7 95.7 118.1 101.0 107.8 104.8	104.8 107.1 104.0 102.0 99.0 96.5 83.5 119.2 104.6 109.0 106.0 104.6 103.3 94.5 117.6 100.6 105.2	105.7 108.1 104.9 102.8 98.8 95.3 81.2 119.8 104.6 106.3 109.7 101.7 107.4 105.5 105.5 105.0 117.3 100.1 116.3 104.1	105.9 108.9 105.1 101.9 99.5 96.0 77.0 128.8 105.3 104.0 111.0 97.7 104.1 106.0 107.0 94.0 116.5 100.2	105.3 108.1 104.4 100.9 97.3 93.5 77.9 120.4 103.7 104.1 112.9 98.2 102.9 105.3 104.9 94.3 118.5 100.4 104.6 103.5	107.1 110.1 106.4 104.1 103.1 101.5 78.5 141.3 105.9 104.9 110.8 98.5 105.8 107.1 105.8 107.1 105.8 107.1 109.8	107.8 111.0 107.1 105.7 104.1 102.9 79.6 143.3 106.0 107.1 110.8 103.7 107.5 107.5 105.9 123.3 100.9 112.0 107.7	108.2 111.5 107.5 108.7 111.7 86.9 154.6 103.8 107.2 110.5 106.6 107.4 104.8 96.0 121.7 100.9 114.4 106.1	108.5 111.9 107.6 110.9 112.7 116.8 86.6 169.1 105.8 109.3 116.0 108.5 108.0 106.7 104.6 95.7 122.4 100.2 109.5	109.2 112.4 108.5 111.3 111.9 114.6 90.2 156.9 107.4 110.7 117.6 106.7 109.5 107.7 105.5 95.0 121.1 101.8	109.5 112.8 108.8 111.2 111.2 113.4 90.5 153.1 107.5 111.1 122.9 104.3 108.9 108.1 105.1 194.6 123.5 102.1 116.1 107.1	109.5 112.9 108.4 111.7 112.0 114.3 90.2 155.9 108.1 111.6 122.5 104.6 109.9 107.5 105.0 123.0 101.6 112.0 106.1	109.6 112.9 108.3 110.6 109.6 110.1 86.5 150.9 108.7 111.6 109.1 107.7 105.0 95.2 124.4 101.4 112.5
22 23 24 25 26 27 28 29 30 31 32 33	Residential utilities Equipment. Business equipment. Information processing and related Office and computing Industrial Transit. Autos and trucks Other Defense and space equipment Oil and gas well drilling Manufactured homes.	2.0 20.0 13.9 5.6 1.9 4.0 2.5 1.2 1.9 5.4 .6	112.7 123.2 134.7 168.3 108.5 137.1 117.9 104.7 85.9 78.3 99.7	112.0 122.1 131.4 162.1 108.4 136.9 123.3 106.5 87.2 75.4 92.5	105.8 111.6 121.9 134.3 167.3 108.7 133.9 117.2 99.2 86.5 73.1 90.1	112.7 123.7 137.4 171.8 109.1 135.3 114.2 100.2 85.1 73.8 101.3	108.2 114.3 126.1 138.5 173.7 109.2 143.3 117.3 105.6 84.5 75.6 96.9	105.1 113.5 125.0 138.2 178.3 109.6 134.5 114.7 107.3 84.4 76.3 100.9	111.6 115.4 127.5 142.2 183.1 110.1 137.4 121.7 108.8 83.5 82.7 110.4	113.6 116.7 129.0 142.9 184.5 112.0 140.4 123.9 110.7 83.2 86.4 118.5	117.5 117.2 129.6 143.2 186.4 112.3 144.1 131.4 109.2 82.5 91.2 128.6	110.7 118.1 131.2 144.4 192.0 113.1 146.7 136.7 112.6 82.0 89.0 129.4	118.0 118.0 131.7 146.1 198.0 112.2 146.5 136.8 113.4 81.5 77.9 127.1	119.6 118.6 133.2 149.0 203.8 113.0 145.0 135.8 114.9 80.8 71.1 116.2	114.3 119.3 134.2 150.7 209.5 113.8 144.0 136.2 116.5 80.6 72.4 114.9	113.9 119.5 134.5 152.0 215.1 114.5 141.5 133.1 116.5 80.2 75.1 114.7
34 35 36	Intermediate products, total Construction supplies Business supplies	14.7 6.0 8.7	97.6 93.8 100.1	97.9 95.3 99.6	97.7 93.6 100.6	98.6 94.3 101.4	97.0 94.1 99.0	96.9 93.0 99.5	97.8 94.7 99.9	98.1 95.1 100.0	98.3 94.5 100.8	98.2 94.8 100.5	99.3 97.5 100.5	99.6 96.3 101.8	99.4 96.0 101.8	99.6 96.7 101.5
37 38 39 40 41 42 43 44 45 46 47 48 49 50	Materials Durable goods materials Durable consumer parts Equipment parts Other Basic metal materials Nondurable goods materials Textile materials. Pulp and paper materials Chemical materials Other Energy materials Primary energy Converted fuel materials	39.2 19.4 4.2 7.3 7.9 2.8 9.0 1.2 1.9 3.8 2.1 10.9 7.2 3.7	107.9 108.9 101.5 116.5 106.0 108.3 110.9 102.8 109.9 114.2 110.4 103.4 99.7 110.6	108.0 109.0 101.5 116.1 106.5 109.2 111.5 102.4 109.6 115.5 110.9 103.3 99.5	107.8 108.7 101.5 116.6 105.4 107.8 111.5 101.8 114.8 111.6 103.1 99.6 109.9	108.5 109.3 100.6 117.7 106.3 108.7 111.5 107.7 110.3 114.1 110.0 104.4 100.4 112.3	107.6 108.9 101.4 117.1 105.5 107.7 110.7 101.6 108.7 114.5 110.5 102.5 99.4 108.7	107.4 107.6 98.5 116.2 104.6 105.8 111.7 103.3 112.3 114.5 110.5 103.6 99.6 111.4	108.1 109.7 101.8 118.3 106.2 108.3 110.7 102.7 109.1 114.4 109.7 103.0 99.4 110.0	109.3 111.1 104.3 119.3 107.4 109.8 112.0 103.4 110.2 115.6 112.0 103.9 100.2 111.1	110.0 111.9 107.5 119.7 107.5 108.8 111.5 102.9 110.7 114.6 111.3 105.1 101.3 112.4	110.4 113.3 110.8 120.4 108.6 110.4 112.4 104.2 110.7 114.9 114.1 103.4 100.4	110.9 114.2 111.8 121.0 109.7 113.2 112.1 103.2 111.9 114.6 112.5 103.8 98.3 114.6	110.9 114.0 112.3 121.2 108.8 109.9 112.7 104.1 112.8 115.6 112.3 103.5 97.4 115.4	111.3 114.5 112.5 122.2 109.2 111.0 113.8 103.6 115.9 113.9 103.1 98.3 112.6	111.6 115.1 113.3 122.9 109.5 112.0 114.0 103.8 114.7 117.1 113.4 103.0 98.3 112.2
	SPECIAL AGGREGATES															
52	Total excluding autos and trucks	97.3 95.3	106.6 106.6	106.6 106.6	106.1 106.1	107.0 107.0	106.7 106.7	106.3 106.4	107.4 107.5	108.4 108.4	108.6 108.6	108.9 108.7	109.5 109.3	109.7 109.6	109.9 109.7	110.2 110.0
	machines	97.5	105.0	105.3	104.6	105.3	105.0	104.5	105.7	106.6	107.1	107.3	107.8	107.8	107.9	107.9
55 56	trucks	24.5 23.3	105.7 104.8	106.1 105.6	104.6 103.9	105.5 104.7	105.7 105.0	105.1 104.3	106.8 105.9	107.4 106.6	107.3 106.8	107.0 107.4	108.1 107.7	108.4 107.9	108.0 108.0	108.2 107.9
57	Business equipment excluding autos and trucks Business equipment excluding office and computing equipment Materials excluding energy	12.7 12.0 28.4	123.7 115.7 109.5	122.0 115,3 109.8	122.3 114.3 109.5	124.5 115.6 110.0	126,9 118,1 109,4	125.9 116.1 108.8	128.0 118.1 110.0	129.5 119.7 111.4	129.5 120.1 111.8	130.7 121.0 113.0	131.3 120.6 113.6	132.9 121.3 113.6	134.0 121.5 114.3	134.7 121.0 114.8

2.13—Continued

Grana	SIC	1987 pro-	1992					992						1993		
Group	code	por- tion	avg.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.r	Mar.r	Apr.r	May ^p
									Inde	x (1987 =	= 100)					
Major Industries																
1 Total index		100.0	106.5	106.7	106.0	106.8	106,6	106.2	107.5	108.4	108.9	109.3	109.9	110.1	110.2	110.4
2 Manufacturing		84,3 27.1 57.1	106.9 103.8 108.3	107.1 104.2 108.4	106.5 103.7 107.9	107.1 104.3 108.4	107.0 103.5 108.7	106.8 103.3 108.4	108.0 104.1 109.9	108.9 105.1 110.7	109.2 105.0 111.3	109.9 105.8 111.9	110.5 106.9 112.2	110.7 106.3 112.9	111.2 106.9 113.3	111.4 107.2 113.4
5 Durable goods	. 24	46.5 2.1 1.5	108.1 96.4 99.0	108.4 96.1 101.0	107.6 93.8 94.2	108.2 96.6 97.5	108.5 96.6 99.2	108.1 94.7 100.5	109.8 97.8 100.4	110.9 99.8 102.3	111.8 98.0 103.9	112.9 99.3 105.2	113.8 101.8 106.0	114.0 98.1 107.0	114.6 97.5 107.1	114.8 98.1 106.9
8 Clay, glass, and stone products 9 Primary metals	32	2.4 3.3	96.0 101.1	97.4 101.1	95.6 101.2	96.8 100.6	95.7 100.5	96.5 98.0	96.8 100.5	97.6 101.6	98.0 102.4	97.0 102.8	98.9 108.0	98.4 104.2	99.4 105.4	99.5 106.5
10 Iron and steel	331,2		104.7 101.2	104.8 101.9	103.8	104.7 101.7	103.8 99.1	102.0 98.9	104.1 99.8	103.6 102.8	107.4 104.6	107.0 103.4	112.9 105.9	107.6 102.0	110.4 102.6	112.0 106.6
12 Nonferrous	1	1.4	96.1	95.9	97.5	95.0	96.1	92.4	95.6	98.7	95.7	97.1	101.4	99.5	98.6	98.9
products	34	5.4	96.7	97.2	97.1	97.0	97.0	96.5	97.5	97.6	97.8	99.8	99.7	100.3	100.6	100.1
computer equipment. 15 Office and computing	. 35	8.5	124.8	123.2	123.8	125.7	126.9	127.9	130.6	132.8	133.8	135.0	136.7	139.5	141.8	143.4
machines 16 Electrical machinery	. 357 . 36	2.3 6.9	168.3 119.8	162.1 119.5	167.3 119.3	171.8 120.7	173.7 120.6	178.3 121.5	183.1 122.6	184.5 124.4	186.4 124.8	192.0 125.8	198.0 127.1	203.8 128.2	209.5 128.3	215.1 129.4
17 Transportation equipment	37	9.9	102.6	104.5	102.7	101.4	102.4	100.5	103.0	103.6	106.3	108.4	107.8	107.0	106.8	105.7
18 Motor vehicles and parts	371	4.8	104.8	107.9	104.8	103.1	105,0	102.6	108.0	109.9	116.2	120.9	120.7	120.1	120.7	119.0
trucks		2.2	101.4	107.9	102.7	100.8	99.7	97.9	104.1	105.4	114.4	118.2	117.8	116.9	117.5	113.1
laneous transportation equipment. Instruments	372-6,9 38 39	5.1 5.1 1.3	100.6 104.2 109.7	101.3 105.1 110.2	100.8 104.4 109.7	99.8 104.9 111.6	100.0 104.3 109.1	98.6 103.7 108.7	98.3 103.7 110.5	97.7 103.6 111.4	97.1 103.3 111.8	96.7 103.0 110.9	95.8 102.2 111.9	94.7 103.1 112.6	93.8 102.7 114.4	93.3 102.2 113.3
23 Nondurable goods		37.8 8.8	105.4 106.0	105.4 106.1	105.2 105.4	105.7 105.9	105.2 106.3	105.2 105.6	105,8 106,8	106.4 106.4	106.0 106.2	106.4 105.9	106.4 106.9	106.7 106.8	107.1 107.1	107.3 106.4
24 Foods	. 21	1.0 1.8	99.2 104.7	97.9	96.4 103.8	101.5	115.5	101.7	102.4 103.5	101.9	96.1 106.0	100.5	99.3	97.4	98.7	100.4
23 Nondurable goods	.1 23	2.3 3.6	92.3 108.2	93.5 108.2	91.7 108.7	92.7 109.1	91.3 107.1	91.5 109.5	91.7 107.3	92.9 108.2	92.7 108.3	93.1 108.6	92.5	92.1 111.1	92.1 113.2	91.9 112.9
30 Chemicals and products	J 28i	6.5 8.8	95.0 115.0	94.5 114.8	95.6 114.9	95.7 114.6	93.5 114.4	94.1 115.2	94.5 116.2	94.2	94.7 116.7	94.7 116.8	94.0 116.2	94.7 117.6	94.9 117.6	95.0 119.0
31 Petroleum products	. 29	1.3 3.2	102.0	102.5	101.8	101.5	98.0 110.7	101.1	105.3	103.9	103.4	103.2	104.7	104.7	104.2	105.9
products	31	.3	92.6	91.8	92.3	93.6	92.0	93.8	95.1	96.6	96.7	97.1	99.0	99.0	99.8	98.4
34 Mining		8.0	97.6 161.7	98.8 172.2	97.1 157.8	98.5 156.5	97.0 165.5	97.1 159.8	97.6 168.1	97.8 171.6	98.2 158.1	98.3 167.7	95,9 163.0	95.3 158.1	96.5 164.2	96.9 163.8
36 Coal	13	1.2 5.8 .7	105.5 92.6 93.8	109.5 92.5 96.9	101.9 93.1 92.7	108.0 93.6 94.1	103.9 91.9 93.8	103.6 92.7 91.9	103.8 92.7 93.6	103.5 92.8 94.4	107.9 93.4 92.6	108.2 92.7 93.8	101.7 90.9 95.2	102.3 90.4 93.6	108.2 90.5 92.7	106.0 91.4 94.6
30 I Itilities	[[7.7	112.0	111.2	110.0	111.2	110.4	111.2	112.7	114.7	116.8	112.8	117.5	117.8	113.8	113.4
40 Electric	491,3PT 492,3PT	6.1 1.6	111.6 113.2	110.8 112.6	109.5 112.0	110.8 112.8	110.0 112.1	110.9 112.0	112.6 113.2	114,1 117.3	116.4 118.2	112.9 112.4	116.5 121.4	116,3 123.3	113.0 116.7	112.7 116.2
SPECIAL AGGREGATES		,								}		}	}	}	}	
42 Manufacturing excluding motor vehicles and																
parts		79.5	107.0	107.0	106.6	107.4	107.2	107.1	108.0	108.8	108.8	109.3	109.8	110.2	110.6	111.0
office and computing machines	,.,	81.9	105.1	105.5	104.8	105.3	105.1	104.8	105.9	106.7	107.0	107.6	108.0	108.1	108.4	108.5
						Gross va	lue (billi	ons of 1	987 dolla	rs, annu	al rates)					
Major Markets]		Γ .								<u> </u>	ļ —		
44 Products, total		1,707.0	1,806.4	1,814.8	1,794.6	1,806.8	1,802.7	1,799.9	1,835.6	1,846.7	1,857.5	1,864.9	1,880.2	1,880.0	1,881.0	1,880.6
45 Final		1,314.6	1,420.1	1,426.9	1,408.8	1,416.7	1,417.8	1,415.7	1,448.1	1,457.1	1,466.8	1,476.4	1,485.7	1,484.3	1,485.9	1,485.7
46 Consumer goods		866.6 448.0	507.1	920.1 506.8	906.6 502.2	912.6 504.1	908.1 509.7	905.1 510.6	928.4 519.7	931.6 525.5	936.3 530.5	940.0 536.5	949.4 536.3	946.6 537.7	945.7 540.2	945.6 540.2
48 Intermediate		392.5	386.4	387.9	385.9	390.1	385.0	384.2	387.4	389.6	390.7	388.4	394.5	395.7	395.1	394.8

^{1.} Data in this table also appear in the Board's G.17 (419) monthly statistical release. For ordering address, see inside front cover.

A revision of the industrial production index and the capacity utilization rates

was released in May 1993. See "Industrial Production, Capacity, and Capacity Utilization since 1987," Federal Reserve Bulletin, vol. 79 (June 1993), pp. 590-605.

2. Standard industrial classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

						19	992				19	993	
Item	1990	1991	1992	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar, r	Apr.
			Pri	ivate resid	lential rea	estate ac	tivity (the	ousands of	units exc	ept as not	ed)	'	
New Units													
1 Permits authorized 2 One-family 3 Two-or-more-family 4 Started 5 One-family 7 Under construction at end of period 8 One-family 9 Two-or-more-family 10 Completed 11 One-family 12 Two-or-more-family 13 Mobile homes shipped	1,111 794 317 1,193 895 298 711 449 262 1,308 966 342 188	949 754 195 1,014 840 174 606 434 173 1,091 838 253 171	1,095 911 184 1,200 1,030 169 612 473 140 1,158 964 194 210	1,083 882 201 1,106 961 145 628 474 1,54 1,234 1,026 208 210	1,081 885 196 1,229 1,038 191 633 479 154 1,133 945 188 202	1,120 918 202 1,218 1,045 173 637 485 152 1,128 942 186 217	1,141 954 187 1,226 1,079 147 645 493 152 1,137 964 173 228	1,136 963 173 1,226 1,089 137 641 498 143 1,229 1,002 227 244	1,196 1,037 159 1,286 1,133 153 644 501 143 1,227 1,016 211 266	1,157 972 185 1,171 1,051 120 641 506 135 1,136 980 156 267	1,141 957 184 1,180 1,036 144 641 508 133 1,241 1,049 192 262	1,034 871 163 1,124 987 137 636 504 132 1,113 999 114 247	1,101 925 176 1,215 1,067 148 638 507 131 1,191 1,063 128 241
Merchant builder activity in one-family units 14 Number sold	535 321	507 284	610 265	622 271	625 270	672 267	637 264	615 262	662 265	603 ^r 266	603 268	612 270	751 270
Price of units sold (thousands of dollars) ² 16 Median	122.3 149.0	120.0 147.0	121.3 144.9	118.0 137.7	123,5 145.3	119.5 142.2	125.0 148.4	128.9 147.2	126.0 146.2	118.0 138.9 ^r	129.5 150.3	125.0 145.0	127.5 146.4
Existing Units (one-family)													
18 Number sold	3,211	3,219	3,520	3,380	3,340	3,380	3,710	3,860	4,040	3,780	3,460	3,370	3,450
Price of units sold (thousands of dollars) ² 19 Median	95.2 118.3	99.7 127.4	103.6 130.8	102.8 132.2	105.0 132.4	103.5 131.0	103.4 129.3	102.7 128.8	104.2 131.0	103.1 129.4	103.6 129.6	105.1 131.5	105.8 133.0
					Value of	new cons	truction (r	nillions of	dollars)3				
Construction													
21 Total put in place	442,066	400,955	426,657	425,700	419,598	429,291	432,250	436,140	439,948	441,344	446,712	446,231	444,352
22 Private 23 Residential 24 Nonresidential, total 25 Industrial buildings 26 Commercial buildings 27 Other buildings 28 Public utilities and other	334,153 182,856 151,297 23,849 62,866 21,591 42,991	290,707 157,837 132,870 22,281 48,482 20,797 41,310	308,246 184,127 124,119 20,173 40,417 21,514 42,015	305,848 181,162 124,686 20,594 39,988 22,228 41,876	301,984 184,201 117,783 17,862 37,010 21,518 41,393	308,813 186,343 122,470 19,019 39,333 22,068 42,050	315,855 192,553 123,302 18,646 40,195 21,545 42,916	317,451 194,801 122,650 19,083 40,379 21,542 41,646	320,720 198,538 122,182 18,721 38,326 21,370 43,765	327,790 204,757 123,033 18,768 39,314 20,795 44,156	331,809 204,981 126,828 19,355 41,150 22,005 44,318	330,293 204,986 125,307 19,235 39,275 22,100 44,697	328,148 202,241 125,907 18,453 40,074 23,242 44,138
29 Public 30 Military. 31 Highway 32 Conservation and development. 33 Other.	107,909 2,664 31,154 4,607 69,484	110,247 1,837 29,918 4,958 73,534	118,408 2,484 32,759 5,978 77,187	119,853 2,372 32,682 5,772 79,027	117,614 2,438 33,451 5,382 76,343	120,478 3,172 34,651 6,364 76,291	116,395 2,438 32,056 5,630 76,271	118,689 2,612 34,636 6,210 75,231	119,229 2,483 31,237 8,237 77,272	113,554 2,459 29,811 5,708 75,576	114,903 2,419 31,306 6,661 74,517	115,938 2,376 31,948 7,040 74,574	116,204 2,490 32,902 6,171 74,641

SOURCE. Census Bureau estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 17,000 jurisdictions beginning in 1984.

^{1.} Not at annual rates.
2. Not seasonally adjusted.
3. Recent data on value of new construction may not be strictly comparable with data for previous periods because of changes by the Census Bureau in its estimating techniques. For a description of these changes, see Construction Reports (C-30-76-5), issued by the Census Bureau in July 1976.

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2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data except as noted

		from 12 s earlier	Char	nge from 3 (annu	months e	arlier	Change from 1 month earlier					Index level.	
Item	1992	1993		1992		1993		1993 [[]					
	May	May May		Sept.	Dec.	Mar.	Jan.	Feb.	Маг.	Apr.	May		
Consumer Prices ² (1982–84=100)					 								
1 All items	3.0	3.2	2.6	2.6	3.2	4.0	.5	.3	.1	.4	.1	144.2	
2 Food . 3 Energy items . 4 All items less food and energy. 5 Commodities . 6 Services .	.4 .3 3.8 3.0 4.2	2.7 2.0 3.4 2.3 4.0	-1.2 8.6 2.8 2.5 3.1	3.2 1.2 2.5 1.8 2.9	1.4 1.9 3.8 1.5 4.7	2.6 3.1 4.3 4.6 4.4	.4 .5 .5 .5	.1 4 .5 .5 .4	.1 .7 .1 .1	.4 .2 ,4 .3 .4	-1.0 -2 .0 .3	141.1 104.4 151.7 135.7 161.0	
Producer Prices (1982=100)			,										
7 Finished goods	1.1 -2.1 3 3.5 2.0	2.0 2.9 2.2 1.7 1.6	3.3 6 16.6 2.4 .9	1.3 4.3 -3.5 1.5 1.2	3 3.3 -10.2 1.2 .6	3.9 -2.2 17.2 2.9 3.4	.3 ^r 6 ^r 1.0 .4 .5 ^r	.2 ^r 5 ^r 1.7 .3 .2 ^r	.4 .5 1.3 .1 .2	.6 1.4 .1 .4 .2	.0 1 6 .2	125.7 126.7 79.5 139.9 131.1	
Intermediate materials 12 Excluding foods and feeds	.4 .4	1.6 1.5	5.0 1.7	.7 1.3	-2.1 3	5.3 4.3	.3 ^r .4 ^r	.6 ^r .4 ^r	.3 .2	.1 .2	2 2	116.5 123.7	
Crude materials 14 Foods 15 Energy 16 Other	3 -2.3 -1.3	3.4 4.7 9.4	2.7 51.5 4.8	-4.8 19.8 2.2	5.1 -17.8 1.9	1.1 -9.7 25.0	.5 ^r -1.5 ^r 3.4 ^r	3 ^r -1.8 ^r 1.9 ^r	.1 .8 .4	2.5 6 1.8	.5 4.8 .4	112.1 81.0 141.9	

Source. Bureau of Labor Statistics.

Not seasonally adjusted.
 Figures for consumer prices are for all urban consumers and reflect a rental-equivalence measure of homeownership.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

	1000	1001	1000		19	992		1993
Account	1990	1991	1992	Q١	Q2	Q3	Q4	Q1 ^r
GROSS DOMESTIC PRODUCT								
1 Total	5,522.2	5,677.5	5,950.7	5,840.2	5,902.2	5,978.5	6,081.8	6,145.8
By source 2 Personal consumption expenditures 3 Durable goods 4 Nondurable goods 5 Services	3,748.4	3,887.7	4,095.8	4,022.8	4,057.1	4,108.7	4,194.8	4,234.7
	464.3	446.1	480.4	469.4	470.6	482.5	499.1	498.8
	1,224.5	1,251.5	1,290.7	1,274.1	1,277.5	1,292.8	1,318.6	1,320.8
	2,059.7	2,190.1	2,324.7	2,279.3	2,309.0	2,333.3	2,377.1	2,415.1
6 Gross private domestic investment 7 Fixed investment 8 Nonresidential 9 Structures 10 Producers' durable equipment 11 Residential structures	799.5	721.1	770.4	722.4	773.2	781.6	804.3	844.0
	793.2	731.3	766.0	738.2	765.1	766.6	794.0	809.0
	577.6	541.1	548.2	531.0	550.3	549.6	562.1	573.8
	201.1	180.1	168.4	170.1	170.3	166.1	167.0	168.0
	376.5	360.9	379.9	360.8	380.0	383.5	395.1	405.8
	215.6	190.3	217.7	207.2	214.8	217.0	231.9	235.2
12 Change in business inventories	6.3	-10.2	4.4	-15.8	8.1	15.0	10.3	34.9
	3.3	-10.3	2.2	-13.3	6.4	9.7	6.2	32.6
14 Net exports of goods and services 15 Exports 16 Imports	-68.9	-21.8	-30.4	-8.1	-37.1	-36.0	-40.5	-49.4
	557.0	598.2	636.3	628.1	625.4	639.0	652.7	649.4
	625.9	620.0	666.7	636.2	662.5	675.0	693.2	698.9
17 Government purchases of goods and services 18 Federal	1,043.2	1,090.5	1,114.9	1,103.1	1,109.1	1,124.2	1,123.3	1,116.6
	426.4	447.3	449.1	445.0	444.8	455.2	451.6	441.1
	616.8	643.2	665.8	658.0	664.3	669.0	671.7	675.4
By major type of product 20 Final sales, total 21 Goods 22 Durable 23 Nondurable 24 Services 25 Structures	5,515.9	5,687.7	5,946.3	5,855.9	5,894.1	5,963.5	6,071.5	6,110.8
	2,160.1	2,192.8	2,260.3	2,233.6	2,233.2	2,258.4	2,316.1	2,309.2
	920.6	907.6	943.9	923.6	932.3	943.8	975.8	968.8
	1,239.5	1,285.1	1,316.4	1,310.0	1,300.8	1,314.6	1,340.3	1,340.4
	2,846.4	3,030.3	3,197.1	3,142.2	3,173.4	3,217.8	3,255.1	3,299.4
	509.4	464.7	488.8	480.1	487.6	487.3	500.3	502.3
26 Change in business inventories 27 Durable goods 28 Nondurable goods	6.3	10.2	4.4	-15.8	8.1	15.0	10.3	34.9
	9	19.3	-3.5	-19.3	9.5	2.7	-6.9	17.8
	7.2	9.0	7.9	3.5	-1.4	12.3	17.2	17.2
MEMO 29 Total GDP in 1987 dollars	4,877.5	4,821.0	4,922.6	4,873.7	4,892.4	4,933.7	4,990.8	4,999.9
NATIONAL INCOME		,						
30 Total	4,468.3	4,544.2	4,743.4	4,679.4	4,716.5	4,719.6	4,858.0	4,919.5
31 Compensation of employees 32 Wages and salaries 33 Government and government enterprises 34 Other 35 Supplement to wages and salaries 36 Employer contributions for social insurance 37 Other labor income	3,291.2	3,390.8	3,525,2	3,476.3	3,506.3	3,534.3	3,583.7	3,628.4
	2,742.9	2,812.2	2,916.6	2,877.6	2,901.3	2,923.5	2,963.9	2,999.8
	514.8	543.5	562.5	554.6	561.4	564.3	569.6	578.2
	2,228.0	2,268.7	2,354.1	2,323.0	2,339.9	2,359.1	2,394.3	2,421.6
	548.4	578.7	608.6	598.7	605.0	610.8	619.8	628.6
	277.4	290.4	302.9	299.4	301.5	302.9	307.6	312.0
	271.0	288.3	305.7	299.2	303.6	307.9	312.2	316.5
38 Proprietors' income ¹ 39 Business and professional ¹ 40 Farm ¹	366.9	368.0	404.5	393.6	398.4	397.4	428.4	441.9
	325.2	332.2	364.9	353.6	359.9	365.9	380.4	389.0
	41.7	35.8	39.5	40.1	38.5	31.5	48.1	52.9
41 Rental income of persons ²	-12.3	-10.4	4.7	-4.5	3.3	6.4	13.6	17.7
42 Corporate profits¹ Profits before tax³ 43 Profits before tax³ Inventory valuation adjustment 45 Capital consumption adjustment	361.7	346.3	393.8	384.0	388.4	374.1	428.5	429.6
	355.4	334.7	371.6	366.1	376.8	354.1	389.4	398.3
	-14.2	3.1	-7.4	-5.4	-15.5	-9.7	1.0	-9.4
	20.5	8.4	29.5	23.3	27.0	29.7	38.1	40.6
46 Net interest	460.7	449.5	415.2	430.0	420.0	407.3	403.6	402.0

With inventory valuation and capital consumption adjustments.
 With capital consumption adjustment.

^{3.} For after-tax profits, dividends, and the like, see table 1.48. SOURCE. U.S. Department of Commerce, Survey of Current Business.

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2.17 PERSONAL INCOME AND SAVING

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

	1000	1001	1000		19	992		1993
Account	1990	1991	1992	Q1	Q2	Q3	Q4	Q1 ^r
PERSONAL INCOME AND SAVING								
1 Total personal income	4,664.2	4,828.3	5,058.1	4,980.5	5,028.9	5,062.0	5,160.9	5,237.6
2 Wage and salary disbursements 3 Commodity-producing industries 4 Manufacturing 5 Distributive industries 6 Service industries 7 Government and government enterprises	2,742.8 745.6 556.1 634.6 847.8 514.8	2,812.2 737.4 556.9 647.4 883.9 543.6	2,918.1 743.2 565.7 666.8 945.5 562.5	2,877.6 736.8 559.9 660.9 925.3 554.6	2,901.3 743.1 564.7 662.9 933.9 561.4	2,923.5 742.4 565.5 667.7 949.1 564.3	2,969.9 750.6 572.8 675.8 973.9 569.6	3,005.8 754.4 576.5 685.0 988.2 578.2
8 Other labor income 9 Proprietors' income 10 Business and professional 11 Farm 12 Rental income of persons ² 13 Dividends 14 Personal interest income 15 Transfer payments 16 Old-age survivors, disability, and health insurance benefits	694.5	288.3 368.0 332.2 35.8 -10.4 137.0 700.6 771.1 382.0	305.7 404.5 364.9 39.5 4.7 139.3 670.2 866.1 414.1	299.2 393.6 353.6 40.1 -4.5 133.9 684.8 842.7 405.7	303.6 398.4 359.9 38.5 3.3 136.6 675.2 859.7 412.1	307.9 397.4 365.9 31.5 6.4 141.0 663.2 874.1 417.1	312.2 428.4 380.4 48.1 13.6 145.8 657.8 888.0 421.6	316.5 441.9 389.0 52.9 17.7 149.9 656.4 909.9 434.1
17 Less: Personal contributions for social insurance	224.8	238.4	250.6	246.8	249.3	251.5	254.8	260.4
18 EQUALS: Personal income	4,664.2	4,828.3	5,058.1	4,980.5	5,028.9	5,062.0	5,160.9	5,237.6
19 Less: Personal tax and nontax payments	621.3	618.7	627.3	619.6	617.1	628.8	643.6	656.0
20 EQUALS: Disposable personal income	4,042.9	4,209.6	4,430.8	4,360.9	4,411.8	4,433.2	4,517.3	4,581.7
21 Less: Personal outlays	3,867.3	4,009.9	4,218.1	4,146.3	4,179.5	4,229.9	4,316.9	4,358.8
22 EQUALS: Personal saving	175.6	199.6	212.6	214.6	232.3	203.3	200.4	222.9
MEMO Per capita (1987 dollars) 23 Gross domestic product 24 Personal consumption expenditures 25 Disposable personal income	19,513.0 13,043.6 14,068.0	19,077.1 12,824.1 13,886.0	19,271.4 12,973.9 14,035.0	19,158.5 12,930.2 14,017.0	19,181.8 12,893.3 14,021.0	19,288.4 12,973.3 13,998.0	19,456.3 13,098.4 14,105.0	19,444.3 13,092.1 14,165.0
26 Saving rate (percent)	4.3	4.7	4.8	4.9	5.3	4.6	4.4	4.9
GROSS SAVING 27 Gross saving	718.0	708.2	686.3	677.5	682.9	696.9	687.9	738.2
28 Gross private saving	854.1	901.5	968.8	950.1	968.1	992.1	965.0	1,000.2
29 Personal saving 30 Undistributed corporate profits ¹ 31 Corporate inventory valuation adjustment	175.6 75.7 -14.2	199.6 75.8 3.1	212.6 104.3 -7.4	214.6 104.0 -5.4	232.3 97.7 -15.5	203.3 91.2 -9.7	200.4 124.1 1.0	222.9 122.1 -9.4
Capital consumption allowances 32 Corporate	368.3 234.6	383.0 243.1	394.8 258.6	386.1 245.3	391.2 247.0	407.2 290.4	394.7 251.8	400.0 261.2
34 Government surplus, or deficit (-), national income and product accounts	-136.1 -166.2 30.1	-193.3 -210.4 17.1	-282.5 -298.0 15.5	-272.6 -289.2 16.6	-285.2 -302.9 17.7	-295.2 -304.4 9.2	-277.2 -295.5 18.3	-262.0 -272.1 10.1
37 Gross investment	723.4	730.1	720.4	706.5	713.8	732.0	729.5	781.6
38 Gross private domestic	799.5 -76.1	721.1 9.0	770.4 -49.9	722.4 -16.0	773.2 -59.4	781.6 -49.6	804.3 -74.7	844.0 -62.3
40 Statistical discrepancy	5.4	21.9	34.1	29.0	30.9	35.1	41.7	43.4

With inventory valuation and capital consumption adjustments.
 With capital consumption adjustment.

Source. U.S. Department of Commerce, Survey of Current Business.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted1

10	10001	1001	1003		19	92 ^r		1993
ltem	1990 ^r	1991 ^r	1992 ^r	QI	Q2	Q3	Q4	Q1 ^p
1 Balance on current account 2 Merchandise trade balance 3 Merchandise exports 4 Merchandise imports 5 Military transactions, net 6 Other service transactions, net 1 Investment income, net 8 U.S. government grants 9 U.S. government pensions and other transfers 10 Private remittances and other transfers	-91,861 -109,033 389,303 -498,336 -7,834 38,485 20,348 -17,434 -2,934 -13,459	-8,324 -73,802 416,937 -490,739 -5,851 51,733 13,021 24,073 -3,461 -14,037	-66,400 -96,138 440,138 -536,276 -2,751 59,163 6,222 -14,688 -3,735 -14,473	-6,685 -17,763 108,347 -126,110 -571 14,619 4,419 -2,788 -830 -3,770	-18,253 -24,801 108,306 -133,107 -727 14,378 907 -3,234 -1,118 -3,659	-17,775 -27,612 109,493 -137,105 -617 15,898 1,703 -2,783 -940 -3,424	-23,687 -25,962 113,992 -139,954 -836 14,265 -806 -5,883 -846 -3,619	-22,249 -29,068 111,627 -140,695 -383 15,006 273 -3,412 -971 -3,694
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	2,307	2,905	-1,609	-275	-293	-305	-737	309
12 Change in U.S. official reserve assets (increase, -)	-2,158 0 -192 731 -2,697	5,763 0 -177 -367 6,307	3,901 0 2,316 -2,692 4,277	-1,057 0 -172 111 -996	1,464 0 -168 1,631	1,952 0 -173 -118 2,243	1,542 0 2,829 -2,685 1,398	-983 0 -140 -228 -615
17 Change in U.S. private assets abroad (increase, -). 18 Bank-reported claims 19 Nonbank-reported claims 20 U.S. purchases of foreign securities, net. 21 U.S. direct investments abroad, net.	-44,280 16,027 -4,433 -28,765 -27,109	-68,643 3,278 1,932 -44,740 -29,113	-53,253 24,948 4,551 -47,961 -34,791	303 17,795 5,339 -8,493 -14,338	-9,866 4,050 1,294 -8,276 -6,934	-12,445 6,584 -3,214 -13,787 -2,028	-31,243 -3,481 1,132 -17,405 -11,489	-2,639 33,921 -26,578 -9,982
22 Change in foreign official assets in United States (increase, +) 23 U.S. Treasury securities. 24 Other U.S. government obligations 25 Other U.S. government liabilities 4 26 Other U.S. liabilities reported by U.S. banks 3 27 Other foreign official assets 5	34,198 29,576 667 2,156 3,385 -1,586	17,564 14,846 1,301 1,542 -1,484 1,359	40,684 18,454 3,949 2,542 16,427 -688	21,124 14,916 464 58 5,573 113	21,008 11,240 1,699 678 7,466 -75	-7,378 -323 912 864 -7,831 -1,000	5,931 -7,379 874 943 11,219 274	10,990 1,039 710 -210 8,046 1,404
28 Change in foreign private assets in United States (increase, +) 29 U.S. bank-reported liabilities 3 30 U.S. nonbank-reported liabilities 4 31 Foreign private purchases of U.S. Treasury securities, net 5 32 Foreign direct investments in United States, net	70,976 16,370 7,533 -2,534 1,592 48,015	65,875 -11,371 -699 18,826 35,144 23,975	88,895 18,609 741 36,893 30,274 2,378	-1,290 -3,339 926 623 4,613 -4,113	23,442 -528 979 10,168 10,453 2,370	33,828 23,647 1,553 4,870 2,730 1,028	32,914 -1,171 -2,717 21,232 12,478 3,092	8,600 -22,048 14,179 10,635 5,834
34 Allocation of special drawing rights 35 Discrepancy 36 Due to seasonal adjustment 37 Before seasonal adjustment	30,820 30,820	$0 \\ -15,140 \\ -15,140$	-12,218 -12,218	0 -12,120 4,878 -16,998	0 -17,502 653 -18,155	2,123 -6,754 8,877	15,280 1,222 14,058	5,973 5,726 247
MEMO Changes in official assets 38 U.S. official reserve assets (increase, -). 39 Foreign official assets in United States, excluding line 25 (increase, +).	-2,158 32,042	5,763 16,022	3,901 38,142	-1,057 21,066	1,464 20,330	1,952 -8,242	1,542 4,988	-983 11,199
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	1,707	-4,882	5,857	2,583	-2,113	3,051	2,336	639

^{1.} Seasonal factors not calculated for lines 12-16, 18-20, 22-34, and 38-40, 2. Data are on an international accounts basis. The data differ from the Census basis data, shown in table 3.11, for reasons of coverage and timing. Military exports are excluded from merchandise trade data and are included in line 6, 3. Reporting banks include all types of depository institution as well as some brokers and dealers.

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

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

Source. U.S. Department of Commerce, Survey of Current Business.

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3.11 U.S. FOREIGN TRADE¹

Millions of dollars; monthly data seasonally adjusted

	1000	1001	1992		1992		1993				
Item	1990	1991	1992	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^r	Apr.p	
Exports of domestic and foreign merchandise, excluding grant-aid shipments	393,592	421,730	448,164	38,885	37,796	39,178	37,505	36,928	38,895	38,383	
warehouses	495,311	488,453	532,665	46,119	45,633	46,143	45,176	44,832	49,347	48,871	
3 Trade balance	-101,718	-66,723	-84,501	-7,233	-7,837	-6,965	-7,672	-7,904	-10,453	-10,487	

^{1.} Government and nongovernment shipments of merchandise between foreign countries and the fifty states, including the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and U.S. Foreign Trade Zones. Data exclude (1) shipments among the United States, Puerto Rico, the U.S. Virgin Islands, and other U.S. affiliated insular areas, (2) shipments to U.S. Armed Forces and diplomatic missions abroad for their own use, (3) U.S. goods returned to the United States by its Armed Forces, (4) personal and household effects of travelers, and (5) in-transit shipments. Data reflect the total arrival of merchandise from foreign countries that immediately entered consumption channels, warehouses, or U.S. Foreign Trade Zones (general imports). Import data are Customs value; export data are F.A.S. value. Beginning in 1990, data for U.S. exports to Canada are derived from import data compiled by Canada; similarly, in Canadian statistics, Canadian exports to the United States are derived from import data compiled by 1. Government and nongovernment shipments of merchandise between foreign

the United States. Since Jan. 1, 1987, merchandise trade data have been released forty-five days after the end of the month; the previous month is revised to reflect late documents.

late documents.

Data in this table differ from figures for merchandise trade shown in the U.S. balance of payments accounts (table 3.10, lines 2 to 4) primarily for reasons of coverage. For both exports and imports a large part of the difference is the treatment of military sales and purchases. The military sales to foreigners (exports) and purchases from foreigners (imports) that are included in this table as merchandise trade are shifted, in the balance of payments accounts, from "merchandise trade" into the broader category "military transactions." Source. F7900, U.S. Merchandise Trade, (U.S. Department of Commerce, Bureau of the Census).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

4	1080	1000	1991	19	92	1993					
Asset	1989	1990	1991	Nav.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^p	
1 Total	74,609	83,316	77,719	72,231	71,323	71,962	72,847	74,378	75,644	76,711	
2 Gold stock, including Exchange Stabilization Fund 3 Special drawing rights 4 Reserve position in International Monetary Fund 5 Foreign currencies	11,059 9,951 9,048 44,551	11,058 10,989 9,076 52,193	11,057 11,240 9,488 45,934	11,059 11,495 8,781 40,896	11,056 8,503 11,759 40,005	11,055 8,546 12,079 40,282	11,055 8,651 12,021 41,120	11,054 8,787 12,184 42,353	11,054 8,947 12,317 43,326	11,053 9,147 12,195 44,316	

5 currencies have been used. U.S. SDR holdings and reserve positions in the IMF also have been valued on this basis since July 1974.

3. Includes allocations 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

Asset	1989	1990	1991	1992		1993						
Asset	1989			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^p		
1 Deposits	589	369	968	229	205	325	296	317	221	193		
Held in custody 2 U.S. Treasury securities ²	224,911 13,456	278,499 13,387	281,107 13,303	308,959 13,192	314,481 13,686	324,356 13,077	329,183 13,074	326,486 12,989	339,396 12,924	345,060 12,854		

Excludes deposits and U.S. Treasury securities held for international and regional organizations.
 Marketable U.S. Treasury bills, notes, and bonds and nonmarketable U.S. Treasury securities payable at face value in dollars or foreign currencies.

^{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, 16 currencies were used; since January 1981,

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

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data¹ Millions of dollars, end of period

Millions of dollars, end of perior	- 	1		}	1992		<u> </u>	10	993	
Account	1989	1990	1991			, 		Г	1	
		<u></u>		Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Assets				,	All foreign	countries			· · · · · · · · · · · · · · · · · · ·	
1 Total payable in any currency	545,366	556,925	548,901	553,977	566,721	542,545	543,624	554,280	546,941 ^r	543,833
2 Claims on United States 3 Parent bank 4 Other banks in United States 5 Nonbanks 6 Claims on foreigners 7 Other branches of parent bank 8 Banks 9 Public borrowers 10 Nonbank foreigners 11 Other assets	198,835 157,092 17,042 24,701 300,575 113,810 90,703 16,456 79,606 45,956	188,496 148,837 13,296 26,363 312,449 135,003 72,602 17,555 87,289 55,980	176,301 137,509 12,884 25,908 303,934 111,729 81,970 18,652 91,583 68,666	174,986 138,940 10,683 25,363 319,139 115,521 86,560 20,809 96,249 59,852	177,443 141,542 10,019 25,882 328,592 125,143 86,086 20,378 96,985 60,686	166,798 132,275 9,703 24,820 318,071 123,256 82,190 20,756 91,869 57,676	169,278 134,218 9,570 25,490 314,736 116,325 81,812 19,984 96,615 59,610	172,304 139,170 9,249 23,885 317,868 115,323 84,439 19,822 98,284 64,108	171,648° 138,532° 9,073° 24,043 314,912° 112,598° 84,909° 18,915 98,490° 60,381°	164,142 128,611 10,830 24,701 315,428 110,189 87,225 18,694 99,320 64,263
12 Total payable in U.S. dollars	382,498	379,479	363,941	364,000	374,420	365,824	353,643	361,251	353,315 ^r	344,319
13 Claims on United States 14 Parent bank 15 Other banks in United States 16 Nonbanks 17 Claims on foreigners 18 Other branches of parent bank 19 Banks 20 Public borrowers 21 Nonbank foreigners 22 Other assets	191,184 152,294 16,386 22,504 169,690 82,949 48,396 10,961 27,384 21,624	180,174 142,962 12,513 24,699 174,451 95,298 36,440 12,298 30,415 24,854	169,662 133,476 12,025 24,161 167,010 78,114 41,635 13,685 33,576 27,269	169,290 136,156 9,360 23,774 173,427 76,098 45,436 13,966 37,927 21,283	171,938 138,424 9,291 24,223 182,360 83,902 45,931 13,995 38,532 20,122	162,125 129,329 9,266 23,530 183,527 83,117 47,250 14,313 38,847 20,172	164,681 131,554 9,213 23,914 171,120 77,606 41,616 13,883 38,015 17,842	167,773 136,650 8,704 22,419 174,726 77,681 43,067 13,710 40,268 18,752	167,051 ^r 135,939 8,336 ^r 22,776 170,338 ^r 75,871 ^r 41,266 ^r 13,068 40,133 ^r 15,926 ^r	159,541 126,181 10,168 23,192 169,206 73,049 43,566 12,537 40,054 15,572
					United K	ingdom				
23 Total payable in any currency	161,947	184,818	175,599	167,786	168,333	165,850	164,360	165,132	162,122	163,194
24 Claims on United States 25 Parent bank 26 Other banks in United States 27 Nonbanks 28 Claims on foreigners 29 Other branches of parent bank 30 Banks 31 Public borrowers 32 Nonbank foreigners 33 Other assets	39,212 35,847 1,058 2,307 107,657 37,728 36,159 3,293 30,477 15,078	45,560 42,413 792 2,355 115,536 46,367 31,604 3,860 33,705 23,722	35,257 31,931 1,267 2,059 109,692 35,735 36,394 3,306 34,257 30,650	39,558 36,413 1,400 1,745 109,919 40,594 36,701 3,692 28,932 18,309	38,358 35,027 925 2,406 113,193 45,092 34,559 3,370 30,172 16,782	36,403 33,460 1,298 1,645 111,623 46,165 33,399 3,329 28,730 17,824	37,609 34,290 886 2,433 108,362 42,894 33,513 3,059 28,896 18,389	34,919 32,779 783 1,357 110,420 41,317 36,601 2,542 29,960 19,793	34,989 31,719 892 2,378 106,944 39,466 34,914 2,531 30,033 20,189	33,353 29,605 757 2,991 109,428 39,673 38,138 2,755 28,862 20,413
34 Total payable in U.S. dollars	103,208	116,762	105,974	107,290	109,479	109,493	101,375	99,755	94,870	95,612
35 Claims on United States 36 Parent bank 37 Other banks in United States 38 Nonbanks 39 Claims on foreigners 40 Other branches of parent bank 41 Banks 42 Public borrowers 43 Nonbank foreigners 44 Other assets	36,404 34,329 843 1,232 59,062 29,872 16,579 2,371 10,240 7,742	41,259 39,609 334 1,316 63,701 37,142 13,135 3,143 10,281 11,802	32,418 30,370 822 1,226 58,791 28,667 15,219 2,853 12,052 14,765	37,359 35,299 769 1,291 61,658 30,217 17,269 2,515 11,657 8,273	35,956 33,765 438 1,753 65,164 34,434 16,848 2,501 11,381 8,359	34,508 32,186 1,022 1,300 66,335 34,124 17,089 2,349 12,773 8,650	35,481 33,070 684 1,727 59,505 30,823 14,316 2,154 12,212 6,389	32,929 31,559 428 942 60,695 28,856 16,800 1,883 13,156 6,131	32,783 30,443 413 1,927 57,530 30,017 13,422 1,949 12,142 4,557	31,233 28,420 393 2,420 60,180 29,388 16,903 1,888 12,001 4,637
		, <u>.</u>	-	Bah	amas and C	ayman Islan	ds			
45 Total payable in any currency	176,006	162,316	168,326	154,293	156,176	147,422	144,894	151,175	148,867	143,859
46 Claims on United States 47 Parent bank 48 Other banks in United States 49 Nonbanks 50 Claims on foreigners 51 Other branches of parent bank 52 Banks 53 Public borrowers 54 Nonbank foreigners 55 Other assets	124,205 87,882 15,071 21,252 44,168 11,309 22,611 5,217 5,031 7,633	112,989 77,873 11,869 23,247 41,356 13,416 16,310 5,807 5,823 7,971	115,244 81,520 10,907 22,817 45,229 11,098 20,174 7,161 6,796 7,853	102,726 72,207 8,199 22,320 42,844 7,287 19,840 7,146 8,571 8,723	104,245 73,856 8,282 22,107 44,156 8,238 20,122 7,209 8,587 7,775	96,280 66,608 7,828 21,844 44,509 7,293 21,212 7,786 8,218 6,633	96,976 67,219 7,962 21,795 41,185 7,041 18,464 7,564 8,116 6,733	102,836 73,825 7,892 21,119 40,821 7,311 17,440 7,422 8,648 7,518	100,687 ^r 72,841 7,424 ^r 20,422 41,314 ^r 6,650 18,797 ^r 7,188 8,679 6,866	96,829 67,190 9,279 20,360 40,442 6,873 17,662 6,690 9,217 6,588
1 Since lune 1984 reported claims held	170,780	158,390	163,771	149,304	151,436	142,861	140,332	146,809	144,627	139,351

^{1.} Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from \$50

million to \$150 million equivalent in total assets, the threshold now applicable to all reporting branches.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data¹—Continued

				l .		1992			15	993	
	Account	1989	1990	1991	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Liabilities					All foreign	countries				
57 T	Cotal payable in any currency	545,366	556,925	548,901	553,977	566,721	542,545	543,624	554,280	546,941 ^r	543,833
	Vegotiable certificates of deposit (CDs) O United States Parent bank Other banks in United States Nonbanks	23,500 197,239 138,412 11,704 47,123	18,060 189,412 138,748 7,463 43,201	16,284 198,121 136,431 13,260 48,430	12,056 189,090 133,110 12,281 43,699	12,342 188,116 131,918 13,392 42,806	10,032 189,444 134,339 12,182 42,923	12,320 175,978 122,627 12,829 40,522	11,872 184,155 124,123 12,373 47,659	11,596 ^r 187,088 ^r 125,650 ^r 13,306 48,132 ^r	13,748 176,082 114,964 11,952 49,166
64 65 66 67	o foreigners Other branches of parent bank Banks Official institutions Nonbank foreigners Uther liabilities	296,850 119,591 76,452 16,750 84,057 27,777	311,668 139,113 58,986 14,791 98,778 37,785	288,254 112,033 63,097 15,596 97,528 46,242	315,401 118,001 70,439 20,572 106,389 37,430	330,315 126,018 74,536 20,645 109,116 35,948	309,704 125,160 62,189 19,731 102,624 33,365	321,297 120,179 67,843 23,654 109,621 34,029	319,638 119,601 70,056 21,469 108,512 38,615	312,417 ^r 115,535 ^r 68,411 ^r 18,312 ^r 110,159 ^r 35,840 ^r	316,661 113,845 67,382 21,326 114,108 37,342
69 T	otal payable in U.S. dollars	396,613	383,522	370,561	365,399	372,819	368,773	353,725	363,285	353,431 ^r	343,867
	Negotiable CDs O United States Parent bank Other banks in United States Nonbanks	19,619 187,286 132,563 10,519 44,204	14,094 175,654 130,510 6,052 39,092	11,909 185,286 129,669 11,707 43,910	6,710 176,124 125,602 11,409 39,113	7,503 175,969 124,770 12,246 38,953	6,238 178,674 127,948 11,512 39,214	7,102 164,634 116,008 11,710 36,916	6,640 172,223 117,228 11,418 43,577	6,519 175,354 ^r 119,040 ^r 12,467 43,847 ^r	7,062 163,715 107,948 11,282 44,485
76 77 78 79	o foreigners Other branches of parent bank Banks Official institutions Nonbank foreigners Other liabilities	176,460 87,636 30,537 9,873 48,414 13,248	179,002 98,128 20,251 7,921 52,702 14,772	158,993 76,601 24,156 10,304 47,932 14,373	166,443 77,197 25,210 12,097 51,939 16,122	175,791 82,957 28,404 12,342 52,088 13,556	172,189 83,700 26,118 12,430 49,941 11,672	169,595 79,144 23,281 14,067 53,103 12,394	170,756 79,594 25,571 14,034 51,557 13,666	160,774 ^r 77,685 ^r 21,227 ^r 10,762 51,100 ^r 10,784 ^r	163,149 75,682 22,150 12,627 52,690 9,941
						United K	ingdom			<u></u>	•
81 T	otal payable in any currency	161,947	184,818	175,599	167,786	168,333	165,850	164,360	165,132	162,122	163,194
82 N 83 T 84 85 86	legotiable CDs o United States Parent bank Other banks in United States Nonbanks	20,056 36,036 29,726 1,256 5,054	14,256 39,928 31,806 1,505 6,617	11,333 37,720 29,834 1,438 6,448	6,064 35,399 27,427 1,341 6,631	5,636 34,532 26,471 1,689 6,372	4,517 39,174 31,100 1,065 7,009	5,774 32,780 25,099 1,742 5,939	5,597 33,092 24,250 1,633 7,209	4,753 38,011 29,759 ^r 1,192 7,060 ^r	5,414 34,661 22,611 1,110 10,940
88 89 90 91	o foreigners Other branches of parent bank Banks Official institutions Nonbank foreigners ther liabilities	92,307 27,397 29,780 8,551 26,579 13,548	108,531 36,709 25,126 8,361 38,335 22,103	98,167 30,054 25,541 9,670 32,902 28,379	109,358 33,696 28,792 11,687 35,183 16,965	113,395 35,560 30,609 11,438 35,788 14,770	107,176 35,983 25,231 12,090 33,872 14,983	111,351 35,376 25,965 14,188 35,822 14,455	110,514 35,143 27,227 12,938 35,206 15,929	104,356 33,424 23,985 10,531 36,416 15,002	108,670 33,545 26,082 12,342 36,701 14,449
93 T	otal payable in U.S. dollars	108,178	116,094	108,755	104,469	105,699	108,214	100,731	101,342	95,892	94,159
	legotiable CDs o United States Parent bank Other banks in United States Nonbanks	18,143 33,056 28,812 1,065 3,179	12,710 34,697 29,955 1,156 3,586	10,076 33,003 28,260 1,177 3,566	4,213 31,266 26,021 866 4,379	4,494 30,204 25,160 906 4,138	3,894 35,417 29,957 709 4,751	4,770 28,545 23,767 1,063 3,715	4,444 28,874 23,097 1,097 4,680	3,765 33,552 28,405 ^r 707 4,440 ^r	4,214 30,170 21,145 676 8,349
100 101 102 103	o foreigners Other branches of parent bank Banks Official institutions Nonbank foreigners ther liabilities	50,517 18,384 12,244 5,454 14,435 6,462	60,014 25,957 9,488 4,692 19,877 8,673	56,626 20,800 11,069 7,156 17,601 9,050	59,938 22,080 10,956 8,142 18,760 9,052	62,899 22,896 13,050 8,459 18,494 8,102	62,048 22,026 12,540 8,847 18,635 6,855	60,107 20,807 9,740 10,114 19,446 7,309	59,643 20,516 10,359 9,967 18,801 8,381	51,850 19,516 6,702 7,008 18,624 6,725	54,407 18,958 8,327 8,803 18,319 5,368
					Bah	amas and C	ayman Islan	ds			
105 T	otal payable in any currency	176,006	162,316	168,326	154,293	156,176	147,422	144,894	151,175	148,867	143,859
	legotiable CDs o United States Parent bank Other banks in United States Nonbanks	678 124,859 75,188 8,883 40,788	646 114,738 74,941 4,526 35,271	1,173 129,872 79,394 10,231 40,247	1,394 114,439 69,649 10,303 34,487	1,939 116,699 71,381 10,944 34,374	1,350 111,861 67,347 10,445 34,069	1,355 108,150 65,122 10,265 32,763	1,142 110,729 62,336 10,059 38,334	1,713 110,391 59,668 ^r 11,492 39,231 ^r	1,692 105,895 59,415 10,291 36,189
112 113 114 115	o foreigners Other branches of parent bank Banks Official institutions Nonbank foreigners ther liabilities	47,382 23,414 8,823 1,097 14,048 3,087	44,444 24,715 5,588 622 13,519 2,488	35,200 17,388 5,662 572 11,578 2,081	34,896 15,441 6,988 1,058 11,409 3,564	35,411 16,287 7,574 932 10,618 2,127	32,556 15,169 6,422 805 10,160 1,655	33,766 15,411 6,350 932 11,073 1,623	37,690 18,056 7,967 1,036 10,631 1,614	35,369 18,015 6,476 858 10,020 1,394	34,773 17,462 6,219 905 10,187 1,499
	otai payable in U.S. dollars	171,250	157,132	163,603	149,320	151,527	143,150	140,734	146,875	144,291	138,741

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

	4000	1001		1992			19	993	
Item	1990	1991	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. p
i Total ¹	344,529	360,530	405,465	394,845	398,672	411,817	413,235	409,992°	402,908
By type 2 Liabilities reported by banks in the United States ² 3 U.S. Treasury bills and certificates ³ U.S. Treasury bonds and notes 4 Marketable 5 Nonmarketable ⁴ 6 U.S. securities other than U.S. Treasury securities ⁵	39,880 79,424 202,487 4,491 18,247	38,396 92,692 203,677 4,858 20,907	60,933 104,286 211,875 4,473 23,898	54,007 100,702 211,272 4,503 24,361	54,823 104,596 210,553 4,532 24,168	63,792 111,540 207,588 4,563 24,334	66,454 113,594 203,224 4,592 25,371	62,974 ^r 113,547 202,567 ^r 4,622 26,282	62,116 103,293 205,155 5,431 26,913
By area 7 Western Europe ¹ 8 Canada 9 Latin America and Caribbean 10 Asia. 11 Africa 12 Other countries ⁶	167,191 8,671 21,184 138,096 1,434 7,955	168,365 7,460 33,554 139,465 2,092 9,592	194,551 8,111 38,678 153,555 3,481 7,087	184,207 6,381 38,945 154,493 3,779 7,038	188,693 7,920 40,015 152,148 3,565 6,329	196,240 8,411 41,388 156,211 3,705 5,860	199,659 7,886 42,502 154,015 3,866 5,305	187,402 ^r 9,326 44,509 157,918 ^r 3,919 6,916	184,644 8,302 38,970 159,629 3,770 7,591

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

Hom	1989	1990	1991		1993		
Item	1969	1990	1991	June	Sept.	Dec.	Mar.
1 Banks' liabilities. 2 Banks' claims 3 Deposits 4 Other claims. 5 Claims of banks' domestic customers ²	67,835 65,127 20,491 44,636 3,507	70,477 66,796 29,672 37,124 6,309	75,129 73,195 26,192 47,003 3,398	71,240 58,262 23,466 34,796 4,375	84,487 72,003 28,074 43,929 3,987	73,227 62,772 24,186 38,586 4,432	80,641 64,037 23,660 40,377 2,625

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

I. Includes the Bank for International Settlements.
 Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
 Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.

of foreign countries.

^{4.} Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies; zero coupon bonds are included at current value.

^{5.} Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
6. Includes countries in Oceania and Eastern Europe.
Source. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States and on the 1984 benchmark survey of foreign portfolio investment in the United States.

^{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.

LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹ Payable in U.S. dollars

						1992			19	93	
	Item	1990	1991	1992	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.p
_	Holder and Type of Liability										
1	Total, all foreigners	759,634	756,066	809,919	793,298	799,590	809,919	801,571	814,054 ^r	797,598	788,981
2 3 4 5 6	Banks' own liabilities Demand deposits Time deposits' Other' Own foreign offices ⁴	577,229 21,723 168,017 65,822 321,667	575,374 20,321 159,649 66,305 329,099	606,168 21,822 160,327 93,854 330,165	590,791 21,302 157,488 92,315 319,686	601,073 21,935 156,814 96,294 326,030	606,168 21,822 160,327 93,854 330,165	592,187 21,106 150,095 103,828 317,158	605,432 ^r 22,310 147,195 ^r 106,352 ^r 329,575 ^r	585,748 21,580 141,781 99,241 323,146	579,608 22,226 145,620 102,960 308,802
7 8 9	U.S. Treasury bills and certificates ⁶	182,405° 96,796	180,692 110,734	203,751 127,649	202,507 127,993	198,517 122,480	203,751 127,649	209,384 133,799	208,622 ^r 135,300 ^r	211,850 137,062	209,373 137,792
10	instruments ⁷ Other	17,578 68,031	18,664 51,294	21,982 54,120	20,043 54,471	21,755 54,282	21,982 54,120	22,969 52,616	20,735 52,587	22,309 52,479	21,521 50,060
11 12 13 14 15	Nonmonetary international and regional organizations ⁸ . Banks' own liabilities Demand deposits Time deposits ² . Other	5,918 4,540 36 1,050 3,455	8,981 6,827 43 2,714 4,070	9,350 6,951 46 3,214 3,691	10,727 7,001 73 1,899 5,029	9,915 6,982 58 2,561 4,363	9,350 6,951 46 3,214 3,691	11,099 7,837 39 2,809 4,989	11,538 ^r 8,884 ^r 47 2,376 6,461 ^r	9,160 5,902 196 2,730 2,976	10,731 5,834 33 1,765 4,036
16 17	Banks' custodial liabilities ⁵	1,378 364	2,154 1,730	2,399 1,908	3,726 3,085	2,933 2,371	2,399 1,908	3,262 2,774	2,654 2,348	3,258 2,876	4,897 4,461
18 19	Other negotiable and readily transferable instruments' Other	1,014 0	424 0	486 5	641 0	561 1	486 5	488 0	306 0	382 0	433
20 21 22 23 24	Official institutions ⁹ Banks' own liabilities Demand deposits Time deposits ² Other ³	119,303 34,910 1,924 14,359 18,628	131,088 34,411 2,626 16,504 15,281	159,419 51,058 1,274 17,828 31,956	165,219 57,225 1,723 19,741 35,761	154,709 50,027 1,492 17,834 30,701	159,419 51,058 1,274 17,828 31,956	175,332 59,577 1,397 18,685 39,495	180,048 62,687 1,764 18,996 41,927	176,521 59,471 1,457 18,707 39,307	175,409 58,695 1,358 18,489 38,848
25 26 27	Banks' custodial liabilities ⁵ U.S. Treasury bills and certificates ⁶ Other negotiable and readily transferable instruments' Other	84,393 79,424	96,677 92,692	108,361 104,596	107,994 104,286	104,682 100,702	108,361 104,596	115,755 111,540	117,361 113,594	117,050 113,547	116,714 113,293
28	instruments' Other	4,766 203	3,879 106	3,726 39	3,595 113	3,784 196	3,726 39	4,054 161	3,648 119	3,411 92	3,284 137
29 30 31 32 33 34 35	Banks 10 Banks 20 Ban	540,805 458,470 136,802 10,053 88,541 38,208 321,667	522,265 459,335 130,236 8,648 82,857 38,731 329,099	546,412 475,260 145,095 10,168 90,193 44,734 330,165	525,221 454,183 134,497 9,741 85,729 39,027 319,686	543,980 472,949 146,919 10,088 87,690 49,141 326,030	546,412 475,260 145,095 10,168 90,193 44,734 330,165	522,015 453,242 136,084 9,903 80,351 45,830 317,158	529,683 ^r 462,185 ^r 132,610 ^r 10,974 77,823 ^r 43,813 ^r 329,575 ^r	520,063 451,077 127,931 10,493 72,394 45,044 323,146	509,958 444,146 135,344 10,883 77,986 46,475 308,802
36 37 38	Banks' custodial liabilities ⁵ U.S. Treasury bills and certificates ⁶ Other negotiable and readily transferable instruments' Other	82,335 10,669	62,930 7,471	71,152 11,087	71,038 10,481	71,031 10,444	71,152 11,087	68,773 9,685	67,498 9,296	68,986 9,976	65,812 9,684
39	instruments ⁷ Other	5,341 66,325	5,694 49,765	7,568 52,497	7,325 53,232	7,572 53,015	7,568 52,497	7,708 51,380	6,692 51,510	7,957 51,053	7,360 48,768
40 41 42 43 44	Other foreigners Banks' own liabilities Demand deposits Time deposits Other ³	93,608 79,309 9,711 64,067 5,530	93,732 74,801 9,004 57,574 8,223	94,738 72,899 10,334 49,092 13,473	92,131 72,382 9,765 50,119 12,498	90,986 71,115 10,297 48,729 12,089	94,738 72,899 10,334 49,092 13,473	93,125 71,531 9,767 48,250 13,514	92,785 ^r 71,676 ^s 9,525 48,000 ^r 14,151 ^r	91,854 69,298 9,434 47,950 11,914	92,883 70,933 9,952 47,380 13,601
45 46 47	Banks' custodial liabilities ⁵ U.S. Treasury bills and certificates ⁶ Other negotiable and readily transferable instruments' Other	14,299 6,339	18,931 8,841	21,839 10,058	19,749 10,141	19,871 8,963	21,839 10,058	21,594 9,800	21,109 ^r 10,062 ^r	22,556 10,663	21,950 10,354
48	instruments'	6,457 1,503	8,667 1,423	10,202 1,579	8,482 1,126	9,838 1,070	10,202 1,579	10,719 1,075	10,089 958	10,559 1,334	10,444 1,152
49	MEMO Negotiable time certificates of deposit in custody for foreigners	7,073	7,456	9,114	7,672	7,716	9,114	9,724	9,499	9,548	9,410

^{1.} Reporting banks include all types of depository institution, as well as some brokers and dealers.
2. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."
3. Includes borrowing under repurchase agreements.
4. For U.S. banks, includes amounts due to own foreign branches and foreign subsidiaries consolidated in Consolidated Report of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts due to head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
5. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.

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

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

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

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

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

3.17—Continued

_			1000		1992			1993					
ltem	1990	1991	1992	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.p			
Area													
1 Total, all foreigners	759,634	756,066	809,919	793,298	799,590	809,919	801,571	814,054 ^r	797,598°	788,981			
2 Foreign countries	753,716	747,085	800,569	782,571	789,675	800,569	790,472	802,516 ^r	788,438 ^r	778,250			
3 Europe 4 Austria 5 Belgium and Luxembourg 6 Denmark 7 Finland 8 France 9 Germany 10 Greece 11 Italy 12 Netherlands 13 Norway 14 Portugal 15 Spain 16 Sweden. 17 Switzerland	254,452 1,229 12,382 1,399 602 30,946 7,485 934 17,735 5,350 2,357 2,958 7,544 1,837 36,690	249,097 1,193 13,337 937 1,341 31,808 8,619 765 13,541 7,161 1,866 2,184 11,391 2,222 37,238	308,398 1,611 20,572 3,060 1,299 41,459 18,631 910 10,041 7,372 3,319 2,465 9,796 2,986 39,440	306,547 1,584 21,183 1,788 949 34,881 13,810 872 11,104 8,962 1,577 2,258 14,602 5,312 38,240	311,875 1,358 19,662 1,481 1,144 39,968 15,401 749 12,494 8,411 2,014 2,255 10,383 4,485 40,791	308,398 1,611 20,572 3,060 1,299 41,459 18,631 910 10,041 7,372 3,319 2,465 9,796 2,986 39,440	303,721 1,158 21,255 1,885 1,862 34,285 20,685 8,759 8,731 3,550 2,518 14,904 2,962 41,533	304,755° 1,942 19,729 2,835 2,049 32,457 18,934 758 10,701 11,711 2,508 17,233 1,902° 40,227	293,384 ⁷ 1,256 19,475 1,536 2,297 31,712 16,107 ⁵ 761 8,907 11,418 2,350 2,489 15,735 ⁵ 1,619	298,690 1,497 19,775 1,229 2,265 31,063 19,803 742 8,113 11,520 2,355 2,475 14,055 3,149 39,852			
18	1,169 109,555 928 11,689 119 1,545	1,598 100,292 622 9,274 241 3,467 21,605	2,666 112,434 504 25,834 577 3,422 22,746	2,524 114,705 577 27,228 450 3,941 21,378	2,360 117,353 575 26,691 601 3,699 22,052	2,666 112,434 504 25,834 577 3,422 22,746	2,533 106,700 506 25,926 436 2,718 21,467	2,862 105,504 ^r 512 27,491 ^r 497 2,382 22,898	2,520 106,341 ^r 523 ^r 25,748 535 2,459 25,040 ^r	2,664 109,558 507 24,171 726 3,171 22,236			
25 Latin America and Caribbean	332,997 7,365 107,386 2,822 5,834 147,321 3,145 4,492 11,379 1,541 2,541 2,574 4,577 4,577 4,577 4,577 4,577 4,579	345,529 7,753 100,622 3,178 5,704 163,620 3,283 4,661 2 1,232 1,594 2,132 1,594 2,096 1,249 2,096 13,181 6,879	316,008 9,477 82,212 7,079 5,584 151,886 3,035 4,580 3 1,377 371 19,456 5,205 4,177 1,080 1,955 11,387 6,151	310,015 9,387 85,878 5,889 5,828 143,311 3,253 4,767 1,026 1,376 214 4,708 4,116 4,708 4,116 1,141 2,087 11,504 6,244	309,750 8,715 86,310 6,355 5,235 143,084 2,925 11,016 1,323 6,101 3,976 1,047 2,092 11,003 6,066	316,008 9,477 82,212 7,079 5,584 151,886 3,035 4,580 3 1,377 371 19,456 5,205 4,177 1,080 1,955 11,387 6,151	313,248 10,792 84,767 6,319 5,321 146,879 3,638 4,438 2 945 1,311 20,023 4,352 4,013 1,052 1,898 11,106 6,098	320,506 ⁷ 10,608 87,802 ⁶ 6,508 5,304 149,506 3,420 4,417 3 886 1,311 279 21,207 4,869 4,214 1,045 2,061 10,984 6,082	318,278' 11,568 83,552' 6,304 5,462 150,803 3,325 4,183 3 928 1,382 309 21,772 4,221 3,927 4,221 3,927 11,446 6,283	314,762 10,854 81,545 6,174 5,464 145,881 3,479 4,356 292 24,832 4,348 1,070 1,767 11,509 6,538			
44 Asia. China China People's Republic of China Republic of China (Taiwan) Hong Kong. Indonesia. Israel. Japan. Korea (South) Philippines. Thailand Middle Eastern oil-exporting countries id.	136,844 2,421 11,246 12,754 1,233 1,238 2,767 67,076 2,287 1,585 1,443 15,829 16,965	120,462 2,626 11,491 14,269 2,418 1,463 2,015 47,069 2,587 2,449 2,252 15,752 16,071	143,362 3,202 8,379 18,445 1,396 1,480 3,775 58,332 3,336 2,275 5,582 21,446 15,714	134,385 2,582 8,616 17,542 1,234 1,260 2,208 56,101 3,529 2,275 5,082 19,040 14,916	136,111 2,559 8,750 16,322 1,210 1,217 3,691 55,356 3,698 2,223 5,797 20,266 15,022	143,362 3,202 8,379 18,445 1,396 1,480 3,775 58,332 3,336 2,275 5,582 21,446 15,714	141,524 3,114 8,929 17,510 1,323 1,392 3,389 56,007 3,415 2,350 5,722 19,877 18,496	143,518 ^r 3,007 9,102 19,445 1,377 1,460 3,371 57,993 ^r 3,468 2,746 5,375 19,897 16,277	140,187 ^r 2,957 9,022 ^r 16,949 ^r 1,399 1,871 3,930 56,845 ^r 3,307 2,774 5,342 19,692 16,099	3,527 8,856 16,257 989 1,464 3,763 51,089 3,558 2,785 4,967 19,686 13,901			
57 Africa 58 Egypt 59 Morocco 60 South Africa 61 Zaire 62 Oil-exporting countries ⁱ³ 63 Other	4,630 1,425 104 228 53 1,110 1,710	4,825 1,621 79 228 31 1,082 1,784	5,884 2,472 76 190 19 1,346 1,781	5,843 2,598 98 240 24 1,201 1,682	6,062 2,601 93 214 23 1,402 1,729	5,884 2,472 76 190 19 1,346 1,781	5,913 2,756 88 158 25 1,125 1,761	6,364 3,077 92 319 17 1,135 1,724	6,502 3,084 87 243 13 1,239 1,836	6,412 2,926 150 244 13 1,286 1,793			
64 Other	4,444 3,807 637	5,567 4,464 1,103	4,171 3,047 1,124	4,403 2,987 1,416	3,825 2,654 1,171	4,171 3,047 1,124	4,599 3,502 1,097	4,475 3,388 1,087	5,047 4,013 1,034	5,308 4,056 1,252			
67 Nonmonetary international and regional organizations. 68 International 6 69 Latin American regional 7 70 Other regional 8	5,918 4,390 1,048 479	8,981 6,485 1,181 1,315	9,350 7,434 1,415 501	10,727 7,689 2,130 908	9,915 6,764 2,248 903	9,350 7,434 1,415 501	11,099 7,864 2,327 908	11,538 ^r 8,857 ^r 1,738 943	9,160° 6,116° 2,021 1,023	10,731 7,740 2,073 918			

^{11.} Beginning December 1992, excludes Bosnia, Croatia, and Slovenia.
12. Includes the Bank for International Settlements and Eastern European countries not listed in line 23. Beginning December 1992, includes, in addition, all former parts of the U.S.S.R. (except Russia), and Bosnia-Hercegovina, Croatia, and Slovenia.
13. Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.
14. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

^{15.} Comprises Algeria, Gabon, Libya, and Nigeria.
16. Principally the International Bank for Reconstruction and Development.
Excludes 'holdings of dollars' of the International Monetary Fund.
17. Principally the Inter-American Development Bank.
18. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States¹ Payable in U.S. Dollars

	1990	1991	1002		1992			1993				
Area and country	1990	1991	1992	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.p		
i Total, all foreigners	511,543	514,339	495,713	493,689	490,721	495,713	483,903	493,560°	473,440 ^r	468,808		
2 Foreign countries	506,750	508,056	490,631	491,217	487,840	490,631	480,803	489,452 ^r	470,118 ^r	466,391		
3 Europe	113,093 362 5,473 497 1,047	114,310 327 6,158 686 1,907	124,130 341 6,404 707 1,419	126,170 414 6,980 830 817	122,143 463 6,423 1,056 1,230	124,130 341 6,404 707 1,419	117,308 366 6,473 705 1,275	124,724 530 5,886 785 1,226	122,668 ^r 1,101 6,066 682 1,010	120,253 1,013 6,177 645 998		
8 France 9 Germany 10 Greece 11 Italy 12 Netherlands	14,468 3,343 727 6,052 1,761	15,112 3,371 553 8,242 2,546	14,847 4,229 718 9,048 2,497	16,111 5,629 583 9,752 2,334	15,718 5,328 598 9,443 3,006	14,847 4,229 718 9,048 2,497	14,012 5,544 669 8,716 2,927	14,670 5,370 668 8,466 3,279 750	13,340 ^r 5,800 ^r 583 8,493 2,676	13,141 5,322 610 8,729 2,607		
Norway	782 292 2,668 2,094 4,202 1,405 65,151 1,142	669 344 1,881 2,335 4,540 1,063 60,395 825	356 325 2,772 4,929 4,722 962 63,980 569	666 327 4,642 6,678 3,688 1,177 60,209 668	435 330 3,481 5,786 3,591 950 58,991 661	356 325 2,772 4,929 4,722 962 63,980 569	649 390 2,593 5,340 4,493 1,071 56,262 571	494 4,158 5,155 4,971 1,041 61,394 567	645 454 3,889 4,809 4,423 ^r 943 62,045 ^r 553	714 513 3,642 4,509 4,352 1,639 60,317 551		
21 Others in Western Europe ³ 22 Russia	597 530 499 16,091	789 1,970 597	1,706 3,147 452	959 3,190 516 16,830	1,019 3,174 460 15,834	1,706 3,147 452 14,185	1,607 3,154 491 16,481	1,607 3,154 553	1,780 2,906 470 18,356 ^r	1,316 2,889 569 17,067		
24 Canada	231,506	246,137	213,772	213,423	217,040	213,772	218,391	210,770	201,911 ^r	200,118		
25 Latin America and Caribbean 26 Argentina 27 Bahamas 28 Bermuda 29 Brazil 30 British West Indies 31 Chile 32 Colombia 33 Cuba	251,306 6,967 76,525 4,056 17,995 88,565 3,271 2,587	5,869 87,138 2,270 11,894 107,846 2,805 2,425	4,882 59,532 5,934 10,733 98,738 3,397 2,750	4,564 64,853 2,798 11,558 96,906 3,323 2,595	4,605 65,139 6,035 11,583 96,325 3,309 2,698	4,882 59,532 5,934 10,733 98,738 3,397 2,750	4,804 62,831 6,797 10,924 100,926 3,690 2,752	4,859 63,898 2,851 10,507 94,885 3,795 2,819	4,835 57,030° 3,910 10,863 92,134° 3,638° 2,807	3,922 57,531 5,609 10,780 88,670 3,548 2,786		
34 Ecuador 35 Guatemala 36 Jamaica 37 Mexico 38 Netherlands Antilles 39 Panama 40 Uruguay 41 Uruguay 42 Venezuela 43 Other	1,387 191 238 14,851 7,998 1,471 663 786 2,571 1,384	1,053 228 158 16,567 1,207 1,560 739 599 2,516 1,263	884 262 167 15,049 1,379 4,474 730 936 2,525 1,400	936 275 147 16,621 1,080 1,979 713 882 2,700 1,488	926 255 162 16,495 1,529 2,080 723 877 2,880 1,419	884 262 167 15,049 1,379 4,474 730 936 2,525 1,400	853 240 170 15,216 1,735 2,024 735 895 2,409 1,390	835 257 164 15,988 1,938 2,307 708 844 2,485 1,630	809r 274 168r 15,103r 2,107 2,539r 650 846 2,558r 1,640r	798 269 178 15,507 1,987 2,309 691 795 2,858 1,880		
44 Asia	138,722	125,262	131,248	127,358	126,143	131,248	121,729	131,494 ^r	119,559 ^r	121,960		
China 45 People's Republic of China 46 Republic of China (Taiwan) 47 Hong Kong 48 India 49 Indonesia 50 Israel 51 Japan 52 Korea (South) 53 Philippines 54 Thailand 55 Middle Eastern oil-exporting countries 56 Other	620 1,952 10,648 655 933 774 90,699 5,766 1,247 1,573 10,749 13,106	747 2,087 9,617 441 952 860 84,807 6,048 1,910 1,713 8,284 7,796	906 2,046 9,673 529 1,189 820 78,609 6,170 2,145 1,867 18,559 8,735	978 1,848 9,095 500 1,112 826 80,253 6,113 2,181 1,764 15,488 7,200	624 1,653 9,287 539 1,135 937 77,676 6,288 2,034 1,873 16,858 7,239	906 2,046 9,673 529 1,189 820 6,170 2,145 1,867 18,559 8,735	774 1,683 9,145 532 1,323 877 74,593 6,063 1,871 1,796 17,083 5,989	892 1,585 10,298 549 1,292 809 79,791" 6,753 1,842 1,737 17,775 8,171	939 1,630° 10,542° 443 1,469 896° 67,294° 6,938° 1,713 1,659 19,048 6,988°	1,388 1,670 9,215 549 1,432 1,057 71,267 7,048 1,645 1,775 17,909 7,005		
57 Africa 58 Egypt 59 Morocco 60 South Africa 61 Zaire	5,445 380 513 1,525 16	4,928 294 575 1,235	4,289 194 441 1,041	4,303 229 452 1,036 4	4,233 214 443 1,063 4	4,289 194 441 1,041	4,262 171 421 1,069	4,147 291 403 1,030	3,871 192 396 1,011 ^r	3,745 151 396 924 3		
61 Zaire 62 Oil-exporting countries ⁶ 63 Other	1,486 1,525	1,298 1,522	1,004 1,605	1,056 1,526	1,029 1,480	1,004 1,605	1,067 1,531	1,108 1,312	1,140 ^r 1,129	1,142 1,129		
64 Other	1,892 1,413 479	2,306 1,665 641	3,007 2,263 744	3,133 1,951 1,182	2,447 1,601 846	3,007 2,263 744	2,632 1,896 736	3,345 2,552 793	3,753 3,117 636	3,248 2,632 616		
67 Nonmonetary international and regional organizations	4,793	6,283	5,082	2,472	2,881	5,082	3,100	4,108	3,322 ^r	2,417		

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

2. Beginning December 1992, excludes Bosnia, Croatia, and Slovenia.

3. Includes the Bank for International Settlements and Eastern European countries not listed in line 23. Beginning December 1992, includes, in addition, all former parts of the U.S.S.R. (except Russia), and Bosnia-Hercegovina, Croatia, and Slovenia.

Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.
 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
 Comprises Algeria, Gabon, Libya, and Nigeria.
 Excludes the Bank for International Settlements, which is included in "Other Western Europe."

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

Payable in U.S. Dollars

Millions of dollars, end of period

Claim	1000		1992		1992		1993				
Ciajm	1990	1991	1992	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^r	Apr.p	
1 Total	579,044	579,683	555,697			555,697			525,329		
2 Banks' claims. 3 Foreign public borrowers 4 Own foreign offices' 5 Unaffiliated foreign banks 6 Deposits 7 Other 8 All other foreigners.	511,543 41,900 304,315 117,272 65,253 52,019 48,056	514,339 37,126 318,800 116,602 69,018 47,584 41,811	495,713 31,370 299,770 109,909 61,125 48,784 54,664	493,689 32,056 298,056 112,224 60,856 51,368 51,353	490,721 30,955 290,974 112,512 61,999 50,513 56,280	495,713 31,370 299,770 109,909 61,125 48,784 54,664	483,903 33,163 290,938 101,949 53,612 48,337 57,853	493,560 30,372 303,819 102,870 51,690 51,180 56,499	473,440 33,654 289,928 97,568 49,045 48,523 52,290	468,808 30,645 283,167 98,832 50,245 48,587 56,164	
9 Claims of banks' domestic customers ³ 10 Deposits	67,501 14,375	65,344 15,280	59,984 15,452			59,984 15,452			51,889 12,000	 	
instruments ⁴	41,333 11,792	37,125 12,939	31,400 13,132			31,400 13,132			27,283 12,606		
MEMO 13 Customer liability on acceptances	13,628	8,974	8,701			8,701			7,876		
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ³	44,638	40,146	33,605	34,522	33,708	33,605	36,159 ^r	36,826	36,434	n.a.	

^{1.} For banks' claims, data are monthly; for claims of banks' domestic custom-

foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of

toreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
3. Assets held by reporting banks for the account of their domestic customers.
4. Principally negotiable time certificates of deposit and bankers acceptances.
5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see Federal Reserve Bulletin, vol. 65 (July 1979), p. 550.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States¹ Payable in U.S. Dollars

Maturity, by horrower and area	4000	1000		1992						
Maturity, by borrower and area	1989	1990	1991	June	Sept.	Dec.	Mar. ^p			
1 Total	238,123	206,903	195,302	196,768	187,398	195,626	183,188			
By borrower 2 Maturity of one year or less ² 3 Foreign public borrowers 4 All other foreigners 5 Maturity of more than one year ² 6 Foreign public borrowers 7 All other foreigners	178,346	165,985	162,573	162,433	155,254	164,059	153,204			
	23,916	19,305	21,050	20,528	17,863	17,867	21,163			
	154,430	146,680	141,523	141,905	137,391	146,192	132,041			
	59,776	40,918	32,729	34,335	32,144	31,567	29,984			
	36,014	22,269	15,859	15,145	13,295	13,223	12,199			
	23,762	18,649	16,870	19,190	18,849	18,344	17,785			
By area Maturity of one year or less ² 8 Europe	53,913	49,184	51,835	54,997	55,986	53,885	55,526			
	5,910	5,450	6,444	7,986	5,949	6,118	7,932			
	53,003	49,782	43,597	49,094	45,241	50,320	45,117			
	57,755	53,258	51,059	41,409	40,824	45,862	38,174			
	3,225	3,040	2,549	2,127	2,183	1,810	1,680			
	4,541	5,272	7,089	6,820	5,071	6,064	4,775			
Maturity of more than one year ²	4,121	3,859	3,878	6,752	6,625	5,360	4,896			
	2,353	3,290	3,595	3,158	3,227	3,290	3,139			
	45,816	25,774	18,277	16,827	15,092	15,166	14,386			
	4,172	5,165	4,459	4,979	4,815	4,977	5,033			
	2,630	2,374	2,335	2,356	2,107	2,364	2,094			
	684	456	185	263	278	410	436			

^{1.} Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

For banks' claims, data are monthly; for claims of banks' domestic customers, data are quarterly.
 Reporting banks include all types of depository institution, as well as some brokers and dealers.
 For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in Consolidated Report of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts due from head office or parent

Maturity is time remaining to maturity.
 Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks¹ Billions of dollars, end of period

				19	91			19	92		1993
Area or country	1989	1990	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.p
1 Total	338.8	317.8	325.3	320.4	335.7	341.5	347.9	357.4	343.9	345.8	360.6
2 G-10 countries and Switzerland 3 Belgium and Luxembourg. 4 France. 5 Germany. 6 Italy. 7 Netherlands. 8 Sweden. 9 Switzerland. 10 United Kingdom. 11 Canada. 12 Japan.	152.9 6.3 11.7 10.5 7.4 3.1 2.0 7.1 67.2 5.4 32.2	132.1 5.9 10.4 10.6 5.0 3.0 2.2 4.4 60.8 5.9 23.9	129.9 6.2 9.7 8.8 4.0 3.3 2.0 3.7 62.3 6.8 23.2	129.8 6.1 10.5 8.3 3.6 3.3 2.5 3.3 59.5 8.2 24.6	134.0 5.8 11.1 9.7 4.5 3.0 2.1 3.9 64.9 5.8 23.2	137.2 6.0 11.0 8.3 5.6 4.7 1.9 3.4 68.5 5.8 22.2	131.1 5.3 10.0 8.4 5.4 4.3 2.0 3.2 64.8 6.6 21.1	136.3 6.2 12.0 8.8 8.0 3.3 1.9 4.6 65.9 6.7	137.5 6.2 15.5 10.9 6.4 3.7 2.2 5.2 61.8 6.7	134.0 5.6 15.4 9.3 6.5 2.8 2.3 4.8 61.4 6.6 19.2	144.1 5.9 13.7 10.0 6.8 3.7 3.0 5.4 66.5 8.6 20.5
13 Other industrialized countries. 14 Austria 15 Denmark 16 Finland 17 Greece. 18 Norway. 19 Portugal 20 Spain. 21 Turkey 22 Other Western Europe 23 South Africa 24 Australia.	21.0 1.5 1.1 1.0 2.5 1.4 7.1 1.2 1.0 2.0 1.6	22.9 1.4 1.1 .7 2.7 1.6 .6 8.3 1.7 1.2 1.8	23.5 1.4 .9 1.0 2.5 1.5 .6 9.0 1.7 1.2 1.8	21.3 1.1 1.2 .8 2.4 1.5 .6 7.1 1.9 1.1 1.8 2.0	22.1 1.0 .9 .6 2.3 1.4 .5 8.3 1.6 1.3 1.6 2.4	22.8 .6 .9 .7 2.6 1.4 .6 8.3 1.4 1.8 1.9 2.7	21.5 .8 .8 .8 2.3 1.5 .5 7.7 1.2 1.5 1.8 2.3	25.5 .8 1.3 .8 2.8 1.7 .5 10.1 1.5 2.0 1.7 2.3	25.1 .8 1.5 1.0 3.0 1.6 .5 9.8 1.5 1.7 2.3	24.1 1.2 .9 .7 3.0 1.2 .4 9.0 1.3 1.7 1.7 2.9	25.6 1.5 .8 .7 2.8 1.8 .7 9.6 1.4 2.0 1.6 2.8
25 OPEC ² 26 Ecuador 27 Venezuela. 28 Indonesia 29 Middle East countries 30 African countries	17.1 1.3 7.0 2.0 5.0 1.7	12.8 1.0 5.0 2.7 2.5 1.7	17.1 .9 5.1 2.8 6.6 1.6	14.0 .9 5.3 2.6 3.7 1.5	15.6 .8 5.6 2.8 5.0 1.5	14.6 .7 5.4 2.8 4.2 1.5	15.8 .7 5.4 3.0 5.3 1.4	16.2 .7 5.3 3.0 5.9 1.4	15.9 .7 5.4 3.0 5.4 1.4	16.1 .6 5.2 3.0 6.2 1.1	16.7 .6 5.3 3.1 6.7 1.0
31 Non-OPEC developing countries	77.5	65.4	66.4	65.0	65.0	64.3	70.2	68.1	72.9	72.2	74.3
Latin America 32 Argentina 33 Brazil. 34 Chile 35 Colombia 36 Mexico 37 Peru 38 Other	6.3 19.0 4.6 1.8 17.7 .6 2.8	5.0 14.4 3.5 1.8 13.0 .5 2.3	4.7 13.9 3.6 1.7 13.7 .5 2.2	4.6 11.6 3.6 1.6 14.3 .5 2.0	4.5 10.5 3.7 1.6 16.2 .4 1.9	4.8 9.6 3.6 1.7 15.5 .4 2.1	5.0 10.8 3.9 1.6 18.2 .4 2.2	5.1 10.6 4.0 1.6 16.3 .4 2.2	6.2 10.8 4.2 1.7 17.1 .5 2.5	6.6 10.8 4.4 1.8 16.0 .5 2.6	7.0 11.6 4.6 1.9 16.8 .4 2.6
Asia China China	.3 4.5 3.1 7 5.9 1.7 4.1 1.3 1.0	3.5 3.3 .5 6.2 1.9 3.8 1.5 1.7	3.6 3.5 5 6.8 2.0 3.7 1.6 2.1	.6 4.1 3.0 .5 6.9 2.1 3.7 1.7 2.3	.4 4.1 2.8 .5 6.5 2.3 3.6 1.9 2.3	.3 4.1 3.0 .5 6.8 2.3 3.7 1.7 2.4	.3 4.8 3.6 .4 6.9 2.5 3.6 1.7 2.3	.3 4.6 3.8 .4 6.9 2.7 3.1 1.9 2.5	3.6 3.6 4 7.4 3.0 3.6 2.2 2.7	.7 5.2 3.2 .4 6.6 3.0 3.6 2.2 2.7	.6 5.3 3.1 .5 6.5 3.3 3.4 2.2 2.7
Africa 48 Egypt. 49 Morocco 50 Zaire 51 Other Africa ³	.4 .9 .0 1.0	.4 .8 .0 1.0	.4 .8 .0 .8	.4 .7 .0 .8	.4 .7 .0 .8	.4 .7 .0 .7	.3 .7 .0 .7	.5 .7 .0 .6	.3 .6 .0 .9	.2 .6 .0 1.0	.2 .5 .0 1.0
52 Eastern Europe. 53 Russia. 54 Yugoslavia. 55 Other	3.5 .7 1.6 1.3	2.3 .2 1.2 .9	2.1 .3 1.0 .8	2.1 .4 1.0 .7	1.8 .4 .8 .7	2.4 .9 .9 .7	2.9 1.4 .8 .6	3.0 1.7 .7 .6	3.1 1.8 .7 .7	3.1 1.9 .6 .6	3.0 1.7 .6 .7
56 Offshore banking centers 57 Bahamas 58 Bermuda 59 Cayman Islands and other British West Indies 60 Netherlands Antilites 61 Panama 62 Lebanon 63 Hong Kong 64 Singapore 65 Other	36.6 5.5 1.7 9.0 2.3 1.4 .1 9.7 7.0 .0	42.5 2.8 4.4 11.5 7.9 1.4 .1 7.7 6.6	50.0 8.3 4.4 14.1 1.1 1.5 .1 11.6 8.9 .0	48.3 6.8 4.2 14.9 1.4 1.3 .1 12.4 7.2 .0	52.7 6.7 7.1 13.8 3.9 1.3 .1 12.1 7.7 .0	52.0 11.9 2.3 15.8 1.2 1.3 .1 12.2 7.1 .0	58.4 14.0 3.9 17.4 1.0 1.3 .1 12.2 8.5 .0	59.4 12.2 5.1 18.1 .8 1.7 .1 15.0 6.4 .0	52.3 8.1 3.8 15.7 .7 1.8 .1 15.2 6.8 .0	55.2 5.6 6.2 20.1 1.1 1.7 .1 13.8 6.5 .0	57.5 8.3 4.1 16.4 1.6 1.9 .1 16.7 8.4 .0
66 Miscellaneous and unallocated ⁶	30.3	39.8	36.4	39.9	44.6	48.2	48.0	48.6	36.8	41.0	39.3

^{1.} The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices not covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches).

Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from \$50 million to

^{\$150} million equivalent in total assets, the threshold now applicable to all reporting branches.

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

3. Excludes Liberia.

4. Includes Canal Zone beginning December 1979.

5. Foreign branch claims only.

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

organizations.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

				19	991		19	992	
Type and area or country	1989	1990	1991	Sept.	Dec.	Mar.	June	Sept.	Dec.
1 Total	38,764	46,043	43,156	43,218	43,156	44,098	44,176	45,166	43,066°
2 Payable in dollars	33,973 4,791	40,786 5,257	37,764 5,392	38,482 4,736	37,764 5,392	38,640 5,458	37,481 6,695	36,574 8,592	35,661 ^r 7,405 ^r
By type 4 Financial liabilities 5 Payable in dollars 6 Payable in foreign currencies	17,879 14,035 3,844	21,066 16,979 4,087	21,893 17,781 4,112	21,652 17,947 3,705	21,893 17,781 4,112	22,255 18,027 4,228	21,988 16,744 5,244	23,406 16,468 6,938	21,989 ^r 15,642 ^r 6,347 ^r
7 Commercial liabilities 8 Trade payables 9 Advance receipts and other liabilities 10 Payable in dollars 11 Payable in foreign currencies	20,885 8,070 12,815 19,938 947	24,977 10,683 14,294 23,807 1,170	21,263 8,310 12,953 19,983 1,280	21,566 8,313 13,253 20,535 1,031	21,263 8,310 12,953 19,983 1,280	21,843 8,926 12,917 20,613 1,230	22,188 9,516 12,672 20,737 1,451	21,760 9,409 12,351 20,106 1,654	21,077 ^r 9,038 ^r 12,039 ^r 20,019 ^r 1,058
By area or country Financial liabilities 12 Europe 13 Belgium and Luxembourg 14 France 15 Germany 16 Netherlands 17 Switzerland 18 United Kingdom	11,660 340 258 464 941 541 8,818	10,978 394 975 621 1,081 545 6,357	11,905 217 2,106 682 1,056 408 6,429	12,311 397 2,164 682 1,050 497 6,589	11,905 217 2,106 682 1,056 408 6,429	12,449 174 1,997 666 1,025 355 7,338	13,030 194 2,324 836 979 490 7,344	14,070 256 2,785 941 980 627 7,680	12,500° 427 1,608 740 606 569 7,887°
19 Canada	610	229	267	305	267	283	337	320	491
20 Latin America and Caribbean 21 Bahamas 22 Bermuda 23 Brazil 24 British West Indies 25 Mexico 26 Venezuela	1,357 157 17 0 724 6 0	4,153 371 0 0 3,160 5 4	4,325 537 114 6 3,065 7 4	3,883 314 0 6 2,961 6 4	4,325 537 114 6 3,065 7	4,062 396 114 8 2,930 7 4	3,323 343 114 10 2,182 8 4	3,345 220 115 18 2,291 12 5	3,480 349 114 19 2,307 12 6
27 Asia 28 Japan 29 Middle East oil-exporting countries ²	4,151 3,299 2	5,295 4,065 5	5,338 4,102 13	5,149 4,000 19	5,338 4,102 13	5,366 4,107 13	5,209 4,116 10	5,581 4,548 17	5,484 ^r 4,451 ^r 19
30 Africa	2 0	2 0	6 4	3 2	6 4	7 6	0	5 0	6 0
32 All other ⁴	100	409	52	1	52	88	89	85	28
Commercial liabilities	9,071 175 877 1,392 710 693 2,620	10,310 275 1,218 1,270 844 775 2,792	7,808 248 830 944 709 488 2,310	8,084 225 992 911 751 492 2,217	7,808 248 830 944 709 488 2,310	7,501 256 678 880 574 482 2,445	7,144 240 659 702 605 400 2,404	6,714 173 688 744 601 369 2,262	6,700 ^r 287 ^r 663 ^r 617 ^r 556 ^r 398 2,250 ^r
40 Canada	1,124	1,261	990	1,011	990	1,095	1,077	1,085	891 ^r
41 Latin America and Caribbean 42 Bahamas 43 Bermuda 44 Brazi 45 British West Indies 46 Mexico 47 Venezuela	1,224 41 308 100 27 323 164	1,672 12 538 145 30 475 130	1,352 3 310 219 107 304 94	1,512 14 450 211 46 291 102	1,352 3 310 219 107 304 94	1,701 13 493 230 108 375 168	1,803 8 409 212 73 475 279	1,518 3 338 115 85 322 147	1,586 ^r 6 293 ^r 203 ^r 57 ^r 444 130 ^r
48 Asia	7,550 2,914 1,632	9,483 3,651 2,016	9,330 3,720 1,498	8,855 3,363 1,780	9,330 3,720 1,498	9,890 3,549 1,591	10,439 3,537 1,778	11,006 3,909 1,813	10,772 ^r 3,994 ^r 1,961 ^r
51 Africa	886 339	844 422	713 327	836 357	713 327	644 253	775 389	675 337	556 ^r 295 ^r
53 Other ⁴	1,030	1,406	1,070	1,268	1,070	1,012	950	762	572 ^r

^{1.} For a description of the changes in the international statistics tables, see Federal Reserve Bulletin, vol. 65, (July 1979), p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

Comprises Algeria, Gabon, Libya, and Nigeria.
 Includes nonmonetary international and regional organizations.
 Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

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3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

				19	91		19	92	
Type, and area or country	1989	1990	1991	Sept.	Dec.	Mar.	June	Sept.	Dec.
1 Total	33,173	35,348	42,667	38,315	42,667	42,199	41,869	38,659	38,110 ^r
2 Payable in dollars	30,773	32,760	40,098	35,952	40,098	39,558	38,899	35,738	35,593 ^r
	2,400	2,589	2,569	2,363	2,569	2,641	2,970	2,921	2,517 ^r
By type 4 Financial claims 5 Deposits 6 Payable in dollars 7 Payable in foreign currencies 8 Other financial claims 9 Payable in dollars 10 Payable in foreign currencies	19,297	19,874	25,463	22,536	25,463	25,328	24,612	21,367	20,922
	12,353	13,577	17,218	16,188	17,218	16,964	15,116	12,547	12,759 ^r
	11,364	12,552	16,343	15,182	16,343	15,803	13,829	11,489	11,970 ^r
	989	1,025	875	1,006	875	1,161	1,287	1,058	789 ^r
	6,944	6,297	8,245	6,348	8,245	8,364	9,496	8,820	8,163 ^r
	6,190	5,280	7,365	5,611	7,365	7,617	8,771	7,788	7,425
	754	1,017	880	737	880	747	725	1,032	738 ^r
11 Commercial claims 12 Trade receivables 13 Advance payments and other claims 14 Payable in dollars 15 Payable in foreign currencies	13,876	15,475	17,204	15,779	17,204	16,871	17,257	17,292	17,188 ^r
	12,253	13,657	14,479	13,429	14,479	14,266	14,756	14,552	14,910 ^r
	1,624	1,817	2,725	2,350	2,725	2,605	2,501	2,740	2,278
	13,219	14,927	16,390	15,159	16,390	16,138	16,299	16,461	16,198 ^r
	657	548	814	620	814	733	958	831	990 ^r
By area or country Financial claims	8,463	9,645	13,546	13,129	13,546	14,205	13,200	11,249	9,346
	28	76	13	76	13	12	25	16	8
	153	371	312	255	312	277	786	809	774
	152	367	342	434	342	290	381	321	401
	238	265	385	420	385	727	732	766	536
	153	357	591	580	591	682	779	602	507
	7,496	7,971	11,251	10,997	11,251	11,631	8,768	7,727	5,947
23 Canada	1,904	2,934	2,679	2,163	2,679	2,750	2,529	2,256	1,701
24 Latin America and Caribbean 25 Bahamas 26 Bermuda 27 Brazil 28 British West Indies 29 Mexico 30 Venezuela	8,020	6,201	7,932	6,289	7,932	7,070	7,260	6,523	8,505
	1,890	1,090	758	652	758	415	523	1,099	618 ^r
	7	3	8	19	8	12	12	65	40
	224	68	192	137	192	191	181	135	496
	5,486	4,635	6,384	5,106	6,384	5,912	6,018	4,792	6,719 ^r
	94	177	321	176	321	318	343	222	270
	20	25	40	32	40	34	32	26	29
31 Asia	590	860	957	614	957	961	1,275	995	839
	213	523	385	277	385	380	712	481	683
	8	8	5	3	5	3	4	4	3
34 Africa	140	37	57	61	57	60	57	66	79
	12	0	1	1	1	0	0	1	9
36 All other ⁴	180	195	292	280	292	282	291	278	452
Commercial claims 37 Europe 38 Belgium and Luxembourg 39 France 40 Germany 41 Netherlands 42 Switzerland 43 United Kingdom 44 United Kingdom 45 Switzerland 45 United Kingdom 46 Switzerland 47 United Kingdom 47 Switzerland 48 United Kingdom 48 United Kingdom 49 United Kingdom 40 Uni	6,209 242 964 696 479 313 1,575	7,044 212 1,240 807 555 301 1,775	7,950 192 1,544 943 643 295 2,088	6,884 190 1,330 858 641 258 1,807	7,950 192 1,544 943 643 295 2,088	7,894 181 1,562 936 646 328 2,086	8,138 255 1,563 908 666 399 2,173	7,792 170 1,741 885 588 294 1,977	7,451 ^r 183 1,394 883 541 260 1,802 ^r
44 Canada	1,091	1,074	1,174	1,232	1,174	1,176	1,131	1,172	1,252 ^r
45 Latin America and Caribbean 46 Bahamas 47 Bermuda 48 Brazil 49 British West Indies 50 Mexico 51 Venezuela	2,184	2,375	2,591	2,494	2,591	2,572	2,672	3,141	2,845 ^r
	58	14	11	8	11	11	9	7	18
	323	246	263	255	263	272	291	245	237
	297	326	418	385	418	364	438	395	336
	36	40	41	37	41	45	32	43	39
	508	661	829	741	829	892	847	968	853 ^r
	147	192	202	196	202	206	251	302	317 ^r
52 Asia	3,570	4,127	4,573	4,282	4,573	4,354	4,463	4,308	4,649 ^r
	1,199	1,460	1,878	1,808	1,878	1,782	1,786	1,793	1,850 ^r
	518	460	621	496	621	635	609	512	669 ^r
55 Africa	429	488	418	431	418	418	422	430	540 ^r
	108	67	95	80	95	75	73	66	78 ^r
57 Other ⁴	393	367	498	456	498	457	431	449	451 ^r

^{1.} For a description of the changes in the international statistics tables, see Federal Reserve Bulletin, vol. 65, (July 1979), p. 550.

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

Comprises Algeria, Gabon, Libya, and Nigeria.
 Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

				Γ						
			1993		1992			19	93	
Transaction and area or country	1991	1992	Jan. ~ Apr.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^r	Apr. ^p
				Ţ	J.S. corpor	ate securiti	es			
STOCKS										
1 Foreign purchases	211,207 200,116	221,350 226,490	99,942 95,213	18,820 18,170	17,885 16,598	22,725 20,382	19,170 19,353	28,753 ^r 25,980	27,011 24,548	25,008 25,332
3 Net purchases or sales (-)	11,091	-5,140	4,729	650	1,287	2,343	-183	2,773 ^r	2,463	-324
4 Foreign countries	10,522	-5,173	4,479	653	1,284	2,319	-178	2,683 ^r	2,306	-332
5 Europe . 6 France . 7 Germany . 8 Netherlands . 9 Switzerland . 10 United Kingdom . 11 Canada . 12 Latin America and Caribbean . 13 Middle East . 14 Other Asia . 15 Japan . 16 Africa . 17 Other countries .	53 9 -63 -227 -131 -352 3,845 2,177 -134 4,255 1,179 153 174	-4,934 -1,331 -64 -280 143 -3,294 1,405 2,209 -88 -3,944 -3,598 10 169	2,647 -139 435 153 1,339 124 -5 721 -163 1,234 -877 -15 60	75 -92 -52 -24 -124 362 -227 235 -57 767 184 -21 -119	371 -50 47 -4 -40 361 43 649 -219 373 220 -18 85	1,505 -154 162 190 221 705 176 422 70 122 215 -7 31	52 -25 91 64 205 -350 -341 305 -92 -123 28 4 17	2,271 ^r 223 97 -11 501 1,135 ^r 57 -235 -65 593 -624 27 35	973 -183 103 68 356 476 176 410 -13 763 250 2 -5	-649 -154 144 32 277 -1,137 -103 241 7 1 -531 -48 13
18 Nonmonetary international and regional organizations	568	33	250	-3	3	24	-5	90	157	8
Bonds ² 19 Foreign purchases	153,096 125,637	214,801 175,310	85,229 73,568	19,315 15,224	18,082 16,317	19,264 15,513	17,417 15,439	21,754 18,676 ^r	25,204 23,273	20,854 16,180
21 Net purchases or sales (-)	27,459	39,491	11,661	4,091	1,765	3,751	1,978	3,078 ^r	1,931	4,674
22 Foreign countries	27,590	38,375	12,060	4,045	1,600	3,206	2,074	3,204 ^r	2,067	4,715
23 Europe 24 France 25 Germany 26 Netherlands 27 Switzerland 28 United Kingdom 20 Canada 30 Latin America and Caribbean 31 Middle Bast' 32 Other Asia 33 Japan 34 Africa 35 Other countries 37 Other countries 38 Other countries 39 Other countries 39 Other countries 30 Other countries 31 Other countries 32 Other countries 33 Other countries 34 Other countries 35 Other countries 36 Other countries 37 Other countries 38	13,112 847 1,577 482 656 8,931 1,623 2,672 1,787 8,459 5,767 52 -116	18,314 1,221 2,503 531 -513 13,229 236 8,833 3,166 7,545 -450 354 -73	4,808 995 897 -322 -144 3,144 118 2,023 1,274 3,716 1,801 185 -64	1,993 -4 -34 133 -23 1,568 198 842 273 790 467 -50 -1	-492 -7 -113 144 -260 -312 281 540 515 692 266 -4 68	1,996 217 857 48 105 962 -38 513 360 119 9 302 -46	1,302 101 91 -119 122 349 -437 419 300 305 190 168	2,183 ^r 311 52 -133 -38 2,416 ^r 145 482 248 149 61 27 -30	29 75 -57 -178 11 -229 119 490 263 1,216 595 -10 -40	1,294 508 811 108 -239 608 291 632 463 2,046 955 0 -11
36 Nonmonetary international and regional organizations	-131	1,116	-399	46	165	545	-96	-126	-136	41
					Foreign	securities				
37 Stocks, net purchases or sales (-) ³ 38 Foreign purchases 39 Foreign sales ³ 40 Bonds, net purchases or sales (-) 41 Foreign purchases 42 Foreign sales	-31,967 120,598 152,565 -14,828 330,311 345,139	-32,186 149,987 182,173 -18,470 485,659 504,129	-12,396 64,498 76,894 -20,275 219,325 239,600	-4,260 12,477 16,737 -2,205 49,670 51,875	-3,636 11,672 15,308 -791 52,066 52,857	-4,368 12,781 17,149 -2,874 39,607 42,481	-2,337 12,726 15,063 -5,100 38,411 43,511	-1,566 ^r 15,047 ^r 16,613 ^r -9,562 ^r 55,717 65,279 ^r	-4,524 17,441 21,965 -4,647 70,021 74,668	-3,969 19,284 23,253 -966 55,176 56,142
43 Net purchases or sales (-), of stocks and bonds	-46,795	-50,656	-32,671	-6,465	-4,427	-7 ,242	~7,437	-11,128 ^r	-9,171	-4,935
44 Foreign countries 45 Europe 46 Canada 47 Latin America and Caribbean 48 Asia 49 Africa 50 Other countries 51 Nonmonetary international and	-46,711 -34,452 -7,004 759 -7,350 -9 1,345	-53,992 -38,109 -6,653 -1,830 -6,583 -57 -760	-31,805 -19,153 -9,039 -648 -2,807 -40 -118	-6,492 -6,851 -1,008 1,091 681 -2 -403	-4,500 -5,001 571 -1,671 1,567 42 -8	-7,196 -4,516 -1,167 512 -1,670 -11 -344	-6,430 -6,478 -161 195 -381 -7 402	-11,266 ^r -6,703 ^r -5,028 25 ^r 544 ^r 3 -107	-8,902 -3,095 -3,034 68 -2,459 -18 -364	-5,207 -2,877 -816 -936 -511 -18 -49
regional organizations	-84	3,336	-866	27	73	-46	-1,007	138	-269	272

Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
 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.} In a July 1989 merger, the former stockholders of a U.S. company received \$5,453 million in shares of the new combined U.K. company. This transaction is not reflected in the data.

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3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions Millions of dollars

			1993		1992		1993					
Country or area	1991	1992	Jan. – Apr.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^p		
	-		Transac	Transactions, net purchases or sales (-) during period								
1 Estimated total	19,865	39,319	9,529	3,546	17,648	8	454	-1,273	5,910 ^r	4,438		
2 Foreign countries	19,687	37,966	7,645	4,351	17,661	-194	-129	-2,166	5,358 ^r	4,582		
3 Europe 4 Belgium and Luxembourg. 5 Germany 6 Netherlands 7 Sweden 8 Switzerland 9 United Kingdom 10 Other Western Europe 11 Eastern Europe 12 Canada	8,663 523 -4,725 -3,735 -663 1,007 6,218 10,024 13 -3,019	19,647 1,985 2,076 -2,923 -804 481 24,184 -6,002 650 562	-3,340 263 -5,074 -235 -436 -2,944 5,563 -845 368 7,260	4,671 232 -8 -40 202 769 4,068 -551 -1 458	7,284 370 -1,584 1,827 668 1,334 7,209 -2,758 218 -1,087	3,163 -28 898 -804 -344 213 2,833 395 0 -99	-585 -59 -697 -1,238 -54 -199 2,025 -1,759 2 3,302	-382 45 -1,632 206 258 -455 183 975 38 82	-4,045 ^r 622 ^r -2,757 66 ^r -540 -1,569 672 -728 ^r 189 2,490	1,672 -345 -1,382 731 -100 -721 2,683 667 139 1,386		
13 Latin America and Caribbean 14 Venezuela 15 Other Latin America and Caribbean 16 Netherlands Antilles 17 Asia 18 Japan 19 Africa 20 Other	10,285 10 4,179 6,097 3,367 -4,081 689 -298	-3,223 539 -1,957 -1,805 23,526 9,817 1,103 -3,649	-3,602 232 -4,335 501 8,890 6,866 -171 -1,392	-1,915 155 -3,233 1,163 1,416 -339 -37 -242	7,270 27 2,385 4,858 4,000 3,383 119 75	~4,519 11 415 ~4,945 1,188 2,201 0 73	-1,495 -175 -3,309 1,989 -1,136 -743 -33 -182	445 179 -1,656 1,922 -1,032 804 -139 -1,140	-537 ^r 154 -471 -220 ^r 7,215 3,457 -66 301 ^r	-2,015 74 1,101 -3,190 3,843 3,348 67 -371		
21 Nonmonetary international and regional organizations	178 -358 -72	1,353 1,018 533	1,884 654 522	-805 -903 219	-13 -38 -31	202 76 97	583 228 270	893 581 235	552 56 1	-144 211 16		
МЕМО 24 Foreign countries 25 Official institutions 26 Other foreign 27 28 29 29 29 29 29 29 29	19,687 1,190 18,496	37,966 6,876 31,090	7,645 -5,398 13,043	4,351 2,951 1,400	17,661 -603 18,264	-194 -719 525	-129 -2,965 2,836	-2,166 -4,364 2,198	5,358 ^r -657 ^r 6,015 ^r	4,582 2,588 1,994		
Oil-exporting countries 27 Middle East 2 28 Africa	-6,822 239	4,323 11	-1,182 2	~271 0	407 0	511 0	-238 8	-1,855 0	811 0	100 -6		

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

^{2.} Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS¹

Percent per year

	Rate on May 28, 1993			Rate on	May 28, 1993		Rate on May 28, 1993		
Country	Percent	Month effective	Country	Percent	Month effective	Country	Percent	Month effective	
Austria Belgium Canada Denmark France	6.25 4.79	Apr. 1993 May 1993 June 1993 May 1993 June 1993	Germany. Italy. Japan. Netherlands.	7.25 10.0 2.5 6.25	Apr. 1993 June 1993 July 1992 May 1993	Norway. Switzerland United Kingdom.	7.75 5.0 12.0	Apr. 1993 Mar. 1993 Sept. 1992	

^{1.} Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper or government securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood that the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES¹

Averages of daily figures, percent per year

Type or country	1990	1991	1000	1992	1993						
	1990		1992	Dec.	Jan.	Feb.	Mar.	Apr.	Мау	June	
1 Eurodollars 2 United Kingdom 3 Canada 4 Germany 5 Switzerland 6 Netherlands 7 France 8 Italy 9 Belgium. 10 Japan	8.16 14.73 13.00 8.41 8.71 8.57 10.20 12.11 9.70 7.75	5.86 11.47 9.07 9.15 8.01 9.19 9.49 12.04 9.30 7.33	3.70 9.56 6.76 9.42 7.67 9.25 10.14 13.91 9.31 4.39	3.50 7.11 7.93 8.93 6.13 8.55 10.75 13.60 8.65 3.76	3.22 6.88 7.03 8.50 5.52 8.00 11.69 12.56 8.19 3.70	3.12 6.10 6.38 8.29 5.34 7.98 11.70 11.43 8.75 3.27	3.11 5.91 5.59 7.85 5.05 7.47 10.89 11.26 8.27 3.26	3.10 5.90 5.43 7.81 4.97 7.43 8.73 11.41 7.94 3.22	3.12 5.91 5.29 7.41 4.97 6.98 7.48 10.74 7.16 3.24	3.21 5.83 4.91 7.51 4.99 6.64 7.19 10.18 6.87 3.23	

^{1.} Rates are for three-month interbank loans, with the following exceptions: Canada, finance company paper; Belgium, three-month Treasury bills; and Japan, CD rate.

^{2.} Since Feb. 1981, the rate has been that at which the Bank of France discounts Treasury bills for seven to ten days.

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3.28 FOREIGN EXCHANGE RATES¹

Currency units per dollar except as noted

Construido	1000	1991	1992		1993						
Country/currency unit	1990	1991	1992	Jan.	Feb.	Mar.	Apr.	May	June		
1 Australia/dollar ² 2 Austria/schilling 3 Belgium/franc 4 Canada/dollar 5 China, P.R./yuan 6 Denmark/krone 7 Finland/markka. 8 France/franc 9 Germany/deutsche mark 10 Greece/drachma	78.069	77.872	73.521	67.297	68.294	70.775	71.155	69.859	67.492		
	11.331	11.686	10.992	11.368	11.556	11.586	11.234	11.305	11.637		
	33.424	34.195	32.148	33.239	33.841	33.919	32.857	33.044	34.009		
	1.1668	1.1460	1.2085	1.2779	1.2602	1.2471	1.2621	1.2698	1.2789		
	4.7921	5.3337	5.5206	5.7796	5.7874	5.7455	5.7202	5.7392	5.7504		
	6.1899	6.4038	6.0372	6.2319	6.3019	6.3242	6.1339	6.1751	6.3380		
	3.8300	4.0521	4.4865	5.4242	5.8534	5.9767	5.6190	5.4847	5.5674		
	5.4467	5.6468	5.2935	5.4751	5.5594	5.5944	5.3984	5.4180	5.5700		
	1.6166	1.6610	1.5618	1.6144	1.6414	1.6466	1.5964	1.6071	1.6547		
	158.59	182.63	190.81	215.97	220.60	223.57	217.90	218.12	225.45		
11 Hong Kong/dollar 12 India/rupee 13 Ireland/pound² 14 Italy/lira 15 Japan/yen 16 Malaysia/ringgit 17 Netherlands/guilder 18 New Zealand/dollar² 19 Norway/krone. 20 Portugal/escudo	7.7899	7.7712	7.7402	7.7376	7.7335	7.7332	7.7306	7.7290	7.7362		
	17.492	22.712	28.156	29.043	30.042	31.939	31.610	31.613	31.668		
	165.76	161.39	170.42	163.37	148.11	147.58	152.75	151.65	147.47		
	1,198.27	1,241.28	1,232.17	1,491.07	1,550.43	1,591.35	1,536.14	1,475.66	1,505.05		
	145.00	134.59	126.78	124.99	120.76	117.02	112.41	110.34	107.41		
	2.7057	2.7503	2.5463	2.5985	2.6295	2.6051	2.5777	2.5661	2.5696		
	1.8215	1.8720	1.7587	1.8155	1.8473	1.8507	1.7942	1.8026	1.8559		
	59.619	57.832	53.792	51.270	51.603	53.026	53.904	54.290	53.949		
	6.2541	6.4912	6.2142	6.8721	6.9779	6.9989	6.7399	6.8027	6.9986		
	142.70	144.77	135.07	145.36	149.89	152.17	148.25	151.89	157.63		
21 Singapore/dollar	1.8134	1.7283	1.6294	1.6527	1.6463	1.6446	1.6228	1.6136	1.6175		
	2.5885	2.7633	2.8524	3.0713	3.1313	3.1790	3.1718	3.1787	3.2408		
	710.64	736.73	784.58	794.87	799.25	796.42	798.61	803.19	805.91		
	101.96	104.01	102.38	114.62	117.51	117.71	115.64	121.30	127.11		
	40.078	41.200	44.013	46.307	46.351	47.069	47.712	47.965	48.073		
	5.9231	6.0521	5.8258	7.2536	7.5566	7.7362	7.4500	7.3271	7.4541		
	1.3901	1.4356	1.4064	1.4774	1.5178	1.5206	1.4599	1.4504	1.4769		
	26.918	26.759	25.160	25.452	25.837	26.026	25.987	25.978	26.267		
	25.609	25.528	25.411	25.523	25.508	25.425	25.251	25.234	25.214		
	178.41	176.74	176.63	153.25	143.95	146.17	154.47	154.77	150.82		
МЕМО 31 United States/dollar ³	89.09	89.84	86.61	92.36	93,82	93.65	90,62	90.24	91.81		

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

2. Value in U.S. cents.

3. Index of weighted-average exchange value of U.S. dollar against the currencies of ten industrial countries. The weight for each of the ten countries is

the 1972-76 average world trade of that country divided by the average world trade of all ten countries combined. Series revised as of August 1978 (see Federal Reserve Bulletin, vol. 64, August 1978, p. 700).

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rn (1 1)		
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	J	
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4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities¹ Consolidated Report of Condition, March 31, 1993

Millions of dollars except as noted

	Item	Total	Banks	with foreign	offices ²	Banks with domestic offices only		
	nen	Total	Total	Foreign	Domestic	Over 100	Under 100	
	Total assets ⁴	3,487,345	1,919,690	451,335	1,551,862	1,224,384	343,271	
2 3 4 5 6 7 8	Cash and balances due from depository institutions Cash items in process of collection, unposted debits, and currency and coin Cash items in process of collection and unposted debits Currency and coin Balances due from depository institutions in the United States Balances due from banks in foreign countries and foreign central banks Balances due from Federal Reserve Banks	264,870 n.a.	182,001 71,403 n.a. n.a. 27,498 63,113 19,987	80,623 1,646 n.a. n.a. 18,691 60,005 281	101,378 69,757 53,555 16,202 8,807 3,109 19,706	64,178 33,643 21,571 12,072 16,465 2,562 11,510	18,691 n.a.	
9	Non-interest-bearing balances due from commercial banks in the United States (included in balances due from depository institutions in the United States)	n.a.	n.a.	n.a.	5,887	12,807	7,468	
10	Total securities, loans and lease financing receivables, net	2,897,073	1,486,638	n.a.	n.a.	1,099,352	311,083	
11 12	Total securities, book value	793,593	328,999	29,990	299,009	345,821	118,774	
13 14 15	obligations. U.S. Treasury securities. U.S. government agency and corporation obligations. All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages.	627,992 n.a. n.a.	251,151 95,379 155,772 81,086	5,351 2,802 2,549 2,202	245,800 92,577 153,223 78,885	280,747 118,415 162,333 65,195	96,093 n.a. n.a.	
16 17 18 19	All other. Securities issued by states and political subdivisions in the United States. Other domestic debt securities. All holdings of private certificates of participation in pools of	n.a. 71,194 n.a.	74,686 19,723 27,806	348 559 219	74,338 19,164 27,587	97,138 35,550 23,990	n.a. 15,921 n.a.	
20 21 22 23 24 25 26 27	residential mortgages. All other domestic debt securities Foreign debt securities Equity securities Marketable Investments in mutual funds Other LESS: Net unrealized loss. Other equity securities	5,018 52,118 n.a. 12,896 5,620 3,717 1,950 47 7,275	2,642 25,164 24,096 6,222 1,882 1,133 751 1 4,339	0 219 22,817 1,043 188 22 165 0 855	2,642 24,945 1,279 5,179 1,695 1,111 585 1 3,484	2,245 21,745 281 5,253 2,765 1,699 1,088 22 2,488	130 5,208 n.a. 1,421 973 885 112 23 448	
28 29 30 31 32 33 34 35 36	Federal funds sold and securities purchased under agreements to resell. Federal funds sold. Securities purchased under agreements to resell. Total loans and lease financing receivables, gross LESS: Unearned income on loans Total loans and leases (net of unearned income) LESS: Allowance for loan and lease losses. LESS: Allowance for loan and lease losses. EQUALS: Total loans and leases, net	149,323 126,086 23,237 2,016,369 7,848 2,008,521 54,008 356 1,954,157	76,183 56,717 19,466 1,119,284 2,826 1,116,458 34,647 356 1,081,456	296 n.a. n.a. 205,167 925 204,242 n.a. n.a.	75,887 n.a. n.a. 914,117 1,901 912,217 n.a. n.a.	54,466 50,855 3,612 719,070 3,809 715,261 16,197 0 699,064	18,673 18,514 159 178,015 1,213 176,802 3,165 0 173,637	
37 38 39 40 41 42 43 44 45 46 47	Total loans, gross, by category Loans secured by real estate. Construction and land development. Farmland. One- to four-family residential properties. Revolving, open-end loans, extended under lines of credit All other loans. Multifamily (five or more) residential properties. Nonfarm nonresidential properties. Loans to depository institutions. Commercial banks in the United States. Other depository institutions in the United States Banks in foreign countries.	36,390 n.a. n.a. n.a.	n.a. 29,048 10,564 560 17,924	22,802 n.a. 16,188 540 55 15,593	368,382 40,901 1,995 204,946 39,793 165,153 12,308 108,231 12,860 10,024 10,024 2,331	370,567 26,933 7,561 200,762 30,903 169,859 122,892 122,418 7,184 6,653 221 310	98,434 5,625 10,393 53,858 2,820 51,038 2,119 26,439 159 n.a. n.a.	
50 51 52 53 54 55	Loans to finance agricultural production and other loans to farmers. Commercial and industrial loans. U.S. addressees (domicile) Non-U.S. addressees (domicile) Acceptances of other banks. U.S. banks Foreign banks Loans to individuals for household, family, and other personal expenditures (includes purchased paper) Credit cards and related plans Other (includes single payment and installment).	33,038 530,702 n.a. n.a. 1,969 n.a. n.a. 379,086 130,780 248,306	4,977 372,519 297,372 75,147 1,310 358 952 173,003 68,108 104,895	233 93,191 20,813 72,377 800 2 797 20,716 n.a. n.a.	4,745 279,328 276,559 2,769 510 356 155 152,287 n.a.	10,748 128,223 127,779 444 478 n.a. n.a. 176,833 61,171 115,662	17,313 29,960 n.a. n.a. 180 n.a. n.a. 29,250 1,500 27,749	
59 60 61	Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations). Taxable Tax-exempt All other loans Loans to foreign governments and official institutions. Other loans Loans for purchasing and carrying securities All other loans	23,725 1,483 22,242 116,706 n.a. n.a. n.a.	12,618 948 11,670 106,667 24,757 81,910 n.a. n.a.	216 91 124 47,487 23,492 23,995 n.a. n.a.	12,402 857 11,546 59,180 1,265 57,915 15,964 41,951	9,959 495 9,464 8,908 83 8,825 1,817 7,008	1,149 40 1,108 1,131 n.a. n.a. n.a.	
68 69 70 71 72 73 74	Lease financing receivables Assets held in trading accounts Premises and fixed assets (including capitalized leases) Other real estate owned Investments in unconsolidated subsidiaries and associated companies Customers' liability on acceptances outstanding Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs Intangible assets Other assets	34,569 93,678 53,443 25,523 3,463 14,536 n.a. 16,114 118,646	27,959 92,044 28,743 16,059 2,961 14,171 n.a. 9,300 87,774	3,536 57,112 n.a.	24,423 34,782 n.a. n.a. n.a. 51,858 n.a. n.a.	6,171 1,466 19,049 7,770 455 350 n.a. 6,392 25,371	440 168 5,651 1,694 47 15 n.a. 422 5,502	

4.20—Continued

Item	Total	Banks	with foreign	offices ²	Banks with domestic offices only ³	
	1000	Total	Foreign	Domestic	Over 100	Under 100
76 Total liabilities, limited-life preferred stock and equity capital	3,487,345 3,215,795 4	1,919,690 1,784,009	n.a. 451,326 n.a.	n.a. 1,416,190 n.a.	1,224,384 1,121,473	343,271 310,313 2
79 Total deposits 80 Individuals, partnerships, and corporations 81 U.S. government 82 States and political subdivisions in the United States 83 Commercial banks in the United States 84 Other depository institutions in the United States 85 Banks in foreign countries 86 Foreign governments and official institutions. 87 Certified and official checks 88 All other	n.a. 18,049	1,323,315 n.a. 22,607 9,779 n.a.	304,354 191,662 n.a. 21,616 812 90,265	1,018,960 946,857 2,891 30,885 18,915 3,423 6,032 991 8,967 n.a.	1,006,453 939,222 1,823 45,997 8,369 4,461 132 57 6,392 n.a.	303,541 278,798 433 19,966 1,162 1,260 n.a. n.a. 1,879
89 Total transaction accounts 90 Individuals, partnerships, and corporations 91 U.S. government 92 States and political subdivisions in the United States 93 Commercial banks in the United States 94 Other depository institutions in the United States 95 Banks in foreign countries 96 Foreign governments and official institutions. 97 Certified and official checks. 98 All other.				361,745 311,141 2,429 12,860 17,431 2,526 5,628 762 8,967 n.a.	297,507 266,034 1,475 16,219 6,027 1,230 119 11 6,392 n.a.	88,158 77,929 318 7,305 537 163 n.a. n.a. 1,879
99 Demand deposits (included in total transaction accounts) 100 Individuals, partnerships, and corporations 101 U.S. government 102 States and political subdivisions in the United States 103 Commercial banks in the United States 104 Other depository institutions in the United States 105 Banks in foreign countries 106 Foreign governments and official institutions. 107 Certified and official checks. 108 All other. 109 Total nontransaction accounts 110 Individuals, partnerships, and corporations 111 U.S. government 112 States and political subdivisions in the United States 113 Commercial banks in the United States 114 U.S. branches and agencies of foreign banks 115 Other commercial banks in the United States 116 Other depository institutions in the United States 117 Banks in foreign countries 118 Foreign branches of other U.S. banks 119 Other banks in foreign countries 120 Foreign governments and official institutions. 121 All other.	n.a.	n.a.	n.a.	255,517 209,872 2,207 8,130 17,431 2,526 5,624 761 8,967 n.a. 657,215 635,715 635,715 635,715 130 1,354 897 404 12 392 229 n.a.	162,999 141,985 1,384 5,897 6,002 1,209 119 6,392 n.a. 708,946 673,188 29,778 2,342 107 2,235 3,231 13 8 4 47 n.a.	40,980 36,342 298 1,744 533 1158 n.a. 1,879 27 215,384 200,869 115 12,661 625 n.a. n.a. 1,097 n.a. n.a.
122 Federal funds purchased and securities sold under agreements to repurchase. 123 Federal funds purchased 124 Securities sold under agreements to repurchase. 125 Demand notes issued to the U.S. Treasury. 126 Other borrowed money. 127 Banks' liability on acceptances executed and outstanding. 128 Notes and debentures subordinated to deposits. 129 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs. 130 All other liabilities 131 Total equity capital ⁷ .	268,454 165,530 102,924 n.a. 144,383 14,630 34,228 n.a. 106,258 271,547	198,386 128,646 69,740 n.a. 118,163 14,265 32,235 n.a. 86,455 135,681	448 n.a. n.a. n.a. 48,605 3,275 n.a. n.a. n.a.	197,938 n.a. n.a. 11,191 69,558 10,990 n.a. 31,649 n.a. n.a.	67,448 35,904 31,544 3,027 25,130 350 1,954 n.a. 17,110 402,940	2,620 980 1,640 315 1,090 15 39 n.a. 2,693 32,956
MEMO 132 Holdings of commercial paper included in total loans, gross 133 Total individual retirement accounts (IRA) and Keogh plan accounts 134 Total brokered deposits 135 Total brokered retail deposits 136 Issued in denominations of \$100,000 or less 137 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less 138 Money market deposit accounts (savings deposits; MMDAs) 139 Other savings deposit of \$100,000 mMDAs) 140 Total time deposits of less than \$100,000 or more 142 Open-account time deposits of \$100,000 or more 143 All negotiable order of withdrawal (NOW) accounts (including Super NOWs) 144 Total time and savings deposits	n.a.	1,622 n.a.	295	1,326 63,362 27,270 18,913 998 17,915 234,160 124,190 198,977 85,394 14,495 105,259 763,444	1,504 67,976 15,875 13,616 2,948 10,668 177,952 134,349 307 86,396 3,004 132,019 843,454	n.a. 17,366 556 526 457 69 38,583 38,501 111,326 26,024 949 45,973 262,562
Quarterly averages 145 Total Joans. 146 Obligations (other than securities) of states and political subdivisions in the United States. 147 Transaction accounts in domestic offices (NOW accounts, automated transfer service (ATS) accounts, and telephone and preauthorized transfer accounts). Nontransaction accounts in domestic offices 148 Money market deposit accounts 149 Other savings deposits 150 Time certificates of deposit of \$100,000 or more. 151 All other time deposits	11,283	208	n.a.	892,030 13,106 106,459 236,832 122,063 88,227 224,676 n.a.	704,044 9,802 132,508 176,889 131,029 85,326 311,653 2,915	175,348 n.a. 46,504 38,289 37,557 25,460 112,810 8,160

4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of \$100 Million or more or with foreign offices Consolidated Report of Condition, March 31, 1993

Millions of dollars except as noted

			Members		Non-
ltem	Total	Total	National	State	members
1 Total assets ⁴	2,776,246	2,159,025	1,672,096	486,929	617,221
2 Cash and balances due from depository institutions 3 Cash items in process of collection and unposted debits. 4 Currency and coin 5 Balances due from depository institutions in the United States 6 Balances due from banks in foreign countries and foreign central banks 7 Balances due from Federal Reserve Banks	165,557	135,855	105,468	30,387	29,702
	75,126	66,561	53,152	13,409	8,565
	28,274	23,017	18,606	4,412	5,256
	25,271	15,950	12,656	3,293	9,322
	5,670	4,215	3,516	699	1,455
	31,216	26,112	17,538	8,574	5,104
8 Total securities, loans, and lease financing receivables, (net of unearned income)	2,402,661	1,843,985	1,449,043	394,942	558,676
9 Total securities, book value 10 U.S. Treasury securities 11 U.S. government agency and corporation obligations 12 All hoidings of U.S. government-issued or guaranteed certificates of	644,830	489,387	367,787	121,601	155,443
	210,992	156,863	121,012	35,851	54,129
	315,555	245,992	184,468	61,524	69,563
participation in pools of residential mortgages. All other Securities issued by states and political subdivisions in the United States. Other domestic debt securities All holdings of private certificates of participation in pools of residential mortgages. All other. Foreign debt securities. Equity securities. Marketable. Investments in mutual funds. Other. LESS: Net unrealized loss. Other equity securities.	144,080 171,476 54,713 51,578 4,887 4,690 1,560 10,432 4,459 2,810 1,673 23 5,972	117,150 128,843 38,279 39,911 4,136 35,775 1,050 7,292 2,117 1,408 718 10 5,175	88,158 96,310 26,992 28,255 3,519 24,736 6,081 1,887 1,319 576 8 4,194	28,991 32,533 11,287 11,656 618 11,039 72 1,211 230 89 143 2 981	26,930 42,633 16,435 11,667 751 10,916 510 3,140 2,343 1,402 954 13 797
25 Federal funds sold and securities purchased under agreements to resell ⁸ 26 Federal funds sold 27 Securities purchased under agreements to resell 28 Total loans and lease financing receivables, gross 29 Less: Uncarned income on loans 30 Total loans and leases (net of uncarned income)	130,353	106,187	82,096	24,090	24,167
	50,855	33,825	29,225	4,600	17,029
	3,612	2,410	1,529	881	1,202
	1,633,187	1,252,209	1,001,806	250,403	380,978
	5,710	3,798	2,646	1,152	1,912
	1,627,477	1,248,411	999,160	249,251	379,067
Total loans, gross, by category 31 Loans secured by real estate 2 Construction and land development 33 Farmland 34 One- to four-family residential properties 35 Revolving, open-end and extended under lines of credit 36 All other loans 37 Multifamily (five or more) residential properties 38 Nonfarm nonresidential properties 39 Commercial banks in the United States 40 Other depository institutions in the United States 41 Banks in foreign countries 42 Finance agricultural production and other loans to farmers	738,948	548,009	444,699	103,310	190,940
	67,834	51,580	42,206	9,374	16,254
	9,557	5,635	4,759	876	3,922
	405,708	307,536	250,551	56,986	98,172
	70,696	53,983	44,007	9,976	16,714
	335,012	253,553	206,544	47,010	81,458
	25,200	17,823	14,135	3,688	7,377
	230,649	165,435	133,048	32,386	65,214
	16,676	12,286	9,877	2,408	4,391
	726	534	467	66	193
	2,641	2,301	1,215	1,086	340
	15,492	10,584	9,226	1,358	4,908
43 Commercial and industrial loans 44 U.S. addressees (domicile) 45 Non-U.S. addressees (domicile)	407,551	328,666	259,999	68,667	78,885
	404,338	325,821	257,658	68,163	78,517
	3,213	2,845	2,340	504	369
46 Acceptances of other banks ⁹ 47 U.S. banks 48 Foreign banks	989	744	605	139	245
	476	310	188	121	166
	390	381	371	10	10
49 Loans to individuals for household, family, and other personal expenditures (includes purchased paper) 50 Credit cards and related plans 51 Other (includes single payment and installment) 52 Loans to foreign governments and official institutions 53 Obligations (other than securities) of states and political subdivisions in the United States	329,120	242,605	199,175	43,430	86,515
	61,171	42,292	38,737	3,555	18,880
	115,662	70,412	56,259	14,153	45,250
	1,348	1,319	807	512	30
(includes nonrated industrial development obligations) 54 Taxable 55 Tax-exempt 66 Other loans 57 Loans for purchasing and carrying securities 8 All other loans	22,361	18,102	13,073	5,029	4,259
	1,352	1,095	730	364	257
	21,009	17,007	12,343	4,664	4,002
	66,740	61,538	42,095	19,443	5,202
	17,781	16,213	8,492	7,721	1,568
	48,958	45,325	33,603	11,722	3,634
59 Lease financing receivables 60 Customers' liability on acceptances outstanding 61 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs 62 Remaining assets	30,594	25,523	20,568	4,955	5,071
	11,202	10,526	7,720	2,806	675
	51,858	46,514	23,962	22,553	5,344
	196,827	168,659	109,866	58,794	28,168

4.21—Continued

	_			Members		Non-	
	Item	Total	Total	National	State	members	
63	Total liabilities and equity capital	2,776,246	2,159,025	1,672,096	486,929	617,221	
64	Total liabilities ⁵	2,537,663	1,974,948	1,530,078	444,870	562,715	
65 66 67 68 69 70 71 72 73	Total deposits Individuals, partnerships, and corporations U.S. government States and political subdivisions in the United States Commercial banks in the United States Other depository institutions in the United States Banks in foreign countries Foreign governments and official institutions Certified and official checks	2,025,413 1,886,079 4,714 76,882 27,284 7,884 6,164 1,048 15,359	1,551,428 1,443,113 3,970 56,264 24,269 5,100 5,682 959 12,072	1,236,043 1,151,673 3,295 45,157 19,304 4,128 3,203 535 8,748	315,384 291,440 675 11,106 4,965 972 2,479 424 3,323	473,986 442,966 744 20,618 3,016 2,783 482 89 3,287	
74 75 76 77 78 79 80 81 82	Total transaction accounts Individuals, partnerships, and corporations U.S. government States and political subdivisions in the United States Commercial banks in the United States Other depository institutions in the United States Banks in foreign countries Foreign governments and official institutions Certified and official checks	659,252 577,176 3,904 29,079 23,458 3,756 5,747 773 15,359	523,297 454,325 3,235 22,483 22,062 3,001 5,400 720 12,072	414,264 361,144 2,769 18,001 17,822 2,348 3,065 367 8,748	109,033 93,181 465 4,483 4,240 653 2,334 353 3,323	135,955 122,851 670 6,596 1,396 755 347 53 3,287	
83 84 85 86 87 88 89 90	Demand deposits (included in total transaction accounts) Individuals, partnerships, and corporations U.S. government States and political subdivisions in the United States Commercial banks in the United States Other depository institutions in the United States Banks in foreign countries Foreign governments and official institutions Certified and official checks	418,516 351,857 3,591 14,027 23,433 3,735 5,743 771 15,359	339,645 281,729 2,936 11,748 22,056 2,986 5,399 719 12,072	264,158 219,883 2,484 9,462 17,816 2,333 3,065 366 8,748	75,487 61,846 452 2,286 4,240 653 2,334 353 3,323	78,871 70,128 655 2,279 1,376 749 344 53 3,287	
92 93 94 95 96 97 98 99 100 101 102 103	Total nontransaction accounts Individuals, partnerships, and corporations U.S. government States and political subdivisions in the United States Commercial banks in the United States U.S. branches and agencies of foreign banks Other commercial banks in the United States Other depository institutions in the United States Other depository institutions in the United States Banks in foreign countries Foreign branches of other U.S. banks Other banks in foreign countries Foreign governments and official institutions	1,366,161 1,308,903 810 47,802 3,826 237 3,589 4,128 417 20 396 276	1,028,131 988,788 735 33,780 2,206 115 2,091 2,099 282 13 269 239	821,779 790,529 526 27,157 1,482 110 1,372 1,780 137 13 125 168	206,351 198,259 209 6,624 724 5 719 319 144 1	338,031 320,115 75 14,022 1,620 122 1,498 2,028 135 7 128 36	
106 107 108 109 110	Federal funds purchased and securities sold under agreements to repurchase Federal funds purchased Securities sold under agreements to repurchase Securities sold under agreements to repurchase Demand notes issued to the U.S. Treasury Other borrowed money Banks liability on acceptances executed and outstanding Notes and debentures subordinated to deposits Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs Remaining liabilities Remaining lia	265,386 35,904 31,544 14,218 94,688 11,340 1,954 31,649 124,664	227,092 27,134 20,348 12,752 67,695 10,665 1,462 22,003 103,855	156,178 21,886 17,577 8,943 46,564 7,826 1,145 19,403 73,377	70,913 5,248 2,770 3,808 21,131 2,839 317 2,600 30,478	38,294 8,770 11,196 1,466 26,993 675 492 9,646 20,809	
113	Total equity capital ⁷	238,583	184,078	142,019	42,059	54,506	
115	MEMO Holdings of commercial paper included in total loans, gross Total individual retirement (IRA) and Keogh plan accounts Total brokered deposits Total brokered retail deposits Issued in denominations of \$100,000 or less Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	2,831 131,337 43,145 32,529 3,946 28,583	581 101,288 30,799 23,147 2,491 20,657	525 81,854 25,167 19,227 2,271 16,956	56 19,434 5,632 3,920 220 3,701	2,250 30,049 12,346 9,381 1,455 7,926	
121 122 123 124 125	Money market deposit accounts (savings deposits; MMDAs) Other savings accounts Total time deposits of less than \$100,000 Time certificates of deposit of \$100,000 or more Open-account time deposits of \$100,000 or more All negotiable order of withdrawal (NOW) accounts (including Super NOWs) Total time and savings deposits	412,112 258,539 506,221 171,790 17,499 237,278 1,606,898	325,413 193,975 373,437 121,749 13,557 181,581 1,211,783	260,030 143,806 307,615 102,014 8,314 148,365 971,886	65,382 50,169 65,822 19,735 5,243 33,216 239,897	86,699 64,564 132,784 50,041 3,942 55,696 395,115	
128	Quarterly averages Total loans Obligations (other than securities) of states and political subdivisions in the United States Transaction accounts (NOW accounts, automated transfer service (ATS) accounts, and telephone preauthorized transfer accounts)	1,596,074 22,909 238,967	1,221,287 18,668 182,287	980,347 13,500 148,907	240,940 5,168 33,380	374,787 4,241 56,679	
130 131 132 133	Nontransaction accounts Money market deposit accounts Other savings deposits Time certificates of deposits of \$100,000 or more All other time deposits	413,720 253,092 173,553 536,329	326,918 189,389 123,762 398,116	260,122 140,248 103,908 323,011	66,796 49,141 19,854 75,105	86,802 63,703 49,791 138,213	
134	Number of banks	3,123	1,669	1,370	299	1,454	

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities¹ Consolidated Report of Condition, March 31, 1993

Millions of dollars except as noted

			Members		Non-
Item	Total	Total	National	State	members
1 Total assets ⁴	3,119,517	2,289,150	1,772,493	516,658	830,367
2 Cash and balances due from depository institutions. 3 Currency and coin. 4 Non-interest-bearing balances due from commercial banks. 5 Other.	26,162	143,151 24,250 14,833 104,068	111,145 19,570 11,427 80,148	32,005 4,680 3,406 23,919	41,097 7,219 11,328 22,549
6 Total securities, loans, and lease financing receivables (net of unearned income)	2,716,909	1,962,803	1,540,588	422,214	754,106
7 Total securities, book value 8 U.S. Treasury securities and U.S. government agency and corporation obligations 9 Securities issued by states and political subdivisions in the United States 10 Other debt securities 11 All holdings of private certificates of participation in pools of residential mortgages 12 All other. 13 Equity securities 14 Marketable. 15 Investments in mutual funds 16 Other. 17 Less: Net unrealized loss 18 Other equity securities 19 Federal funds sold and securities purchased under agreements to resell 19 Federal funds sold 10 Securities purchased under agreements to resell 10 Total loans and lease financing receivables, gross. 11 Less: Unearned income on loans 12 Total loans and leases (net of unearned income).	53,459 11,853 5,433 3,694 1,785 47 6,420 149,027 69,369	535,158 440,475 43,831 42,903 4,197 38,706 7,949 2,494 1,769 743 18 5,455 113,580 41,163 2,466 1,318,351 4,287 1,314,064	404,190 335,599 31,249 30,732 3,564 27,167 6,610 2,206 1,624 598 16 4,405 87,713 34,797 1,574 1,051,706 3,021 1,048,685	130,968 104,876 12,582 12,171 632 11,539 1,339 288 146 145 2 1,050 25,867 6,365 893 266,646 1,266 265,379	228,445 182,165 26,803 15,573 821 14,752 3,904 2,938 1,925 1,042 28 965 35,446 28,206 1,304 492,851 2,636 490,215
Total loans, gross, by category Loans secured by real estate. Construction and land development. Farmland. One- to four-family residential properties Revolving, open-end loans, and extended under lines of credit. Multifamily (five or more) residential properties. Nonfarm nonresidential properties.	837,382 73,459 19,950 459,566 73,516 386,050 27,320 257,088	584,320 53,763 8,836 327,672 55,165 272,507 18,625 175,423	471,949 43,814 7,288 265,535 44,817 220,718 14,744 140,569	112,371 9,949 1,548 62,138 10,348 51,790 3,881 34,854	253,062 19,696 11,113 131,894 18,352 113,542 8,694 81,665
33 Loans to depository institutions 34 Loans to finance agricultural production and other loans to farmers 35 Commercial and industrial loans 36 Acceptances of other banks 37 Loans to individuals for household, family, and other personal expenditures	32,806 437,511 1,169	15,195 16,375 340,541 799	11,602 13,797 268,770 651	3,593 2,578 71,771 148	5,008 16,431 96,970 370
(includes purchased paper) Redit cards and related plans Other (includes single payment installment) Obligations (other than securities) of states and political subdivisions in the United States Taxable Tax-exempt All other loans Lease financing receivables Customers' liability on acceptances outstanding. Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs.	358,370 62,672 143,411 23,510 1,392 22,118 69,219 31,033 11,216 51,858 207,145	253,671 42,905 80,864 18,490 1,109 17,382 63,294 25,666 10,536 46,514 172,660	207,663 39,239 64,245 13,381 740 12,641 43,206 20,686 7,727 23,962 113,032	46,008 3,667 16,619 5,109 4,740 20,087 4,980 2,810 22,553 59,628	104,699 19,766 62,547 5,019 283 4,736 5,925 5,367 680 5,344 34,484
48 Total liabilities and equity capital	3,119,517	2,289,150	1,772,493	516,658	830,367
49 'Total liabilities'	' ' '	2,092,758	1,620,961	471,798	755,218
50 Total deposits 51 Individuals, partnerships, and corporations 52 U.S. government 53 States and political subdivisions in the United States 54 Commercial banks in the United States 55 Other depository institutions in the United States 56 Certified and official checks 57 All other	2,328,955 2,164,877 5,147 96,848 28,446 9,144 17,238 7,256	1,666,528 1,549,246 4,141 63,208 24,939 5,490 12,849 6,655	1,324,950 1,233,781 3,436 50,735 19,512 4,401 9,342 3,744	341,577 315,465 706 12,472 5,427 1,088 3,507 2,912	662,427 615,631 1,006 33,640 3,507 3,654 4,389 601
58 Total transaction accounts 59 Individuals, partnerships, and corporations 60 U.S. government 61 States and political subdivisions in the United States 62 Commercial banks in the United States. 63 Other depository institutions in the United States 64 Certified and official checks 65 All other	747,410 655,105 4,222 36,384 23,995 3,919 17,238 6,547	557,917 484,944 3,352 25,016 22,552 3,073 12,849 6,132	441,251 385,189 2,865 20,108 17,900 2,408 9,342 3,438	116,666 99,754 487 4,908 4,652 665 3,507 2,693	189,493 170,161 871 11,368 1,444 846 4,389 415
66 Demand deposits (included in total transaction accounts) 67 Individuals, partnerships, and corporations 68 U.S. government 69 States and political subdivisions in the United States 70 Commercial banks in the United States. 71 Other depository institutions in the United States 72 Certified and official checks 73 All other	459,495 388,199 3,889 15,770 23,965 3,893 17,238 6,541	356,317 296,356 3,051 12,332 22,541 3,057 12,849 6,130	276,827 231,235 2,577 9,953 17,890 2,392 9,342 3,437	79,490 65,121 473 2,379 4,652 665 3,507 2,693	103,179 91,843 839 3,438 1,424 835 4,389 411
74 Total nontransaction accounts 75 Individuals, partnerships, and corporations 76 U.S. government 77 States and political subdivisions in the United States 78 Commercial banks in the United States 79 Other depository institutions in the United States 80 All other	1,581,545 1,509,772 924 60,463 4,451 5,225 710	1,108,611 1,064,302 789 38,191 2,388 2,416 524	883,700 848,591 571 30,627 1,612 1,993 305	224,911 215,711 219 7,564 775 424 219	472,934 445,470 135 22,272 2,063 2,808 186

			Members		Non-
Item	Total	Total	National	State	members
81 Federal funds purchased and securities sold under agreements to repurchase 10 82 Federal funds purchased. 83 Securities sold under agreements to repurchase 84 Demand notes issued to the U.S. Treasury 85 Other borrowed money. 86 Banks liability on acceptances executed and outstanding 87 Notes and debentures subordinated to deposits. 88 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs 89 Remaining liabilities.	268,006 36,884 33,184 14,533 95,778 11,355 1,993 31,649 127,356	228,253 27,626 21,018 12,864 68,062 10,675 1,474 22,003 104,903	156,959 22,175 18,069 9,031 46,820 7,833 1,151 19,403 74,216	71,295 5,451 2,949 3,832 21,241 2,842 323 2,600 30,687	39,752 9,258 12,167 1,669 27,716 680 520 9,646 22,454
90 Total equity capital ⁷	271,541	196,392	151,532	44,860	75,149
MEMO 91 Assets held in trading accounts ¹¹ 92 U.S. Treasury securities. 93 U.S. government agency corporation obligations 94 Securities issued by states and political subdivisions in the United States 95 Other bonds, notes, and debentures. 96 Certificates of deposit 97 Commercial paper 98 Bankers acceptances 99 Other	36,415 18,253 3,266 1,130 1,287 1,381 35 2,504 7,946	35,176 17,959 3,142 1,077 1,253 1,271 35 2,375 7,901	18,624 8,194 2,690 596 1,124 854 35 1,572 3,425	16,551 9,765 452 482 129 417 0 803 4,476	1,240 293 124 52 34 110 0 129
100 Total individual retirement (IRA) and Keogh plan accounts. 101 Total brokered deposits. 102 Total brokered retail deposits 103 Issued in denominations of \$100,000 or less. 104 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less.	148,704 43,701 33,055 4,403 28,651	107,582 30,986 23,324 2,643 20,681	86,745 25,283 19,338 2,368	20,837 5,703 3,986 275	41,121 12,715 9,730 1,760 7,970
Savings deposits 105 Money market deposit accounts (savings deposits; MMDAs) 106 Other savings deposits. 107 Total time deposits of less than \$100,000 108 Time certificates of deposit of \$100,000 or more 109 Open-account time deposits of \$100,000 or more 110 All negotiable order of withdrawal (NOW) accounts (including Super NOWs) 111 Total time and savings deposits.	450,695 297,040 617,547 197,815 18,448 283,251 1,869,460	341,158 209,069 412,929 131,596 13,858 199,126 1,310,211	272,229 155,148 338,112 109,661 8,549 162,394 1,048,124	68,930 53,921 74,817 21,934 5,309 36,731 262,087	109,537 87,971 204,618 66,219 4,589 84,125 559,248
Quarterly averages 112 Total loans	1,771,422 285,471	1,286,468	1,029,546 163,065	256,922 36,957	484,955 85,449
Nontransaction accounts 114 Money market deposit accounts 115 Other savings deposits. 116 Time certificates of deposit of \$100,000 or more 117 All other time deposits.	452,009 290,649 199,013 649,139	342,491 204,129 133,424 438,175	272,207 151,327 111,414 353,945	70,284 52,801 22,009 84,230	109,518 86,520 65,590 210,963
118 Number of banks	11,283	4,473	3,523	950	6,810

1. Effective Mar. 31, 1984, the report of condition was substantially revised for commercial banks. Some of the changes are as follows: (1) Previously, banks with international banking facilities (IBFs) that had no other foreign offices were considered domestic reporters. Beginning with the March 31, 1984, Call Report these banks are considered foreign and domestic reporters and must file the foreign and domestic report of condition; (2) banks with assets of more than \$1 billion report additional items; (3) the domestic offices of banks with foreign offices report far less detail; and (4) banks with assets of less than \$25 million have been excused from reporting certain detail items.

The "n.a." for some of the items is used to indicate the lesser detail available from banks without foreign offices, the inapplicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks with foreign offices.

All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to." All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because these intraoffice transactions are nullified by consolidation, total assets and total liabilities for the entire bank may not equal the sum of assets and liabilities for the entire bank may not equal the sum of assets and liabilities for the entire bank may not equal the sum of assets and liabilities for the entire bank may not equal the sum of assets and liabilities for the entire bank may not equal the sum of assets and liabilities for the entire bank may not equal the sum of assets and liabilities for the entire bank may not equal the sum of assets and liabilities for the entire bank may not equal the sum of assets and liabilities for the entire bank may not equal the sum of assets and liabilities for the entire bank may not equal the sum of assets and liabilities are precively of the domestic and foreign offices.

2. Fore

calendar year, were \$100 million or more. (These banks file the FFIEC 032 or FFIEC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks filed the FFIEC 034 Call Report.)

4. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserve are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

5. Because the foreign portion of demand notes issued to the U.S. Treasury is not reported for banks with foreign offices, the components of total liabilities (foreign) will not sum to the actual total (foreign).

6. The definition of "all other" varies by report form and therefore by column in this table.

7. Equity capital is not allocated between the decreated the foreign.

- in this table.

 7. Equity capital is not allocated between the domestic and foreign offices of banks with foreign offices.

 8. Only the domestic portion of federal funds sold and securities purchased under agreements to resell are reported here; therefore, the components do not sum to totals.

 9. "Acceptances of other banks" is not reported by domestic banks having less than \$300 million in total assets; therefore the components do not sum to totals.

 10. Only the domestic portion of federal funds purchased and securities sold are reported here; therefore the components do not sum to totals.
- are reported here; therefore the components do not sum to totals.

 11. Components are reported only for banks with total assets of \$1 billion or more; therefore the components do not sum to totals.

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4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, May 3-7, 19931

A. Commercial and Industrial Loans

	A0	A 410	Weighted average	Loan rate	(percent)	Loans	Loans made	Partici-	Most
Characteristic	Amount of loans (\$1,000)	Average size (\$1,000)	maturity ² Days	Weighted average effective ³	Standard error ⁴	secured by collateral (percent)	under commit- ment (percent)	pation loans (percent)	common base pricing rate ⁵
ALL BANKS									
1 Overnight ⁶	10,247,454	6,973	*	3.55	.20	5.5	57.3	8.9	Other
One month and under (excluding overnight) Fixed rate Floating rate	6,349,205 4,002,333 2,346,872	649 1,341 345	16 14 20	4.16 3.81 4.75	.19 .28 .25	27.4 19.2 41.3	73.0 70.6 77.1	5.0 1.4 11.2	Domestic Domestic Domestic
5 Over one month and under a year 6 Fixed rate	7,876,450 2,941,957 4,934,493	136 137 136	142 97 169	5,56 5.11 5.83	.17 .27 .22	57.1 55.3 58.2	77.2 72.7 80.0	13.0 11.6 13.9	Prime Other Prime
8 Demand ⁷	16,738,804 1,964,129 14,774,675	331 504 317	*	5.45 4.13 5.63	.18 .31 .16	64.6 17.7 70.8	65.4 81.1 63.4	5.0 1.9 5.5	Prime Fed funds Prime
11 Total short term	41,211,913	345	50	4.80	.18	42.7	66.8	7.5	Prime
12 Fixed rate (thousands of dollars)	19,155,873 347,544 442,248 330,865 3,508,517 3,469,582 11,057,116	643 14 199 689 2,215 6,796 19,123	21 176 147 62 34 14	3.91 8.27 6.61 4.76 4.27 3.77 3.57	.29 .19 .35 .13 .15 .07	17.2 79.3 68.3 42.5 23.8 14.4 11.3	64.9 27.2 52.9 81.3 76.1 65.9 62.2	7.0 1.2 7.2 5.9 5.2 8.4 7.4	Other Other Prime Other Domestic Other Other
19 Floating rate (thousands of dollars) 20 1-99 21 100-499 22 500-999 23 1,000-4,999 24 5,000-9999 25 10,000 and over	22,056,041 1,661,515 3,173,793 1,625,130 4,640,477 2,154,399 8,800,726	246 24 200 655 2,050 6,700 24,757	121 170 181 186 149 70 63	5.58 7.48 6.93 6.55 6.04 5.30 4.37	.18 .05 .08 .09 .19 .27 .32	64.8 84.6 78.0 70.2 59.2 44.6 63.3	68.5 84.3 88.8 89.6 84.7 81.8 42.6	8.0 2.7 5.5 7.8 8.4 7.1 9.9	Prime Prime Prime Prime Prime Prime Frime
			Months					}	}
26 Total long term	3,705,469	159	42	6.32	.19	64.7	76.4	7.3	Prime
27 Fixed rate (thousands of dollars)	1,212,616 164,739 131,221 94,398 822,258	109 16 214 638 4,345	50 44 76 59 46	6.02 8.80 7.90 8.43 4.88	.34 .25 .25 .62 .28	51.2 93.8 87.5 90.5 32.4	59.4 14.3 26.9 25.4 77.5	2.3 .0 1.5 2.0 2.9	Other Other Other Other Other
32 Floating rate (thousands of dollars)	2,492,853 215,718 527,409 330,607 1,419,119	205 25 218 657 2,970	38 41 36 39 38	6.47 7.77 7.06 6.72 5.99	.16 .08 .11 .16 .27	71.3 90.1 84.8 75.0 62.6	84.7 62.2 71.1 81.2 93.9	9.8 4.5 4.7 7.0 13.2	Prime Prime Prime Prime Prime
	}			Loan rate	(percent)				
			Days	Effective ³	Nominal ⁸	l			Prime rate ⁹
Loans Made Below Prime ¹⁸	}								
37 Overnight ⁶	10,104,214	8,337	*	3.52	3.50	4 .7	56.7	9.0	6.00
38 One month and under (excluding overnight)	5,693,366 4,142,750 8,161,210	3,531 508 2,998	15 97 *	3.83 4.23 3.88	3.80 4.21 3.84	21.7 41.5 54.9	71.4 77.1 43.1	4.3 18.5 3.5	6.03 6.14 6.01
41 Total short term	28,101,541	2,052	25	3.79	3.77	28.2	58.8	7.9	6.03
42 Fixed rate	18,063,114 10,038,427	2,732 1,417	15 70	3.69 3.97	3.67 3.93	13.9 53.8	64.9 47.6	7.0 9.5	6.02 6.06
			Months	 					
	500	662	42	4.53	4.50	36.5	77.6		6 30
44 Total long term	1,308,599	002 1	42	4.55	4,50	30.3	//-0	5,7	6.29

For notes see end of table.

4.23—Continued

			Weighted	Loan rate	(percent)	Loans	Loans made	Partici-	Most
Characteristic	Amount of loans (\$1,000)	Average size (\$1,000)	average maturity ²	Weighted average effective ³	Standard error ⁴	secured by collateral (percent)	under commit- ment (percent)	pation loans (percent)	base pricing rate ³
Large Banks									
1 Overnight ⁶	7,908,231	7,694	*	3.59	.16	7.1	48.4	11.0	Other
One month and under (excluding overnight) Fixed rate Floating rate		2,970 4,756 1,566	14 14 16	3.93 3.74 4.39	.15 .18 .23	21.4 18.7 27.7	82.6 76.1 97.9	1.0 1.3 .3	Domestic Domestic Domestic
5 Over one month and under a year 6 Fixed rate	4,349,395 1,962,634 2,386,761	928 2,234 627	110 67 145	4.91 4.54 5.21	.13 .14 .19	54.2 53.6 54.6	87.8 85.5 89.7	14.7 15.7 13.9	Foreign Domestic Prime
8 Demand ⁷	1,134,438	675 1,270 644	:	5.08 4.09 5.18	.18 .30 .17	62.7 15.4 67.7	57.1 80.8 54.6	4.3 1.7 4.5	Prime Other Prime
11 Total short term	28,896,175	1,154	33	4.46	.15	39.6	63.4	7.2	Fed funds
12 Fixed rate (thousands of dollars) 13 1-99. 14 100-499 15 500-999 16 1.000-4,999. 17 5,000-9,999. 18 10,000 and over	14,281,562 20,636 127,815 241,061 2,442,412 2,513,921 8,935,716	4,094 26 259 701 2,374 6,604 19,711	14 106 38 54 28 14	3.79 7.06 5.40 4.77 4.24 3.78 3.62	.21 .32 .22 .19 .11 .10	16.8 61.0 46.5 47.6 24.8 17.8 13.0	62.4 52.0 77.3 84.9 78.9 62.6 57.1	8.7 .0 5.9 4.3 5.8 11.6 8.9	Other Prime Other Domestic Domestic Other Other
19 Floating rate (thousands of dollars). 20 1-99. 21 100-499 22 500-999 23 1,000-4,999 24 5,000-9,999 25 10,000 and over	14,614,613 406,040 1,208,730 795,595 2,581,846 1,727,570 7,894,832	678 32 208 657 2,121 6,786 24,638	98 157 149 144 130 82 72	5.11 7.25 6.81 6.30 5.67 5.14 4.44	.17 .09 .06 .12 .19 .26 .34	61.8 82.5 75.1 59.6 47.4 46.1 67.1	64.4 91.2 91.0 89.4 84.0 82.1 46.1	5.7 1.9 3.3 6.9 7.1 6.1 5.5	Prime Prime Prime Prime Prime Prime Frime
			Months			ľ			1
26 Total long term	1,798,869	545	38	5.97	.17	60.3	88.9	10.6	Prime
27 Fixed rate (thousands of dollars) 28 1-99 29 100-499 30 500-999 31 1.000 and over	325,718 6,146 21,997 20,858 276,718	777 27 240 694 4,175	38 51 47 55 36	5.30 8.29 6.76 7.15 4.97	.30 .37 .27 .49 .52	56,6 89,6 75,5 81,4 52,6	78.1 36.9 57.0 62.1 81.8	6.2 1.0 7.1 9.1 6.1	Fed funds Other Other Domestic Fed funds
32 Floating rate (thousands of dollars) 33 -99. 34 00-499. 35 500-999. 36 1,000 and over.	1,473,151 37,285 234,131 189,753 1,011,982	511 29 231 669 3,303	37 31 36 35 38	6.11 6.97 6.88 6.54 5.83	.18 .16 .15 .29 .50	61.1 87.9 77.0 65.6 55.6	91.3 85.5 85.1 88.1 93.6	11.5 4.7 6.2 9.0 13.5	Prime Prime Prime Prime Prime
				Loan rate	(percent)				
			Days	Effective ³	Nominal ⁸		(Prime rate ⁹
Loans Made Below Prime ¹⁰					L				
37 Overnight ⁶	7,766,005	8,820	*	3.54	3.52	6.1	47.4	11.2	6.00
38 One month and under (excluding overnight)	4,451,478 2,958,534	6,201 3,106	14 88	3.81 4.12	3.78 4.10	19.8 46.4	82.4 88.9	1.0 17.2	6.00 6.00
40 Demand'	7,100,246	4,928	*	3.86	3.82	59.8	37.9	3.6	6.00
41 Total short term	22,276,263	5,581	22 13	3.77 3.69	3.75 3.68	31.3	56.9	7.5	6.00
42 Fixed rate	13,797,459 8,478,803	5,586 5,572	67	3.90	3.86	15.3 57.4	61.3 49.7	8.5 6.0	6.00 6.00
	}		Months			}			
44 Total long term	661,259	2,520	38	4.19	4.16	43.7	92.0	9.9	6.00
45 Fixed rate	215,686 445,572	3,127 2,304	34 40	4.35 4.12	4.30 4.09	50.1 40.6	86.0 94.8	3.5 12.9	6.00 6.00

For notes see end of table.

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4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, May 3-7, 19931—Continued Commercial and industrial loans—Continued

			Weighted average	Loan rate	(percent)	Loans	Loans made	Partici-	Most
Characteristic	Amount of loans (\$1,000)	Average size (\$1,000)	maturity ² Days	Weighted average effective ³	Standard error ⁴	secured by collateral (percent)	under commit- ment (percent)	pation loans (percent)	base pricing rate ⁵
OTHER BANKS									
1 Overnight ⁶	2,339,223	5,296		3.45	.36	.0	87.6	1.8	Other
One month and under (excluding overnight) Fixed rate Floating rate	1,700,027 726,073 973,954	207 316 164	22 17 25	4.78 4.13 5.26	.23 .34 .26	43.8 21.3 60.5	46.8 45.5 47.8	15,9 1,5 26,6	Foreign Fed funds Foreign
5 Over one month and under a year 6 Fixed rate	3,527,055 979,323 2,547,732	66 48 78	181 157 190	6.37 6.27 6.40	.20 .33 .21	60.8 58.6 61.6	64.2 46.9 70.8	10.9 3.3 13.8	Prime Other Prime
8 Demand ⁷	4,749,433 829,691 3,919,742	145 276 132	*	6.39 4.19 6.85	.21 .41 .14	69.1 21.0 79.3	86.6 81.3 87.7	7.0 2.2 8.0	Prime Fed funds Prime
11 Total short term	12,315,738	130	90	5.60	.21	50,1	74.9	8.4	Prime
12 Fixed rate (thousands of dollars) 1-99 14 100-499 15 500-999 16 1,000-4,999 17 5,000-9,999 10,000 and over	4,874,310 326,908 314,433 89,804 1,066,105 955,661 2,121,400	185 14 182 660 1,921 7,360 16,990	42 178 186 83 48 15 5	4.24 8.35 7.10 4.74 4.32 3.74 3.35	.32 .20 .46 .23 .38 .05	18.5 80.5 77.2 28.7 21.5 5.6 4.2	72.1 25.7 43.0 71.9 69.5 74.6 83.7	2.2 1.2 7.7 10.2 4.0 .0 1.2	Other Other Prime Other Fed funds Foreign Other
19 Floating rate (thousands of dollars) 20 1–99 21 100–499 22 500–999 23 1,000–4,999 24 5,000–9,999 25 10,000 and over	7,441,427 1,255,475 1,965,063 829,535 2,058,632 426,829 905,895	109 23 195 654 1,968 6,374 25,847	145 171 190 209 177 35 44	6.49 7.55 7.00 6.78 6.52 5.96 3.84	.20 .05 .10 .12 .12 .64	70.8 85.3 79.9 80.3 74.0 38.5 30.3	76.7 82.1 87.5 89.7 85.7 80.4 11.9	12.4 3.0 6.8 8.6 10.0 11.0 47.5	Prime Prime Prime Prime Prime Prime Prime Foreign
			Months						
26 Total long term	1,906,600	95	46	6.65	.21	68.9	64.6	4.3	Prime
27 Fixed rate (thousands of dollars) 28 1-99 29 100-499 30 500-999 31 1,000 and over	886,898 158,593 109,224 73,541 545,540	83 16 209 624 4,437	55 43 82 60 52	6.28 8.82 8.13 8.80 4.84	.41 .32 .25 1.04 .57	49.3 94.0 89.9 93.1 22.2	52.5 13.5 20.9 15.0 75.2	.9 .0 .4 .0 1.3	Other Other Other Other Other
32 Floating rate (thousands of dollars) 33 1-99 34 100-499 35 500-999 36 1,000 and over	1,019,702 178,433 293,278 140,854 407,137	110 24 209 643 2,377	38 43 36 44 36	6.98 7.94 7.21 6.97 6.39	.15 .13 .18 .32 .16	86.0 90.5 91.0 87.8 79.8	75.1 57.3 59.9 71.8 94.9	7.3 4.5 3.5 4.4 12.3	Prime Prime Prime Prime Prime
		<u> </u>	Loan rate (percent)	(percent)		Loan rate (percent)			
			Days	Effective ³	Nominal ⁸				Prime rate9
Louis Mans Beram Bernell									
Loans Made Below Prime ¹⁰ 37 Overnight ⁶	2,338,209	7,056	*	3,45	3.44	.0	87.6	1.8	6.00
38 One month and under (excluding overnight)	1,241,888	1,388	21	3.90	3.86	28.7	31.9	16.2	6.14
39 Over one month and under a year	1,184,217 1,060,964	165 828	121	4.52 4.00	4.48 3.99	29.4 22.3	47.6 77.8	21.8 2.6	6.49 6.10
41 Total short term	5,825,278	600	36	3.86	3.84	16.2	65.8	9.1	6.15
42 Fixed rate	4,265,654 1,559,624	1,030 280	22 78	3.68 4.37	3.66 4,33	9.5 34.3	76.5 36.5	1.9 28.7	6.06 6.37
			Months		ļ		Ì		
44 Total long term	647,341	378	46	4.87	4.85	29.2	63.0	1.5	6.58
	519,706	504	47	4.66	4.65	15.1	63.0	1.5	6.50

For notes see following page.

NOTES TO TABLE 4.23

1. As of Sept. 30, 1990, assets of most of the large banks were at least \$7.0 billion. For all insured banks, total assets averaged \$275 million.

2. Average maturities are weighted by loan size and exclude demand loans.

3. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan size.

4. The chances are about two out of three that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of lending at all banks.

5. The most common base rate is that used to price the largest dollar volume of loans. Base pricing rates include the prime rate (sometimes referred to as a bank's "basic" or "reference" rate); the federal funds rate; domestic money market

rates other than the federal funds rate; foreign money market rates; and other base rates not included in the foregoing classifications.

6. Overnight loans mature on the following business day.

7. Demand loans have no stated date of maturity.

8. Nominal (not compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan size.

9. The prime rate reported by each bank is weighted by the volume of loans extended and then averaged.

10. The proportion of loans made at rates below the prime may vary substantially from the proportion of such loans outstanding in banks' portfolios.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, March 31, 1993¹ Millions of dollars

	All s	states	New	York	Calif	ornia	Illinois	
ltem	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
1 Total assets ⁴	683,115	284,545	515,865	225,358	75,686	33,708	54,442	17,943
2 Claims on nonrelated parties	593,631 133,995	175,117 107,180	441,294 114,633	144,672 89,498	69,032 7,193	13,232 6,549	54,113 10,785	12,761 10,358
debits Currency and coin (U.S. and foreign) Balances with depository institutions in United States U.S. branches and agencies of other foreign banks	3,171 25 81,933	n.a. 60,664	3,043 18 70,101	n.a. 50,028	5,036	0 n.a. 4,480	82 1 6,053	0 n.a. 5,789
(including 1BFs) 8 Other depository institutions in United States (including 1BFs)	77,180 4,753	58,717 1,948	66,017 4,085	1,884	4,741	4,460	5,851	5,757
9 Balances with banks in foreign countries and with foreign central banks	47,997 1,454	46,515 1,424	40,790 1,216	39,470 1,186	2,072 151	2,069 151	4,598 65	4,568 65
11 Other banks in foreign countries and foreign central banks. 12 Balances with Federal Reserve Banks	46,543 870	45,092 n.a.	39,575 680	38,284 n.a.	1,921	1,918 n.a.	4,533 50	4,504 n.a,
13 Total securities and loans	374,719	57,884	255,472	46,232	55,625	6,215	37,444	1,989
14 Total securities, book value	83,406 31,349	13,906 n.a.	76,666 30,860	12,988 n.a.	3,598 127	553 n.a.	2,734 307	338 n.a.
Obligations of U.S. government agencies and corporations Other bonds, notes, debentures, and corporate stock (including state and local securities)	16,232 35,825	n.a. 13,906	15,505 30,301	n.a. 12,988	557 2,913	n.a. 553	97 2,331	n.a. 338
18 Federal funds sold and securities purchased under								
agreements to resell. U.S. branches and agencies of other foreign banks. Commercial banks in United States. Other.	35,213 11,683 3,858 19,672	3,582 2,171 103 1,308	33,352 10,426 3,636 19,289	3,267 2,119 103 1,045	540 402 67 71	2 2 0 0	791 616 32 143	150 50 0 100
22 Total loans, gross 23 Less: Unearned income on loans 24 Equals: Loans, net	291,440 127 291,313	43,987 9 43,978	178,890 84 178,806	33,251 8 33,243	52,046 19 52,027	5,663 1 5,662	34,726 16 34,710	1,652 0 1,651
Total loans, gross, by category 25 Real estate loans. 26 Loans to depository institutions 27 Commercial banks in United States (including IBFs). 28 U.S. branches and agencies of other foreign banks 29 Other commercial banks in United States. 30 Other depository institutions in United States (including	49,415 39,211 18,106 15,700 2,406	516 26,286 9,660 9,349 311	25,133 29,363 13,451 11,799 1,652	248 19,504 7,112 6,844 268	15,883 4,731 2,797 2,682 115	228 3,723 1,937 1,894 43	4,891 2,471 1,558 1,098 460	40 1,154 610 610 0
IBFs). 31 Banks in foreign countries. 32 Foreign branches of U.S. banks. 33 Other banks in foreign countries. 34 Other financial institutions.	304 20,801 542 20,259 23,720	5 16,621 316 16,306 968	7 15,906 367 15,539 20,964	5 12,387 281 12,106 840	0 1,934 175 1,760 917	0 1,786 35 1,751 27	298 616 0 616 1,403	0 544 0 544 20
35 Commercial and industrial loans. 36 U.S. addressees (domicile). 37 Non-U.S. addressees (domicile) 38 Acceptances of other banks. 39 U.S. banks. 40 Foreign banks. 41 Loans to foreign governments and official institutions	163,619 143,679 19,940 1,155 621 534	12,025 424 11,601 67 0 67	90,671 76,355 14,316 839 504 335	9,113 324 8,789 57 0 57	29,930 27,604 2,327 118 52 65	1,543 78 1,465 0 0	25,194 24,472 722 5 0 5	387 7 380 0 0
(including foreign central banks)	5,468	3,931	3,991	3,369	142	106	343	50
unsecured)	5,141 3,711	65 129	4,880 3,049	29 91	187 139	35 1	62 357	0
44 All other assets	49,703 16,862 12,074 4,788	6,471 n.a. n.a. n.a.	37,837 11,575 7,466 4,109	5,675 n.a. n.a. n.a.	5,674 3,822 3,484 338	466 n.a. n.a. n.a.	5,093 859 753 106	264 n.a. n.a. n.a.
parties	32,842 89,484	6,471 109,428	26,262 74,571	5,675 80,686	1,852 6,655	466 20,477	4,234 330	264 5,182
institutions	89,484	n.a.	74,571	n.a.	6,655	n.a.	330	n.a.
related depository institutions ³	n.a. 683,115	109,428 284,545	n.a. 515,865	80,686 225,358	n.a. 75,686	20,477 33,708	n.a. 54,442	5,182 17,943
53 Liabilities to nonrelated parties	568,840	254,243	460,328	203,111	59,946	33,339	30,734	11,823

4.30—Continued

Millions of dollars

	All s	states	New	York	Calif	ornia	lllir	nois
Item	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
54 Total deposits and credit balances 55 Individuals, partnerships, and corporations 56 U.S. addressees (domicile) 57 Non-U.S. addressees (domicile) 58 Commercial banks in United States (including IBFs) 59 U.S. branches and agencies of other foreign banks 60 Other commercial banks in United States 61 Banks in foreign countries 62 Foreign branches of U.S. banks 63 Other banks in foreign countries 64 Foreign governments and official institutions	94,310 14,891 27,144 14,301 12,843 7,887 4,087 3,800	188,865 11,561 176 11,385 57,655 50,590 7,065 99,898 5,925 93,974	134,083 91,816 83,036 8,780 25,554 13,691 11,863 7,641 4,050 3,591	172,311 6,835 168 6,668 53,309 46,995 6,314 93,907 4,689 89,218	4,383 4,105 2,330 1,775 31 26 4 36 0	6,621 491 0 491 2,268 1,786 482 2,884 195 2,689	6,243 5,499 4,426 1,073 667 321 346 63 35 28	4,564 27 9 19 1,696 1,511 185 2,563 1,008 1,555
(including foreign central banks). 65 All other deposits and credit balances. 66 Certified and official checks.	2,224 6,482 1,057	19,361 389 ♦	1,863 6,201 1,007	17,929 331	182 6 22	978 0 ♦	2 4 8	219 58
67 Transaction accounts and credit balances (excluding IBFs) 68 Individuals, partnerships, and corporations 69 U.S. addressees (domicile) 70 Non-U.S. addressees (domicile) 71 Commercial banks in United States (including IBFs) 72 U.S. branches and agencies of other foreign banks 73 Other commercial banks in United States. 74 Banks in foreign countries 75 Foreign branches of U.S. banks 76 Other banks in foreign countries. 77 Foreign governments and official institutions (including foreign central banks). 78 All other deposits and credit balances. 79 Certified and official checks 80 Demand deposits (included in transaction accounts and credit balances). 81 Individuals, partnerships, and corporations 82 U.S. addressees (domicile) 83 Non-U.S. addressees (domicile) 84 Commercial banks in United States (including IBF)s 85 U.S. branches and agencies of other foreign banks 86 Other commercial banks in United States. 87 Banks in foreign countries 88 Foreign branches of U.S. banks 89 Other banks in foreign countries 80 Other banks in foreign countries 81 Foreign governments and official institutions (including foreign central banks) 82 All other deposits and credit balances 83 Certified and official checks	8,776 6,253 4,523 1,730 143 45 98 896 4 892 314 113 1,057 8,183 5,817 4,353 1,463 107 22 85 833 4 829 285 84 1,057	n.a.	7,240 4,976 3,887 1,119 135 43 92 761 4 757 271 90 1,007 6,954 4,817 3,776 1,041 103 21 83 710 4 706	n.a.	294 229 182 47 4 0 4 27 0 27 5 6 22 236 183 150 33 1 0 0 24 0 24	n.a.	372 357 352 5 0 0 1 1 2 3 8 358 344 339 5 0 0 1 2 3 8	n.a.
93 Non-transaction accounts (including MMDAs, excluding IBFs). 94 Individuals, partnerships, and corporations 95 U.S. addressees (domicile). 96 Non-U.S. addressees (domicile). 97 Commercial banks in United States (including IBFs). 98 U.S. branches and agencies of other foreign banks. 99 Other commercial banks in United States. 100 Banks in foreign countries. 101 Foreign pranches of U.S. banks. 102 Other banks in foreign countries. 103 Foreign governments and official institutions (including foreign central banks). 104 All other deposits and credit balances.	·		126,843 86,840 79,179 7,661 25,419 13,648 11,771 6,880 4,047 2,834 1,592 6,112		4,089 3,876 2,148 1,728 26 26 0 9 0 9		5,871 5,142 4,074 1,068 667 321 346 62 35 27	
105 IBF deposit liabilities. 106 Individuals, partnerships, and corporations 107 U.S. addressees (domicile) 108 Non-U.S. addressees (domicile) 109 Commercial banks in United States (including IBFs) 110 U.S. branches and agencies of other foreign banks 111 Other commercial banks in United States 112 Banks in foreign countries 113 Foreign branches of U.S. banks 114 Other banks in foreign countries 115 Foreign governments and official institutions 116 (including foreign central banks) 117 All other deposits and credit balances	n.a.	188,865 11,561 176 11,385 57,655 50,590 7,065 99,898 5,925 93,974 19,361 389	n.a.	172,311 6,835 168 6,668 53,309 46,995 6,314 93,907 4,689 89,218 17,929 331	n.a.	6,621 491 0 491 2,268 1,786 482 2,884 195 2,689 978 0	n.a.	4,564 27 9 19 1,696 1,511 185 2,563 1,008 1,555 219 58

For notes see end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, March 31, 19931—Continued Millions of dollars

	All s	tates	New York		California		Illinois	
Item	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
117 Federal funds purchased and securities sold under agreements to repurchase. 118 U.S. branches and agencies of other foreign banks. 120 Other commercial banks in United States. 120 Other borrowed money. 121 Other borrowed money. 122 Owed to nonrelated commercial banks in United States (including IBFs). 123 Owed to U.S. offices of nonrelated U.S. banks. 124 Owed to U.S. branches and agencies of nonrelated foreign banks. 125 Owed to nonrelated banks in foreign countries. 126 Owed to nonrelated banks in foreign countries. 127 Owed to foreign branches of nonrelated U.S. banks. 128 Owed to offices of nonrelated foreign banks. 129 All other liabilities. 130 Branch or agency liability on acceptances executed and outstanding. 131 Other liabilities to nonrelated parties. 132 Net due to related depository institutions ⁵ . 133 Net due to related depository institutions ⁵ . 134 Net due to head office and other related depository institutions in the control of	68,295 13,587 14,950 39,757 110,820 40,456 13,147 27,308 28,500 1,849 26,651 41,864 46,866 18,524 28,342 114,275	9,702 2,648 152 6,902 50,231 19,836 2,620 17,216 27,140 1,750 25,390 3,256 5,445 n.a. 5,445	53,471 8,106 10,274 35,091 64,591 17,311 7,876 9,435 14,271 1,024 13,246 33,010 35,871 13,171 22,701 55,537	5,586 1,066 102 4,417 20,476 4,605 1,044 3,561 13,102 938 12,163 2,769 4,739 n.a. 4,739 22,247	9,047 3,726 2,692 2,628 34,642 18,392 3,368 15,024 10,523 639 9,884 5,727 5,254 3,828 1,426 15,741	2,479 1,218 30 1,231 23,763 13,340 1,382 11,958 10,360 629 9,731 63 477 n.a. 477	5,357 1,649 1,864 1,844 9,728 3,503 1,551 1,951 3,413 177 3,236 2,812 4,841 859 3,982 23,709	1,557 346 200 1,191 5,507 1,672 143 1,529 3,411 175 3,236 423 196 n.a. 196 6,120
institutions	114,275 n.a.	n.a. 30,303	55,537 n.a.	n.a. 22,247	15,741 n.a.	n.a. 370	23,709 n.a.	n.a. 6,120
MEMO 135 Non-interest bearing balances with commercial banks in United States 136 Holding of commercial paper included in total loans 137 Holding of commercial paper included in commercial and industrial loans 138 Commercial and industrial loans with remaining maturity of one year or less 139 Predetermined interest rates. 140 Floating interest rates 141 Commercial and industrial loans with remaining maturity of more than one year. 142 Predetermined interest rates. 143 Floating interest rates.	1,619 990 3,322 98,578 61,698 36,880 65,041 22,938 42,103	0 n.a.	1,256 853 2,648 53,554 31,243 22,311 37,117 12,788 24,329	n.a.	169 94 356 18,014 11,775 6,238 11,917 4,541 7,376	n.a.	114 35 109 15,726 11,870 3,856 9,469 4,104 5,364	n.a.

4.30-Continued

Millions of dollars

	All states		New York		California		Illinois	
Item	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
44 Components of total nontransaction accounts, included in total deposits and credit balances of nontransactional accounts, including IBFs. 45 Time CDs in denominations of \$100,000 or more	151,231 114,963 23,996 12,272	n.a.	133,553 101,642 21,289 10,623	n.a.	4,833 2,745 884 1,203	n.a.	6,019 4,132 1,520 367	n.a.
	All s	tates ²	New	York	Calif	ornia	Mir	nois
	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
48 Market value of securities held 49 Immediately available funds with a maturity greater than one day included in other borrowed money 50 Number of reports filed 51.	82,794 71,176 575	13,781 n.a. 0	75,880 36,244 268	12,842 n.a. 0	3,662 26,816 134	576 n.a. 0	2,848 6,866 51	336 n.a. 0

^{1.} Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." Details may not add to totals because of rounding. This form was first used for reporting data as of June 30, 1980, and was revised as of December 31, 1985. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

that no IBF data re reported for that item, either because the item is not an eligible IBF asset or liability or because that level of detail is not reported for IBFs. From December 1981 through September 1985, IBF data were included in all applicable

December 1981 through September 1985, IBF data were included in all applicable items reported.

4. Total assets and total liabilities include net balances, if any, due from or due to related banking institutions in the United States and in foreign countries (see footnote 5). On the former monthly branch and agency report, available through the G.11 statistical release, gross balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

5. "Related banking institutions" includes the foreign head office and other U.S. and foreign branches and agencies of the bank, the bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly) and indirectly).

6. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

because of differences in reporting paners and in a summariations.

2. Includes the District of Columbia.

3. Effective December 1981, the Federal Reserve Board amended Regulations D and Q to permit banking offices located in the United States to operate International Banking Facilities (IBFs). As of December 31, 1985 data for IBFs are reported in a separate column. These data are either included in or excluded from the total columns as indicated in the headings. The notation "in.a." indicates

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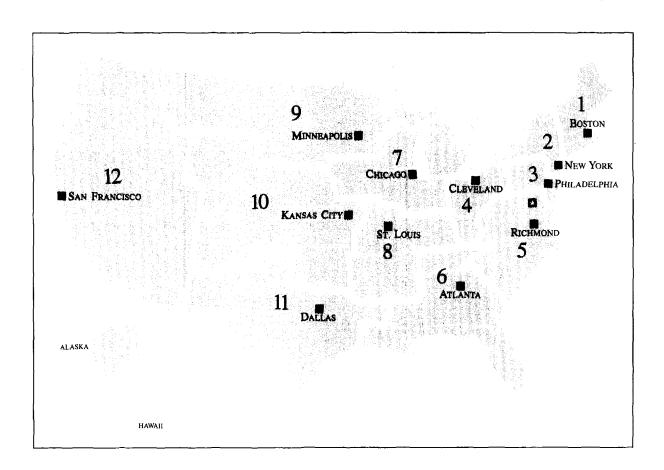
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LEGEND

Both pages

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

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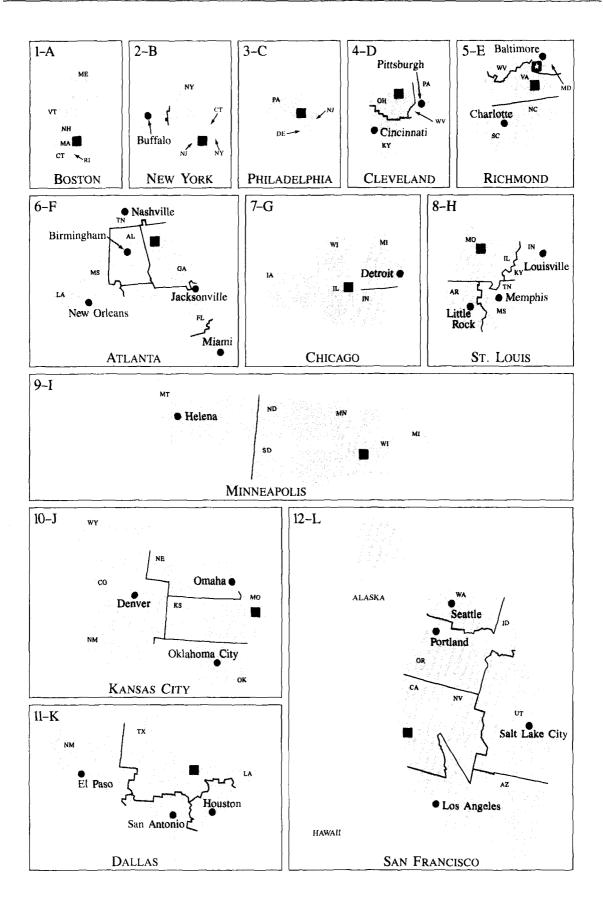
- Federal Reserve Branch city
- Branch boundary

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