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The Foreign Bank Supervision Enhancement Act of 1991

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On December 19, 1991, the Congress enacted the Foreign Bank Supervision Enhancement Act. Based on a legislative proposal drafted by the Board of Governers of the Federal Reserve System at the request of the congressional banking committees, the act was intended to fill gaps in the supervision and regulation of foreign banks and to ensure that the banking policies established by the Congress were implemented in a fair and consistent manner with respect to all entities (domestic and foreign) conducting a banking business in the United States. It established uniform federal standards for entry and expansion of foreign banks in the United States and substantially increased the role of the Federal Reserve System in the supervision and regulation of their U.S. activities. This article analyzes the objectives of the act and discusses its implementation.

THE NEED FOR LEGISLATION

Foreign banks with U.S. branches and agencies were first subjected to federal regulation with the passage of the International Banking Act of 1978 (IBA). At that time, 122 foreign banks were operating offices in the United States and accounted for $90 billion in assets.[1] The IBA required these banks to maintain reserves and generally limited their activities and geographic expansion in the United States in accordance with the comparable limitations applicable to U.S. banking organizations. Based on a policy of national treatment, the IBA also attempted to adapt the dual banking system—the U.S. system permitting banks to be chartered by either state or federal authorities—to the unique characteristics of foreign bank branches and agencies.

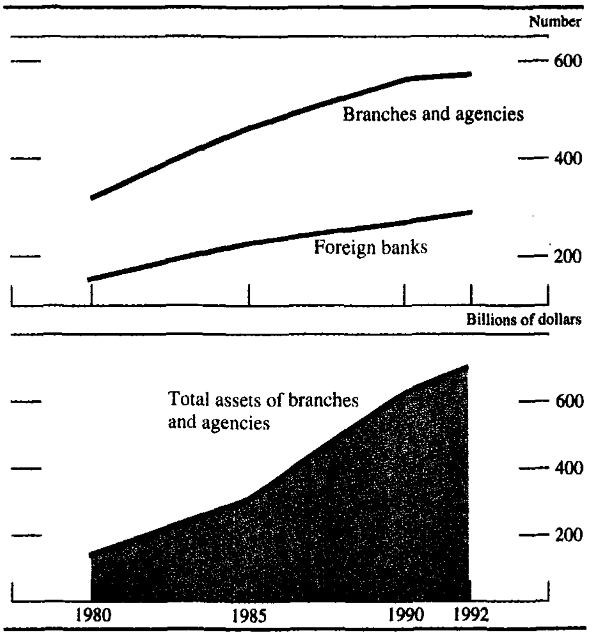
Although it was largely successful in this effort, the IBA left foreign banks free of certain federal requirements imposed on U.S. banks. For example, it did not require prior federal review of foreign bank entry into the U.S. market, nor did it permit a federal role in the termination of a state-licensed branch or agency of a foreign bank.

By 1991, the foreign bank presence in the United States had grown substantially (see chart). Branches and agencies of approximately 280 foreign banks held aggregate assets of $626 billion, or 18 percent of total banking assets in this country, and operated 565 offices, the vast majority of which were state-licensed.[2] Cases of fraud and other criminal activity by some foreign banks in the 1980s convinced the Federal Reserve Board that both state and federal regulators needed to pay greater coordinated attention to the U.S. offices of these institutions. In particular, the Board came to believe that prior federal review of foreign bank entry and expansion in the U.S. market and a federal role in terminating a branch or agency of a foreign bank for unsafe and unsound banking practices were desirable.

1. *International Banking Act of 1978: Report of the Senate Committee on Banking, Housing, and Urban Affairs to Accompany H.R.10899,* 95 Cong. 2 Sess. (Government Printing Office, 1978), p. 2.

2. "Statement by J. Virgil Mattingly, Jr., General Counsel, Board of Governors of the Federal Reserve System, before the Subcommittee on Consumer and Regulatory Affairs of the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, May 23, 1991," *Federal Reserve Bulletin,* vol. 77 (July 1991), p. 579.

Growth in the number and assets of foreign banks and their branches and agencies in the United States, December 1980–June 1992



Data are plotted from year-end to year-end. The number of foreign countries with branch and agency operations in the United States was thirty-four in 1980, forty-nine in 1985, fifty-four in 1990, and fifty-seven as of June 1992.

THE BOARD'S LEGISLATIVE PROPOSAL

On May 9, 1991, the Board sent to the banking committees a draft bill that was subsequently introduced in the Senate and the House. The purpose of the Board's legislative proposal was to "ensure that foreign bank operations in this country are regulated, supervised, and examined in the same manner as U.S. banks."[3] To this end, the Federal Reserve made several recommendations in the proposed legislation.

- The draft proposal required federal approval for foreign banks seeking to establish state-licensed branches and agencies or commercial lending subsidiaries in the United States. The federal approval requirement was designed to give the Federal Reserve Board, as the agency responsible for overall supervision of foreign banks in the United States, a role in determining whether such institutions might establish or retain a U.S. banking presence. At that time, foreign banks wishing to establish state-licensed banking offices were not required to undergo any federal review or obtain any federal approval before beginning operations.
- The proposal set forth the standards that the Federal Reserve would apply in determining whether to approve the establishment of a U.S. office of a foreign bank. The key recommendation was that the Board should be able to take into account whether a foreign bank was subject to comprehensive, consolidated supervision by its home country regulatory authorities in considering whether to allow the foreign bank to establish new offices in the United States. Experience with the Bank of Credit and Commerce International—whose far-flung operations were not subject to scrutiny on a consolidated basis by a single regulator—demonstrated the importance of this standard. Additional suggested standards included requiring that the foreign bank have adequate financial and managerial resources and that the Federal Reserve have access to sufficient information on the U.S. activities of the foreign bank and its affiliates to be able to determine and enforce compliance with U.S. law. The proposal would have also required the same standards to be applied by the Office of the Comptroller of the Currency (OCC) in licensing new federal branches or agencies.
- The proposal recommended that prior approval by the Federal Reserve be required for foreign banks to establish representative offices in the United States and that such offices be examined to ensure that they did not engage in unlicensed and unsupervised banking.
- The Federal Reserve also requested the authority to terminate the activities of a state-licensed branch, agency, commercial lending company subsidiary, or representative office for violations of law or for unsafe or unsound banking practices as a necessary complement to the requested authority to approve establishment of such offices.
- The Federal Reserve sought increased authority to examine regularly the U.S. operations of foreign banks and clear authority to conduct simultaneous examinations of multiple offices of the same foreign bank when appropriate.

3. Ibid.

• The Federal Reserve proposed that foreign banks operating in the United States, or their affiliates, be required to report loans they make that are secured by 25 percent or more of the stock of any U.S.-insured depository institution or company that controls such a depository institution.

• The proposal required that a foreign bank maintaining branches or agencies in the United States obtain Federal Reserve approval before acquiring more than 5 percent of the voting shares of a bank or bank holding company. This requirement, which already applied to U.S. bank holding companies, sought to ensure that the standards in the Bank Holding Company Act (BHC Act) on control, financial and managerial resources, and community convenience and needs were satisfied in all such acquisitions.

• The Board proposed a clarification of the IBA granting the federal banking agencies authority to share supervisory information with their foreign counterparts, subject to adequate assurances of confidentiality, when the disclosure of information was appropriate in carrying out the federal agency's responsibilities and when the sharing of information would not prejudice the interest of the United States. This proposal recognized that if federal regulators were to have access to the supervisory information of their foreign counterparts, they would be expected to reciprocate when the foreign regulator requested comparable information.

FINAL LEGISLATION

The Foreign Bank Supervision Enhancement Act (FBSEA) passed the Congress in substantially the same form in which it was proposed and became effective immediately upon enactment on December 19, 1991. A few key additions deserve mention.

The FBSEA requires Federal Reserve approval for the establishment of both state-licensed and federally licensed branches and agencies. This approach is broader than that contained in the original proposal, which would have granted the Federal Reserve the authority to approve the establishment of state-licensed branches and agencies by foreign banks, whereas approval of the establishment of federally licensed branches and agencies by foreign banks would have remained solely the responsibility of the OCC. The statute also provided that the Board could not approve establishment of a branch or agency unless the foreign bank were subject to consolidated home country supervision.

The FBSEA also limits the permissible activities of a state-licensed branch or agency to the activities permitted by the OCC for a federally licensed branch. A state licensed branch or agency may engage in an activity that is permitted by state law but not yet sanctioned by the OCC only if the Board finds the activity to be consistent with sound banking practices and, in the case of an insured branch only, the Federal Deposit Insurance Corporation (FDIC) finds that the activity poses no significant risk to the deposit insurance fund. Unlike most substantive portions of the FBSEA, this restriction became effective on December 19, 1992, one year after enactment.

The FBSEA also imposed new restrictions on deposit taking by foreign banks. It provided that no foreign bank may accept or maintain deposit accounts "having balances of less than $100,000" except through an insured banking subsidiary.[4] This provision created substantial uncertainty in the market because it could have been interpreted to prohibit foreign bank offices from taking certain wholesale deposits.

Finally, the statute mandated two studies not called for in the original Board proposal. The first of these was a comparative analysis by the Federal Reserve and the Treasury Department of the capital standards applicable to foreign banks conducting banking operations in the United States and the risk-based capital and leverage requirements applicable to U.S. banks; the report was completed and delivered to the Congress on June 19, 1992 (see box).[5] A second study—on the advisability of requiring foreign banks in the United States to "roll up" their current branch and agency operations into sepa-

4. P.L. 102-242, 105 Stat. 2236, 2303-04 (Dec. 19, 1991).

5. Board of Governors of the Federal Reserve System and U.S. Department of the Treasury, *Capital Equivalency Report*, June 19, 1992.

The Capital Equivalency Report

Section 214(b) of the FBSEA required the Board and the Secretary of the Treasury jointly to submit to the House and Senate banking committees a report analyzing (1) the capital standards for measurement of capital adequacy established in 1988 by the central bank and supervisory authorities of the G-10 countries and contained in the Basle Accord; (2) foreign regulatory capital standards that apply to foreign banks conducting banking operations in the United States; and (3) the relationship of the Basle and foreign capital standards to the risk-based capital and leverage requirements applicable to U.S. banks. The report, which was issued on June 19, 1992, examined capital standards in twenty-two countries. Banks from these countries collectively held, as of December 31, 1991, approximately 97 percent of total U.S. banking assets held by foreign banks. All but two of the countries examined followed a risk-based capital standard.

In broad terms, the report concluded that the minimum capital standards established by the Basle Accord provide a common basis for evaluating the general equivalency of capital among banks from various countries. In the future, when determining whether a foreign bank's capital meets the minimum standard, as an initial requirement, applicants from countries that adhere to the Basle Accord will be required, at a minimum, to meet the Basle guidelines as administered by their home country supervisors. An applicant from a country not subscribing to the Basle Accord will be required to provide information regarding the capital standard applied by its home country regulator, as well as information sufficient to evaluate the applicant's capital position adjusted as appropriate for accounting and structural differences, and, to the extent possible, information comparable to the Basle framework.

rately incorporated domestic subsidiaries—was completed on December 19, 1992.

IMPLEMENTATION

The immediate effectiveness of major portions of the FBSEA required that implementation proceed quickly.

Initial Guidance

On December 19, 1991, the Board and the OCC issued a joint statement to guide foreign bank branches and agencies with respect to the new statutory limitation in the FBSEA on deposit taking. The language in this limitation was general and could have been interpreted to require uninsured foreign bank offices that accepted deposits of less than $100,000, either as an accommodation to their customers or in connection with their wholesale operations, to cease such activity immediately and to continue to accept such deposits only in an insured banking subsidiary. This could have disrupted the noninsured, nondomestic deposit-taking activities of branches and agencies previously permitted under regulations of the OCC and the FDIC, which specify the circumstances under which domestic retail deposit-taking activities require deposit insurance.

In their joint statement, the agencies indicated that the statute's intent was to prohibit the establishment of *new* insured branches by foreign banks. The agencies further indicated that they would not consider a foreign bank branch or agency to be in violation of the law provided it continued to abide by the OCC and FDIC regulations under section 6 of the IBA.[6] A recent technical amendment to the FBSEA, adopted in October 1992, has clarified that the statutory prohibition on accepting deposits under $100,000 is limited to domestic retail deposits that require deposit insurance protection and does not apply to the broader category of all deposits "having balances of less than $100,000."[7]

On March 5, 1992, interim guidance was issued by Board staff to each of the Reserve Banks, outlining the process for applying for Board approval to establish new foreign bank offices. The guidance set forth procedures for the pro-

6. Supervision and Regulation 91-31 (IB) (Dec. 19, 1991).
7. P.L. 102-550, 106 Stat. 3672 (Oct. 28, 1992).

cessing of applications and contained summaries of the type of information the staff deemed necessary to process an application.[8] If a foreign bank desires to establish an office that was not actually open for business and operating on December 19, 1991, the foreign bank must file an application and receive approval before beginning operations. This requirement has meant that certain foreign banks that had obtained approval to begin business from applicable state authorities or the OCC before December 19, 1991, but had not done so, have had to delay their openings until they could obtain Federal Reserve approval.

The Interim and Final Rules

On April 15, 1992, the Board issued an interim rule amending Regulation K (International Banking Operations) and Regulation Y (Bank Holding Companies and Change in Bank Control) to implement significant portions of the FBSEA.[9] The interim rule established procedures in Regulation K for the exercise of the Board's responsibilities relating to the approval, examination, and termination of foreign bank operations in the United States. It also implemented in Regulation K provisions of the FBSEA that permit disclosure of certain information to foreign supervisors and establish limits on loans to a single borrower by state branches and agencies. The Board amended Regulation Y to state that foreign banking organizations acquiring an interest of more than 5 percent of the voting shares of a U.S. bank or bank holding company must file an application with the Board under the BHC Act. The interim rule became effective immediately but provided for a sixty-day comment period during which interested persons could submit their written comments on the text. The commenters to the interim rule included individual foreign banks, trade associations, law firms, and state bank regulators.

On November 4, 1992, the Board approved adoption of a final rule amending Regulations K and Y. Except for the treatment of representative offices, the final rule is substantially identical to the interim rule with minor changes made to reflect the Board staff's experience with applications filed under the interim rule and clarifications suggested by the public comments.

Much of the rule deals with the standards and procedures for establishing new foreign bank offices in the United States. The FBSEA imposes the following two mandatory standards for the establishment by a foreign bank of a branch, agency, or commercial lending company subsidiary:

- The foreign bank must engage directly in the business of banking outside the United States and be subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in its home country.
- The foreign bank must furnish to the Board the information it needs to assess the application adequately.[10]

Comprehensive Consolidated Supervision

The key standard is comprehensive consolidated supervision. The United States is not the only country that has come to view this requirement as highly desirable. The Basle Committee on Banking Supervision has recently adopted minimum standards for consolidated supervision of banking organizations operating internationally.[11] As defined by the Basle Committee, the minimum acceptable level of supervision requires that the home country supervisor of a bank or banking group

> (a) receive consolidated financial and prudential information on the bank's or banking group's global operations, have the reliability of this information confirmed to its own

8. Supervision and Regulation 92–6 (FIS) (Mar. 5, 1992).
9. 57 Fed. Reg. 12,992 (Apr. 15, 1992).

10. 12 U.S.C. § 3105(d).
11. The Basle Committee on Banking Supervision is composed of representatives of the central banks and supervisory authorities from Belgium, Canada, France, Germany, Italy, Japan, Luxembourg, the Netherlands, Sweden, Switzerland, the United Kingdom, and the United States. The committee meets at the Bank for International Settlements in Basle, Switzerland. It is currently chaired by the president of the Federal Reserve Bank of New York.

> satisfaction through on-site examination or other means, and assess the information as it may bear on the safety and soundness of the bank or banking group; (b) have the capability to prevent corporate affiliations or structures that either undermine efforts to maintain consolidated financial information or otherwise hinder effective supervision of the bank or banking group; and (c) have the capability to prevent the bank or banking group from creating foreign banking establishments in particular jurisdictions.[12]

The comprehensive consolidated supervision standard set forth in the rule is broadly consistent with the Basle Minimum Standards but may also go beyond the standards in certain respects. The rule applies to both the foreign bank applicant and to any parent foreign bank of such an applicant and emphasizes the importance of access to information on the part of the home country supervisor. The rule requires the Board to determine the following:

> whether the foreign bank is supervised or regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the foreign bank (including the relationship of the bank to any affiliate) to assess the foreign bank's overall financial condition and compliance with law and regulation.[13]

Illustrative Factors

The rule sets forth five illustrative factors that the Board will consider in evaluating whether the comprehensive supervision standard is met in any particular case. The list of factors is not exhaustive, and no one factor is determinative. The factors were included in the rule in recognition of the fact that different supervisory systems deal with particular supervision issues in different ways. For example, not all systems rely on on-site examinations to the same extent as that of the United States, and financial accounting practices may differ from one jurisdiction to another. The Board will examine the extent to which the home country supervisor does the following:

- Ensures that the foreign bank has adequate procedures for monitoring and controlling its activities worldwide
- Obtains information on the condition of the foreign bank and its subsidiaries and offices outside the home country through regular reports of examination, audit reports, or otherwise
- Obtains information on the dealings and relationship between the foreign bank and its affiliates, both foreign and domestic
- Receives from the foreign bank financial reports that are consolidated on a worldwide basis, or comparable information that permits analysis of the foreign bank's financial condition on a worldwide, consolidated basis
- Evaluates prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis.[14]

The commenters on the interim rule generally supported the standard and the five illustrative factors and these remain the same in the final rule. Some commenters suggested that the Board be permitted to take into account whether a home country supervisor, while not currently exercising consolidated supervision, was nonetheless making significant progress toward meeting the standard. This approach is advocated in the Basle Minimum Supervision Standards.[15] In the Board's view, the mandatory language of the

12. Basle Committee on Banking Supervision, "Minimum Standards for the Supervision of International Banking Groups and Their Cross Border Establishments" (Basle Minimum Supervision Standards), June 1992.

13. 12 C.F.R. § 211.24(c).

14. Ibid.

15. As discussed above, the Basle Minimum Supervision Standards paper sets forth certain minimum standards for consolidated supervision of a banking group as a whole and indicates that host countries should determine whether banks seeking to enter their markets meet such standards. The paper, however, goes on to say the following:

> Some authorities may initially need to make either statutory or administrative changes in order to comply with these new standards; therefore, in cases where an authority fails to meet one or more of these standards, recognition should be given to the extent to which the authority is actively working to establish the necessary capabilities to permit it to meet all aspects of these minimum standards.

See Basle Minimum Supervision Standards, p. 3.

FBSEA does not permit this flexibility with respect to applications to establish branches, agencies, or commercial lending companies. The Board, however, does retain such flexibility in the case of applications to establish representative offices because the FBSEA provides that the standards—such as comprehensive consolidated supervision—which are mandatory for branches, agencies, and commercial lending companies, are discretionary for representative offices.

Other Standards

The FBSEA also contains other standards that the Board may consider in determining whether to approve any U.S. office of a foreign bank. These are the following:

- Whether the home country supervisor of the foreign bank has consented to the proposed establishment of a branch, agency, or commercial lending company subsidiary
- The financial resources of the foreign bank (including the foreign bank's capital position, projected capital position, profitability, level of indebtedness, and future prospects) and the condition of any U.S. office of the foreign bank
- The managerial resources of the foreign bank, including the competence, experience, and integrity of the officers and directors; the integrity of the principal shareholders; management's experience and capacity to engage in international banking; and the record of the foreign bank and its management of complying with laws and regulations, and of fulfilling any commitments to, and any conditions imposed by, the Board in connection with any prior application
- Whether the foreign bank's home country supervisor and the home country supervisor of any parent of the foreign bank share with other supervisory authorities material information regarding the operations of the foreign bank
- Whether the foreign bank has provided the Board with adequate assurances that information will be made available to the Board on the operations or activities of the foreign bank and any of its affiliates that the Board deems necessary to determine and enforce compliance with the IBA, the BHC Act, and other applicable federal banking statutes; these assurances shall include a statement from the foreign bank describing any laws or other impediments existing in any jurisdiction in which the foreign bank or any of its affiliates has material operations that would restrict the foreign bank or any of its parents from providing information to the Board
- Whether the foreign bank and its U.S. affiliates are in compliance with applicable U.S. law, and whether the applicant has established adequate controls and procedures in each of its offices to ensure continuing compliance with U.S. law, including controls directed to detection of money laundering and other unsafe or unsound banking practices.[16]

The standard that has attracted the most attention from foreign banks and commenters has been the requirement to provide adequate assurances of access to information. This standard is intended primarily to address bank operations in so-called secrecy jurisdictions—those jurisdictions whose laws deliberately restrict access to information in an effort to attract offshore banking business. The standard is not intended to require that the Board have access to routine customer information. In general, this information would be sought only in those instances in which the Board had reason to believe that U.S. laws—such as the prohibition against money laundering—had been or were being violated. In some of the first applications considered by the Board's staff, it became clear that requiring information about the secrecy laws of every jurisdiction in which an applicant or its affiliates conducted business could be impractical and burdensome on applicants, particularly in the case of foreign banks with extensive operations outside their home countries. The Board has refined its information requirements to include a materiality test. This test will require an applicant to submit information on the secrecy laws only of those jurisdictions in which it or its affiliates conduct material operations, defined as direct or indirect activities that, in the aggregate, account for 5 percent or more of the consolidated worldwide assets of the bank or its ultimate parent.

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16. 12 C.F.R. § 211.24(c).

EXPANDED AUTHORITY OVER REPRESENTATIVE OFFICES

Another major area addressed by the rule is the Board's expanded powers with respect to representative offices. Under the FBSEA, the Board has for the first time the authority to approve establishment of and examine such offices. The interim rule contained a definition of representative office that limited the types of activities such offices could conduct to traditional representational and administrative functions. In certain cases, these limitations went beyond those in applicable state law, which merely specifies the types of activities that a representative office may not conduct.

Relationship to State Law

This definition provoked several comments including the assertion that the Board had no authority to supersede state law. In the Board's view, the FBSEA requires that all direct U.S. activities of a foreign bank, including those conducted through a representative office, be subject to federal supervision. The IBA defines branches and agencies in terms of what they are permitted to do, but the statute is silent as to the permissible activities of a representative office. Nonetheless, the Board believes that determining the permissible activities of a representative office is not solely a function of state law.

For example, state law clearly could not permit a representative office to engage in the business of banking. The legislative history of the FBSEA states that a representative office may not conduct "any banking activities, including deposit-taking, securities trading, foreign exchange dealing, and other similar activities."[17] No further prohibitions are noted. The legislative history gives examples of permissible activities of representative offices but these examples are not characterized as all inclusive. For example, the Senate report states that

> A representative office generally operates as a loan production office for a foreign bank; the office may conduct representational and administrative work on behalf of the bank but no credit or other business decisions may be made at the office or by its personnel.[18]

These references to "credit or other business decisions" are best understood as references to those credit or other business decisions related to banking.

The FBSEA reflects this critical distinction between banking offices and representative offices by imposing a lower standard for the approval of the establishment of representative offices than for the approval of branches and agencies that are permitted to conduct a banking business. Accordingly, the FBSEA implicitly requires the Board to establish guidelines as to what activities do and do not constitute the business of banking.

Determining Permissible Activities

The problem of defining the activities of a representative office is further complicated by certain provisions of the BHC Act that impose limitations on the ability of a foreign bank subject to that act to conduct nonbanking business through a representative office. These limitations raise the issue of whether the permitted activities of a representative office should vary depending on whether the foreign bank is or is not subject to the BHC Act. (A foreign bank that operates a U.S. branch or agency or owns a U.S. bank is subject to the BHC Act, whereas a foreign bank that operates only a representative office is not.)

The Board has attempted to resolve these issues in a manner that is consistent with the letter and purpose of the FBSEA. The rule provides that any new direct office of a foreign bank that is not a branch or agency is subject to Board approval as a representative office. Existing direct offices that previously did not fall within the definition of representative office are required to register with the Federal Reserve but

17. *Comprehensive Deposit Insurance Reform and Taxpayer Protection Act of 1991: Report of the Senate Committee on Banking, Housing, and Urban Affairs*, Senate Report 167, 102 Cong. 1 Sess. (GPO, 1991), p. 118.

18. Ibid.

will not otherwise be required to seek Federal Reserve approval to continue to operate.

All newly approved and existing representative offices will be permitted to engage in core representational and administrative activities. These activities include those traditionally associated with representative offices, such as loan production. New representative offices will be permitted to engage, on a case-by-case basis, in other nonbanking activities not prohibited by state or federal law; existing representative offices may continue to perform nonbanking activities not prohibited by state or federal law. During the next year, the Federal Reserve will examine representative offices to obtain more accurate information on such activities. After such examinations, if the Federal Reserve decides that representative offices should not conduct certain nonbanking activities, it will conduct further rulemaking on the issue.

The Board has also established a procedure for more expedited approval of a representative office that functions as a regional headquarters office for a foreign bank with existing banking operations in the United States. A foreign bank wishing to establish this type of representative office will be required to provide the Board with prior notice of its intent. If the Board does not object to the proposal within a prescribed period, the foreign bank may establish the representative office. The rule also permits the establishment by general consent of representative offices that conduct only limited back office operations. These provisions also make clear that the Federal Reserve has the authority to examine such offices under its general and specific examination authority.

The Applications Process

The processing of applications has proved to be more cumbersome than had been anticipated. Delays have been caused by several factors, including the length of time required to conduct background checks of applicants and related parties with other federal agencies. The Board is committed to reducing the delays that are attributable to factors under its control and is taking specific steps in this regard.

The Board has decided not to make determinations of consolidated supervision on a country-by-country basis, but rather for individual banks; nonetheless, applicants chartered in the same country may rely on information previously submitted and considered by the Board on consolidated supervision in that country. Subsequent applicants need only describe the extent to which the supervision system already evaluated applies to them and how, if at all, that system has changed since the Board last considered it. The same approach will be taken with respect to descriptions of secrecy laws in particular jurisdictions.

The Board, the OCC, and state supervisors will continue working toward a common application form. Until the form is available, the Board will accept a copy of the state or OCC application as an application under the FBSEA. Of course, matters addressed in the FBSEA or in the Board's rule and not in the state or OCC application will need to be handled separately. State and OCC applications and applications to the Board under the FBSEA will be processed simultaneously.

The Board has received some criticism for pursuing background checks with other federal agencies, primarily because of the lengthy delays caused by conducting such checks. The Board believes that checks can provide useful information and that, on occasion, such information can be critical. Accordingly, the Board has determined to continue conducting checks on applicants and related parties. Checks will be initiated at the beginning of the process to help minimize delays.

In the rule, the Board has indicated that it will delegate approval of certain applications to the Reserve Banks. Delegation is permitted for subsequent FBSEA applications from a foreign bank that has received an FBSEA approval from the Board when such applications present no significant supervisory issues. The Board anticipates that delegated applications could be processed more expeditiously than applications requiring Board approval.

Examinations

The rule provides for annual on-site examinations of branches, agencies, and commercial lending companies by a U.S. banking supervisor, as well as coordination of such examinations. Accordingly, each U.S. branch and agency of a foreign bank will have been examined in 1992 by either a state or a federal regulator and will be examined annually thereafter. All representative offices will be examined by the responsible Reserve Bank in 1993 and regularly thereafter.

In implementing its coordinated examination program for foreign banks, the Board has applied a flexible approach designed to use resources efficiently and to minimize the burdens on the office examined. The Board may conduct its own examination of foreign bank branches and agencies, alternate its examination with the primary supervisor every other year, rely on the examination of the primary supervisor, or participate in a joint examination. The Reserve Banks will try to avoid duplicating the work of other federal or state examiners if a branch or agency is subject to more than one on-site examination in a twelve-month period. When possible, a joint report will be issued on a joint examination. □

Treasury and Federal Reserve Foreign Exchange Operations

This quarterly report, covering the period August through October 1992, provides information on Treasury and System foreign exchange operations. It was presented by William J. McDonough, Executive Vice President of the Federal Reserve Bank of New York and Manager of the System Open Market Account.[1]

The August–October period was marked by serious strains in European exchange rate relationships and shifting market views about the outlook for interest rates in the major countries. Although the dollar briefly reached all-time lows against the mark and yen in September, it closed the period up on balance 4.5 percent against the German mark, down about 3.0 percent against the Japanese yen, and up 6.8 percent on a trade-weighted basis.[2]

The U.S. monetary authorities intervened in the exchange markets in two episodes during August in their only operations during the period. Entering the market on a total of four days that month, they sought to counter persistent downward pressure on the dollar by buying $1.1 billion against the German mark in amounts shared equally by the U.S. Treasury and the Federal Reserve.

DOLLAR DECLINES AGAINST THE MARK IN RESPONSE TO INTEREST RATE PRESSURES

Interest rate considerations were the dominant factor in exchange rate movements during the period. Interest rate differentials provided a strong incentive for capital flows into the higher-yielding securities denominated in German marks and in other currencies thought to be closely linked to the mark. They also made it attractive for U.S.-based entities that were building up foreign currency receivables to postpone the repatriation of these funds to benefit from higher interest rates overseas and, perhaps, from a continued depreciation of dollar exchange rates.

For many market participants, however, the dollar's position in the exchange market carried a two-sided risk. On the one hand, the fact that the dollar was already trading relatively close to the historical low reached in 1991 against the German currency gave rise to fears that if selling pressures against the dollar became intense enough to break through this level, the dollar's decline might gain significant momentum. On the other hand, market participants were still mindful of the experience the previous month, when the authorities of the United States and other industrialized countries intervened to buy dollars, triggering a sharp short-covering rally.

Under these circumstances, market participants were particularly sensitive to indications either that the interest differentials might widen further—thereby putting renewed selling pressure on dollar rates—or that the authorities might again intervene. The economic data for the United States released early in August gave no clear indication of serious further deterioration, but neither did they offer assurance of a sustained upswing. The Federal Reserve had eased monetary policy in early July, and markets expected further ease in the absence of a stronger recovery. Meanwhile, in the face of rapid monetary growth in Germany, the Bundesbank had tightened monetary policy in mid-July. But above-target money growth continued, and it was thought that the Bundesbank would keep monetary policy firm—perhaps even tighten policy once more—despite data suggesting that the German economy might be beginning to slow.

1. The charts for the report are available from Publications Services, Board of Governors of the Federal Reserve System, mail stop 138, Washington, DC 20551.

2. The dollar's movements on a trade-weighted basis are measured using an index developed by the staff of the Board of Governors of the Federal Reserve System.

Market participants looked to the release of monthly U.S. labor force data early in August to give direction to dollar rates. They expected that if the data proved to be weaker than expected, the Federal Reserve would soon ease pressures on bank reserves. When the data, released on Friday, August 7, appeared to confirm economic weakness, the dollar showed some initial resistance but then came on offer later that same day, and the U.S. authorities intervened to stabilize the dollar. When pressures re-emerged the following Tuesday, the U.S. authorities again intervened in an operation joined by other central banks. Over the two days, the U.S. authorities bought a total of $600 million against the German mark. The interventions blunted selling pressures somewhat, but the operations did not interrupt the tendency of the dollar to decline.

By late August, the German mark was strengthening not only against the dollar but also against other European currencies in response to strains that were to become far more intense later in the period. As the dollar again approached its 1991 low, the U.S. authorities intervened on August 21 and 24, in cooperation with other monetary authorities, buying a total of $500 million. But when these operations did not appear to discourage the bidding for marks, the U.S. authorities refrained from further intervention.

The dollar continued to ease, establishing a new historic low against the mark of DM1.3862 on September 2. But trading conditions for the dollar were relatively orderly, even in the face of the disappointing labor market statistics released in early September and the continuing market expectations of declining U.S. interest rates, which appeared to be confirmed by Federal Reserve operations on September 4 that eased conditions in the federal funds market.

European Currencies Face Severe Pressures

By late August and during most of September, market attention focused on pressures within the exchange rate mechanism (ERM) of the European Monetary System (EMS) and between the EMS and those currencies linked to it through the European currency unit (ECU)—for example, the Finnish markka and Swedish krone. During the lengthy negotiations among European Community countries on European Monetary Union that had led up to the December 1991 Maastricht Treaty, market participants had become impressed by the participating governments' evident commitment to exchange rate stability. Although the treaty did not provide for fixed exchange rates within the system for several more years, market participants came to assume that few of these governments would countenance devaluation in the interim. As a result, investors felt increasingly secure holding securities denominated in ERM currencies other than the mark. Investors purchasing assets that carried even higher yields than DM-denominated assets appeared to give little weight to exchange rate risk in *ex ante* calculations of risk-adjusted returns. During the long interval since the last general ERM realignment in 1987, the total amount of assets allocated on the basis of this view reached substantial sums.

Doubts had begun to develop as to the durability of existing exchange rate relationships and the effectiveness of efforts to achieve greater economic convergence within Europe after Danish voters rejected a referendum on the Maastricht Treaty in June. In mid-August, reports began to spread that voters in France might also vote "no" on a referendum on the Maastricht Treaty, and pressures on exchange rates within Europe intensified. In the ensuing weeks, an exchange crisis swept through the EMS and related currencies that entailed interventions of unprecedented size, large changes in interest rate differentials within Europe, a small cut in German official interest rates, two realignments, the suspension of the pound sterling and the Italian lira from the ERM. The French franc came under selling pressure but stabilized amid intervention purchases of francs and a rise in French interest rates. Outside the EMS, severe pressures had developed on the Nordic currencies, resulting in sizable interventions and considerable increases in short-term interest rates, particularly in Sweden. The Finnish markka's peg to the ECU was also suspended.

Although dollar exchange rates responded at times to pressures among European currencies in September, the dollar was not the focal point of market attention at that time. It initially encountered selling pressure against the mark as investors

1. Federal Reserve reciprocal currency arrangements
Millions of dollars

Institution	Amount of facility, October 31, 1992
Austrian National Bank	250
National Bank of Belgium	1,000
Bank of Canada	2,000
National Bank of Denmark	250
Bank of England	3,000
Bank of France	2,000
Deutsche Bundesbank	6,000
Bank of Italy	3,000
Bank of Japan	5,000
Bank of Mexico	700
Netherlands Bank	500
Bank of Norway	250
Bank of Sweden	300
Swiss National Bank	4,000
Bank for International Settlements	
Dollars against Swiss francs	600
Dollars against other authorized European currencies	1,250
Total	**30,100**

sought to cover their intra-European exposures by buying marks. Then, in mid-September, the dollar snapped up rather quickly against the mark when dollar-based investors and U.S. entities sought refuge from the European tensions by converting foreign currency investments or balances into dollars. As the European intervention was being conducted in European currencies—mostly in German marks—the financial intermediaries effecting these transactions sold marks in the market to get dollars demanded by their customers. Once the pressures began to subside late in September, the dollar began to drift down toward the levels of late August.

DEVELOPMENTS IN THE DOLLAR–YEN EXCHANGE RATE

The movements of the dollar against the yen during August and September were, in contrast to those against the European currencies, relatively muted. The interest differentials between the United States and Japan were narrower, and market participants believed that the authorities in Japan, like their counterparts in the United States, would be tending to ease monetary conditions. The dollar reached its high for the period of ¥128.19 on August 10 as evidence mounted that the slowdown in the Japanese economy was intensifying and as the Japanese equity market showed persistent weakness. But the yen then appreciated during September. This move reflected some repatriation of capital by Japanese companies with the approach of the fiscal half-year-end on September 30, a reaction to a rebound in the Japanese equity market, and some flows into yen-denominated assets in response to the developments taking place in the EMS. The dollar gradually declined against the yen through September, setting a new historic low against that currency of ¥118.60 on September 30.

MARKET TENSIONS SUBSIDE DURING OCTOBER

Early in October, the pressures in the EMS started to wane. After the British and Italian governments had chosen to suspend their currencies' participation in the ERM, the pound and the lira depreciated to trade well below their previous ERM floors. These and other changes in exchange rates in Europe led to an effective appreciation of the German mark. The Bundesbank lowered both of its official interest rates in mid-September, and money market rates also subsequently eased. Although market participants remained uncertain about the outlook for monetary union and the eventual configuration of the EMS, funds started to flow back to France and short-term interest rates in most of the EMS countries were lowered from the crisis levels reached the previous month. As market participants noted that the slowdown in European economic activity was increasingly evident, they came to believe that the trend of interest rates abroad might turn supportive of the dollar.

2. Net profits or losses (–) on U.S. Treasury and Federal Reserve foreign exchange operations[1]
Millions of dollars

Period and item	Federal Reserve	U.S. Treasury Exchange Stabilization Fund
Valuation profits and losses on outstanding assets and liabilities as of July 31, 1992	4,536.7	2,503.9
Realized, July 31–October 31, 1992	358.1	119.9
Valuation profits and losses on outstanding assets and liabilities as of October 31, 1992	3,746.3	2,293.8

1. Data are on a value-date basis.

Meanwhile, in the United States expectations diminished that monetary policy would continue to be eased. The labor market data for September, released in early October, were seen as insufficiently weak to trigger a policy reaction. As the month progressed, talk spread that a fiscal stimulus package would be introduced early in the next year. Under these circumstances, the outlook for interest differentials became more favorable to the dollar. As some of the leads and lags that had built up against the dollar earlier in the year are now being reversed, the dollar recovered substantially against the mark and to a lesser extent against the yen in fairly active trading through the rest of October.

OTHER OPERATIONS

In other activity, a total of $1,873.1 million in off-market spot and forward foreign currency sales, executed by the U.S. monetary authorities, settled during the period.

- Forward purchases of $740.1 million and $733.0 million against German marks from the Deutsche Bundesbank settled on August 21 and October 21 respectively. These mark sales constituted a portion of the original $6,176.6 million of spot and forward transactions initiated in May. As previously reported, 60 percent of each transaction was executed for the Federal Reserve and 40 percent was executed for the Exchange Stabilization Fund (ESF) account.

- On September 8, the Federal Reserve agreed to purchase $400 million against German marks in an off-market transaction at the request of a foreign monetary authority.

The Federal Reserve realized profits of $358.1 million, including $230.3 million from off-market transactions that settled during the August–October period. The Treasury realized profits of $119.9 million, which included $33.5 million from off-market transactions that settled during the same three-month period. Cumulative bookkeeping or valuation gains on outstanding foreign currency balances were $3,746.3 million for the Federal Reserve and $2,293.8 million for the Treasury's ESF. These valuation gains represent the increase in dollar value of outstanding currency assets valued at end-of-period exchange rates, compared with rates prevailing at the time the foreign currencies were acquired.

The Federal Reserve and the ESF regularly invest their foreign currency balances in a variety of instruments that yield market-related rates of return and that have a high degree of quality and liquidity. A portion of the balances is invested in securities issued by foreign governments. As of the end of October, holdings of such securities by the Federal Reserve amounted to the equivalent of $8,146.1 million, and holdings by the Treasury amounted to the equivalent of $8,666.9 million valued at end-of-period exchange rates. □

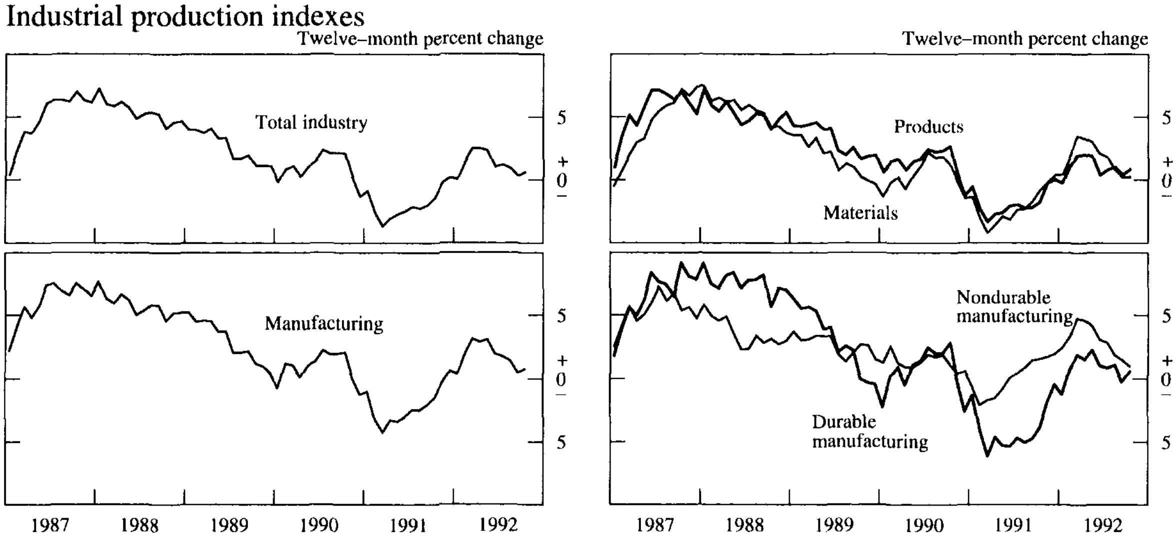
Industrial Production and Capacity Utilization

Released for publication November 16

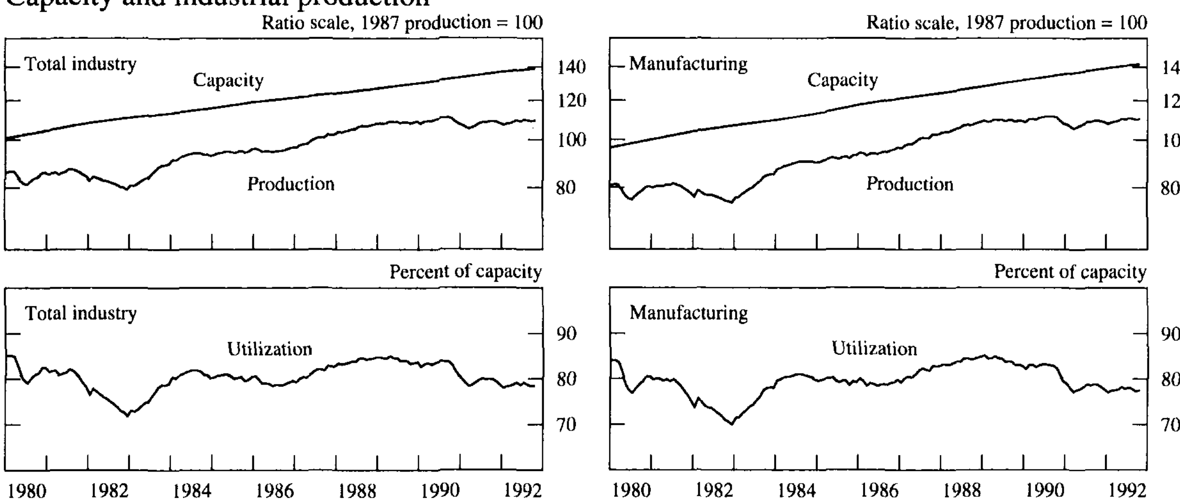
Industrial production increased 0.3 percent in October after having fallen 0.2 percent in September. Much of the October gain reflected a significant hike in light truck assemblies; excluding motor vehicles and parts, production increased only 0.1 percent. At 109.0 percent of its 1987 annual average, total industrial production in October was 0.6 percent above its year-ago level. Total industrial capacity utilization edged up 0.1 percent in October, to 78.5 percent.

When analyzed by market group, the data show that the output of consumer goods grew 0.5 percent in October, while the production of business equipment picked up 1.1 percent; both were buoyed by

Industrial production indexes



Capacity and industrial production



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

Industrial production and capacity utilization

Category	Industrial production, index, 1987=100[1]								
	1992				Percentage change				
					1992[2]				Oct. 1991 to Oct. 1992
	July[r]	Aug.[r]	Sept.[r]	Oct.[p]	July[r]	Aug.[r]	Sept.[r]	Oct.[p]	
Total	**109.4**	**109.0**	**108.7**	**109.0**	**.8**	**-.3**	**-.2**	**.3**	**.6**
Previous estimate	109.3	108.9	108.6	...	.8	-.4	-.2	...	...
Major market groups									
Products, total	109.6	109.6	109.4	109.9	.5	.0	-.2	.5	.8
Consumer goods	110.4	110.4	110.3	110.8	.7	.0	-.1	.5	1.1
Business equipment	124.4	125.5	125.4	126.7	.2	.9	-.1	1.1	3.6
Construction supplies	98.6	98.4	97.0	97.0	1.4	-.2	-1.5	.0	1.8
Materials	109.0	108.0	107.7	107.7	1.3	-.9	-.3	.0	.2
Major industry groups									
Manufacturing	110.2	109.9	109.5	109.9	.6	-.3	-.4	.3	.8
Durable	109.0	109.0	108.1	108.8	.5	.0	-.9	.7	.6
Nondurable	111.7	111.1	111.2	111.2	.7	-.6	.2	.0	1.0
Mining	100.6	98.8	97.7	98.1	2.6	-1.8	-1.1	.5	-2.5
Utilities	109.3	109.1	111.2	110.7	2.4	-.2	2.0	-.5	1.2

Category	Capacity utilization, percent								MEMO Capacity, percentage change, Oct. 1991 to Oct. 1992
	Average, 1967–91	Low, 1982	High, 1988–89	1991	1992				
				Oct.	July[r]	Aug.[r]	Sept.[r]	Oct.[p]	
Total	**82.1**	**71.8**	**85.0**	**79.8**	**79.1**	**78.7**	**78.4**	**78.5**	**2.2**
Manufacturing	81.4	70.0	85.1	78.7	78.1	77.8	77.3	77.4	2.4
Advanced processing	81.0	71.4	83.6	77.6	76.2	76.2	75.7	75.9	2.9
Primary processing	82.3	66.8	89.0	81.4	82.7	81.6	81.2	81.2	1.2
Mining	87.4	80.6	87.2	87.9	87.6	86.1	85.1	85.5	.1
Utilities	86.7	76.2	92.3	84.8	84.1	83.8	85.4	84.9	1.0

1. Seasonally adjusted.
2. Change from preceding month.

r Revised.
p Preliminary.

the gain in light trucks. The output of durable consumer goods other than automotive products decreased 0.2 percent, with a decline in appliance production partly offset by increases elsewhere. The output of nondurable consumer goods edged up 0.1 percent; the output of gasoline increased, but the production of clothing declined.

The production of business equipment rose sharply in October, a move reflecting primarily the strength in trucks and a continuation of the strong upward trend in the output of information-processing equipment, especially computers. In addition, the production of industrial equipment rose in October, although the level of output was still below that of around midyear. The index for defense and space equipment fell 1 percent in October, continuing the steady decline it has shown since late 1990. The production of construction supplies, business supplies, and industrial materials were all unchanged in October. Materials for both durable and nondurable goods edged up in October, after having declined, on balance, in August and September; energy materials fell, as the output from coal mines and utilities decreased.

When analyzed by industry group, data show that manufacturing output increased 0.3 percent in October; the factory operating rate advanced 0.1 percentage point, to 77.4 percent. The production of durables rose 0.7 percent, nearly retracing its September decline, while the production of nondurables was unchanged. The increase in durables in October resulted mainly from gains in light trucks, furniture, and nonelectrical machinery. Despite this improvement, the output of durable goods has changed little since May, after having increased steadily earlier in the year. Growth in the output of nondurable goods has also slowed since spring. Chemicals, rubber and plastic products, and textiles have been the major contributors to this deceleration; the output of these industries grew steadily in the first part of the year but plateaued by early summer.

The output in the mining industry picked up 0.5 percent in October. Natural gas production increased, as most platforms in the Gulf of Mexico came back on line after having been disrupted by Hurricane Andrew in late August. The drilling of oil and gas wells also increased in October, but coal mining fell again. Utilities output dropped back a bit after its September gain. □

Announcements

AMENDMENT TO REGULATION C

The Federal Reserve Board issued on November 25, 1992, an amendment to its Regulation C (Home Mortgage Disclosure) that will expand the regulation's coverage of mortgage companies.

The rule will require a mortgage company with an office in a metropolitan area to disclose data about home lending activity if its assets exceeded $10 million or if the company made 100 or more home purchase loans in the preceding calendar year.

The new rule carries out a provision in the Federal Deposit Insurance Corporation Improvement Act authorizing the Board to set a small-institution exemption standard for mortgage companies that is comparable to the exemption for depository institutions.

FEE SCHEDULES IN 1993 FOR SERVICES PROVIDED BY THE FEDERAL RESERVE BANKS

The Federal Reserve Board announced on November 10, 1992, the 1993 fee schedules for services provided by the Reserve Banks. The fees became effective January 1, 1993.

The fee schedules apply to check collection, automated clearinghouse services, funds transfer and net settlement, book-entry securities, definitive safekeeping, noncash collection, special cash services, and electronic connections to the Federal Reserve. The 1993 fee schedules are available from the Reserve Banks.

In 1993, total costs for priced services, including float and the private sector adjustment factor (PSAF), are projected to be $773.3 million. The PSAF is an allowance for taxes that would have been paid and the return on capital that would have been provided had the Federal Reserve's priced services been furnished by a private business firm. Total revenue is projected to be $784.2 million, resulting in a 101.4 percent recovery rate. The fees for 1993 are based on total costs, including the PSAF, and a portion of special project costs.

At the same time, the Board approved the 1993 PSAF for Reserve Bank priced services of $91.4 million, an increase of $11.5 million or 14.4 percent from the $79.9 million targeted for 1992.

INCREASE IN THE NET TRANSACTION ACCOUNTS TO WHICH A 3 PERCENT RESERVE REQUIREMENT WILL APPLY

The Federal Reserve Board announced on November 24, 1992, an increase from $42.2 million to $46.8 million in the net transaction accounts to which a 3 percent reserve requirement will apply in 1993.

The Board also changed from $3.6 million to $3.8 million the amount of reservable liabilities of each depository institution that is subject to a reserve requirement of 0 percent.

Additionally, the Board maintained at $44.8 million the deposit cutoff level that is used in conjunction with the exemption amount for reservable liabilities to determine the frequency of deposit reporting.

PROPOSED ACTION

The Federal Reserve Board on December 1, 1992, issued for public comment proposed revisions to its staff commentary for Regulation Z (Truth in Lending). Comments are requested by January 29, 1993.

CHANGES IN BOARD STAFF

The Board of Governors announced on November 19, 1992, the restructuring of the Division of

Consumer and Community Affairs. The new alignment is designed to meet the increased responsibilities associated with the passage of the Truth in Savings Act, as well as deal with the upsurge in the division's work that has expanded the scope, volume, and complexity of the Federal Reserve's consumer and community affairs activities. As a result of the restructuring, the Board announced the following official staff promotions and appointments: the promotions of Glenn E. Loney and Dolores S. Smith to the position of Associate Director, and the appointments of Maureen P. English and Irene Shawn McNulty to the position of Assistant Director.

Ms. English joined the Board in 1976 as an attorney in the Office of Saver and Consumer Affairs. In 1986, she became Assistant to the Director with responsibility for consumer education, information systems, special projects, and administration. Under the realignment, along with her current duties, Ms. English will oversee the Consumer Complaint Section. She holds a B.A. from Trinity College in Washington, D.C., and a J.D. from the Georgetown University Law Center.

Ms. McNulty joined the Board's staff in 1981 as a Review Examiner. In 1986, she was promoted to a Program Manager in the Compliance Section. As Assistant Director for Compliance, she will supervise the newly established Reserve Bank Oversight Section and the Applications Section. Ms. McNulty holds a B.B.A. degree from Southern Methodist University. □

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON OCTOBER 6, 1992

The information reviewed at this meeting suggested that economic activity was expanding at a subdued pace. Domestic final sales appeared to have picked up in the third quarter, led by an increase in consumer spending and another sharp gain in business purchases of office and computing equipment, but demand had remained sluggish in most other sectors of the economy. The limited growth in overall demand was being met in part through higher imports, and as a consequence, industrial production and employment had been weak. Recent data on wages and prices continued to suggest that inflation was slowing.

Total nonfarm payroll employment fell somewhat further in September, reflecting a drop in government jobs associated with the end of a federally funded summer jobs program. Employment in the private sector was up in September, as new hiring in the services industry more than offset job losses in manufacturing and construction; employment in other industries was little changed after a sizable decline in August. The civilian unemployment rate edged down to 7.5 percent in September when the labor force registered another decrease.

After a considerable gain in July, industrial production declined appreciably in August, and available information suggested further weakness in September. The decline in industrial output since July partly reflected the disruptive effects of Hurricane Andrew on oil and gas production and of a labor strike on the manufacture of automobiles and parts. However, output of a broad range of other goods also was down. One area of continuing strength was the production of business equipment, notably office and computing equipment. The utilization of total industrial capacity fell on balance over July and August, retracing a portion of the increase that occurred over the first half of the year.

Real personal consumption expenditures were little changed in August after increasing appreciably in the two previous months; for July and August combined, spending was moderately higher than in the second quarter. In August, outlays for services continued to rise, while expenditures for most major categories of goods declined. Housing starts climbed in August, with starts of single-family homes reaching their highest level since March. By contrast, permit issuance and sales of new and existing homes edged lower in August.

Shipments of nondefense capital goods slowed considerably in July and August, retracing much of the sharp gain recorded in June. Shipments of office and computing equipment slackened on balance over the two months; however, after adjusting for ongoing rapid declines in prices, the underlying upward trend in demand for such equipment remained robust. Recent data on orders and shipments of nondefense capital goods suggested that business outlays for durable equipment, particularly for items other than computers, would grow more slowly in coming months. Outlays for nonresidential construction contracted again in August, with steep decreases occurring for commercial and industrial structures. Data on contracts continued to indicate that spending for new construction would remain sluggish over the months ahead.

Total business inventories rose somewhat further in July following a large increase in June. In manufacturing, inventory stocks were little changed over June and July but were up sharply in August as factory shipments of goods slowed; as a result, the ratio of inventories to shipments for all manufacturing rebounded to the middle of the range that had prevailed over the previous year. At the wholesale level, inventories were trimmed a little in July after a sizable rise in June, and the stocks-to-shipments ratio remained relatively high. Retail trade inventories expanded at a considerable pace in July, but a rebound in sales lowered the inventory-to-sales ratio somewhat at most types of stores.

The nominal U.S. merchandise trade deficit widened somewhat in July from its average rate in the second quarter. Imports, particularly of capital goods and consumer goods, remained on the fairly strong upward path evident during the first half of the year. Exports increased by a smaller amount in July; exports of agricultural products rose noticeably, but exports of nonagricultural goods were about unchanged from the pace of the previous three quarters. Recent indicators of economic activity in the major foreign industrial countries suggested a continuation of sluggish growth on average in those countries.

Producer prices of finished goods edged up in August in association with a rebound in prices of fresh fruits and vegetables. Abstracting from the volatile food and energy components, the increase in prices of other finished goods over the twelve months ended in August was considerably smaller than the rise over the previous twelve-month period. At the consumer level, prices of nonfood, non-energy items registered another modest increase, and the twelve-month change in this measure also was down substantially from a year earlier. In September, a drop in the average hourly earnings of production or nonsupervisory workers retraced part of a sizable rise in August. Over the twelve months ended in September, these earnings grew at a significantly slower rate than in the preceding twelve-month period.

At its meeting on August 18, the Committee adopted a directive that called for maintaining the existing degree of pressure on reserve positions and that included a bias toward possible easing during the intermeeting period. Accordingly, the directive indicated that in the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, slightly greater reserve restraint might be acceptable or slightly lesser reserve restraint would be acceptable during the intermeeting period. The contemplated reserve conditions were expected to be consistent with growth in M2 and M3 at annual rates of about 2 percent and ½ percent respectively over the six-month period from June through December.

Open market operations during the intermeeting period were directed initially toward maintaining the existing degree of pressure on reserve positions. In early September, operations were adjusted to implement some easing in reserve pressures. This action was taken in response to incoming information that suggested unexpected sluggishness in economic activity and a smaller-than-anticipated pickup in the growth of the broad monetary aggregates. Adjustment plus seasonal borrowing tended to run a little above expected levels during the intermeeting interval, reflecting in part reserve shortfalls that produced sharp increases in borrowing at the end of two reserve maintenance periods. The reserve shortfalls along with quarter-end pressures contributed to a somewhat higher federal funds rate than had been expected following the monetary easing action.

Other short-term interest rates also declined somewhat, while longer-term rates were about unchanged since the Committee meeting on August 18. Short-term debt markets reacted to the Committee's easing action in early September and subsequently to growing expectations of further System easing in the context of continued indications of a sluggish economic expansion. Yields on intermediate-term securities also fell. However, rates on long-term obligations were little changed on balance; the System's policy easing and generally weak economic data tended to reduce bond yields, but long-term debt markets also appeared to reflect growing concerns about the fiscal outlook and increased uncertainty stemming in part from volatility in the foreign exchange markets and policy developments abroad.

In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies fluctuated widely over the intermeeting period but ended somewhat higher on balance. The dollar weakened considerably early in the period on disappointing reports about the U.S. economy and related expectations of Federal Reserve easing. In mid-September, the dollar moved sharply higher as turmoil in European currency markets prompted some safe-haven buying of dollars and resulted in interest rate reductions in Germany. More recently, reduced tensions within the European Monetary System and heightened expectations of further easing by the Federal Reserve induced renewed declines in the dollar.

Expansion of M2 and M3 resumed in August, though at fairly slow rates, and limited growth appeared to have continued in September. Through

September, both aggregates were estimated to have grown at rates somewhat below the lower ends of the ranges established by the Committee for the year. The pickup in the broad aggregates seemed to reflect the cumulative effects on demand deposits and liquid retail deposits of declines in market interest rates since midyear and a related drop in opportunity costs. Currency growth strengthened further in August and September, evidently owing in part to further foreign demand. Bank credit growth also picked up in both months in conjunction with an upturn in bank loans.

The staff projection prepared for this meeting indicated that economic activity would expand at a slow pace in the current quarter and that growth would pick up gradually in 1993 to a rate that would remain quite moderate by past cyclical standards. The declines that had occurred in interest rates were expected to boost housing activity to some extent, particularly in the single-family sector. Gains in expenditures for equipment were projected to be large enough to raise business fixed investment despite sluggish spending for nonresidential construction. As employment growth was restored and further improvements in household balance sheets were achieved, consumer spending would strengthen. The projection pointed to some decline in federal government purchases, reflecting further cutbacks in defense expenditures, and weak spending by state and local governments. The persisting slack in resource utilization in this forecast was projected to be associated with additional progress in reducing inflation.

In the Committee discussion of current and prospective economic developments, many of the members expressed disappointment and concern about the sluggish pace of the expansion, and a number commented that the softening in several recent business indicators could portend quite slow economic growth over the months immediately ahead. Business and consumer sentiment was relatively depressed and seemed to have worsened a bit further recently in some parts of the country. While further deterioration in business activity culminating in an economic downturn could not be ruled out, some of the very latest data had a slightly more positive tone, and the members generally continued to view somewhat stronger economic growth as a reasonable prospect for the year ahead. However, no important sector of the economy seemed poised to provide much impetus to business activity, and the timing of the acceleration from the presently sluggish advance remained uncertain. Nonetheless, declines over the third quarter in the foreign exchange value of the dollar and in domestic interest rates—the latter along the entire maturity spectrum—suggested improved conditions for greater expansion. Recently, these more favorable conditions had been reflected in an upturn in money growth and bank lending activity. With regard to the outlook for inflation, the available statistics and anecdotal information continued to indicate appreciable progress toward the goal of price stability.

In the course of the Committee's discussion, the members gave a great deal of emphasis to the uncertainties that surrounded the economic outlook, including potential developments abroad. Several members commented that against the background of a relatively weak expansion, the recent volatility in some domestic financial markets and in the foreign exchange market tended to underscore the risks of developments that could have adverse effects on the economy. Another key uncertainty related to the ongoing restructuring of business firms and of business and consumer balance sheets. Those activities were continuing to divert financial flows from spending to savings or debt reduction, and prior experience provided little basis for determining when such restructuring might come closer to being completed and flows of funds redirected on balance into more normal spending channels. Nonetheless, the members drew considerable encouragement from the substantial progress that already had been made by business firms in improving their balance sheets and by many lenders, notably banking institutions. While some banks clearly were continuing to experience financial difficulties, many had pared their problem assets and strengthened their capital positions. Moreover, a growing number of reports suggested that banks were intensifying their efforts to find creditworthy borrowers, though when such efforts might become more general was another source of uncertainty.

Consumer spending seemed to have been reasonably well maintained in most parts of the country, including indications of some growth in a number of areas where overall business activity appeared to be moving sideways or even edging lower. At least in some parts of the country, retailers were expressing moderate optimism with regard to their prospective sales during the upcoming holiday season. Even so, very cautious consumer attitudes, associated especially with concerns about employment prospects, seemed likely to restrain overall growth in consumer spending over the next several months. Indeed, barring unanticipated economic developments leading to a major strengthening in employment opportunities, continuing efforts by many households to improve their financial positions could be expected in the context of an already low saving rate to limit the contribution of the consumer sector to faster economic growth for some considerable period.

In their comments about developments in other key sectors of the economy, members also cited single-family housing construction as a source of some stimulus in many regions. The manufacturing of related building materials had exhibited a corresponding pickup recently. Other construction activity, notably that of office structures, remained weak, but there were reports of some improvement or continuing growth in the construction of industrial facilities and public works projects in some parts of the country. In the energy sector, a firming of gas prices was encouraging somewhat greater production. On balance, there was little current evidence that construction, other than in the single-family sector, would provide significant impetus to the overall expansion in the year ahead. Likewise, flagging demand was curtailing the production of aircraft and inducing at least temporary cutbacks in auto assemblies. In addition, the foreign trade sector was not expected to add significantly to demands on the U.S. economy despite the decline in the foreign exchange value of the dollar. While the latter had fostered large increases in tourism from abroad in a number of areas and some domestic producers reportedly were gaining market share, recessions or weak expansion in major foreign trading nations were likely to limit the growth in foreign demand for U.S. goods.

The fiscal outlook remained uncertain. The large federal deficit was still tending to preclude the adoption of spending or tax reduction programs that would increase fiscal stimulus, but some members suggested that continued sluggishness in the economy might well overcome current inhibitions against new initiatives. In any event, defense spending was on a clear downtrend and was exerting an adverse effect on overall economic activity in many parts of the country. At the state and local government levels, severe fiscal problems probably would continue to curb spending and force many jurisdictions to raise taxes so long as a relatively weak economy continued to hold down revenues.

With regard to the outlook for inflation, the members were encouraged by the further indications of a disinflationary trend in prices and wages, and they saw little likelihood that upward pressures on prices would emerge over the next year or two, even in the context of some pickup in the expansion of economic activity. While medical, tuition, and some other costs were rising at relatively rapid rates, members cited widespread examples of very strong competitive pressures in markets for goods, including key agricultural products, and ongoing efforts by firms to cut costs in the face of steady or even declining prices in the markets for their products. Nonetheless, business contacts still seemed to anticipate rising inflation at some point for the economy generally if not in their own industries, and long-term interest rates still appeared to embody higher rates of inflation.

In the Committee's discussion of policy for the intermeeting period ahead, the members generally agreed that current uncertainties made an assessment of the economic outlook and the determination of an appropriate course for monetary policy particularly difficult. While the members' preferences for policy implementation ranged from the maintenance of unchanged reserve conditions to an immediate easing move, a majority indicated that they could support a policy prescription of maintaining unchanged reserve conditions for the present while biasing the directive strongly toward possible easing during the intermeeting period.

Members who favored an unchanged policy stance argued that despite the softness in a number of recent economic indicators they could see no currently persuasive evidence of a cumulative deterioration in the economy. Moreover, earlier monetary policy easing actions had provided a substantial amount of stimulus to the economy that would continue to exert its effects over time. Real short-term interest rates were at very low levels, and intermediate-term rates had declined considerably since midyear. The reductions in interest rates had greatly facilitated the progress already achieved by business firms and households in restructuring their debts and reducing their debt service burdens, thereby strengthening the financial underpinnings of the economy. The dollar recently had been subject to considerable volatility in the foreign exchange markets, and there was some risk that an easing of monetary policy at this time might tend to destabilize it. These members concluded that the present stance of monetary policy continued to reflect an appropriate balancing of the need to sustain progress toward price stability while encouraging an acceptable rate of economic growth.

Members who favored an immediate easing of policy believed that the outlook for the economy and prices argued for a policy move at this time. These members acknowledged that a good deal of uncertainty surrounded the economic outlook. However, there were some risks that an already sluggish economy might weaken further. In the circumstances, a prompt easing move would be a desirable and prudent course, particularly in a situation in which they saw a minimal risk that inflation would be deflected from its downward trend. In the view of some of these members, continued expansion in the broad monetary aggregates at rates below the Committee's ranges suggested that financial conditions were not yet conducive to a pickup in business activity that was sufficiently robust to reduce margins of underutilized resources. An easing in monetary policy seemed to be widely anticipated in financial markets, and a failure to take action at this time might well result in an undesirable backup in market interest rates, thus further weakening the outlook.

A majority of the members noted that they could support an unchanged directive that included a decided presumption of some easing if indications of stronger economic activity failed to emerge or the recent firming in money and credit flows showed signs of ebbing materially. It was anticipated that any decision to ease reserve conditions during this period would be coordinated with the consideration of a reduction in the discount rate by the Board of Governors. Two members felt strongly that a directive calling for unchanged reserve conditions should also provide for an unbiased intermeeting instruction. While such a directive would not rule out an intermeeting adjustment—in either direction—it would require more substantial evidence of changing or unexpected economic or financial information before a policy action was implemented. Several members, including some who favored an immediate easing of policy, expressed some discomfort about the extent to which the Committee might be seen as reacting to individual pieces of incoming data rather than to an accumulation of information and analysis regarding the course of the economy and prices.

In the course of the discussion, members commented that the pickup in the growth of the broad monetary aggregates in August and September was a reassuring development, even though the rates of expansion were still quite sluggish. According to a staff analysis prepared for this meeting, the growth of both aggregates was likely to remain quite limited over the balance of the year and to fall somewhat short of the lower bounds of the Committee's ranges for 1992 as a whole. Despite the lingering effects of earlier declines in short-term interest rates, the projected expansion of M2 and especially that of M3 would be expected to remain below the growth of nominal GDP, and the velocity of these monetary aggregates would continue to display unusual strength in comparison with past patterns. The persistence of slow growth in the broader aggregates probably would involve further decreases in deposit offering rates and shifts of funds to higher-yielding alternatives such as bond and stock mutual funds, with little effect on consumer spending or overall economic activity. The members nonetheless recognized the need to assure adequate monetary expansion for a growing economy and noted that money growth appreciably below current expectations would be a matter of increasing concern. A differing view focused on the growth of M1 and reserves, which had been very rapid since the latter months of 1991. In this view, the outsized growth in narrow measures of money was indicative of a quite stimulative monetary policy, but given the long lags that were involved, the inflationary consequences of such growth, if allowed to continue, might not become evident until much later, perhaps not until well into 1994.

At the conclusion of the Committee's discussion, a majority of the members indicated their acceptance of a directive that called for maintaining the existing degree of pressure on reserve positions and an understanding that there would be a marked bias toward possible easing during the intermeeting period. Two of the members expressed a strong preference for a symmetric directive with regard to possible intermeeting policy adjustments, while two others were firmly persuaded of the desirability of an immediate increase in reserve availability to strengthen the growth of M2. Accordingly, in the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, it was decided that slightly greater monetary restraint might be acceptable or slightly lesser monetary restraint would be acceptable during the intermeeting period. The reserve conditions contemplated at this meeting were expected to be consistent with growth in M2 and M3 at annual rates of about 2 and 1 percent respectively over the three-month period from September through December.

At the conclusion of the meeting, the following domestic policy directive was issued to the Federal Reserve Bank of New York:

The information reviewed at this meeting suggests that economic activity is expanding at a subdued pace. Total nonfarm payroll employment declined somewhat further in September, but the civilian unemployment rate edged down to 7.5 percent. Industrial production is estimated to have declined appreciably since July. Real personal consumption expenditures appear to have risen moderately in the third quarter. Data on housing have been mixed, but on balance they continue to suggest a gradual uptrend in housing expenditures. Recent data on orders and shipments of nondefense capital goods indicate slower growth in outlays for business equipment, while expenditures for nonresidential construction have been weak. The nominal U.S. merchandise trade deficit widened somewhat in July from its average rate in the second quarter. Incoming data on wages and prices suggest that inflation is slowing.

Short-term interest rates have declined somewhat, while longer-term rates are about unchanged since the Committee meeting on August 18. In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies fluctuated widely over the intermeeting period but ended the period higher on balance.

Expansion of M2 and M3 resumed in August, though at fairly slow rates, and limited growth appears to have continued in September. Through September both aggregates were estimated to have grown at rates somewhat below the lower ends of the ranges established by the Committee for the year.

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. In furtherance of these objectives, the Committee at its meeting on June 30–July 1 reaffirmed the ranges it had established in February for growth of M2 and M3 of 2½ to 6½ percent and 1 to 5 percent respectively, measured from the fourth quarter of 1991 to the fourth quarter of 1992. The Committee anticipated that developments contributing to unusual velocity increases could persist in the second half of the year. The monitoring range for growth of total domestic nonfinancial debt also was maintained at 4½ to 8½ percent for the year. For 1993, the Committee on a tentative basis set the same ranges as in 1992 for growth of the monetary aggregates and debt measured from the fourth quarter of 1992 to the fourth quarter of 1993. The behavior of the monetary aggregates will continue to be evaluated in the light of progress toward price level stability, movements in their velocities, and developments in the economy and financial markets.

In the implementation of policy for the immediate future, the Committee seeks to maintain the existing degree of pressure on reserve positions. In the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, slightly greater reserve restraint might or slightly lesser reserve restraint would be acceptable in the intermeeting period. The contemplated reserve conditions are expected to be consistent with growth of M2 and M3 over the period from September through December at annual rates of about 2 and 1 percent, respectively.

Votes for this action: Chairman Greenspan, Vice Chairman Corrigan, Messrs. Angell, Hoenig, Kelley, Mullins, Ms. Phillips, and Mr. Syron. Votes against this action: Messrs. Jordan, LaWare, Lindsey, and Melzer.

Messrs. Jordan and Lindsey preferred immediate action by the Committee to increase the availability of bank reserves sufficiently to achieve the Committee's pre-announced target growth for M2 in 1992. Such reserve provision would likely be associated with further declines in short-term market interest rates. They believed that this policy action by the Committee should be accompanied by an announcement of reductions of the upper and lower limits of the range for M2 growth in 1993. They felt that it was important to make clear that near-term action to increase M2 expansion was not an abandonment of the long-term objective of noninflationary monetary growth.

Messrs. LaWare and Melzer dissented because they did not want to bias the directive toward possible easing during the intermeeting period. In their view, a variety of indicators, including the level of short-term interest rates and the growth of reserves, suggested that monetary policy already was positioned to foster an expansion in economic activity consistent with the economy's long-run potential. Moreover, further easing at this time would incur a substantial risk of destabilizing the dollar in the foreign exchange markets. In these circumstances, they favored a steady monetary policy that was not disposed to react to near-term weakness in economic data and that allowed more time for the effects of earlier easing actions to be felt in the economy. Mr. Melzer also expressed concern that the progress already made toward achieving price stability might be jeopardized if very rapid growth in M1 were to continue. □

Legal Developments

Final Rule—Amendment to Regulation C

The Board of Governors is amending 12 C.F.R. Part 203, its Regulation C (Home Mortgage Disclosure Act). The Federal Deposit Insurance Corporation Improvement Act of 1991 authorized the Board, in consultation with the Department of Housing and Urban Development, to develop a new exemption standard for nondepository mortgage lenders that is comparable to the exemption for depository institutions. Under the standard that has been adopted by the Board, a nondepository mortgage lender with an office in a metropolitan area is covered if it meets either an asset-size test or a lending activity test.

A nondepository mortgage lender continues to be covered if its assets exceed $10 million. Regardless of asset size, however, under the final rule a nondepository mortgage lender is also covered if it originated 100 or more home purchase loans (which includes refinancings of home purchase loans) in the preceding calendar year. This dual standard maintains coverage for all nondepository mortgage lenders that currently report under HMDA and extends coverage to firms that are active mortgage lenders despite their smaller asset size.

The Board also has revised the instructions for reporting loan applications received through a loan broker or correspondent to conform the rule for reporting loan approvals to the existing rule for reporting loan denials. This revision applies to all lenders covered by HMDA, not only nondepository mortgage lenders.

Effective January 1, 1993, 12 C.F.R. Part 203 is amended as follows:

Part 203—Home Mortgage Disclosure [Amended]

1. The authority citation for part 203 continues to read as follows:

Authority: 12 U.S.C. 2801-2810.

2. Section 203.3 is amended by revising paragraph (a) (including its caption) and by revising paragraph (c)(1) to read as follows:

Section 203.3—Exempt institutions.

(a) *Exemption based on location, asset size, or number of home purchase loans.*

(1) A bank, savings association, or credit union is exempt from the requirements of this regulation for a given calendar year if on the preceding December 31:

(i) The institution had neither a home office nor a branch office in an MSA; or

(ii) The institution's total assets were $10 million or less.

(2) A for-profit mortgage lending institution (other than a bank, savings association, or credit union) is exempt from the requirements of this regulation for a given calendar year if:

(i) The institution had neither a home office nor a branch office in an MSA on the preceding December 31; or

(ii) The institution's total assets combined with those of any parent corporation were $10 million or less on the preceding December 31, and the institution originated fewer than 100 home purchase loans in the preceding calendar year.

* * * * *

Loss of exemption.

(1) An institution losing an exemption that was based on the criteria set forth in paragraph (a) of this section shall comply with this regulation beginning with the calendar year following the year in which it lost its exemption. * * *

* * * * *

3. Appendix A to part 203 is amended by revising paragraphs I.A. through I.D., by revising paragraph IV.A.3, by redesignating paragraph IV.A.4 as IV.A.5, by adding a new paragraph IV.A.4, and by revising paragraphs V.B.1. and V.B.2.a. to read as follows:

APPENDIX A TO PART 203—FORM AND INSTRUCTIONS FOR COMPLETION OF HMDA LOAN/APPLICATION REGISTER

* * * * *

I. Who Must File a Report

A. *Depository Institutions.* Subject to the exception discussed below, banks, savings associations, and credit unions must complete a register listing data about loan applications received, loans originated, and loans purchased if on the preceding December 31 an institution:

1. Had assets of more than $10 million, and
2. Had a home or a branch office in a "metropolitan statistical area" or a "primary metropolitan statistical area" (both are referred to in these instructions by the term "MSA").

Example: If on December 31 you had a home or a branch office in an MSA and your assets exceeded $10 million, you must complete a register that lists the home purchase and home improvement loans that you originate or purchase (and also lists applications that did not result in an origination) beginning January 1.

B. *Depository Institutions—Exception.* You need not complete a register — even if you meet the tests for asset size and location — if your institution is a bank, savings association, or credit union that made *no* first-lien home purchase loans (including refinancings) on one-to-four-family dwellings in the preceding calendar year. This exception does not apply in the case of nondepository institutions.

C. *Other Lending Institutions.* Subject to the exception discussed below, for-profit mortgage lending institutions (other than banks, savings associations, and credit unions) must complete a register listing data about loan applications received, loans originated, and loans purchased if the institution had a home or branch office in an MSA on the preceding December 31, and:

1. Had assets of more than $10 million (based on the combined assets of the institution and any parent corporation) on the preceding December 31, or
2. Originated 100 or more home purchase loans (including refinancings of such loans) during the preceding calendar year, regardless of asset size.

D. *Other Lending Institutions — Exception.* You need not complete a register — even if you meet the tests for location and asset size or number of home purchase loans — if your institution is a for-profit mortgage lender (other than a bank, savings association, or credit union) and the home purchase loans that you originated in the preceding calendar year (including refinancings) came to less than 10 percent of your total loan origination volume, measured in dollars.

* * * * *

IV. Types of Loans and Applications Covered and Excluded by HMDA

A. *Types of Loans and Applications to be Reported.*

* * * * *

3. In the case of brokered loan applications or applications forwarded to you through a correspondent, report as originations loans that you approved and subsequently acquired according to a pre-closing arrangement (whether or not they closed in your institution's name). Additionally, report the data for all applications that did not result in originations — for example, applications that your institution denied or that the applicant withdrew during the calendar year covered by the report (whether or not they would have closed in your institution's name). For all of these loans and applications, report the race or national origin, sex, and income information, unless your institution is a bank, savings association, or credit union with assets of $30 million or less on the preceding December 31.
4. Originations are to be reported only once. If you are the loan broker or correspondent, do not report as originations loans that you forwarded to another lender for approval prior to closing, and that were approved and subsequently acquired by that lender (whether or not they closed in your name).
5. Report applications that were received in the previous calendar year but were acted upon during the calendar year covered by the current register.

* * * * *

V. Instructions for Completion of Loan/Application Register

* * * * *

B. *Action Taken.*

1. *Type of Action.* Indicate the type of action taken on the application or loan by using one of the following codes. Do not report any loan application still pending at the end of the calendar year; you will report that application on your register for the year in which final action is taken.
   1—Loan originated
   2—Application approved but not accepted
   3—Application denied
   4—Application withdrawn
   5—File closed for incompleteness
   6—Loan purchased by your institution
2. *Explanation of Codes.*
   a. Use code 2 when an application is approved but the applicant (or a loan broker or correspondent) fails to respond to your notification of approval or your commitment letter within the specified time.

* * * * *

4. The Loan/Application Register Code Sheet that is included at the end of Appendix A is amended by revising it to read as follows:

[See attached Loan/Application Register Code Sheet]

FINAL RULE—AMENDMENT TO REGULATION D

The Board of Governors is amending 12 C.F.R. Part 204, its Regulation D (Reserve Requirements of Depository Institutions) to increase the amount of transaction accounts subject to a reserve requirement ratio of three percent, as required by section 19(b)(2)(C) of the Federal Reserve Act (12 U.S.C. 461(b)(2)(C)), from $42.2 million to $46.8 million of net transaction accounts. This adjustment is known as the low reserve tranche adjustment. The Board has increased from $3.6 million to $3.8 million the amount of reservable liabilities of each depository institution that is subject to a reserve requirement of zero percent. This action is required by section 19(b)(11)(B) of the Federal Reserve Act (12 U.S.C. 461(b)(11)(B)), and the adjustment is known as the reservable liabilities exemption adjustment. The Board is also leaving unchanged at $44.8 million the deposit cutoff level that is used in conjunction with the reservable liabilities exemption amount to determine the frequency of deposit reporting.

Effective December 15, 1992. Compliance Dates: For depository institutions that report weekly, the low reserve tranche adjustment and the reservable liabilities exemption adjustment will be effective on the reserve computation period that begins Tuesday, December 22, 1992, and on the corresponding reserve maintenance period that begins Thursday, December 24, 1992. For institutions that report quarterly, the low reserve tranche adjustment and the reservable liabilities exemption adjustment will be effective on the reserve computation period that begins Tuesday, December 15, 1992, and on the corresponding reserve maintenance period that begins Thursday, January 14, 1993. For all depository institutions, the deposit cutoff level will be used to screen institutions in the second quarter of 1993 to determine the reporting frequency for the twelve month period that begins in September 1993.

The Board of Governors is amending 12 C.F.R. Part 204 as follows:

Part 204—Reserve Requirements of Depository Institutions

1. The authority citation for Part 204 is revised to read as follows:

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

2. In section 204.9, paragraphs (a)(1) and (a)(2) are revised to read as follows:

Section 204.9 Reserve requirement ratios.

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

Category	Reserve Requirement
Net transaction accounts[1]	
$0 to $46.8 million	3 percent of amount
over $46.8 million	$1,404,000 plus 10 percent of amount over $46.8 million
Nonpersonal time deposits	0 percent
Eurocurrency liabilities	0 percent

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

(a)(2) *Exemption from reserve requirements.* Each depository institution, Edge or agreement corporation, and U.S. branch or agency of a foreign bank is subject to a zero percent reserve requirement on an amount of

LOAN/APPLICATION REGISTER CODE SHEET

Use the following codes to complete the Loan/Application Register. The instructions to the HMDA-LAR explain the proper use of each code.

Application or Loan Information

Type:

1 -- Conventional (any loan other than FHA, VA or FmHA loans)
2 -- FHA-insured (Federal Housing Administration)
3 -- VA-guaranteed (Veterans Administration)
4 -- FmHA-insured (Farmers Home Administration)

Purpose:

1 -- Home purchase (one-to-four family)
2 -- Home improvement (one-to-four family)
3 -- Refinancing (home purchase or home improvement, one-to-four family)
4 -- Multifamily dwelling (home purchase, home improvement, and refinancings)

Owner-Occupancy:

1 -- Owner-occupied as a principal dwelling
2 -- Not owner-occupied
3 -- Not applicable

Action Taken:

1 -- Loan originated
2 -- Application approved but not accepted
3 -- Application denied by financial institution
4 -- Application withdrawn by applicant
5 -- File closed for incompleteness
6 -- Loan purchased by your institution

Applicant Information

Race or National Origin:

1 -- American Indian or Alaskan Native
2 -- Asian or Pacific Islander
3 -- Black
4 -- Hispanic
5 -- White
6 -- Other
7 -- Information not provided by applicant in mail or telephone application
8 -- Not applicable

Sex:

1 -- Male
2 -- Female
3 -- Information not provided by applicant in mail or telephone application
4 -- Not applicable

Type of Purchaser

0-- Loan was not originated or was not sold in calendar year covered by register
1 -- FNMA (Federal National Mortgage Association)
2 -- GNMA (Government National Mortgage Association)
3 -- FHLMC (Federal Home Loan Mortgage Corporation)
4 -- FmHA (Farmers Home Administration)
5 -- Commercial bank
6 -- Savings bank or savings association
7 -- Life insurance company
8 -- Affiliate institution
9 -- Other type of purchaser

Reasons for Denial (optional)

1 -- Debt-to-income ratio
2 -- Employment history
3 -- Credit history
4 -- Collateral
5 -- Insufficient cash (downpayment, closing costs)
6 -- Unverifiable information
7 -- Credit application incomplete
8 -- Mortgage insurance denied
9 -- Other

its transaction accounts subject to the low reserve tranche in paragraph (a)(1) of this section not in excess of $3.8 million determined in accordance with section 204.3(a)(3) of this part.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Capital Bancorporation, Inc. Cape Girardeau, Missouri

Order Approving Acquisition of a Bank

Capital Bancorporation, Inc., Cape Girardeau, Missouri ("Capital"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied pursuant to section 3 of the BHC Act (12 U.S.C. § 1842) to acquire the voting shares of Magna Bank of Southern Missouri, Ozark, Missouri.

Notice of the application, affording interested parties an opportunity to submit comments, has been published (57 *Federal Register* 28,871 (1992)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

In reviewing this application, the Board has considered the financial and managerial resources and future prospects of the organizations and institutions involved, the effects of this proposal on competition, the convenience and needs of the community to be served, and other supervisory factors that the Board must consider under section 3 of the BHC Act. On the basis of all the facts of record, including the commitments made by Capital in this application and in subsequent correspondence, the Board finds that these considerations are consistent with approval of this application, and this application is approved for the reasons set forth in the Board's Statement, which will be released at a later date. The dissenting statement of Governors Kelley and LaWare also will be released at that time.

Approval of this proposal is specifically conditioned upon compliance with the commitments made by Capital in connection with this application, including Capital's continued compliance with commitments and initiatives relating to its performance under the Community Reinvestment Act, as discussed in the Board's Statement. For purposes of this action, the commitments and conditions relied on in reaching this decision are both considered conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced under applicable laws. This approval also is conditioned upon Capital receiving all necessary Federal and state approvals. The transaction approved in this Order 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 Federal Reserve Bank of St. Louis, pursuant to delegated authority.

By order of the Board of Governors, effective November 30, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Comerica Incorporated Detroit, Michigan

Order Approving Acquisition of a Bank

Comerica Incorporated, Detroit, Michigan ("Comerica"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of Hibernia National Bank in Texas, Dallas, Texas ("Hibernia-Texas"), from Hibernia Corporation, New Orleans, Louisiana ("Hibernia"). Upon consummation of the proposal, Comerica proposes to merge Hibernia-Texas into Comerica's subsidiary bank, Comerica Bank-Texas, Dallas, Texas ("Comerica-Texas").[1]

Notice of the application, affording interested persons an opportunity to submit comments, has been published (57 *Federal Register* 37,809 (1992)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Comerica, with approximately $26.8 billion in consolidated assets, controls seven banks and one thrift located in California, Florida, Illinois, Michigan and Texas.[2] Comerica is the 11th largest commercial banking organization in Texas, controlling deposits of

1. This merger is subject to review under the Bank Merger Act by the Federal Deposit Insurance Corporation, Comerica-Texas's primary federal regulator.

2. Asset data as of June 30, 1992. Comerica also has established a credit card bank in Ohio that has received approval to operate as a full-service bank.

$1.2 billion, representing less than 1 percent of total deposits in commercial banks in the state.[3] Hibernia-Texas is the 14th largest commercial banking organization in Texas, controlling deposits of nearly $1 billion, representing less than 1 percent of total deposits in commercial banks in the state. Upon consummation of the proposed transaction, Comerica would become the eighth largest commercial banking organization in Texas, controlling deposits of $2.2 billion, representing 1.5 percent of total deposits in commercial banks in the state.

Competitive, Financial, Managerial and Supervisory Considerations

Comerica and Hibernia compete directly in the Dallas banking market.[4] Upon consummation of this proposal, Comerica would become the fifth largest commercial or thrift organization ("depository institution") in the Dallas banking market, controlling deposits of $1.7 billion, representing approximately 5.6 percent of total deposits in depository institutions in the market ("market deposits").[5] After considering the number of competitors remaining in the market, the relatively small increase in concentration as measured by the Herfindahl–Hirschman Index ("HHI"),[6] market share, and all other facts of record, the Board concludes that consummation of the proposal would not result in a significantly adverse effect on competition in the Dallas banking market or any other relevant banking market.

The Board also concludes that the financial and managerial resources and future prospects of Comerica and Hibernia, 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.

Convenience and Needs Considerations

In acting on 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 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.[7]

The Board has received comments from two organizations ("Protestants") alleging that Comerica-Texas and Hibernia-Texas have not complied with the CRA and lending laws designed to provide borrowers with equal access to credit. In particular, the Protestants assert that Comerica-Texas and Hibernia-Texas have failed to meet the credit and deposit needs of low- and moderate-income residents of South Dallas. The Protestants also allege that Comerica-Texas illegally discriminates against ethnic minorities in making lending decisions, citing data for 1990 filed under the Home Mortgage Disclosure Act ("HMDA").[8]

The Board has carefully reviewed the CRA performance records of Comerica, its subsidiary banks, and

3. Deposit and market data as of December 31, 1991.

4. The Dallas banking market is approximated by Dallas County; the southwest quadrant of Denton County (including Denton and Lewisville); the southwest quadrant of Collin County (including McKinney and Plano); the northern half of Rockwall County; the communities of Forney and Terrel in Kaufman County; Midlothian, Waxahachie and Ferris in Ellis County; and Grapevine and Arlington in Tarrant County, Texas.

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

Currently, Comerica-Texas is the seventh largest depository institution in the Dallas banking market, controlling $1.1 billion in deposits, representing 3.6 percent of market deposits. Hibernia-Texas is the thirteenth largest depository institution in the market, controlling $620 million in deposits, representing 2.0 percent of market deposits.

6. The HHI in the Dallas banking market would increase 11 points to 1380. 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 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-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. 12 U.S.C. § 2903.

8. One of the Protestants also raised concerns about the minority hiring and promotion practices of Comerica-Texas. Comerica disputes these allegations, and maintains that it actively promotes employment opportunities for minorities. While the Board fully supports affirmative programs designed to promote equal opportunity in every aspect of a bank's personnel policies and practices in the employment, development, advancement, and treatment of employees, the Board believes that the alleged deficiencies in Comerica-Texas's general personnel and employment practices are beyond the scope of the factors that the Board may properly consider under the CRA, or the convenience and needs factor of the BHC Act.

Hibernia-Texas, as well as all comments received regarding this application, Comerica'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").[9]

Record of Performance Under the CRA

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.[10] The Board notes that Comerica-Texas received an overall "outstanding" rating in the examination of CRA performance conducted by the Federal Deposit Insurance Corporation ("FDIC") as of October 11, 1991. In this regard, Comerica-Texas's overall CRA performance improved since its "satisfactory" CRA rating in the FDIC's previous examination as of March 29, 1990. In addition, Comerica's other six subsidiary banks have received either "satisfactory" or "outstanding" ratings from their primary supervisors in the most recent examinations of their CRA performance.[11] Hibernia-Texas is currently being examined for CRA performance by its primary regulator, the Office of the Comptroller of the Currency ("OCC"), and has preliminarily been assigned an overall "satisfactory" CRA performance rating.

B. Corporate Policies

Comerica-Texas has in place the type of policies outlined in the Agency CRA Statement that contribute to an effective CRA program. For example, the board of directors of Comerica has adopted a written CRA plan for 1991-1993, which includes goals, objectives, and methodology for self-assessment. The Comerica board has also established a CRA Committee, which meets monthly, and a Public Responsibility Committee, which meets quarterly, to compile and issue status reports, review technical CRA compliance, conduct semi-annual reviews of the distribution of credit products, submit annual CRA statements to the board for review, and provide the board with a summary of CRA activities. Comerica-Texas also conducts regular CRA self-assessments, and the bank's board of directors actively supports CRA training for all bank personnel in the form of workshops, seminars, in-house training, and a periodic CRA newsletter.

C. Ascertainment and Marketing

Community credit needs are ascertained by Comerica-Texas through a multi-layered approach to community outreach. For example, the bank's management has ongoing, substantive contacts with numerous civic, religious, neighborhood, minority, and small business organizations. Comerica-Texas also has an extensive officer call program at each branch. Approximately 25 percent of all calls are made by the four branches located in low- and moderate-income areas of the bank's delineated market.[12] In addition, the bank has developed, and will soon distribute, a credit needs survey. In the bank's most recent CRA examination report, the FDIC concluded that the board and management of Comerica-Texas maintained a proactive attitude toward determining community credit needs, and in developing products to address those needs.

Comerica-Texas markets its products and services through a variety of advertising activities, including neighborhood and regional newspapers, local radio stations, billboards, statement stuffers, and lobby

9. 54 *Federal Register* 13,742 (1989).

10. *Id.* at 13,745.

11. Comerica's thrift subsidiary, Comerica Bank-Florida, Federal Savings Bank, Clearwater, Florida ("Comerica-Florida"), representing less than 1 percent of Comerica's consolidated assets, received a "needs to improve" rating from the Office of Thrift Supervision ("OTS") at its most recent CRA performance examination as of February 1992. Comerica immediately initiated steps to address areas for improvement that were identified in the examination. For example, Comerica has implemented the following initiatives under its plan to improve the CRA performance of Comerica-Florida:

(1) Establishment of a branch manager calling program that includes calls to businesses and community organizations serving low- to moderate-income and minority areas;
(2) Expansion of its market delineation to include additional low- and moderate-income neighborhoods;
(3) Appointment of a CRA officer;
(4) Establishment of a community advisory council;
(5) Development of a non-traditional marketing plan;
(6) Establishment of a public responsibility committee;
(7) Implementation of a geocoding system to improve the monitoring and analysis of loan applications and denials; and
(8) Initiation of internal review and self-assessment procedures.

In addition, Comerica will open an office of its mortgage company subsidiary in Florida, and will offer special mortgage and home improvement products to low- and moderate-income customers. These loan products feature more flexible underwriting standards than existing credit products offered by Comerica-Florida. The OTS has reviewed this plan and informed the Board that Comerica-Florida is making satisfactory progress in improving its CRA performance record.

12. One of the Protestants maintains that Comerica-Texas does not have a sufficient number of branch offices in South Dallas to adequately serve the banking needs of that area's residents. At Comerica-Texas's most recent CRA examination, the FDIC found that the bank's offices are readily accessible to all segments of the communities served by the bank. The Board also notes that consummation of the proposal will expand the number of Comerica-Texas's branch offices in low- and moderate-income areas, including South Dallas.

signs. All of the bank's marketing and advertising programs are reviewed, approved, and monitored by the board and senior management of the bank. Much of the bank's advertising is directed toward low-and moderate-income neighborhoods. For example, home improvement loans, budget checking accounts, and small business loans are regularly advertised in minority publications and on billboards located in low- and moderate-income areas. In addition, Comerica-Texas has established a Speakers Bureau as a further means to provide credit and banking information to individuals and community groups.

In addition, Comerica-Texas has contracted with a minority-owned management consulting firm to advise the bank on marketing its services in the southern Dallas area, and to develop a comprehensive marketing plan for that area. This marketing plan will focus on mortgage lending, lending to small businesses, and improving community awareness of the bank's services. Comerica-Texas anticipates that the plan will be implemented through minority-owned firms. Comerica-Texas has also hired a minority mortgage loan officer to serve the South Dallas area from the bank's Wynnewood Branch.

D. Lending and Other Activities

Comerica-Texas supports a number of governmental programs designed to help meet the housing-related credit needs of low- and moderate-income borrowers. For example, the bank has provided a $5 million commitment to the Dallas Affordable Housing Partnership ("DAHP") to provide low-interest mortgages to low-income first-time homebuyers. Comerica-Texas has also provided a $100,000 line of credit to DAHP for use in acquiring and rehabilitating homes before permanent financing is obtained. Comerica-Texas was the first bank to participate in DAHP to offer this type of interim financing. Senior bank personnel are members of DAHP's board of directors, and DAHP pamphlets and materials are made available at all branches.

In addition, Comerica has provided over $1 million to Common Ground Community Economic Development Corporation to provide financing for single-family residences. Comerica has supported this organization since its inception over ten years ago. Further, Comerica-Texas has a $1.5 million participation in a City of Dallas bond program that finances single-family mortgages for low- and moderate-income families. Comerica-Texas also supports the Southern Dallas Development Corporation both financially and through service on its board of directors, and has recently committed to assist the Corporation in the funding of development loans over a four-year period. The bank's Senior Vice-President serves as a director of that organization.

Comerica-Texas also participates in the U.S. Department of Housing and Urban Development's 203K Program, through which it has funded loans for the rehabilitation of properties. In addition, Comerica-Texas has provided financing for a small hotel used as a shelter for the homeless and mentally ill. In South Dallas and West Dallas, Comerica-Texas has provided financing for more than 60 houses owned by a neighborhood-based, non-profit organization, and rented to low-income residents. Moreover, the bank has recently applied to become a lender under the Title I program for home improvement loans. The bank has also participated in various other programs directed at economic revitalization of various low- and moderate-income areas of the Dallas metropolitan area.

With respect to small business lending, Comerica-Texas participates in a number of Small Business Administration loan programs. Comerica-Texas has also sponsored numerous business conferences and seminars for individuals interested in starting small businesses. The bank uses these occasions to discuss credit requirements and standards for small- to medium-sized companies in need of bank financing.

To strengthen its CRA performance in South Dallas, Comerica-Texas has developed a marketing plan that will include community participation and an officer calling program. In this regard, the bank has made a number of calls in low- and moderate-income areas through its General Banking Calling Program and Small Business Lenders Program. Comerica-Texas has also established focus groups to evaluate small business lending needs and consumer loan needs within the bank's delineated service community. Moreover, Comerica-Texas has provided equipment, management advice, guidance, and loans to Common Ground Federal Credit Union, a federally-chartered credit union aimed at providing non-profit services to residents of South Dallas.

E. HMDA Data and Lending Practices

The Board has reviewed the 1990 and 1991 HMDA data reported by Comerica-Texas and Hibernia-Texas, as well as Protestants' comments regarding this data.[13] The HMDA data shows disparities in the rates for housing-related loan applications, approvals, and de-

13. Banks are required under the HMDA to report certain information regarding loan applications, approvals, and denials to the various banking agencies and the public. This information includes data on the race, gender, and income of individual loan applicants, as well as the location of the property securing the potential loan, and a description of the application.

nials that vary by racial or ethnic group in certain areas of Dallas. Protestants have alleged illegal discriminatory lending practices on the basis of this data.

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

The most recent examinations for CRA compliance and performance conducted by bank supervisory agencies found no evidence of illegal discrimination or other illegal credit practices at Comerica-Texas or Hibernia-Texas. In the case of Comerica-Texas, the examination specifically considered the results of the 1990 HMDA data and the loan policies and procedures which governed the loan applications that were the source for the 1991 data.

Comerica-Texas has also taken steps designed to improve its lending to minority and low- and moderate-income neighborhoods in Dallas. For example, Comerica-Texas's management determined that the bank should review its minority mortgage lending practices, and established a task force to review the bank's mortgage products and recommend additional credit products, if needed, to facilitate lending to low- and moderate-income customers. The task force, which is chaired by the bank's Vice Chairman, has already met four times this year, and considered a number of new lending products for low- and moderate-income customers.

Comerica-Texas has also introduced a new affordable housing loan with underwriting guidelines more flexible than traditional mortgage loans. Applications under this program are currently being processed. The bank will offer this program in conjunction with the Affordable Housing League, Inc., a non-profit group that focuses on low- and moderate-income housing issues. The Affordable Housing League will serve as a source of referrals for the new program.

F. Conclusion Regarding Convenience and Needs Factors

The Board has carefully considered the entire record, including the comments filed in this case, in reviewing the convenience and needs factor under the BHC Act. Based on a review of the entire record of performance, including information provided by Protestants and by the banks' primary regulators, the Board believes that the efforts of Comerica and Hibernia to help meet the credit needs of all segments of the communities served by Comerica-Texas and Hibernia-Texas, including low- and moderate-income neighborhoods, are consistent with approval.

The Board recognizes that the record compiled in this application points to areas for improvement, especially in housing-related lending to minority and low- and moderate-income borrowers. Comerica has initiated steps designed to strengthen the CRA performance of the insured institutions. In this regard, the outstanding CRA performance rating received by Comerica-Texas reflects Comerica's willingness to address promptly areas where the improvements can be made to help meet community credit needs. The Board believes that this record, and the initiatives proposed by Comerica-Texas, will help the resulting organization improve its CRA performance and address weaknesses identified by Protestants.

In this light, and on the basis of all of the facts of record, the Board concludes that the convenience and needs considerations, including the CRA performance records of Comerica-Texas and Hibernia-Texas, are consistent with approval of this application. The Board expects Comerica-Texas to implement fully the CRA initiatives discussed in this Order, and contained in this application. Comerica-Texas's progress in implementing these initiatives will be monitored by the Federal Reserve Bank of Chicago, and in future applications by Comerica to expand its deposit-taking facilities.[14]

Based on the foregoing, including the conditions and commitments described in this Order and those made in this application, and all of the facts of record, the Board has determined that this application should be, and hereby is, approved. The Board's approval is

14. Protestants have requested that the Board hold a public meeting or hearing on this application. 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 FDIC 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 substantial written comments that have been considered by the Board. On the basis of all of 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 this application is hereby denied.

specifically conditioned upon compliance by Comerica with all the commitments made in connection with this application. The commitments and conditions relied on by the Board in reaching this decision are both 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 approval is also conditioned upon Comerica receiving all necessary Federal and state approvals.

This transaction should 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 Chicago, acting pursuant to delegated authority.

By order of the Board of Governors, effective November 30, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

GBC Holdings, Inc.
Los Angeles, California

Order Approving Formation of a Bank Holding Company

GBC Holdings, Inc. ("GBC") has applied under section 3(a)(1) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring all the voting shares of Guaranty Bank of California, both of Los Angeles, California ("Bank").

Notice of the application, affording interested persons an opportunity to submit comments, has been published (57 *Federal Register* 10,026). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

GBC is a non-operating company formed for the purpose of acquiring Bank. Bank controls deposits of approximately $16.7 million and is the 369th largest commercial banking organization in California, representing less than 1 percent of total deposits in commercial banking deposits in the state.[1] Bank operates in the Los Angeles, California, banking market,[2] and controls less than 1 percent of the total deposits in commercial banking or thrift institutions in that market ("market deposits").

Principals of GBC also indirectly control United Savings Bank, F.S.B., San Francisco, California ("USB"). USB controls deposits of approximately $1.0 billion and is the 43rd largest insured depository organization in the state, representing less than 1 percent of total deposits in commercial banking or thrift institutions in the state. USB operates branches in the Los Angeles banking market, and controls less than 1 percent of market deposits.[3] The Los Angeles banking market is unconcentrated, and upon consummation of the proposal the Herfindahl–Hirschman Index ("HHI") for the market would be 962.[4] Based on all the facts of record, the Board concludes that consummation of the proposed transaction would not result in any significantly adverse effects on competition in any relevant banking market. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

In assessing the financial factors and future prospects in this case, the Board has considered that Bank is in seriously troubled financial condition and that, as part of the proposal, GBC proposes to provide substantial additional capital to Bank and thereby make it a viable competitor. In light of this and other facts of record, the Board concludes that the financial and managerial resources and future prospects of GBC and Bank, the convenience and needs factors, and the other factors the Board must consider under the BHC Act are consistent with approval.

Based on all of the facts of record, including the commitments made by GBC and its principal shareholders in connection with this application, the Board has determined to approve GBC's application. The Board's decision is specifically conditioned on compliance by GBC and its principal shareholders with all of the commitments made in connection with this application. The commitments relied upon by the Board in reaching its decision are conditions imposed in writing in connection with this Board's findings and decision

1. Data are as of June 30, 1991.

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

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

4. 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. 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 anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points.

and, as such, may be enforced in proceedings under applicable law.

The Superintendent of Banks for the State of California has requested the Board to act immediately on this application in light of the financial condition of Bank and to eliminate the post-approval waiting period in this case in order to prevent the probable failure of Bank. Based on all of the facts of record, the Board finds that conditions satisfy the requirements for immediate consummation of this proposal. In accordance with sections 3(b) and 11(b) of the BHC Act (12 U.S.C. §§ 1842(b)(1) and 1842(b)(11)), the acquisition of Guaranty Bank may be consummated immediately after the effective date of this Order, but no 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 California, acting pursuant to delegated authority.

By order of the Board of Governors, effective November 20, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Mansura Bancshares, Inc.
Mansura, Louisiana

Order Approving the Merger of Bank Holding Companies

Mansura Bancshares, Inc., Mansura, Louisiana ("Mansura"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to merge with Cen-La Bancshares, Inc., Marksville, Louisiana ("Cen-La"), and Cottonport Bancshares, Inc., Cottonport Louisiana ("Cottonport"), and thereby acquire Central Louisiana Bank & Trust Company, Inc., Marksville, Louisiana ("Cen-La Bank") and Cottonport Bank, Cottonport, Louisiana.[1] In addition, Mansura has applied pursuant to section 3 of the BHC Act to acquire 9.7 percent of the voting shares of Union Bancshares, Inc., Marksville, Louisiana ("Union"), the parent company of Union Bank, Marksville, Louisiana.[2] These shares of Union are currently owned by Cen-La Bank and Mansura Bank.

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (57 *Federal Register* 36,649 and 41,142 (1992)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Mansura is the 117th largest commercial banking organization in Louisiana, controlling deposits of $31.9 million, representing less than 1 percent of total deposits in commercial banks in the state.[3] Cottonport is the 123d largest commercial banking organization in Louisiana, controlling deposits of $27.9 million, representing less than 1 percent of total deposits in commercial banks in the state. Cen-La is the 130th largest commercial banking organization in Louisiana, controlling deposits of $26.3 million, representing less than 1 percent of total deposits in commercial banks in the state. Upon consummation of the proposed transaction, Mansura would become the 47th largest commercial banking organization in Louisiana, controlling deposits of $86.1 million, representing less than 1 percent of total deposits in commercial banks in the state.

Mansura, Cen-La, and Cottonport are under common control, and have numerous director and officer interlocks. Each of these three institutions operates in the Avoyelles Parish, Louisiana banking market, and, together, these institutions control 35.6 percent of deposits in commercial banks in the market.[4] The institutions do not currently compete against each other. The Board has reviewed the competitive effects of the original acquisition at the time these institutions became affiliated, and determined that the competitive factors at that time were not significantly adverse.[5] The reorganization will not have a substantial effect on

1. Mansura also intends to merge its subsidiary, Mansura State Bank, Mansura, Louisiana ("Mansura Bank"), and Cen-La Bank into Cottonport Bank. This merger is subject to review by the FDIC under the Bank Merger Act.

2. Mansura has made a number of commitments relied on by the Board in previous cases to ensure that Mansura will not exercise a controlling influence over Union. *See Summit Bancorp, Inc.*, 77 *Federal Reserve Bulletin* 952 (1991); *United Counties Bancorporation*, 75 *Federal Reserve Bulletin* 714 (1989). These commitments are set forth in the Appendix.

3. State deposit data are as of December 31, 1991. Market deposit data are as of June 30, 1991.

4. The Avoyelles Parish banking market is approximated by Avoyelles Parish, Louisiana.

5. In 1984, the Roy banking chain controlled 18.1 percent of the deposits in commercial banks in the Avoyelles Parish banking market. With the addition of Cottonport Bank, the Roy banking chain controlled 29.4 percent of deposits in the Avoyelles Parish banking market and constituted the largest of six banking organizations in the market. The FDIC considered the competitive effects of this acquisition in 1984 and determined that they were not significantly adverse. *See* letter dated August 1, 1984, from the FDIC to Mr. A.J. Roy, Jr. The Federal Reserve Bank of Atlanta subsequently approved the formation of Cottonport to hold Cottonport Bank. *See Cottonport Bancshares, Inc.*, 70 *Federal Reserve Bulletin* 897 (1984).

competition in the Avoyelles Parish banking market, but should permit the resulting organization to operate more effectively. As a result, the Board concludes that competitive factors raised by the reorganization of the three institutions are consistent with approval.

However, the Board believes that the proposal would raise serious competitive concerns in the Avoyelles Parish banking market if the proposal involved the acquisition of control of Union by Mansura. If considered as a combined banking organization, upon consummation of this proposal, Mansura and Union would become the largest depository institution in the Avoyelles Parish banking market, controlling approximately 61.7 percent of deposits in commercial banks in the market.[6]

The question of whether a substantial lessening of competition would result from a minority investment in a competing bank must be answered in light of the specific facts of each case.[7] The Board views these acquisitions with concern and continues to believe that noncontrolling interests in directly competing banks or bank holding companies may raise serious questions under the BHC Act. The Board has previously noted that one company need not acquire control of another in order substantially to lessen competition between them. It is possible, for example, that the acquisition of a substantial ownership interest in a competitor or potential competitor of the acquiring firm may alter the market behavior of both firms in such a way as to weaken or eliminate independence of action between the organizations and increase the likelihood of cooperative operations.

In this case, it is the Board's judgment, based upon careful analysis of the record, that no significant reduction in competition is likely to result from Mansura's proposed acquisition of shares of Union.

The record in this case shows that there are no officer or director interlocks between Union and Mansura, and Mansura has committed not to establish any officer or employee interlocks or to seek or accept any representation on the board of directors of Union or any of its affiliates. Mansura has committed that its ownership interest in Union will be a strictly passive investment, and Mansura is prohibited by its commitments and the BHC Act from acting either alone or in concert with any other entity to control Union without additional prior Board approval. Mansura also has stated that it will sell its shares of Union if it receives a reasonable offer for them. The Board has also placed significant weight on the fact that the directors and certain officers of Union have formed a voting trust that currently controls 51 percent of Union's voting shares. In light of these facts, the Board believes that Mansura will not have the power to affect the market behavior of Union. Accordingly, the Board concludes that competitive considerations are consistent with approval of the applications.[8]

The Board also concludes that the financial and managerial resources and the future prospects of Mansura are consistent with approval. The Board also finds that the convenience and needs and other factors the Board must consider under section 3 of the BHC Act are consistent with approval.[9]

Based on the foregoing and other facts of record,[10] the Board has determined that these applications

6. Acquisition of Union by Mansura would increase the Herfindahl-Hirschman Index ("HHI") by 1860 points to 4748. No thrifts operate in the Avoyelles banking market.

7. *SunTrust Banks, Inc.*, 76 *Federal Reserve Bulletin* 542 (1990); *First State Corporation*, 76 *Federal Reserve Bulletin* 376 (1990); *The Summit Bancorporation*, 75 *Federal Reserve Bulletin* 712 (1989).

8. The Board has received comments from an individual ("Protestant") who has alleged that this proposal, in light of the recent closure of a large thrift institution in the Avoyelles Parish banking market and Mansura's ownership of 9.7 percent of Union, would lead to a "monopolistic environment" in the Avoyelles Parish banking market. For the reasons noted above, particularly the passive nature of Mansura's investment in Union, the Board does not believe that Protestant has raised competitive issues that would warrant denial of this application.

9. In this regard, the Board has carefully considered additional comments submitted by Protestant stating that the proposed management of Mansura and its subsidiaries is inadequate and that financial considerations are not consistent with approval of the applications. Protestant stated that certain members of the proposed management of Applicant did not have a formal education in banking; that certain managers had prior associations with failed depository institutions or were otherwise unqualified; and that no one has been designated to serve as cashier at Cottonport Bank after the merger. Mansura and certain of the managers named by Protestant submitted information to the Board concerning their backgrounds and experience. Mansura has also named a cashier for the merged Cottonport Bank. The Board has reviewed this information as well as examination reports that discuss the performance of these individuals. In addition, Protestant alleged that management of Cen-La Bank is self-serving in its transactions with the bank. The Board also has reviewed these comments and the relevant examination reports of Cen-La Bank and finds no basis for denial of this application. On the basis of all the facts of record, the Board concludes that Protestant's comments on financial and managerial considerations are not supported by the record of this application.

10. The Board also received comments from two individuals alleging that Cen-La Bank improperly foreclosed on certain collateral pledged as security for a loan. The Board notes that these commenters have submitted their complaints to the State of Louisiana and the FDIC and that these claims are also the subject of several civil lawsuits. The Board notes in this respect that the State of Louisiana Banking Department has determined that information submitted by Second Protestants to it did not make a *prima facie* showing that Cen-La Bank violated any state banking law or regulation. In addition, the FDIC, the primary federal bank supervisory agency for Cen-La Bank, has approved the application for the merger of the banks involved in this transaction.These proceedings will provide these commenters with an adequate remedy if the alleged misconduct can be established. Based on all the facts of record, including the information submitted by Mansura and the commenters and examination reports of Cen-La Bank, the Board does not believe that these allegations warrant denial of these applications.

should be, and hereby are, approved.[11] The Board's approval of these transactions is specifically conditioned on Mansura's compliance with the commitments made by Mansura in connection with these applications. All of the commitments and conditions relied upon by the Board in reaching its decision are commitments imposed in writing in connection with the Board's findings and decision and may be enforced in proceedings under applicable laws. The transactions approved in this Order 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 Atlanta, acting pursuant to delegated authority.

By order of the Board of Governors, effective November 30, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Appendix

As part of this proposal, Mansura has committed that it will not, without the Board's prior approval:

(1) Exercise or attempt to exercise a controlling influence over the management or policies of Union or its bank subsidiary;

(2) Have or seek to have any employees or representative serve as an officer, agent or employee of Union or its bank subsidiary;

(3) Take any action causing Union or its bank subsidiary to become a subsidiary of Mansura;

(4) Acquire or retain shares that would cause the combined interest of Mansura and its officers, directors and affiliates to equal or exceed 25 percent of the outstanding voting shares of Union;

(5) Propose a director or slate of directors in opposition to a nominee or slate of nominees proposed by the management or board of directors of Union;

(6) Attempt to influence the dividend policies or practices of Union or its bank subsidiary;

(7) Solicit or participate in soliciting proxies with respect to any matter presented to the shareholders of Union;

(8) Attempt to influence the loan and credit decisions or policies of Union and its bank subsidiary, the pricing of services, any personnel decision, the location of any officers, branching, the hours of operation, or similar activities of Union and its bank subsidiary;

(9) Dispose or threaten to dispose of shares of Union in any manner as a condition of specific action or nonaction by Union;

(10) Enter into any other banking or nonbanking transactions with Union, except that Mansura may establish and maintain deposit accounts with bank subsidiaries of Union, provided that the aggregate balances of all such accounts do not exceed $500,000 and that the accounts are maintained on substantially the same terms as those prevailing for comparable accounts of persons unaffiliated with Union; or

(11) Seek or accept representation on the board of directors of Union.

ONBANCorp, Inc.
Syracuse, New York

Order Approving Merger of Bank Holding Companies

ONBANCorp, Inc., Syracuse, New York ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire the voting shares of the following bank subsidiaries of Midlantic Corporation, Edison, New Jersey ("Midlantic"): The Merchants National Bank and Trust Company of Syracuse, Syracuse, New York ("Merchants Bank"), and Union National Bank, Albany, New York ("Union Bank").

Notice of the application, affording interested persons an opportunity to submit comments, has been published (57 *Federal Register* 24,793 (1992)). The time for filing comments has expired, and the Board has considered the application and all comments re-

11. Commenters in this case have requested that the Federal Reserve Bank of Atlanta sponsor a meeting on the issues raised in their comments. Section 3(b) of the BHC Act does not require the Board 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, neither the FDIC nor the State of Louisiana has 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, the commenters have had ample opportunity to present written submissions, and the commenters have submitted written comments that have been considered by the Board. Further, the commenters have not identified facts that are material to the Board's decision and that are in dispute. Therefore, the Board has determined that a public meeting or hearing is not necessary to clarify the factual record in this application, or otherwise warranted in this case, and the request for a public meeting or hearing on this application is denied.

ceived in light of the factors set forth in section 3(c) of the BHC Act.[1]

Applicant is the 21st largest commercial banking organization in New York State, controlling deposits of $1.4 billion, representing less than 1 percent of the total deposits in commercial banking organizations in the state.[2] Midlantic is the 15th largest commercial banking organization in New York State, controlling deposits of $2.2 billion in four commercial bank subsidiaries, representing less than 1 percent of the total deposits in commercial banks in the state. Union Bank controls deposits of $224.8 million, and Merchants Bank controls deposits of $704.6 million. Upon consummation of the proposed transaction, Applicant would become the 16th largest commercial banking organization in the state, controlling approximately 1 percent of total deposits in commercial banks in New York State.

Applicant and Midlantic compete directly in the Syracuse banking market.[3] Applicant is the sixth largest commercial banking or thrift organization ("depository institution") in the market, controlling $530.8 million in deposits, representing 7.2 percent of total deposits held by depository institutions in the market ("market deposits").[4] Midlantic is the fifth largest depository institution in the market, controlling $703.2 million in deposits, representing 9.6 percent of market deposits. Upon consummation of the proposed transaction, Applicant would control deposits $1.76 billion, representing 22.4 percent of deposits in the market. The market would remain moderately concentrated, and the Herfindahl–Hirschman Index ("HHI") would increase by 234 points to 1301.[5] After considering the competition offered by other depository institutions in the market, the number of competitors remaining in the market, the increase in concentration as measured by the HHI, and the other facts of record, the Board has concluded that consummation of the proposal would not result in a significantly adverse effect on competition in the Syracuse or in any other relevant banking market.

Convenience and Needs Considerations

In considering the convenience and needs of the communities to be served by these institutions, the Board has taken into account the record of Applicant and its subsidiary bank, Onondaga Savings Bank, Syracuse, New York ("OnBank"),[6] as well as Merchants Bank and Union Bank, under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess 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 this record into account in its evaluation of bank holding company applications.[7]

In connection with this application, the Board has received comments in favor of the proposal as well as comments opposed to this proposal. For example, the Mayor of Syracuse has supported OnBank's efforts under the CRA and requested the Board to approve this application. The Urban League of Onondaga County, Inc., the United Way of Central New York, Inc., Junior Achievement of Central New York, Inc., Food Bank of Central New York, and the Elmcrest Children's Center have also submitted comments supporting the proposal on the basis of OnBank's CRA-related community development and lending activities.

1. The Board received comments after the close of the comment period. Under the Board's Rules of Procedure ("Rules"), the Board may in its discretion take into consideration the substance of such comments. 12 C.F.R. 262.3(e). The Board also received several comments that were subsequently withdrawn during the processing of this application.

2. State deposit data are as of June 30, 1992. Market deposit data are as of June 30, 1990.

3. The Syracuse banking market is approximated by all of Cayuga, Onondaga, and Oswego Counties, and parts of Cortland and Madison Counties.

4. Market share data are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *See Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Applicant's deposits are included at 50 percent in the calculation of current market shares and at 100 percent in the calculation of *pro forma* market shares.

5. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is less than 1000 is considered unconcentrated, a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated, and a market in which the post-merger HHI is above 1800 is considered to be highly 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 anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effect of limited-purpose lenders and other non-depository financial entities.

6. OnBank is a stock-form savings bank chartered under the law of New York State with deposits insured by the FDIC's Bank Insurance Fund. Accordingly, OnBank is a "bank" within the meaning of section 2(c) of the BHC Act.

7. 12 U.S.C. § 2903.

The Board has also received comments from the Concerned Citizens for Better Government ("Protestant") opposing the application on the basis of Applicant's record of performance under the CRA. In particular, Protestant challenges OnBank's refusal to approve its loan proposal.[8]

The Board has carefully reviewed the CRA performance records of Applicant and Midlantic and their subsidiary banks, as well as all of the comments received and Applicant's responses to those comments, and all of the other relevant facts, in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").[9]

Initially, the Board notes that OnBank received a "satisfactory" rating for CRA performance from its primary supervisor, the Federal Deposit Insurance Corporation, in its most recent examination for CRA performance as of February 1992.[10] 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.[11] Union Bank and Merchants Bank have also each received satisfactory ratings from their primary supervisors in their most recent examinations for CRA performance.

CRA-Related Lending Activities. Several commenters have submitted comments that reflect favorably on the CRA-related lending activities of Applicant. The Metropolitan Development Association of Syracuse and Central New York (the "MDA"), for instance, has commented that Applicant has been in the forefront of supporting community business development and has assisted the MDA in its efforts to retain and attract small and mid-sized businesses to the central New York area.

OnBank began offering small business and commercial loans in 1990. In connection with its commercial lending, Onbank works with the Small Business Administration ("SBA"), the New York State Jobs Development Authority ("JDA"), and the Urban Development Corporation ("UDC"). Approximately $1 million of OnBank's commercial loans made over the past two years were made in participation with the SBA, and of that amount, 20 percent were in inner-city census tracts. A $2.5 million loan was made with the help of the JDA and UDC to a manufacturing company employing over 100 people in an economically depressed region of the state.

OnBank also assists in meeting the housing-related credit needs of low- and moderate-income residents by offering loans through the FHA and the State of New York Mortgage Authority ("SONYMA"). For example, as of the second quarter of 1992, OnBank's portfolio contained $52 million in FHA/VA loans originated by OnBank. OnBank is also a significant originator of SONYMA loans which are directed principally to low- and moderate-income neighborhoods and first-time homeowners by requiring a minimum downpayment of 3 percent. OnBank's portfolio contained $35 million of SONYMA mortgage loans originated by OnBank as of the second quarter of 1992. OnBank also has provided financing for the renovation of a 25-unit multi-family housing project located in a low- to moderate-income area in Syracuse.

OnBank also has initiated several steps to improve its CRA-related lending record. These initiatives include providing $4 million in real estate mortgage loan financing in low- and moderate-income neighborhoods over the next five years. In addition, OnBank will hire a bank officer to review all denied mortgage applications from low- and moderate-income borrowers, and designate an officer to coordinate marketing and outreach efforts toward the inner-city community. OnBank will also provide loans with no minimum loan amount to minority and low- and moderate-income suppliers for projects in low- and moderate-income areas of Syracuse.

Additional Elements of CRA Performance. Onbank has in place the types of policies and procedures outlined in the Agency CRA Policy Statement that contribute to effective CRA programs. For example, OnBank's board of directors annually reviews and approves the bank's CRA Statement, and the minutes of the board's meetings reflect the board's discussions of various CRA topics. OnBank also provides annual CRA training to its branch managers and loan originators.

OnBank ascertains the credit needs of its entire community, including low- and moderate-income neighborhoods, through a variety of existing programs and community contacts. For example, OnBank has worked closely with Syracuse Neighborhood Housing Services, Inc. ("SNHSI"). In addition, OnBank works with a local group to provide home buyer's seminars to those living in Syracuse's inner-city.

8. Protestant also alleges that Applicant's deceptive practices prevented Protestant from participating in discussions involving Applicant and a variety of community groups from June to August, 1992. Applicant responds that it has met with Protestant's representative on several occasions during May and August, 1992, and has exchanged correspondence with Protestant regarding Protestant's proposals.

9. 54 *Federal Register* 13,732 (1989).

10. Protestant alleges without further specificity that OnBank has received 1500 complaints regarding declined credit applications. Applicant denies receiving this volume of such complaints. In addition, the most recent examination of OnBank found no evidence of illegal discriminatory or other illegal credit practices, and no evidence of practices designed to discourage credit applications.

11. 54 *Federal Register* at 13,745.

These seminars are designed to increase buyer awareness of residential mortgage lending. Ascertainment efforts also are furthered through director and officer membership in local organizations such as the advisory group to the Comprehensive Housing Plan of Syracuse, the Syracuse Comprehensive Housing Affordability Committee, and the Syracuse Consumer Credit Counseling Services of Central New York, Inc.

OnBank also markets various specific credit and other financial products through several newspapers,[12] direct mail,[13] and seminars in all areas of its community, including low- and moderate- income areas. English and Spanish language brochures that describe the bank's services and hours of operation are available at the bank's branch locations. In addition, OnBank has reached an agreement to further its CRA-related activities in the Syracuse MSA with a coalition of community groups.

Based on a review of the entire record of performance by OnBank, including information provided by the commenters and information contained in the CRA performance examination by OnBank's primary regulator, the Board concludes that the convenience and needs considerations under the BHC Act, including the CRA performance records of the relevant banks, are consistent with approval of this application.

The financial and managerial[14] resources and future prospects of Applicant and Midlantic and their subsidiaries, and all other factors the Board is required to consider under section 3 of the BHC Act also are consistent with approval of this proposal.

Based on the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved.[15] The Board's approval is specifically conditioned on Applicant's compliance with the commitments made in connection with this application. All of the commitments and conditions relied upon by the Board in reaching its decision are conditions imposed in writing in connection with the Board's findings and decision and, as such, may be enforced in proceedings under applicable law. The transaction approved in this Order 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 New York, acting pursuant to delegated authority.

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

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Orders Issued Under Section 4 of the Bank Holding Company Act

Citicorp
New York, New York

Order Approving Issuance and Sale of Variably Denominated Payment Instruments

Citicorp, New York, New York, 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 directly and indirectly through its subsidiary, Citicorp Services Inc. ("CSI"), in the issuance and sale of variably denominated payment instruments without limitation as to face value and without the reporting and reservable deposit requirements previously imposed by the Board on issuers of such instruments.

Notice of the application, affording an opportunity for interested persons to submit comments, has been

12. OnBank advertises in the following newspapers to reach low- and moderate-income neighborhoods: the Constitution, Onondaga Valley News, Heritage New Magazine and Pennysaver Scotsman Press. These newspapers are distributed free to the public.

13. Since April 1992, OnBank has mailed approximately 9,000 letters to residents of low- and moderate-income census tracts that outline a variety of residential and consumer installment loan products.

14. Protestant has alleged, without providing any evidence, that Applicant has violated provisions of law governing loans to officers and directors. The Board has considered these comments in light of all the facts of record, including examination reports and other information provided by the primary regulators of OnBank and Applicant. On the basis of all the facts of record, the Board concludes that Protestant's comments do not warrant denial of this application.

15. Protestant has requested that a hearing be held in connection with the issues raised in its comments. Section 3(b) of the BHC Act does not require the Board 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 Office of the Comptroller of the Currency 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, Protestant has had ample opportunity to present written submissions, and Protestant has submitted written comments that have been considered by the Board. In light of these submissions and all of 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 is otherwise warranted in this case. Accordingly, the request by Protestant for a public meeting or hearing on this application is hereby denied.

published (55 *Federal Register* 42,896 (1990)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

Citicorp controls total consolidated assets of approximately $219.3 billion and is the largest bank holding company in the United States. Citicorp also engages in a variety of nonbanking activities. In this application, Citicorp seeks permission to issue and sell variably denominated payment instruments without limitation as to face value in order to reorganize its existing payment instrument-related activities. Citicorp previously received approval under section 4(c)(8) of the BHC Act to issue, directly and through CSI, variably denominated payment instruments with a face value of up to $10,000.[1] Citicorp currently provides payment instruments in denominations over $10,000 through its bank subsidiary, Citibank (New York State) ("Citibank NY"). This application would permit Citicorp and its subsidiary, CSI, to provide payment instruments without limitation as to face value.

The Board has by regulation determined that the issuance and sale of money orders and other similar consumer-type payment instruments with a face value not exceeding $1,000 is an activity that is closely related to banking for purposes of section 4(c)(8) of the BHC Act, and is therefore a permissible activity for bank holding companies.[2] The Board has also determined by order that the issuance and sale of official checks, including teller's checks, with no maximum limitation on the face amount of the check, is an activity closely related to banking and permissible for bank holding companies.[3]

In order to approve this application under section 4(c)(8), the Board must also find that Citicorp's performance of the proposed activity could "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).

In approving proposals involving payment instruments with no maximum limitation on the face amount, the Board has imposed certain reporting and other requirements designed to mitigate the potential adverse effects that the activity may have on the reserve base and the calculation of certain monetary aggregates and consequently on the effective execution of monetary policy.[4] These requirements include maintaining in a demand deposit account the total proceeds of any official check having a face value in excess of $10,000 until the respective payment instrument is paid, and submitting weekly reports of daily data showing the aggregate amount of all outstanding instruments.[5]

The Board has amended its Regulation D effective December 22, 1992, to impose reserve requirements on teller's checks. Teller's checks are payment instruments that are drawn by a depository institution and are similar to cashier's checks for purposes of state commercial laws and the Board's Regulation CC, Availability of Funds and Collection of Checks.[6] However, teller's checks were not generally subject to reserve requirements. The Board's notice amending Regulation D stated that bank holding companies that have received approval to issue and sell variably denominated payment instruments subject to the demand deposit requirement, reporting requirement, or limits on the denomination of payment instruments could request relief from these conditions.[7]

The Board believes that the changes it has adopted to Regulation D will more effectively and directly address the concern that the issuance and sale of large denomination payment instruments may result in the adverse effect of eroding the reserve base. Accordingly, the Board believes that the adverse effect of erosion of the reserve base is addressed by the Regulation D revisions, and consequently that the special reporting and demand deposit requirements previously imposed by the Board in connection with approvals to engage in the issuance and sale of variably denominated payment instruments in amounts over $10,000 are no longer needed. As a result, the Board has determined not to impose these requirements and to

1. *Citicorp*, 71 *Federal Reserve Bulletin* 58 (1985). The provision of payment instrument services of the type covered by this Order generally involves the bank holding company acting as drawee on the instrument, providing the check stock, collecting and investing the proceeds of payment instrument sales, and performing reconcilement and other accounting services. For some instruments, CSI acts as drawer for payment instruments drawn on Citicorp, executed by other depository institutions as CSI's agent, and sold by these other depository institutions to their customers.

2. 12 C.F.R. 225.25(b)(12).

3. *See, e.g., Wells Fargo & Company*, 72 *Federal Reserve Bulletin* 148 (1986).

4. *Hong Kong and Shanghai Banking Corporation*, 73 *Federal Reserve Bulletin* 808 (1987); *Wells Fargo & Company*, 72 *Federal Reserve Bulletin* 148 (1986).

5. The Board imposed the reporting requirements on Applicants who proposed to issue and sell payment instruments in denominations over $1,000. *See BankAmerica Corporation*, 70 *Federal Reserve Bulletin* 364 (1984).

6. 12 C.F.R. Part 229.

7. Relief from these conditions may be sought by letter if the bank holding company has already obtained Board approval under section 4(c)(8) of the BHC Act to issue and sell variably denominated payment instruments.

grant Citicorp's request for relief from the reporting requirement to which it is currently subject.

The Board has received comments from several customers of Citicorp urging approval of this application based principally on the perception that nonbank competitors of Citicorp had an unfair advantage because they were not subject to the same reserve requirements as Citicorp and other bank holding companies conducting this activity. These commenters suggested that the costs associated with reserve requirements might encourage Citicorp to withdraw from this activity, leaving a more concentrated market for certain variably denominated payment instruments.

The Board also received comments from American Express Information Services Company ("Protestant"), which is a competitor of Citicorp in the payment instrument market. Protestant stated that Citicorp had not demonstrated that the public benefits resulting from this activity would outweigh possible adverse effects. Protestant argued that Citicorp had advantages over Protestant in the provision of these payment instruments due to Citicorp's ownership of a bank. Protestant asserted, for instance, that Federal Deposit Insurance Corporation ("FDIC") insurance is available to payment instruments issued by Citibank NY. Protestant further asserted that Citibank NY's status as a bank exempts it from various state laws regulating the investment of the proceeds of payment instruments to which Protestant is subject. The Board notes, however, that Citicorp's present proposal is to allow Citicorp and a nonbank subsidiary of Citicorp to engage in the issuance and sale of payment instruments. Moreover, the amendments adopted to Regulation D apply to all providers of teller's checks in the same manner. As a result, following this proposed transaction, Citicorp and Protestant should be able to compete in the payment instrument market on a more equitable footing.

Consistent with its findings in several previous orders,[8] the Board finds that the record in this case reflects that the provision of this service in general would increase competition in the provision of these services, provide greater convenience for purchasers, and generally make these instruments more readily available to the public. The reorganization of Citicorp's payment instrument business should also result in greater operating efficiencies for Citicorp, and greater convenience to its customers. The record does not indicate that the proposal would result in adverse effects such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices that would outweigh these public benefits.

8. *Hong Kong and Shanghai Banking Corporation*, 73 *Federal Reserve Bulletin* 808 (1987); *Wells Fargo & Company*, 72 *Federal Reserve Bulletin* 148 (1986).

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

Because the amendments to Regulation D are not effective until December 22, 1992, the relief provided by this Order from previously imposed reporting requirements and limitations on the face value of payment instruments shall not be effective before December 22, 1992. Moreover, the reorganization of Citicorp's payment instrument services related to this Order may not be completed later than three months after December 22, 1992, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York, pursuant to delegated authority.

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

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

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

Barnett Banks, Inc. Jacksonville, Florida

Order Approving the Acquisition of Bank Holding Companies and the Merger of Banks

Barnett Banks, Inc., Jacksonville, Florida ("Barnett"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire 7L Corporation and First Florida Banks, Inc. (together, "First Florida"), and thereby acquire First Florida Bank, N.A., all of Tampa, Florida ("Bank").[1]

In connection with this transaction, certain state member bank subsidiaries of Barnett also have applied under the Bank Merger Act (12 U.S.C. § 1828(c)) to purchase certain assets and assume certain liabilities of Bank.[2] These banks also have applied to establish additional branches and make additional investments in bank premises under section 9 and section 24A of the Federal Reserve Act (12 U.S.C. §§ 321 and 371d).[3]

Barnett also has applied under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) to acquire:

(1) FFB Insurance Agency, Inc., Tampa, Florida ("FFB"), and thereby engage in the sale of credit-related insurance pursuant to 12 C.F.R. 225.25(b)(8); and

(2) First Florida's shares in the Southeast Switch, Inc., Maitland, Florida ("Switch"), and thereby continue to engage in providing data processing and transmission services pursuant to 12 C.F.R. 225.25(b)(7), and bank management consulting advice to depository institutions pursuant to 12 C.F.R. 225.25(b)(11).[4]

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (57 *Federal Register* 30,738 (1992)). As required by the Bank Merger Act, reports on the competitive effects of the merger were requested from the United States Attorney General, the Office of the Comptroller of the Currency ("OCC"), and the Federal Deposit Insurance Corporation ("FDIC"). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in sections 3(c) and 4(c)(8) of the BHC Act, the Bank Merger Act, and the Federal Reserve Act.[5]

Competitive Effects

Barnett, with approximately $32.4 billion in consolidated assets, controls a total of 33 banking subsidiaries, located in Florida and Georgia.[6] Barnett is the largest commercial banking organization in Florida, controlling deposits of $27.8 billion, representing 23.3 percent of the total deposits in commercial banking organizations in the state.[7] First Florida is the fifth largest commercial banking organization in Florida, controlling deposits of $5.0 billion, representing 4.2 percent of the total deposits in commercial banking organizations in the state. Upon consummation of the proposed transaction, Barnett would remain the largest commercial banking organization in Florida, controlling deposits of $32.8 billion, representing 27.5 percent of the total deposits in commercial banking organizations in the state.

Barnett and First Florida compete directly in fourteen banking markets in Florida. In eight of these markets, the increases in the Herfindahl–Hirschman Index ("HHI") would not exceed the threshold standards applied by the Board and set forth in the Department of Justice's revised guidelines[8] after considering the competition offered by thrift institutions.[9]

1. 7L Corporation is a shell corporation controlling approximately 35 percent of the outstanding voting shares of First Florida Banks, Inc. In connection with this transaction, First Florida granted to Barnett an option to acquire approximately 19.9 percent of the outstanding common stock of First Florida Banks, Inc., and Barnett has applied to exercise this option if any of several preconditions occur. This option will become moot upon consummation of Barnett's proposal to acquire First Florida.

2. These banks are: Barnett Bank of Highlands County, Sebring, Florida; Barnett Bank of Naples, Naples, Florida; Barnett Bank of Pasco County, Holiday, Florida; Barnett Bank of Pinellas County, St. Petersburg, Florida; Barnett Bank of Polk County, Lakeland, Florida; Barnett Bank of Southwest Florida, Sarasota, Florida; Barnett Bank of Tallahassee, Tallahassee, Florida; Barnett Bank of Volusia County, Deland, Florida; and Barnett Bank of West Florida, Pensacola, Florida (together, "merging banks"). Barnett also has applied under the Bank Merger Act for approval by the Office of the Comptroller of the Currency for its national bank subsidiaries to acquire certain assets and assume certain liabilities of Bank.

3. The proposed additional branch locations are listed in the Appendix to this Order.

4. First Florida owns 7.5 percent of the shares of Switch, and this proposal would increase Barnett's share ownership to 22.5 percent. Switch is a joint venture ATM network operator owned by bank holding companies, savings associations, and credit unions.

5. The Board received certain written comments filed after the close of the comment period. Under the Board's rules, the Board may in its discretion take into account the substance of such comments, and the Board has considered these comments as part of the record in this proposal. 12 C.F.R. 262.3(e).

6. Total consolidated assets are as of June 30, 1992.

7. Deposit data are as of December 31, 1991, except as noted.

8. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is above 1800 is considered to be highly concentrated. In such markets, the Justice Department is likely to challenge a merger that increases the HHI by more than 50 points. The 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 or acquisition increases the HHI by at least 200 points. The Justice Department has stated that the higher than normal threshold for an increase in HHI when screening bank mergers and acquisitions for anti-competitive effects implicitly recognizes the competitive effect of limited-purpose lenders and other non-depository financial entities.

9. 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

In light of these facts, and after considering the number of competitors remaining in the markets, the increase in market concentration, the attractiveness of these markets for entry of new competitors, and the other facts of record, the Board has concluded that consummation of the proposal would not result in a significantly adverse effect on competition in these eight banking markets: Fort Myers, Naples, North Lake-Sumter, Orlando, Pensacola, Polk County, Sarasota, and the Tampa Bay area.

The remaining banking markets in which Barnett and First Florida compete include Highlands County, Citrus County, Daytona Beach, Brevard County, Tallahassee, and Port Charlotte. Although the consummation of this proposal would result in an increase in the HHI that exceeds the Department of Justice Merger Guidelines in each of these markets, the Board does not believe that these increases in concentration levels would result in significantly anticompetitive effects for the reasons discussed below.

Highlands County and Citrus County Banking Markets

Upon consummation of this proposal,[10] Barnett would remain the largest bank or thrift organization ("depository institution") in the Highlands County banking market,[11] controlling total deposits of $441.2 million, representing 50.4 percent of total deposits in depository institutions in the market ("market deposits"). The *pro forma* HHI would increase by 577 points to 2936. In order to mitigate potential adverse competitive effects, Barnett has committed to divest the only First Florida branch to be acquired in this market, and accordingly, consummation of this proposal would not affect competition in the Highlands County market.[12]

Upon consummation of this proposal, Barnett would become the largest depository institution in the Citrus County banking market,[13] controlling deposits of $387.2 million, representing 32.9 percent of market deposits, and the HHI would increase by 539 points to 2302.[14] Barnett has committed to divest two branches in the Citrus County banking market which, as of June 30, 1991, account for $30 million of deposits, and loans associated with those deposits, to an out-of-market competitor. Following this divestiture, Barnett would become the second largest depository institution in the market, with $357.2 million in deposits, representing 30.3 percent of market deposits, and the HHI would increase by 384 points to 2147.

The Board believes that several factors mitigate any anti-competitive effects in the Citrus County banking market after accounting for the proposed divestitures. Thirteen depository institutions would remain in the market. The market also has a number of features that make it attractive for entry. For example, the market is the fifth largest among 35 non-MSA counties in Florida, based on deposits, and has grown faster than the average for these counties. Population growth from 1980 to 1990 was third highest among non-MSA counties. One commercial bank and one thrift institution have entered the market *de novo* since 1988.

Remaining Florida Banking Markets

Daytona Beach. Barnett is the second largest depository institution in the Daytona Beach banking market,[15] controlling deposits of $614.7 million, representing 19.5 percent of market deposits. First Florida is the fourth largest depository institution in the market, with $232.7 million in deposits, representing 7.4 percent of market deposits. Upon consummation, Barnett would remain the market's second largest depository institution, with deposits of $847.4 million, representing 26.9 percent of market deposits, and the HHI would increase by 288 points to 2328.[16] Eight commercial banks, and five thrift institutions with a total of $711.7 million in deposits and 17.7 percent of market deposits, would remain in the market upon consummation of the proposal. The largest depository institu-

(1991). In considering the competition offered by thrifts in all banking markets in this case, thrift deposits are weighted at 50 percent.

10. Barnett is currently the largest depository institution in the market, controlling deposits of $383.7 million, representing 43.9 percent of market deposits; and First Florida is the fifth largest depository institution in the market, controlling deposits of $57.5 million, representing 6.6 percent of market deposits.

11. The Highlands County banking market comprises Highlands County.

12. For all divestiture commitments relied upon by the Board, Barnett has committed, prior to consummation of the proposal, to enter into binding agreements with third party purchasers of the branches to be divested and to attempt to complete the divestitures within 6 months after consummation of the proposal. If Barnett is unable to complete the divestitures within this time, it will transfer the branches that are not divested to an independent trustee with instructions to sell the branches promptly. *See, e.g., Integra Financial Corporation,* 78 *Federal Reserve Bulletin* 623, 624 n.9 (1992); *First Hawaiian, Inc., supra.*

13. The Citrus County banking market comprises Citrus County, less Citrus Springs.

14. Barnett currently controls deposits of $183.6 million, representing 15.6 percent of market deposits, and is the third largest depository institution. First Florida, with deposits of $203.6 million, representing 17.3 percent of market deposits, is the second largest depository institution in the market.

15. The Daytona banking market is approximated by the eastern half of Volusia County, and includes Daytona Beach, Daytona Beach Shores, Holly Hill, Ormond Beach, Ormond-by-the-Sea, Port Orange, South Daytona, Allandale, New Smyrna, and Edgewater.

16. Deposit data are as of June 30, 1992. Data as of December 31, 1991, for the Daytona Beach banking market show that the HHI would have increased by 229 points to 2899.

tion in the banking market would retain 36.5 percent of market deposits.

Brevard County. Barnett is the second largest depository institution, controlling $757.8 million in deposits, representing 22.3 percent of market deposits in the Brevard County banking market.[17] First Florida is the fifth largest depository institution in the market, with deposits of $312.7 million, representing 9.2 percent of market deposits. Upon consummation, Barnett would become the largest depository institution in the market, with deposits of $1.1 billion, representing 31.6 percent of market deposits, and the HHI would increase by 412 points to 1931. Ten commercial banks, and five thrift institutions with a total of $685.4 million in deposits and 18.4 percent of market deposits, would remain in the market. Credit unions have an unusually large percentage of market deposits,[18] and two of the three credit unions in the market have deposits of over $100 million and broad eligibility requirements.[19]

Tallahassee. In the Tallahassee banking market,[20] Barnett is the second largest depository institution, controlling deposits of $368.3 million, representing 20.6 percent of market deposits. First Florida is the fourth largest depository institution in the market with $165.9 million in deposits, representing 9.3 percent of market deposits. Upon consummation, Barnett would become the largest depository institution in the market, with deposits of $534.2 million, representing 29.9 percent of market deposits, and the HHI would increase by 383 points to 1871. Ten commercial banks and two thrift institutions would remain in the Tallahassee banking market upon consummation of the proposal.

Port Charlotte. Barnett is the largest depository institution in the Port Charlotte banking market,[21] controlling deposits of $314.6 million, representing 21.7 percent of the market deposits. First Florida is the fourth largest depository institution in the market, with deposits of $161.9 million, representing 11.2 percent of market deposits. Upon consummation, Barnett would remain the largest banking organization in the market, with deposits of $476.5 million, representing 32.9 percent of market deposits, and the HHI would increase by 486 point to 1849. Eight commercial banks and eleven thrift institutions would remain in the Port Charlotte banking market upon consummation of the proposal.

In each of these markets, at least 12 depository institutions with significant market share will remain in the market following consummation, including subsidiaries of some of the largest depository organizations operating in the state. In addition, each of these banking markets has characteristics that indicate that these markets are attractive for entry by competitors. Some of these markets exhibit strong growth rates in population,[22] and in deposits.[23] Other markets have populations with higher than average income[24] and residents per banking office.[25] The Board also has considered that each of these markets has experienced *de novo* entry of commercial banks within the last five years.[26]

The Board also has sought comments from the United States Attorney General, the OCC, and the FDIC on the competitive effects of the proposal. The Attorney General has indicated that, subject to the fulfillment by Barnett of the divestiture commitments it has made to the Board in connection with this proposal, there would be no significantly adverse effects on competition in any relevant banking market. Neither the OCC nor the FDIC has provided any objection to consummation of the proposal or indicated that the proposal would have any significantly adverse competitive effects.

Based on all the facts of record in this case, including Barnett's divestiture commitments and the market characteristics discussed above, the Board

17. The Brevard County banking market comprises Brevard County.

18. Credit unions in the Brevard County banking market control 9.7 percent of market deposits, compared with an average of 4.7 percent nationwide.

19. Space Coast Credit Union and Kennedy Space Center Federal Credit Union have 94,200 members in a market that has a population of approximately 399,900. Membership in these two credit unions is available to employees of the Kennedy Space Center, employees of primary and secondary contractors associated with the aerospace industry, and their relatives. Approximately 30 percent of Brevard County's work force is employed in the aerospace industry, and seven of the ten largest employers in Brevard County are affiliated with the aerospace industry.

20. The Tallahassee banking market comprises Leon County and the eastern half of Gadsden County, including Quincy and Havana.

21. The Port Charlotte banking market comprises Charlotte County (less Englewood and Rotonda West) and North Port in Sarasota County.

22. Between 1980 and 1990, population grew at an annual compound rate of 3.66 percent in the Daytona Beach MSA and 3.87 percent in the Brevard County MSA, compared to 2.94 percent in all Florida MSAs. The comparable rates of growth were 6.62 percent in Charlotte County and 3.43 percent in all Florida non-MSA counties.

23. Between 1988 and 1991, total commercial bank deposits grew at an annual compound rate of 6.6 percent in the Daytona Beach banking market, 4.25 percent in the Brevard County banking market, and 11.18 percent in the Tallahassee banking market, compared to 2.81 percent in all Florida MSAs. The comparable annual rates of growth were 6.45 percent in the Port Charlotte banking market and 5.43 percent in all Florida non-MSA counties.

24. Per capita income in 1990 was $15,755 in the Brevard County MSA, compared to $15,671 in all Florida MSAs, and $15,267 in Charlotte County, compared to $12,729 in all Florida non-MSA counties.

25. There were 3,894 persons per banking office in 1990 in the Tallahassee banking market, compared to 3,751 persons per banking office in all Florida MSAs.

26. Since 1987, commercial banks have entered these banking markets as follows: two in Daytona Beach, three in Brevard County, and four each in Tallahassee and Port Charlotte.

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.[27] Barnett must provide the Federal Reserve Bank of Atlanta with details regarding the proposed purchaser, prior to consummating these divestitures, in order that the Reserve Bank may ensure that the divestitures comply with this Order.

Other Considerations

The Board also concludes that the financial and managerial resources and future prospects of Barnett and First Florida, and their subsidiary banks, and the other supervisory factors the Board must consider under the BHC Act and the Bank Merger Act are consistent with approval.[28] In addition, the Board has considered the factors it is required to consider when approving applications for the establishment of branches and investments in bank premises pursuant to sections 9 and 24A of the Federal Reserve Act. The Board finds those factors to be consistent with approval.

Barnett also has applied under section 4(c)(8) of the BHC Act to acquire the nonbanking subsidiaries of First Florida noted above. The Board has determined by regulation that each of the activities of these companies is closely related to banking and generally permissible for bank holding companies under section 4(c)(8) of the BHC Act. Barnett will conduct these activities in accordance with the Board's regulations.

Barnett operates a subsidiary engaged in credit-related insurance activities similar to those conducted by FFB. The market for these services is unconcentrated and there are numerous providers of these services. Barnett also proposes to increase its ownership in Switch to 22.5 percent. In this regard, the Board notes that the other participants in Switch would retain control over the expansion of their own electronic funds transfer ("EFT") networks, the pricing and selection of EFT services they offer, and the placement of EFT devices, and thus could continue to compete with Barnett and other shareholders of Switch in the operation of EFT networks. In addition, the terms of the agreements between Switch and its participants permit all participants to join other switching networks. Accordingly, the Board concludes that consummation of the proposal would not have a significantly adverse effect on the provision of EFT services in any relevant market.

There is no evidence in the record to indicate that approval of the proposed acquisition of shares in any of the nonbanking companies of First Florida would result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices that are not outweighed by public benefits. Accordingly, the Board has determined that the balance of public interest factors that the Board must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval.

Based on the foregoing and other factors of record, including the commitments made by Barnett in connection with these applications, the Board has determined that the applications should be, and hereby are, approved. The Board's approval of this proposal is specifically conditioned on compliance with all of the commitments made in connection with these applications and with the conditions referenced in this Order. The determinations as to Barnett's nonbanking activities are also subject to all 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

27. The Board has carefully considered several comments from individuals ("Protestants") regarding the competitive effects of this proposal in particular banking markets as well as comments generally alleging that the proposal would result in substantially anticompetitive effects in Florida, especially in central and northern Florida. Protestants believe that the lessening of competition resulting from this proposal will have the effect of increasing costs to the public, reducing available products and services (including interest income paid on deposits), restricting the availability of credit for small businesses, increasing the barriers to entry by new competitors into the markets served by Barnett and First Florida, decreasing the actual and potential competitive ability in the future of Barnett and First Florida in the Florida market, and generally fail to produce any public benefits.

The Board continues to believe that the appropriate geographic market for reviewing the competitive effects of bank acquisition proposals is local in nature. *See, e.g., First Hawaiian, Inc., supra*; *United States v. Philadelphia National Bank*, 374 U.S. 321 (1963). Based on the facts of record, and for the reasons discussed in this Order, the Board concludes that this proposal would not substantially lessen competition for banking services, or result in an undue concentration of resources, in any relevant banking market.

28. One Protestant has requested that the Board hold a public hearing on this application for the purpose of eliciting additional information on the effect of the proposal on the future structure of the banking industry in Florida. The Board is not required under section 3 of the BHC Act to hold a public hearing unless the primary supervisor for the bank to be acquired does not approve the proposal. In this case, the primary supervisor for Bank has not objected to the proposal.

Under its rules, the Board may, in its discretion, hold a public hearing 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). The Board has carefully considered Protestant's request, and the written comments submitted by Protestant. The Protestant has indicated general disagreement regarding the appropriate conclusions to be drawn from the facts of record, but has not identified facts that are material to the Board's decision and that are in dispute. In light of this, the Board has determined that a public hearing is not necessary to clarify the factual record in these applications, or otherwise warranted in this case. Accordingly, this request for a public hearing on this application is hereby denied.

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. For purposes of this action, the commitments and conditions relied on in reaching this decision are both conditions imposed in writing by the Board and, as such, may be enforced in proceedings under applicable law. The banking acquisitions approved in this Order shall not be consummated before the thirtieth calendar day following the effective date of this Order, and the proposed banking and nonbanking acquisitions shall not be consummated later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Atlanta, pursuant to delegated authority.

By order of the Board of Governors, effective October 28, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Appendix

The following subsidiary banks of Barnett have applied pursuant to section 9 of the Federal Reserve Act to establish branches at the following locations:

Barnett Bank of Southwest Florida

(1) 126 E. Olympia Avenue, Punta Gorda, Florida
(2) 3115 Harbor Blvd., Port Charlotte, Florida
(3) 2200 Kings Highway, Port Charlotte, Florida
(4) 3300 North Tamiami Trail, Sarasota, Florida
(5) 3602 Weber Road, Sarasota, Florida
(6) 326 John Ringling Blvd., Sarasota, Florida
(7) 440 Gulf of Mexico Drive, Longboat Key, Florida
(8) 304 West Venice Avenue, Venice, Florida
(9) 1729 S. Tamiami Trail, Venice, Florida
(10) 1800 2nd Street, Sarasota, Florida
(11) 1306 E. Venice Avenue, Venice, Florida
(12) 5950 S. Beneva Road, Sarasota, Florida

Barnett Bank of Naples

(1) 1001 N. Collier Blvd., Marco Island, Florida
(2) 4099 Tamiami Trail North, Naples, Florida
(3) 50 Bald Eagle Drive, Marco Island, Florida

Barnett Bank of West Florida

(1) 5041 Bayou Blvd., Pensacola, Florida
(2) 600 W. Garden Street, Pensacola, Florida
(3) 8171 N. Davis Highway, Pensacola, Florida

Barnett Bank of Highlands County

(1) Main Street & Interlake, Lake Placid, Florida

Barnett Bank of Tallahassee

(1) 24 N. Adams Street, Quincy, Florida
(2) 1321 W. Jefferson Street, Quincy, Florida
(3) 215 S. Monroe Street, Tallahassee, Florida
(4) 803 Lake Bradford Road, Tallahassee, Florida
(5) 3425 Thomasville Road, Tallahassee, Florida
(6) 3102 Mahan Drive, Tallahassee, Florida

Barnett Bank of Pasco County

(1) 4041 Rowan Road, New Port Richey, Florida
(2) 6901 S.R. 52, Bayonet Point, Florida
(3) 21744 S.R. 54, Lutz, Florida
(4) 4807 U.S. Highway 19, New Port Richey, Florida
(5) 8939 Little Road, New Port Richey, Florida

Barnett Bank of Pinellas County

(1) 55 Fifth St. South, St. Petersburg, Florida
(2) 2116 4th St. North, St. Petersburg, Florida
(3) 716 - 9th Street N., St. Petersburg, Florida
(4) 1135 - 62nd Avenue N., St. Petersburg, Florida
(5) 289 - 34th Street, St. Petersburg, Florida
(6) 1001 West Bay Drive, Largo, Florida
(7) 1499 Gulf to Bay Blvd., Clearwater, Florida
(8) 600 Cleveland Street, Clearwater, Florida
(9) 455 U.S. 19 North, Palm Harbor, Florida
(10) 9111 Oakhurst Plaza, Seminole, Florida
(11) 1911 N. Belcher Road, Clearwater, Florida
(12) 423 Mandalay Avenue, Clearwater, Florida
(13) 1478 Main Street, Dunedin, Florida
(14) 122 Island Way, Clearwater, Florida
(15) 2145 - 34th St. N., St. Petersburg, Florida
(16) 2091 U.S. 19 North, Clearwater, Florida
(17) 12020 Seminole Blvd., Seminole, Florida
(18) 1499 Belcher Road, Largo, Florida
(19) 3399 - 66th St. North, St. Petersburg, Florida
(20) 4441 Park Blvd., Pinellas Park, Florida
(21) 201 - 150th Avenue, Madiera Beach, Florida
(22) 2201 Drew Street, Clearwater, Florida
(23) 125 Indian Rocks Road, Belleair Bluffs, Florida
(24) 200 Oakleaf Blvd., Oldsmar, Florida
(25) 7500 Gulf Blvd., St. Petersburg, Florida
(26) 4105 Gulf Blvd., St. Petersburg, Florida

(27) 2250 South 62nd Avenue, St. Petersburg, Florida
(28) 6900 North 22nd Avenue, St. Petersburg, Florida

Barnett Bank of Polk County

(1) 2211 S. Florida Avenue, Lakeland, Florida
(2) 4975 South Florida Avenue, Lakeland, Florida
(3) 3305 Lakeland Hills Blvd., Lakeland, Florida
(4) 2124 Harden Blvd., Lakeland, Florida
(5) 150 Third St. S.W., Winter Haven, Florida
(6) 3010 Cypress Gardens, Winter Haven, Florida
(7) 1011 State Road 540A, Lakeland, Florida
(8) 222 E. Lemon Street, Lakeland, Florida

Barnett Bank of Volusia County

(1) 200 E. Granada Avenue, Ormond Beach, Florida
(2) 4 North Beach Street, Ormond Beach, Florida
(3) 75 North Nova Road, Ormond Beach, Florida
(4) 200 S. Palmetto Avenue, Daytona Beach, Florida
(5) 111 N. Causeway, New Smyrna Beach, Florida
(6) 3640 S. Atlantic Ave., Daytona Beach Shores, Florida
(7) 1130 Pelican Bay, Daytona Beach, Florida

First Bank System, Inc.
Minneapolis, Minnesota

Order Approving Merger of Bank Holding Companies

First Bank System, Inc., Minneapolis, Minnesota ("FBS"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to merge with Bank Shares Incorporated ("BSI"),[1] also a bank holding company, and thereby acquire Marquette Bank Minneapolis, N.A., both of Minneapolis, Minnesota.[2]

FBS has also applied under section 4(c)(8) of the BHC Act to engage in nonbanking activities through the acquisition of the following BSI subsidiaries:

(1) Marquette Information Services, Inc. ("MIS"), and thereby engage in data processing services pursuant to section 225.25(b)(7) of the Board's Regulation Y; and
(2) Marquette Insurance Agency, Inc. ("MIA"), and thereby engage in general insurance agency activities pursuant to section 4(c)(8)(G) of the BHC Act and section 225.25(b)(8)(vii) of the Board's Regulation Y, 12 U.S.C. § 1843(c)(8)(G); 12 C.F.R. 225.25(b)(8)(vii).[3]

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (57 *Federal Register* 39,203 (1992)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in sections 3(c) and 4 of the BHC Act.

FBS, with total consolidated assets of $17.8 billion, operates 24 subsidiary banks in seven states.[4] FBS is the second largest commercial banking organization in Minnesota, controlling deposits of $9.3 billion, representing 20.8 percent of total commercial bank deposits in the state. BSI is part of a privately held group of banking organizations controlled by a family (the "Selling Group").[5] BSI has total assets of $2.4 billion, and controls deposits of $2 billion, representing 4.7 percent of total commercial bank deposits in the state.[6] Upon consummation of this proposal, FBS would become the largest commercial banking organization in Minnesota, controlling $11.3 billion in total deposits, representing 25.5 percent of total commercial bank deposits in the state.

1. In connection with this proposal, BSI has issued to FBS a warrant to purchase, under certain circumstances, up to 24.9 percent of the outstanding common stock of BSI. The warrant will terminate in the event FBS and BSI have been unable to secure all applicable regulatory approvals or upon consummation of the proposed merger.

2. FBS will also acquire the following nonbank subsidiaries of Marquette Bank Minneapolis and continue to operate them as subsidiaries of the Bank: United Consulting Corporation, Marquette Financial Services, Inc., Marquette Lease Services, Inc., Marquette Leasing Corporation, Marquette Capital Management Corp., and F&M Mortgage Corporation. FBS intends to merge Marquette Bank Minneapolis into First Bank National Association, Minneapolis, Minnesota, approximately six to nine months after consummation of the merger of FBS and BSI, subject to regulatory approval.

3. FBS also proposes to acquire BSI's three inactive insurance agency subsidiaries, Marquette Insurance Agency at Lake, Inc.; Marquette Insurance Agency at University, Inc.; and Marquette Insurance Agency of Columbia Heights, Inc. FBS intends to eliminate the separate corporate status of each of the nonbank subsidiaries to be acquired, including the inactive subsidiaries, within approximately one year following the consummation of the proposal by merger with existing subsidiaries of FBS and/or by dissolution of the subsidiary. FBS would be required to obtain regulatory approval for any activity to be conducted by the inactive nonbank subsidiaries.

4. Asset and state banking data are as of June 30, 1992. Market banking data are as of June 30, 1991.

5. The Selling Group is the third largest banking organization in Minnesota, with total deposits of $2.6 billion, representing 5.7 percent of commercial bank deposits in the state.

6. In connection with the proposal, a shareholder in the Selling Group (or his assignees) will purchase the following bank and nonbank assets of BSI on or before the consummation of the proposed merger of FBS and BSI:
(i) 28.3 percent of the capital stock of Marquette Bank Brookdale,
(ii) 78.9 percent of the capital stock of Lakeville Financial Services, Inc., which owns 91.6 percent of the capital stock of Marquette Bank Lakeville, and
(iii) all of the capital stock of Marquette Fund Advisors, Inc., a wholly owned subsidiary of Marquette Bank Minneapolis. The data for BSI in this order reflect only the portion of BSI that would be acquired by FBS under this proposal.

Competitive Considerations

FBS and BSI directly compete in the Minneapolis-St. Paul banking market.[7] In this market, FBS is the second largest depository institution, controlling total deposits of $7.1 billion, representing 26.8 percent of total deposits in depository institutions in the market ("market deposits").[8] BSI controls deposits of $1.7 billion, representing 6.5 percent of market deposits.[9] Upon consummation of this proposal, FBS would become the largest depository institution in the market, controlling total deposits of $8.8 billion, representing 33.3 percent of market deposits. The Herfindahl–Hirschman Index ("HHI") would increase by 317 points to 2026.[10]

In previous cases, the Board has stated that transactions that increase the levels of market concentration above the thresholds provided in the Department of Justice guidelines require close scrutiny. The Board also has noted that merger transactions in the Minneapolis-St. Paul banking market involving one of the two largest depository institutions in the market warrant close review because of the size of these institutions relative to other market competitors.[11]

In this regard, a number of factors indicate that the increase in concentration levels in the Minneapolis-St. Paul banking market as measured by the HHI and the market shares of the top two market competitors tends to overstate the competitive effects of this proposal. Initially, the Board notes that the combined share of commercial banking deposits controlled by the top two competitors in the market, FBS and Norwest Corporation, Minneapolis, Minnesota, has steadily declined from 75 percent in 1960 to 59.7 percent in 1991, their lowest point during this thirty-year period. Upon consummation of the proposal, the number of in-market competitors will remain the same at 104 and will include 94 commercial banks and 10 thrifts.[12] In addition, credit unions actively compete in the market and control approximately 8 percent of deposits in commercial banks, savings associations and credit unions, which is greater than the national average of approximately 5 percent.[13] There are also a large number of national consumer and commercial finance companies, as well as offices of other nondepository providers of financial services in the Minneapolis-St. Paul market, that offer a broad range of competitive banking services.

The Minneapolis-St. Paul banking market is a major urban area and, as such, is attractive for entry.[14] In this regard, the market has experienced both *de novo* entry and entry by acquisition in recent years. For example, a total of five banks have entered the market *de novo* since 1984, with two of these banks chartered since 1990. In addition, a regional thrift institution entered *de novo* in 1987 and has made subsequent acquisitions within the market. A large regional bank holding company also entered the market in 1987 through an acquisition and has made seven additional acquisitions of smaller banks over a three-year period.

The State of Minnesota has recently relaxed restrictions on interstate banking acquisitions, which has served to increase the number of potential entrants. Minnesota has expanded its region of eligible states for reciprocal banking acquisition since the enactment of its interstate banking statute in 1986.[15] In 1992, insti-

7. The Minneapolis-St. Paul banking market is defined as Anoka, Hennepin, Ramsey, Washington, Carver, Scott, and Dakota Counties, and portions of Chisago, Le Sueur, Sherburne, and Wright Counties in Minnesota, and the town of Hudson in St. Croix County in Wisconsin.

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

9. The Selling Group is the third largest depository institution in the market, with total deposits of $2.3 billion, representing 8.8 percent of market deposits. Following the merger, the Selling Group would continue to compete in the Minneapolis-St. Paul banking market, operating banks controlling total deposits of approximately $650 million, representing 2.3 percent of market deposits.

10. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is above 1800 is considered highly concentrated. In such markets, the Justice Department is likely to challenge a merger that increases the HHI by more than 50 points. 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 effects of limited-purpose lenders and other non-depository financial entities.

11. *Norwest Corporation*, 77 *Federal Reserve Bulletin* 110 (1991); *First Bank System, Inc.*, 76 *Federal Reserve Bulletin* 1051 (1990); *Norwest Corporation*, 76 *Federal Reserve Bulletin* 873 (1990).

12. The Selling Group will continue to compete in the Minneapolis-St. Paul banking market after this transaction. The Board notes that the Selling Group has stated that it will compete vigorously with FBS in this market. In this regard, the Selling Group has presented a plan for its future activities, and the merger agreement between FBS and the Selling Group does not contain any features that limit in any way the ability of the Selling Group to compete in this market. Although the Selling Group will become the second largest shareholder of FBS, controlling approximately 6.4 percent of its voting shares, the Selling Group will have no representation on the FBS board of directors.

13. At least two credit unions permit all market residents to join as members.

14. The Minneapolis-St. Paul metropolitan area, with a population of 2.46 million, is the 16th largest in the United States according to 1990 census data, and has increased 15.3 percent in population since 1980.

15. *See* Reciprocal Interstate Banking Act, Minn. Stat. Ann. § 48.90 *et seq.* The region includes the following states: Colorado, Idaho, Illinois, Indiana, Iowa, Ohio, Kansas, Michigan, Missouri, Montana, Nebraska, North Dakota, South Dakota, Washington, Wisconsin and Wyoming. Some states, such as Montana, Kansas and

tutions located in Michigan and Ohio became eligible to enter Minnesota, thereby significantly increasing the number of potential regional bank holding companies eligible to make acquisitions in Minnesota.[16] Furthermore, banks with their principal office within the seven-county area that comprises most of the Minnesota-St. Paul banking market may establish detached facilities (branches) through mergers almost anywhere within this market without being subject to the five-branch limitation imposed under Minnesota law.[17]

The Antitrust Division of the Department of Justice ("Department") has commented that the proposal will not substantially lessen competition in the Minneapolis-St. Paul banking market. Using an alternative analysis of the competitive effects of this proposal, the Department considered competition in the market for retail banking products (including transactional and savings accounts, housing-related loans and personal loans) as well as the market for business banking (including commercial lines of credit, other loans, and various cash management services). In addition, the impact of the proposal on competition for middle-market business customers, defined as businesses with between $10 million and $100 million in annual sales, was considered by the Department and found to have no significantly adverse effect.[18] The Attorney General of the State of Minnesota also has reviewed the proposal and has no objection to the competitive effects of the proposal in the Minnesota-St. Paul banking market.[19]

The Board has carefully reviewed all of the facts of record on these applications, including comments received from the public.[20] On the basis of all of the facts of record, and for the reasons discussed, the Board concludes that the proposal would not have a significantly adverse effect on competition in the Minneapolis-St. Paul banking market or any other relevant banking market.

Other Considerations

The financial and managerial resources and future prospects of FBS and BSI, and their subsidiaries, the convenience and needs factors, and all other supervisory factors required to be considered by the Board under section 3 of the BHC Act are consistent with approval.

FBS has also applied under section 4(c)(8) of the BHC Act to acquire the nonbanking subsidiaries of BSI. The Board has determined by regulation that each of the activities of these companies is closely related to banking and generally permissible for bank holding companies, and FBS proposes to conduct these activities in accordance with these regulations.

In each case, there are numerous providers of these nonbanking services, and this proposal would not have a significantly adverse competitive effect on the markets for these nonbanking services. In addition, there is no evidence in the record to indicate that approval of the proposed acquisition of any of the nonbanking companies would result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices that are not outweighed by public benefits. Accordingly, the Board has determined that the balance of public interest factors that the Board must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval.

Based on all of the facts of record, including the commitments made by FBS in connection with this application, the Board has determined that the applications should be, and hereby are, approved. The Board's approval is expressly conditioned upon compliance with the commitments made in connection with these applications and with the conditions referred to in this Order. The determination as to the nonbanking activities approved in this case is also subject to all of the conditions contained in Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such notification or

Missouri have not adopted legislation that satisfies Minnesota's reciprocity requirement.

16. Both states have interstate banking statutes that meet Minnesota's reciprocity requirements. *See* Mich. Comp. Laws § 23.710(130b), 1(g) (authorizes acquisitions with a region which includes Minnesota) and Ohio Rev. Code Ann. § 1101.05(B) (authorizes nationwide reciprocal acquisitions).

17. Minn. Stat. Ann. § 49.34, Subd. 2(b). These counties are: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, all in Minnesota.

18. The Department concluded that the following factors would suggest that this market would not become substantially less competitive following consummation of the proposal:

(1) 10 banks would remain as competitors in the market;

(2) Small banks in the market have the incentives and capability to expand into middle-market lending;

(3) Firms currently serving small-business customers plan to serve middle-market businesses in the future; and

(4) The Selling Group will continue to compete for middle-market loans.

19. Comments from both the Attorney General and the Department raised issues regarding the competitive effects of the proposed acquisition by FBS in the Rochester, Minnesota, banking market. FBS has amended its proposal to delete an acquisition in this banking market.

20. The Board has received a total of 89 comments, with 56 in favor of approval and 33 opposed. Only five of the commenters opposed the transaction in the Minneapolis-St. Paul banking market. The Board has carefully considered the comments alleging that the proposal would have substantial anticompetitive effects and adverse consequences on the communities served in the Minneapolis-St. Paul banking market. For the reasons stated above, these comments do not raise issues that would warrant denial of these applications.

termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. For purposes of this action, the commitments and conditions relied on in reaching this decision are both conditions imposed in writing by the Board and, as such, may be enforced in proceedings under applicable law.

The banking acquisitions shall not be consummated before the thirtieth calendar day after the effective date of this Order, and all acquisitions 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 Minneapolis, acting pursuant to delegated authority.

By order of the Board of Governors, effective November 30, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Dissenting Statement of Governors Angell, Kelley, and LaWare

We believe that the acquisition proposed in this case would have a significantly adverse effect on competition in the Minneapolis-St. Paul banking market and that the anti-competitive effects of this proposal are not outweighed by the public benefits in this case. Accordingly, we would deny this proposal.

First Bank System, which is the second largest depository organization in the Minneapolis-St. Paul banking market, proposes to acquire the third largest depository institution in the market. As a result, First Bank System would become the largest depository organization in the market, controlling over 33 percent of market deposits. Consummation of this proposal would result in an increase of over 315 points in the Herfindahl–Hirschman Index for the Minneapolis-St. Paul banking market, to a level above 2025. This increase in the concentration level of the market is significantly above the threshold for mergers in a highly concentrated market under the Department of Justice Merger Guidelines.

The Board has previously indicated that a proposal that involves an increase in market concentration levels that exceed the DOJ Guidelines requires close scrutiny of the competitive effects. In this case, a number of important characteristics of the Minneapolis-St. Paul banking market indicate that the competitive effects of this proposal would in fact be significantly adverse.

For over 30 years, the Minneapolis-St. Paul banking market has been dominated by two banking organizations, First Bank System and Norwest. Only one competitor—the company First Bank System proposes to acquire—controls as much as 5 percent of market deposits, and only three depository institutions (including one savings association) control over 2 percent of market deposits. Nearly all remaining depository institution competitors in the market control less than 1 percent each of market deposits. In contrast, First Bank System and Norwest together currently control approximately 57 percent of market deposits. Each of these two companies controls at least three times the market share of any of the remaining depository institution competitors in the market, and, following the proposed acquisition, each of these companies would control nearly five times the market share of any remaining competitor. In our view, the acquisition by First Bank System of the third largest banking organization in this skewed market would solidify the dominance of the two largest organizations in the market. We believe that this proposal is anticompetitive because the proposal creates a more dominant market position through the acquisition of a vigorous in-market competitor instead of through open competition. In the process, the acquisition would eliminate the only other organization in the market with sufficient size and market share to challenge any anti-competitive behavior by the largest organizations.

We do not find persuasive Applicant's contention that the current owners of BSI will continue to be aggressive competitors following this acquisition by First Bank System. The current owners of BSI will also become significant owners of First Bank System as a result of this merger, and, indeed, will have a larger investment of resources in First Bank System than in the remaining offices of BSI. It is difficult for us to believe that, in this situation, these owners can be expected to compete vigorously against their own interests.

We are also troubled by the effect of this merger on the market for loans to medium-sized businesses. Currently, these businesses rely on a very small number of competitors in the Minneapolis-St. Paul market and surrounding region to provide credit. Most banking institutions in the Minneapolis-St. Paul banking market are too small to serve the needs of these businesses, and the acquisition by First Bank System of the last remaining medium-sized bank in this market eliminates one of the last local providers of this credit.

For these reasons, we view the proposed acquisition as having a significantly adverse effect on competition in the Minneapolis-St. Paul banking market. We do not believe, on the other hand, that the anti-competitive effects of this proposal are diminished by any significant mitigating factors.

We believe that the skewed market structure in this case greatly diminishes the attractiveness of the Minneapolis-St. Paul market for entry by new competitors. BSI represents the only vehicle for entry into commercial banking in the Minneapolis-St. Paul banking market that has sufficient size and market share to provide an entrant with a reasonable prospect of challenging the competitive position of the two dominant firms in the market. This merger would eliminate that prospect. Following this acquisition, no banking competitor would remain that controls as much as 5 percent of market deposits.

Moreover, aside from First Bank System and Norwest, the three largest remaining depository institutions in the market would control, in the aggregate, only approximately 11 percent of market deposits. As a result, potential entrants are faced with entering this market either *de novo* or through a series of small acquisitions. Both approaches are expensive and unlikely to permit the entrant to respond quickly or effectively to anti-competitive pricing behavior by either First Bank System or Norwest.

We do not believe that Applicant has demonstrated that any significant public benefits would result from this merger that would outweigh the anti-competitive effects of the merger or that could not be achieved in another way. As a result, we would find that the effects of this acquisition would be to lessen substantially competition in the Minneapolis-St. Paul banking market, and, accordingly, we would deny the proposal.

November 30, 1992

GNB Bancorporation
Grundy Center, Iowa

Order Approving Acquisition of a Bank Holding Company and a General Insurance Agency

GNB Bancorporation, Grundy Center, Iowa ("GNB"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3(a)(5) of the BHC Act (12 U.S.C. § 1842(a)(5)) to merge with Ackley Bancorporation, Ackley, Iowa ("Ackley"), and thereby indirectly acquire 98 percent of the voting shares of Ackley State Bank, Ackley, Iowa ("Ackley Bank"). GNB also has applied under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) to acquire Ackley Insurance Agency, Ackley, Iowa ("Agency"), and thereby engage in general insurance agency activities in a small town with a population of under 5,000 pursuant to the Board's Regulation Y (12 C.F.R. 225.25(b)(8)(iii)).

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (57 *Federal Register* 39,203 (1992)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in the BHC Act.

GNB is the 70th largest commercial banking organization in Iowa, controlling deposits of $73.7 million, representing less than 1 percent of total deposits in commercial banks in the state.[1] Ackley is the 207th largest commercial banking organization in Iowa, controlling deposits of $31.4 million, representing less than 1 percent of total deposits in commercial banks in the state. Upon consummation of the proposed transaction, GNB would become the 45th largest commercial banking organization in Iowa, controlling deposits of $105.1 million, representing less than 1 percent of total deposits in commercial banks in the state.

Ackley Bank and Grundy Bank do not compete in any banking market.[2] Based upon this and other facts of record, the Board has determined that consummation of the proposal would not result in a significantly adverse effect on competition in any relevant banking market.

The financial and managerial[3] resources and future prospects of GNB, Grundy Bank, and Ackley Bank, as well as convenience and needs considerations and all other supervisory factors the Board is required to consider under section 3 of the BHC Act, also are consistent with approval of this application.[4]

1. State deposit data are as of June 30, 1992.

2. Ackley Bank operates in Ackley, Iowa, in the Hardin County, Iowa banking market, which is approximated by Hardin County, Iowa; and in Geneva, Iowa, in the Franklin County, Iowa banking market, which is approximated by Franklin County, Iowa, excluding Ross Township. Grundy Bank operates in Grundy Center, Iowa, and Holland, Iowa, in the Grundy, Iowa banking market, which is approximated by Grundy County, Iowa and Lincoln Township in Tama County, Iowa.

3. The Board has carefully considered comments from an individual ("Protestant") opposing this application on the basis of various loan transactions with Ackley Bank. Protestant and Ackley Bank have been involved in extensive litigation regarding these transactions, and the Iowa state courts have confirmed Ackley Bank's legal right to foreclose on Protestant's collateral. Based on all of the facts of record, including information provided by the Protestant and by GNB, and relevant reports of examination, the Board does not believe that Protestant's comments warrant denial of this application. The Board also notes that Protestant's pending civil action will provide Protestant with a full opportunity to press his claims and to obtain a remedy, if his allegations are proved and a remedy is appropriate.

4. Protestant has requested that the Board hold a public hearing to assess further facts surrounding his allegations. The Board is not required under section 3 of the BHC Act to hold a public hearing unless the primary supervisor for the bank to be acquired does not

GNB also has applied, under section 4(c)(8) of the BHC Act, to acquire Agency and thereby to engage in general insurance agency activities in a small town with a population of under 5,000. The Board previously has determined by regulation that the insurance agency activities proposed to be conducted by GNB are closely related to banking and permissible for bank holding companies under section 4(c)(8) of the BHC Act.[5] GNB has committed that it will conduct these activities subject to the limitations contained in Regulation Y.

In order to approve the acquisition of Agency under section 4 of the BHC Act, the Board also must find that the performance of the proposed activities by GNB "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8). GNB has stated that the proposal will allow the continuation of those public benefits currently provided by Agency. The Board expects that such continuation would maintain the level of competition among insurance agencies in the market and provide a convenient source of insurance agency services to the public. In addition, there is no evidence in the record that consummation of this proposal would result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Accordingly, the Board concludes that the balance of the public interest factors that it is required to consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of the application to acquire Agency. Based on the foregoing and other facts of record, and subject to the commitments made by GNB in this case, the Board has determined that the applications should be, and hereby are, approved. This approval is specifically conditioned upon compliance by GNB with all of the commitments made in connection with these applications and with the conditions referenced in this Order. The determinations with respect to GNB's nonbanking activities also are subject to the conditions set forth in Regulation Y, including those in sections 225.4(d) and 225.23(b) (12 C.F.R. 225.4(d) and 225.23(b)), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder. For purposes of this action, the commitments and conditions relied on in reaching this decision are both conditions imposed in writing by the Board and, as such, may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective November 16, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

approve the proposal. In this case, the primary supervisor for Ackley Bank has not objected to the proposal.

Under its rules, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. 12 C.F.R. 262.3(e) and 262.25(d). The Board has carefully considered this request and the written comments submitted by Protestant. In the Board's view, Protestant has had ample opportunity to submit and has submitted substantial written comments that have been considered by the Board. In light of these facts, the Board has determined that a public meeting or hearing is not necessary to clarify the factual record in this application, and is not otherwise warranted in this case. Accordingly, the request for a public hearing or meeting on this application is hereby denied.

5. *See* 12 C.F.R. 225.25(b)(8)(iii). *See also* 12 U.S.C. § 1843(c)(8)(C).

Old National Bancorp
Evansville, Indiana

Order Approving the Merger of Bank Holding Companies and the Acquisition of a Savings Association

Old National Bancorp, Inc., Evansville, Indiana ("Old National"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to merge with Palmer Bancorp, Inc., Danville, Illinois ("Palmer"), and thereby acquire Palmer-American National Bank of Danville, Danville, Illinois ("Palmer Bank"), and The Citizens State Bank, Williamsport, Indiana ("Citizens Bank").

Old National has also applied for the Board's approval in a separate transaction to merge with Southern Illinois Holding Company ("Southern"), and thereby acquire Bank South, a Federal Savings Bank ("Bank South"), Harrisburg, Illinois. Bank South is a federal savings bank that is deemed to be a savings association for purposes of the BHC Act. Accordingly, Old National seeks Board approval to acquire

Southern and Bank South pursuant to section 4(c)(8) of the BHC Act and section 225.25(b)(9) of the Board's Regulation Y (12 C.F.R. 225.25(b)(9)).

In addition, Old National has applied, pursuant to section 5(d)(3) of the Federal Deposit Insurance Act (12 U.S.C. § 1813(d)(3) (the "FDI Act"), as amended by the Federal Deposit Insurance Corporation Improvement Act of 1991 (Pub. L. No. 102–242, § 501, 105 Stat. 2236, 2388-2392 (1991)) to merge Bank South into Old National's subsidiary bank, First National Bank of Harrisburg, Harrisburg, Illinois ("First National Bank"). Section 5(d)(3) of the FDI Act requires the Board to follow the procedures and consider the factors set forth in the Bank Merger Act (12 U.S.C. § 1828(c)). 12 U.S.C. § 1815(d)(3)(E).

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (57 *Federal Register* 10,764 and 14,399 (1992)). As required by the Bank Merger Act, reports on the competitive effects of the merger were requested from the United States Attorney General, the Office of the Comptroller of the Currency ("OCC"), and the Federal Deposit Insurance Corporation. The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in sections 3(c) and 4(c)(8) of the BHC Act and the Bank Merger Act.

Old National, with approximately $2.7 billion in consolidated assets, controls a total of 16 banking subsidiaries located in Indiana, Kentucky and Illinois. In Illinois, Old National is the 60th largest commercial banking organization, controlling deposits of $264.6 million, representing less than 1 percent of the total deposits in commercial banking organizations in that state.[1] Palmer Bancorp is the 112th largest commercial banking organization, controlling deposits of $168.1 million, representing less than 1 percent of the total deposits in commercial banking organizations in Illinois. Southern is the 132nd largest thrift institution in Illinois, controlling deposits of $52.8 million. Upon consummation of both proposed transactions, Old National would be the 36th largest commercial banking organization in the state, controlling $495.5 million in deposits.

Acquisition of Palmer under Section 3 of the BHC Act

Douglas Amendment

Section 3(d) of the BHC Act, the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire any bank located outside of the bank holding company's home state, unless such acquisition is "specifically authorized by the statute laws of the State in which such bank is located, by language to that effect and not merely by implication."[2] Old National, which has Indiana as its home state for purposes of the Douglas Amendment,[3] seeks to acquire a bank in Illinois.[4] The Illinois interstate banking statute expressly authorizes the acquisition by an out-of-state bank holding company, such as Old National, of an Illinois bank, such as Palmer Bank, and the Board has previously determined that the interstate banking statutes of Illinois permit the acquisition of Illinois banking organizations by Indiana banking organizations.[5] Based on all the facts of record, the Board concludes that Old National's acquisition of Palmer Bank complies with the Illinois interstate banking statute, and that Board approval of this proposal is not prohibited by the Douglas Amendment. Approval of this proposal is conditioned upon Old National receiving all required state regulatory approvals.

Old National and Palmer do not compete in any of the same banking markets. Based on all the facts of record, the Board concludes that consummation of this proposal under the BHC Act will not have a significantly adverse effect on competition in any relevant banking market.

The Board also concludes that the financial and managerial resources and future prospects of Old National, Palmer and Southern, and their subsidiary depository institutions, and other supervisory factors that the Board must consider under section 3 of the BHC Act are also consistent with approval.

Convenience and Needs Considerations

In acting on an application to acquire a depository institution under the BHC Act and the Bank Merger 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 supervisory agencies to encourage

1. State deposit data are as of June 30, 1991.

2. 12 U.S.C. § 1842(d).

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

4. The acquisition of Bank South, which is deemed to be a savings association for purposes of the BHC Act, is not subject to the interstate banking restrictions of the Douglas Amendment.

5. *See* Ill. Ann. Stat. ch. 17, para. 2510.01; *Old National Bancorp*, 74 *Federal Reserve Bulletin* 398 (1988).

financial institutions to help meet the credit needs of the local communities in which they operate consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution," and to take this record into account in its evaluation of bank holding company applications.[6]

The Board has received comments from the People For Equal Justice ("PFEJ") and the Illinois Center for Citizen Involvement ("ICCI") (collectively "Protestants") that raise issues regarding the efforts by Old National and Palmer to help in meeting the credit needs of their entire communities in Indiana and Illinois, respectively, including low- and moderate-income and minority neighborhoods.[7] Specifically, Protestants contend that Old National's lead bank subsidiary, Old National Bank in Evansville, Evansville, Indiana ("Old National Bank") has not:

(1) Adequately ascertained the credit needs and marketed credit products to the minority communities in the Evansville area; and

(2) Met the credit needs of these communities, especially in the areas of conventional business loans, housing-related lending (including FHA and VA home loans), and personal credit products.[8]

Protestants also allege that Old National Bank has engaged in illegal discriminatory lending practices.[9]

In addition, Protestants have alleged that the marketing plan for Palmer Bank demonstrates illegal discriminatory lending policies, and that Palmer Bank has failed to ascertain credit needs, market credit products, or make loans in minority or low-income neighborhoods.[10] Protestants have also requested a number of commitments from Old National which Protestants contend will improve Palmer Bank's CRA performance.[11]

The Board has carefully reviewed the CRA performance records of Old National, Palmer and Southern, and their subsidiary depository institutions, as well as all comments received, the responses to those comments, and all 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").[12]

Record of Performance under the CRA

A. CRA Performance Examination

The federal banking agencies have indicated in the Agency CRA Statement that a CRA examination is an important, and often controlling, factor in the consideration of an institution's CRA record.[13] The Board notes that in this case all of Old National's subsidiary banks have received an "outstanding" or "satisfactory" rating during the most recent examinations of their CRA performance.[14] In particular, Old National Bank

6. 12 U.S.C. § 2903.

7. PFEJ has protested Old National's applications under the BHC Act and the Bank Merger Act. ICCI has protested Old National's application under the BHC Act.

8. Protestants also criticize Old National Bank for not employing minorities from the local community and not providing minority employees for minority customers. Old National responds that it supports equal employment opportunity and that Old National employees reflect the ethnic makeup of its neighborhoods. While the Board fully supports affirmative programs designed to promote equal opportunity in every aspect of a banking organization's personnel policies and practices in the employment, development, advancement, and treatment of employees and applicants for employment, the Board believes that a banking organization's general personnel practices are beyond the scope of factors that may be assessed under the CRA or the convenience and needs factor.

9. PFEJ claims that these allegations are supported by minority business surveys, interviews with minority customers of Old National and mortgage data filed under the Home Mortgage Disclosure Act ("HMDA").

10. Palmer Bank has responded that the study referred to by Protestants was actually produced to assist in its ascertainment efforts which resulted in CRA focus group discussions with members of the community.

11. These requested commitments include:

(1) Establishment of a CRA advisory committee with representatives from minority communities, business and government sectors, and the public;

(2) Review of Palmer Bank's loan standards to remove alleged artificial barriers;

(3) Formation of a pool for new housing, small business and home improvement lending at favorable rates;

(4) Formation of a $2 million home improvement loan program with the Danville Community Action Agency to assist low-income families;

(5) Promotion of training in business management and lending for small businesses; and

(6) Consumer-education seminars on a quarterly basis in low-income census tracts.

Palmer Bank has documented its formation of a CRA advisory counsel, a summary of its employees' involvement in the community, participation in housing and community development projects, and a number of seminars it has conducted on consumer banking and small business issues. In response to Protestants' allegation of an unfair advertisement in the "Palmer Newsletter," Palmer Bank notes that the individual pictured in the advertisements is the executive director of a community service organization that had been working with the bank and the city of Danville in a project funded by the bank to renovate and sell vacant housing.

12. 54 *Federal Register* 13,732 (1989).

13. *Id.*

14. Old National's subsidiary banks have received the following CRA ratings from their primary regulators: Merchants National Bank Terre Haute, Terra Haute, Indiana, "satisfactory" (OCC, May 1991); Farmers Bank and Trust of Madisonville, Madisonville, Kentucky, "satisfactory" (FDIC, September 1989); United Southwest Bank, Washington, Indiana, "satisfactory" (FDIC, July 1991); Security Bank and Trust, Vincennes, Indiana, "satisfactory" (FDIC, September 1985); Farmers Bank and Trust Company, Henderson, Kentucky, "satisfactory" (FDIC, August 1991); First National Bank of Harris-

received a "satisfactory" rating for CRA performance from the OCC in April 1991. Palmer's subsidiary banks, including Palmer Bank, and Bank South also received satisfactory CRA performance ratings from their primary federal regulators in their most recent examinations.[15]

B. Aspects of CRA Performance

Corporate Policies. Old National's subsidiary banks currently have in place the types of policies outlined in the Agency CRA Statement that contribute to an effective CRA program. For example, Old National Bank's board of directors has developed a comprehensive CRA Statement that is reviewed by the board annually. A CRA directors committee also annually assesses the bank's performance in the twelve areas of CRA assessment, and the bank's overall CRA compliance is coordinated through a full-time CRA officer. Old National Bank also has developed a CRA training program for bank personnel at all levels. These efforts include seminars, in-house banking publications, and computer modules to keep employees abreast of CRA requirements.

Ascertainment and Marketing. Old National Bank has joined with three other commercial banks in Evansville to form the Evansville Clearinghouse Association ("the Association") in an effort to increase its ascertainment of community credit needs. The Association meets with a number of neighborhood groups to review credit needs and assess the adequacy of deposit and credit services available in the community. Old National Bank has also individually surveyed various neighborhood groups to determine the types of financial services that are needed in the community.

The participation of Old National Bank employees, officers, and directors in governmental, civic, and social organizations also assists the bank in determining the credit needs of the community. Some of the bank's directors and officers occupy leadership positions in organizations that address issues of community improvement such as housing needs for low-income individuals.[16]

Old National Bank has a marketing committee composed of directors, executive officers, and the bank's director of marketing. This committee is responsible for reviewing the bank's overall marketing strategy. In addition, individual advertisements also are reviewed for compliance with applicable laws and regulations. The bank uses a variety of mass media, including local newspapers, radio, television, and billboards, which reach broad segments of its community. Although Old National Bank's advertising does not generally promote particular products, the bank has promoted its low-cost checking program to low- and moderate-income customers in response to customer demand. The bank also periodically advertises particular products in publications such as *Our Times* and church bulletins targeted to minority and low-income individuals.

Old National has committed to initiate steps to strengthen its ascertainment and outreach efforts. In this regard, it will hold quarterly meetings at each of its four banking offices located in the low- and moderate-income census tracts to discuss the needs of residents of these areas for financial products and services.

Lending and Other Activities. Examiners concluded that Old National Bank is active in local real estate lending and has a satisfactory record in granting housing-related loans within the Evansville area, including in low- and moderate-income areas. In addition, the bank participates financially in a variety of programs that support low-income housing. For example, Old National Bank and other participating financial institutions offer flexible financing terms to low-income families through the Evansville Urban Homesteading Program. Through this program, low-income families are permitted to purchase homes for nominal amounts in return for renovation of the property.

The bank also participates in the Neighborhood Parade of Homes, which sponsors construction of new housing with special financing available, and a senior officer of Old National Bank is chairman of the program. Old National Bank financially supports the Evansville Coalition for the Homeless, which provides transitional housing to homeless individuals and constructs/rehabilitates low-income rental property, and Habitat of Evansville which recently constructed a

burg, Harrisburg, Illinois, "satisfactory" (OCC, April 1991); First State Bank, Greenville, Kentucky, "satisfactory" (FDIC, June 1989); Security Bank and Trust, Mt. Carmel, Illinois, "satisfactory" (FDIC, November 1990); Peoples Bank and Trust, Mount Vernon, Indiana, "outstanding" (FDIC, January 1990); First Citizens Bank and Trust, Greencastle, Indiana, "satisfactory" (FDIC, October 1989); Morganfield National Bank, Morganfield, Kentucky, "satisfactory" (OCC, May 1991); Gibson County Bank, Princeton, Indiana, "outstanding" (FDIC, November 1990); Peoples National Bank of Lawrenceville, Lawrenceville, Illinois, "satisfactory" (OCC, April 1991); Clinton State Bank, Clinton, Indiana, "outstanding" (FDIC, July 1988); Rockville National Bank, Rockville, Indiana, "satisfactory" (OCC, April 1991).

15. Palmer Bank and Citizens Bank were rated "satisfactory" for CRA performance by the OCC and FDIC respectively, as of December 1, 1988, and November 2, 1989, respectively. Bank South was rated "satisfactory" by the Office of Thrift Supervision as of August 4, 1989.

16. These organizations include the Neighborhood Economic Development Center (a lender of last resort to low-income individuals and small businesses that are unable to obtain conventional financing), Consumer Credit Counseling Service, Enterprise Zone, United Way, Goodwill Industries, Inc., and the Southwestern Indiana Mental Health Center.

new home for a family unable to qualify for a conventional mortgage.[17]

Small business and consumer loans are made throughout Old National Bank's community, including low- and moderate-income neighborhoods. At year-end 1991, the bank had 224 commercial loans to individuals and businesses located in low- and moderate-income areas for an aggregate amount of $16.5 million.[18] Old National Bank also has 376 consumer loans to individuals in low- and moderate-income areas totalling $2.9 million.[19] After conducting a survey in 1988 of minority-owned businesses, the bank instituted an annual, two-day seminar on small business issues.

Old National Bank also provides support to community development organizations financially and with personnel. For example, the bank has contributed and provided leadership for the Tri State Rehabilitation Center, which provides physical and vocational rehabilitation to many adults and children each year. The bank also supports the Small Business Assistance Corporation, which offers financial assistance to entrepreneurs seeking to start or expand a small business who are unable to secure conventional financing.

HMDA Data and Lending Practices. The Board has reviewed the 1990 and 1991 data reported by Old National Bank under the Home Mortgage Disclosure Act ("HMDA") in light of Protestants' comments.[20] The HMDA requires banks to report publicly certain information on loan approvals and denials, including the race, gender and income of loan applicants as well as the location of the proposed collateral property and the disposition of the loan.

Old National Bank's HMDA data show areas of satisfactory lending performance. For example, 18 percent of the Evansville MSA's population is considered low- and moderate-income, and the bank extended 11 percent of its housing-related credit in low- and moderate-income areas. Old National Bank's approval rate for minority loan applicants is also high. The Bank's HMDA data also shows, however, that the number of applications from minority applicants is very low.

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

In this regard, the most recent examination for CRA performance conducted by the OCC found no evidence of illegal discrimination or other illegal credit practices at Old National Bank.[21] The examiners noted that no practices were detected that would discourage applications for credit and that the bank had developed policies which prohibit illegal discriminatory lending practices and training programs to reinforce those policies. The examination included consideration of Old National Bank's 1990 HMDA data and samplings of loan applications that were approved and denied.[22]

Old National Bank has also taken steps to improve its lending to minorities and low- and moderate-income neighborhoods. In May 1992, the bank initiated a new housing program to provide fixed-rate mort-

17. Old National Bank also provided financing to Grace Homes, Inc. for the construction of two rental homes for low-income residents of the inner city.

18. Old National Bank estimates that over the last five years, 37 commercial loans were made to minority-controlled businesses or individuals in an aggregate amount of over $900,000. The bank's overall approval rate for commercial loan applicants in 1991 and 1992 is over 90 percent, but the bank's lending record demonstrates weakness in its efforts to solicit actively credit applications from the minority business community. The Board expects that Old National Bank will take steps to strengthen its performance in this area.

19. Protestants allege that Old National Bank has not provided minorities access to credit services in inner-city areas. Old National Bank maintains four full-service branches in the 18 low- and moderate-income census tracts within its delineated service area, and its principal office is located in the redevelopment and revitalization zone as designated by the Evansville Area Planning Commission.

20. Protestants have questioned the lack of HMDA data for Palmer Bank. This bank is located in a non-Metropolitan Statistical Area ("MSA") and, therefore, is not required to report data under the HMDA. On the basis of its internal lending data for 1991 and 1992, Palmer Bank estimates that in both years approximately 46 percent of its housing-related lending was in low- and moderate-income census tracts within its service area. In addition, the most recent examination of Palmer Bank found no evidence of illegal discriminatory lending practices.

21. The examination noted one substantive violation of the Equal Credit Opportunity Act. This exception involved the bank's failure to document that business loan applicants with sales of less than $1 million had been notified of the reasons for the credit denial. Old National Bank explains that this procedural omission was due to a change in the regulation which made disclosure requirements applicable to this limited class of businesses. The bank has corrected its commercial loan procedures to document the required disclosure and instituted a separate review process to monitor compliance.

22. The OCC has recently reviewed Old National Bank's lending practices that were the subject of Protestants' comments and found no evidence of discriminatory lending practices. In addition, this review noted that in 1992 the number of housing-related loan applications received from blacks, and that the number of approvals had increased from 1991 levels.

gages to low- and moderate-income families.[23] Under this program, borrowers will be offered special loan terms, such as a 5 percent downpayment, flexible credit history requirement, a debt-to-income ratio of 40 percent and homeowner education classes. In addition, Old National Bank has introduced a home-improvement program for low- and moderate-income residents which features affordable monthly payments. The bank intends to specially promote these programs in low-income areas.

Conclusion on Convenience and Needs. The Board has carefully considered the entire record of these applications, including the comments filed in this case and the performance examinations by the depository institutions' primary regulators, in reviewing the convenience and needs factor under the BHC Act. Based on a review of the entire record of performance, the Board believes that the efforts of Old National, Palmer and Southern to help meet the credit needs of all segments of the communities served by the subsidiaries of these banking institutions, including low- and moderate-income neighborhoods, are consistent with approval.

The Board recognizes that the record in this application points to areas for improvement in the CRA performance of Old National Bank, particularly in commercial and housing-related lending. Old National Bank has initiated steps designed to strengthen its CRA performance and the Board expects to see improvement in these areas. The Board also expects Old National Bank to implement fully the CRA initiatives and commitments discussed in this Order and contained in its applications. Old National's progress in implementing these initiatives and commitments and strengthening its performance in the areas discussed in this Order will be monitored by the Federal Reserve Bank of St. Louis and will be assessed in connection with future applications to expand its deposit-taking facilities.

Acquisition of Southern under Section 4 of the BHC Act

Old National has applied under section 4(c)(8) of the BHC Act to acquire Southern as part of its proposal to merge Southern's thrift subsidiary, Bank South, with Old National's subsidiary bank, First National Bank of Harrisburg. The Board has previously determined that the operation of a savings association is closely related to banking for purposes of section 4(c)(8) of the BHC Act, and, therefore, permissible for bank holding companies (12 C.F.R. 225.25(b)(9)). In making this determination under section 4(c)(8) of the BHC Act, 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.[24]

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

Old National and Southern directly compete in the Harrisburg, Illinois, banking market ("Harrisburg banking market").[25] Old National is the largest of 11 depository institutions in the market, controlling deposits of $100.5 million, representing approximately 18 percent of total deposits in depository institutions in the market.[26] Southern is the 10th largest depository institution in the Harrisburg banking market, controlling $47 million in deposits, representing approximately 4 percent of total deposits in depository institutions in the market. Upon consummation of this proposal, Old National would remain the largest depository institution in the market, controlling $147.5 million in deposits, representing approximately 25.3 percent of total deposits in depository institutions in the market. The Herfindahl-Hirschman Index ("HHI") would increase by 233 to 1420.[27] After con-

23. Old National Bank claims to offer this program as an alternative to FHA and VA loans which it believes are less attractive to low- and moderate-income borrowers and more difficult to process.

24. Old National has committed that Bank South will be merged into its subsidiary bank simultaneously with its acquisition and will not be operated as a separate subsidiary. Old National has also committed that Bank South's real estate subsidiary, which holds vacant real estate, will be liquidated within two years of consummation of this proposal and will not conduct any new real estate activities during this two-year period.

25. The Harrisburg banking market is approximated by the counties of Gallatin, Hardin, Saline and Pope (except for Jefferson No. 4 precinct), all in Illinois.

26. In this context, depository institutions include commercial banks, savings banks and savings associations. Market share data before consummation 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 First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52, 55 (1991); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Because the deposits of Bank South would be transferred to a commercial bank under this proposal, those deposits are included at 100 percent in the calculation of *pro forma* market share. *See First Banks, Inc.*, 76 *Federal Reserve Bulletin* 669, 670 n.9 (1990); *Norwest Corporation*, 78 *Federal Reserve Bulletin* 452 (1992).

27. 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 between 1000 and 1800 is considered moderately concentrated. A market in which the post-merger HHI is above 1800 is considered to be highly concentrated, and the Justice Department is likely to challenge a merger that increases the HHI by more than

sidering the competition offered by other depository institutions in the market, the number of competitors remaining in the market, the increase in concentration as measured by the HHI, and other facts of record, the Board concludes that consummation of the proposals would not result in a significantly adverse effect on competition in the Harrisburg banking market or any other relevant banking markets.

There is also no evidence in the record to indicate that approval of this proposal would result in any other significantly adverse effects, such as undue concentration of resources, conflicts of interests, or unsound banking practices. Accordingly, the Board has determined that the balance of public interest factors that the Board must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval.

Merger of Bank South with First National Bank under the Bank Merger Act

Section 5(d)(3) of the FDI Act requires the Board to follow the procedures and consider the factors set forth in the Bank Merger Act. These factors include considerations relating to competition, financial and managerial resources, and future prospects of the existing and proposed institutions, and the convenience and needs of the communities to be served. 12 U.S.C. § 1828(c). For the reasons discussed above, and on the basis of all of the facts of record, the Board believes that these factors are consistent with approval.

The Board has also considered the factors required under section 5(d)(3) of the FDI Act. In this regard, the record in this case shows that:

(1) The transaction will not result in the transfer of any federally insured depository institution's federal deposit insurance from one federal deposit insurance fund to the other;

(2) Old National and First National Bank currently meet, and upon consummation of the proposed transaction will continue to meet, all applicable capital standards; and

(3) Since Illinois law allows the acquisition of an Illinois bank by an Indiana bank holding company, the proposed transaction would comply with the Douglas Amendment if Bank South were a state bank that Old National was applying to acquire directly. *See* 12 U.S.C. § 1815(d)(3).

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

Conclusion

Based on the foregoing and other factors of record, including the commitments made by Old National in connection with these applications, the Board has determined that the applications should be, and hereby are, approved. The Board's approval of these proposals is specifically conditioned on compliance with these commitments and conditions. These commitments and conditions are both 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 approval is also conditioned upon Old National receiving all necessary Federal and state approvals. The transactions approved in this Order 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 Federal Reserve Bank of St. Louis, pursuant to delegated authority.

By order of the Board of Governors, effective November 30, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Order Issued Under Bank Merger Act

The Bank of New York
New York, New York

Order Approving Acquisition of Certain Assets and Assumption of Certain Liabilities of a Bank and Establishment of Branches

The Bank of New York, New York, New York ("BNY"), a state member bank, has applied pursuant to section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) (the "Bank Merger Act"), to purchase certain assets and assume certain liabilities of Barclays Bank of New York, N.A., New York, New York ("Barclays"). BNY also has applied pursuant to section 9 of the Federal Reserve Act (12 U.S.C. § 321 *et seq.*) to establish branch offices at 62 of the 65 current branch sites of Barclays.[1]

1. The locations of the 62 proposed branch offices are set forth in the Appendix.

Notice of these applications, affording interested persons an opportunity to submit comments, has been given in accordance with the Bank Merger Act and the Board's Rules of Procedure (12 C.F.R. 262.3(b)). As required by the Bank Merger Act, reports on the competitive effects of the proposal were requested from the United States Attorney General, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. 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 the Bank Merger Act and in section 9 of the Federal Reserve Act.

BNY is the fourth largest commercial banking organization in the state of New York, controlling deposits of $18.9 billion, representing approximately 17.4 percent of total deposits in commercial banking organizations in the state.[2] The Barclays's offices to be acquired by BNY control deposits of $2.2 billion, representing approximately 1.0 percent of total deposits in commercial banks in the state. Upon consummation of this proposal, BNY would remain the fourth largest commercial banking organization in the state, controlling deposits of $21.1 billion, representing approximately 18.4 percent of commercial deposits in New York State.

BNY and Barclays compete directly in the Metropolitan New York-New Jersey[3] and Mid-Hudson banking markets.[4] Upon consummation of this proposal, the Metropolitan New York-New Jersey banking market would remain unconcentrated and the Mid-Hudson banking market would remain moderately concentrated.[5] The Board has carefully considered the competition offered by other depository institutions in these markets and the number of competitors remaining in these markets[6] as well as the level of and the increase in market concentration[7] following consummation of this proposal. The Attorney General has indicated that the proposal would not have a significantly adverse effect on competition in any relevant banking market. Neither the OCC nor the FDIC has provided any objection to consummation of this proposal or indicated that the proposal would have any significantly adverse competitive effects.

On the basis of these and other facts of record, the Board concludes that consummation of this proposal would not have a significantly adverse effect on competition in the Metropolitan New York-New Jersey, the Mid-Hudson, or any other relevant banking market.

Convenience and Needs Considerations

In considering an application under the Bank Merger Act and the Federal Reserve 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 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.[8]

In connection with this application, the Board has received comments from two organizations and an

2. Data are as of June 30, 1992.

3. The Metropolitan New York-New Jersey banking market is approximated by Bronx, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, and Westchester Counties in New York State; Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union and Warren Counties in New Jersey; Darien, Greenwich, New Canaan, Norwalk, Redding, and Ridgefield municipalities and Stamford, Weston, Westport, and Wilton townships in Fairfield County, Connecticut.

4. The Mid-Hudson banking market consists of Dutchess and Ulster Counties in New York.

5. 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 less than 1000 is considered unconcentrated. A market with a post-merger HHI 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-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.

6. In this context, depository institutions include commercial banks, savings banks, and savings associations, and market share data are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *First Union Corporation*, 76 *Federal Reserve Bulletin* 83 (1990); *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989). Upon consummation of this proposal, BNY would remain the fourth largest of 326 depository institution in the Metropolitan New York-New Jersey banking market, controlling approximately 6 percent of the total deposits in depository institutions in the market ("market deposits"). In the Mid-Hudson banking market, BNY would become the largest of 26 depository institutions, controlling approximately 16 percent of market deposits.

7. The HHI in the Metropolitan New York-New Jersey banking market would increase 7 points to 554 upon consummation of this proposal, and the HHI would increase 230 points to 1407 in the Mid-Hudson banking market.

8. 12 U.S.C. § 2903.

individual ("Protestants") alleging that BNY has improperly excluded the Bronx and Northern Manhattan from its delineated CRA communities. Protestants further allege that BNY has failed to ascertain and meet credit needs in these areas because of this exclusion.

The Board has carefully reviewed the CRA performance records of BNY, as well as all comments received, the 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").[9] In weighing the comments made by Protestants, the Board notes that, in response to these comments as well as findings made in a recent examination for CRA performance conducted by the Federal Reserve Bank of New York in September 1992, BNY has revised its community delineation to include all of New York County (Manhattan), Bronx County and Kings County (Brooklyn). BNY already offers a number of credit products and services in these areas, and the Board expects BNY to implement in these areas the same types and quality of CRA programs that BNY has established in other areas it serves.

In this regard, the Board notes that BNY received an overall "satisfactory" rating in the examination of CRA performance conducted by the Federal Reserve Bank of New York as of July 1992.[10] BNY has in place the type of policies outlined in the Agency CRA Statement that contribute to an effective CRA program. For example, the board of directors of BNY has adopted a detailed policy statement of "Responsibilities and Commitments Under the Community Reinvestment Act," and established a CRA program with specific goals, objectives, and methodology for self-assessment. In addition, the board has formed a CRA committee, comprised of both directors and senior bank officers, to ensure that the bank fulfills its CRA responsibilities. BNY's CRA committee meets at least three times each year to evaluate the bank's CRA performance, and reports its findings to the entire board of directors at least annually. The most recent CRA examination of BNY confirms that the bank's board of directors and senior management exercise active CRA policy oversight, and performs self-assessment of the bank's CRA activities on a regular basis.

BNY ascertains community credit needs through a multi-layered approach to community outreach. For example, many of BNY's officers and employees are active in a large number of community, civic, religious, charitable, housing, and economic development organizations located in each of the communities served by the bank. In addition, BNY identifies credit needs through the bank's business call program, direct mail and telephone surveys, product studies, focus groups, information gathered by outside commercial sources, and other special ascertainment programs.

The presidents and community relations officers of BNY's six community banking divisions are responsible for coordinating and monitoring the bank's ascertainment efforts. Each community relations officer is responsible for documenting the division's ascertainment efforts, and for preparing monthly reports on the division's CRA activities for the bank's CRA coordinator. BNY also determines the credit needs of its communities through its Custom Banking Group and its recently formed Non-Profit Institution Group.

BNY's mortgage company affiliate also plays a major role in the bank's overall ascertainment program. The mortgage company conducts a variety of seminars and workshops for both real estate professionals and prospective first-time home buyers throughout its community.[11] Through these programs, BNY seeks to assess the credit needs of its delineated communities and other neighboring areas.

BNY markets its products and services through a variety of advertising activities, including print media (mass circulation, local, business, and ethnic newspapers and journals), radio, statement stuffers, brochures and railroad posters. BNY also advertises in all of its delineated communities, advertises in both the English and Spanish language, and utilizes targeted multi-ethnic marketing strategies.

BNY's ascertainment efforts have resulted in several programs enabling the bank to meet the credit needs of its communities, including low- and moderate-income areas. For example, BNY participates in various programs sponsored by governmentally guaranteed, insured, or subsidized loan programs for housing, small businesses, or small farms (including programs sponsored by the Federal National Mortgage Association, the State of New York Mortgage Association, and the City of New York Municipal Finance Department). Moreover, BNY is an active lender to housing, economic development, and other not-for-profit community organizations, both within its delineated communities and adjacent communities. BNY also has provided considerable financial assistance to community organizations that provide housing, job training, health and counseling services.

9. 54 *Federal Register* 13,742 (1989).

10. BNY also received a satisfactory CRA performance rating in its previous examination as of March 4, 1991.

11. The mortgage company also offers prospective home-buyers a series of classes and counselling sessions through its Community Home Buyer Program.

BNY's mortgage company affiliate offers a wide variety of loans, including conventional loans, fixed-rate loans and adjustable-rate loans, Federal Housing Administration loans, and Veterans Administration loans. These loans include special credit features such as low down-payments, below-market rates, or step-up programs for low- and moderate-income borrowers. BNY's mortgage company affiliate also has participated in several New York City Housing Program and Federal National Mortgage Association projects located in or targeted to low- and moderate-income areas.[12]

The considerations discussed above and other facts of record indicate that the CRA performance of BNY is generally satisfactory. In order to permit the Board to monitor BNY's implementation of its CRA policies and programs in its newly delineated service area of New York, Bronx and Kings Counties, BNY must submit a written report to the Board on its progress in implementing its programs and policies in these areas within 6 months of consummation of the proposal, and submit quarterly written reports thereafter until notified by the Board. The Board will consider BNY's progress in complying with these conditions and implementing these initiatives in future applications to expand its deposit-taking facilities.

On this basis, the Board concludes that the convenience and needs considerations, including the CRA performance record of BNY, are consistent with approval of these applications.[13]

Other Considerations

The Bank Merger Act also requires the Board to consider the financial and managerial resources and future prospects of the existing and proposed institutions, and the effect on those resources of the proposed acquisition. On the basis of all the facts of record, the Board concludes that the financial and managerial factors[14] and future prospects of BNY and Barclays are consistent with approval of these applications. The Board has also considered the factors it is required to consider when approving applications for establishment of branches pursuant to section 9 of the Federal Reserve Act and finds those factors to be consistent with approval.

Based on the foregoing and all of 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 BNY with all the commitments made in its application, as supplemented, and compliance with the conditions discussed above. For purposes of this action, the commitments and conditions discussed in this Order are both considered conditions imposed in writing by the Board in connection with its findings and decisions, and, as such, may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective November 4, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Appendix

Dutchess County

17 Market Street
Poughkeepsie, N.Y. 12601

12. BNY also arranges reduced-rate loans for insulation, new heating units, and similar energy conservation efforts through programs established by Consolidated Edison, the Long Island Lighting Company, and other utilities.

13. Protestants have requested the Board to hold a public meeting or hearing on these applications. The Board is not required under the Bank Merger Act or the Federal Reserve Act to hold a public hearing or meeting in this case. Under the Board's rules, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. 12 U.S.C. §§ 262.3(e) and 262.25(d).

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

14. In addressing the managerial considerations of this proposal, the Board has carefully considered several comments from individuals involved in disputes, and in some instances legal actions, with either BNY or Barclays arising from specific transactions. The comments relating to BNY allege that the bank improperly refused to release funds in a trust account and failed to re-credit an account for alleged unauthorized ATM cash withdrawals. In the case of Barclays, the commenter has filed a counterclaim against the bank in a pending lawsuit to collect a debt which has been noted as a contingent liability assumed by BNY under the proposal. The Board has reviewed these comments in light of all the facts of record in this case, including information responding to these comments provided by BNY and information from examination reports. Based on this review, the Board concludes that these comments do not reflect so adversely upon the managerial resources of BNY or Barclays as to warrant denial of these applications. The Board also notes that the pending litigation involving these disputes should provide the commenters with an adequate remedy in the event their allegations are substantiated.

709 Main Street
Poughkeepsie, N.Y. 12601
Route 9, Hyde Park Mall
Hyde Park, N.Y. 12538
Main Street
Pleasant Valley, N.Y. 12569
7 Vassar Road
Poughkeepsie, N.Y. 12603

Nassau County

170 Conklin Street
Farmingdale, N.Y. 11735
55 Northern Boulevard
Great Neck, N.Y. 11021
390 North Broadway
Jericho, N.Y. 11753
1636 Marcus Avenue
New Hyde Park, N.Y. 11040
164 Manetto Hill Road
Plainview, N.Y. 11803
372 Sunrise Highway
Rockville Centre, N.Y. 11570
1000 Railroad Avenue
Woodmere, N.Y. 11598

New York County

300 Park Avenue
New York, N.Y. 10022

Orange County

353 Windsor Highway
New Windsor, N.Y. 12550
Route 211 East
Middletown, N.Y. 10940

Queens County

41–22 Bell Boulevard
Bayside, N.Y. 11361
186–03 Union Turnpike
Flushing, N.Y. 11366
29–37 41st Avenue
Long Island City, N.Y. 11101
221–50 Horace Harding Boulevard
Bayside, N.Y. 11364
132–07 14th Avenue
College Point, N.Y. 11356
40–30 National Street
Corona, N.Y. 11368
36–63 Main Street
Flushing, N.Y. 11354
57–27 Main Street
Flushing, N.Y. 11355
100–26 Queens Boulevard
Forest Hills, N.Y. 11375
77–01 31st Avenue
Jackson Heights, N.Y. 11370
138–02 Queens Boulevard
Jamaica, N.Y. 11435

Rockland County

526 Main Street
Sparkill, N.Y. 10976
Route 9W and Central Drive
Stony Point, N.Y. 10980
59 Route 59
Suffern, N.Y. 10901
316 South Main Street
New City, N.Y. 10956
65 Dutch Hill Road
Orangeburg, N.Y. 10962
456 North Middletown Road
Pearl River, N.Y. 10965
302 North Main Street
Spring Valley, N.Y. 10977
80 Old Tappan Road
Tappan, N.Y. 10983

Suffolk County

115 East Main Street
Patchogue, N.Y. 11772
505 Hawkins Avenue
Ronkonkoma, N.Y. 11779
920 Middle Country Road
Selden, N.Y. 11784
2271 Route 112
Medford, N.Y. 11763
604 Broad Hollow Road
Melville, N.Y. 11747
20 Point Plaza
Rocky Point, N.Y. 11778
222 Middle Country Road
Smithtown, N.Y. 11787
403 North Little East Neck Road
West Babylon, N.Y. 11704

Ulster County

80 Smith Avenue
Kingston, N.Y. 12401
301 Wall Street
Kingston, N.Y. 12401

9 Plattekill Avenue
New Paltz, N.Y. 12561
Kingston Shopping Plaza
Kingston, N.Y. 12401

Westchester County

1100 Pleasantville Road
Briarcliff, N.Y. 10510
491 Main Street
New Rochelle, N.Y. 10802
528 North Avenue
New Rochelle, N.Y. 10801
493 New Rochelle Road
Bronxville, N.Y. 10708
132 Parkway Road
Bronxville, N.Y. 10708
213 Mamaroneck Avenue
Mamaroneck, N.Y. 10543
185 North Bedford Road
Mt. Kisco, N.Y. 10549
88–90 Croton Avenue
Ossining, N.Y. 10562
382 Pelham Road
New Rochelle, N.Y. 10805
680 Main Street
New Rochelle, N.Y. 10801
1293 North Avenue
New Rochelle, N.Y. 10804
103 Adee Street
Port Chester, N.Y. 10573
100 Purchase Street
Rye, N.Y. 10580
500 Westchester Avenue
Rye Brook, N.Y. 10573
138 and 140 Mamaroneck Avenue
White Plains, N.Y. 10601
1940 Commerce Street
Yorktown Heights, N.Y. 10598

Order Issued Under Federal Reserve Act

Morgan Guaranty International Finance Corporation
New York, New York

Order Approving Application Under Section 25A of the Federal Reserve Act to Engage in Certain Futures Commission Merchant Activities in Italy

November 3, 1992

Mr. Douglas E. Harris
Assistant General Counsel
J.P. Morgan & Co. Incorporated
60 Wall Street
New York, New York 10260

Dear Mr. Harris:

As requested in your letter of August 13, 1992, the Board of Governors grants its consent to Morgan Guaranty International Finance Corporation ("MGIFC"), New York, New York, to engage through its subsidiary, J.P. Morgan SIM S.p.A. ("JPMSIM"), in the execution and clearance of certain futures contracts on the Mercato Italiano Futures ("MIF"), Milan, Italy, a new Italian futures exchange.

JPMSIM would act as a futures commission merchant ("FCM") with respect to a ten-year notional Italian Government Bond futures contract, futures contracts of the kind listed in section 225.25(b)(18) of Regulation Y, and options on these contracts. In taking this action, the Board has relied on MGIFC's commitment that the FCM activities of JPMSIM on MIF will be conducted in accordance with the limitations specified in section 225.25(b)(18) of Regulation Y.

The Board has also delegated to the Federal Reserve Bank of New York authority to approve additional financial contracts involving products that the Board has reviewed and approved previously but that are not specifically covered by Regulation Y. Proposals involving products that have not been reviewed previously by the Board continue to require the specific consent of the Board.

The Reserve Bank should be notified promptly of any prospective substantial changes in the activities of MIF or in Morgan's financial operations in Italy that would materially increase the potential liability of the Morgan organization in conducting activities on the MIF. The Board expects that the Morgan organization and MGIFC will comply with any conditions that the Board may impose after reviewing such changes.

Very truly yours,

Jennifer J. Johnson
Associate Secretary of the Board

cc: Vice President Rutledge
Federal Reserve Bank of New York

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

By the Director of the Division of Banking Supervision and Regulation and the General Counsel 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
AmSouth Bancorporation, Birmingham, Alabama	First Federal Bank, F.S.B., Chattanooga, Tennessee	AmSouth Bank of Georgia, Summerville, Georgia	November 13, 1992
BOK Financial Corporation, Tulsa, Oklahoma	First Gibraltar, FSB, Irving, Texas	Bank of Oklahoma, N.A., Tulsa, Oklahoma	November 3, 1992
Capital City Bank Group, Inc., Tallahassee, Florida	First Federal Savings Bank of Perry, Perry, Florida	Branford State Bank, Branford, Florida	November 6, 1992
The Colonial BancGroup, Montgomery, Alabama	Auburn Federal Savings Bank, Auburn, Alabama	Colonial Bank, Montgomery, Alabama	November 3, 1992
First Alabama Bancshares, Inc., Montgomery, Alabama	Security Federal Savings and Loan Association, Nashville, Tennessee	First Security Bank of Tennessee, Nashville, Tennessee	November 25, 1992
First Citizens Bancorp of Indiana, Anderson, Indiana	Colonial Central Savings Bank, F.S.B., Mount Clemens, Michigan	Citizens Banking Company, Anderson, Indiana	November 2, 1992
First Citizens Bancorporation of South Carolina, Inc., Columbia, South Carolina	First State Savings and Loan, a division of Poughkeepsie Savings Bank, FSB, Poughkeepsie, New York	First Citizens Bank and Trust Company of South Carolina, Columbia, South Carolina	November 2, 1992
First Union Corporation, Charlotte, North Carolina	South Carolina Federal Savings Bank, Columbia, South Carolina	First Union National Bank of South Carolina, Greenville, South Carolina	October 30, 1992
Fourth Financial Corporation, Wichita, Kansas	First Gibraltar Bank, FSB, Irving, Texas	Bank IV Oklahoma, N.A., Tulsa, Oklahoma	November 6, 1992
Heritage Financial Services, Tinley Park, Illinois	First Chicago Bank for Savings, F.S.B., Frankfort, Illinois	Heritage Bank & Trust Company, Blue Island, Illinois	November 6, 1992
Mid-Citco Incorporated, Chicago, Illinois	First Western Federal Savings and Loan Association, Oklahoma City, Oklahoma	Union Bank and Trust Company, Oklahoma City, Oklahoma	October 30, 1992

FDICIA Orders—Continued

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
Old Kent Financial Corporation, Grand Rapids, Michigan Old Kent-Illinois, Inc., Elmhurst, Illinois	First Federal of Elgin, Elgin, Illinois	Old Kent Bank, Elmhurst, Illinois	November 17, 1992
United Bancorp, Inc., Tecumseh, Michigan	Standard Federal Bank, Troy, Michigan	United Bank & Trust, Tecumseh, Michigan	November 2, 1992

Applications Approved Under Bank Holding Company Act

By the Secretary of the Board

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

Section 3

Applicant(s)	Bank(s)	Effective Date
Golden Plains Bankshares, Inc., Phillipsburg, Kansas	Logan Bancshares, Inc., Logan, Kansas	November 30, 1992

Section 4

Applicant(s)	Bank(s)	Effective Date
Fleet Financial Group, Inc., Providence, Rhode Island	Fleet Management and Recovery Corporation, Boston, Massachusetts	November 3, 1992

Applications Approved Under Bank Merger Act

By the Secretary of the Board

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

Section 4

Applicant(s)	Bank(s)	Effective Date
SouthTrust Bank of West Florida, St. Petersburg, Florida	SouthTrust Bank of Tampa, Tampa, Florida	November 18, 1992

Applications Approved Under Bank Holding Company Act

By Federal Reserve Banks

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

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Albrecht Financial Services, Inc., Wall Lake, Iowa	Norwalk-Cumming State Bank, Norwalk, Iowa	Chicago	November 6, 1992
Area Bancshares Corporation, Owensboro, Kentucky	Southern Deposit Bank, Russellville, Kentucky	St. Louis	November 24, 1992
Centura Banks, Inc., Rocky Mount, North Carolina	Centura Interim Bank, Brevard, North Carolina	Richmond	November 18, 1992
Chisholm Bancshares, Inc., Chisholm, Minnesota	Farmers & Merchants State Bank, Cook, Minnesota	Minneapolis	November 9, 1992
Citizens Bancorporation of New Ulm, Inc., New Ulm, Minnesota	Lafayette Bancshares, Inc., Lafayette, Minnesota	Minneapolis	November 20, 1992
Citizens Holding Corporation, Clearwater, Florida	Citizens Bank of Clearwater, Clearwater, Florida	Atlanta	October 30, 1992
Citizens National Corporation, Wisner, Nebraska	The First National Bank of Belden, Belden, Nebraska	Kansas City	November 24, 1992
City Holding Company, Charleston, West Virginia	The Buffalo Bank, Eleanor, West Virginia	Richmond	November 23, 1992
Fairmount Banking Company, Fairmount, Indiana	The Fairmount State Bank, Fairmount, Indiana	Chicago	October 30, 1992
Fairview Bancorporation, Inc., Fairview, Montana	Fairview Bank, Fairview, Montana	Minneapolis	November 23, 1992
First Community Bancorp, Inc., Shelbyville, Tennessee	First Community Bank of Bedford County, Shelbyville, Tennessee	Atlanta	November 4, 1992

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
First Dakota Financial Corporation, Yankton, South Dakota	McCook Bancshares, Inc., Salem, South Dakota	Minneapolis	October 23, 1992
First Financial Bancorp., Hamilton, Ohio	Jennings Union Bankcorp, North Vernon, Indiana	Cleveland	October 22, 1992
First Western Corporation, Kimball, Nebraska	Citywide Bank of Northglenn, Northglenn, Colorado	Kansas City	November 12, 1992
Fourth Financial Corporation, Wichita, Kansas	Fourth National Corporation, Tulsa, Oklahoma	Kansas City	November 6, 1992
Fourth Financial Corporation, Wichita, Kansas	Southern Bancorp, Inc., Tulsa, Oklahoma	Kansas City	October 28, 1992
Frandsen Financial Corporation, Forest Lake, Minnesota	Citizens State Bank of East Grand Forks, East Grand Forks, Minnesota First State Bank of Ada, Ada, Minnesota Nimrod Enterprises, Inc., Foley, Minnesota The Gilmanton Co., Gilman, Minnesota	Minneapolis	November 19, 1992
Great Lakes Financial Resources, Inc., Employee Stock Ownership Plan, Homewood, Illinois	Great Lakes Financial Resources, Inc., Homewood, Illinois	Chicago	November 12, 1992
Heritage Financial Services, Inc., Blue Island, Illinois	Alsip Bancorporation, Inc., Alsip, Illinois	Chicago	November 18, 1992
H & H Holding Company, Alton, Illinois	Greene County National Bank in Carrollton, Carrollton, Illinois Godfrey State Bank, Godfrey, Illinois	St. Louis	November 3, 1992
Killbuck Bancshares, Inc., Killbuck, Ohio	The Killbuck Savings Bank Company, Killbuck, Ohio	Cleveland	October 22, 1992
Milk River Investments, Inc., Glasgow, Montana	The First National Bank of Glasgow, Glasgow, Montana	Minneapolis	November 18, 1992
Minnesota Banc Holding Company, Plymouth, Minnesota	Citizens State Bank of Montgomery, Montgomery, Minnesota	Minneapolis	October 30, 1992

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Norwest Corporation, Minneapolis, Minnesota Norwest Colorado, Inc., Denver, Colorado	Rocky Mountain Bankshares, Inc., Golden Valley, Minnesota	Minneapolis	October 29, 1992
Olney Bancorp of Delaware, Inc., Wilmington, Delaware	First Coleman National Bank of Coleman, Coleman, Texas	Dallas	November 6, 1992
Olney Bancshares, Inc., Olney, Texas	First Coleman National Bank of Coleman, Coleman, Texas	Dallas	November 6, 1992
PSB Corporation, Wellsburg, Iowa	First National Bank of Sumner, Sumner, Iowa	Chicago	November 2, 1992
State First Financial Corporation, Texarkana, Arkansas	First National Bank of Nashville, Nashville, Arkansas	St. Louis	November 5, 1992
St. Stephen BanGroup, Inc., Minneapolis, Minnesota	St. Stephen Bancorporation, Inc., Sunfish Lake, Minnesota	Minneapolis	October 23, 1992
TeamBanc, Inc., Paola, Kansas TeamBanc, Inc. Employees' Stock Ownership Plan, Paola, Kansas	Century Bancshares, Inc., Parsons, Kansas	Kansas City	November 16, 1992
West River Holding Company, Inc., Hettinger, North Dakota	West River State Bank, Hettinger, North Dakota	Minneapolis	November 9, 1992

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Amboy Bancorporation, Old Bridge, New Jersey	Woodhaven at South Brunswick, L.P., South Brunswick, New Jersey	New York	November 25, 1992
Centura Banks, Inc., Rocky Mount, North Carolina	Brevard Federal Savings and Loan Association, Brevard, North Carolina	Richmond	November 18, 1992
Chemical Banking Corporation, New York, New York	Bank of America National Trust and Savings Association, San Francisco, California	New York	October 22, 1992

Section 4—continued

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
CNB Bancshares, Inc., Evansville, Indiana	First Federal Savings Bank of Kentucky, Madisonville, Kentucky First Home Services Corporation, Madisonville, Kentucky	St. Louis	October 22, 1992
Comerica Incorporated, Detroit, Michigan	William Street Apartments Limited Partnership, Ann Arbor, Michigan	Chicago	November 24, 1992
First Union Corporation, Charlotte, North Carolina	PSFS Thrift Holding Company, Philadelphia, Pennsylvania	Richmond	November 23, 1992
First Western Corporation, Kimball, Nebraska	Citywide Bank of Northglenn, Northglenn, Colorado	Kansas City	November 13, 1992
F.N.B. Corporation, Hermitage, Pennsylvania	Reliance Consumer Discount Company, Hanover, Pennsylvania	Cleveland	October 29, 1992
Marquette Bancshares, Inc., Minneapolis, Minnesota	to engage in making, acquiring, and servicing loans and providing data processing and data transmission services, facilities, databases, and access to such services, facilities, and databases to financial institutions	Minneapolis	November 25, 1992
Mid Am, Inc., Bowling Green, Ohio	Apollo Savings and Loan Company, Cincinnati, Ohio	Cleveland	October 29, 1992
Pinnacle Banc Group, Inc., Oak Brook, Illinois	Batavia Financial Corporation, Batavia, Illinois	Chicago	November 20, 1992
Redwood Empire Bancorp, Santa Rosa, California	Lake Savings and Loan Association, Lakeport, California	San Francisco	October 29, 1992
Security Richland Bancorporation, Miles City, Montana	First West Insurance, Inc., Miles City, Montana	Minneapolis	November 25, 1992
Story County Bancorporation, Jewell, Iowa	Viking Village Company, L.P., Jewell, Iowa	Chicago	October 23, 1992

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Concord EFS, Inc., Memphis, Tennessee	EFS National Bank, Memphis, Tennessee Concord Computing Corporation, Elk Grove Village, Illinois Network EFT, Inc., Elk Grove Village, Illinois VMT, Inc., Memphis, Tennessee	St. Louis	October 30, 1992
Hansen-Lawrence Agency, Inc., Worden, Montana	First Hysham Holding Company, Hysham, Montana Farmers State Bank of Worden, Worden, Montana First Insurance Agency, Inc., Hysham, Montana	Minneapolis	October 29, 1992
Norwest Corporation, Minneapolis, Minnesota	Lincoln Financial Corporation, Fort Wayne, Indiana	Minneapolis	November 20, 1992

Applications Approved Under Bank Merger Act

By Federal Reserve Banks

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

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Farmers State Bank of Worden, Worden, Montana	The First National Bank in Hysham, Hysham, Montana	Minneapolis	October 29, 1992
Centura Interim Bank, Brevard, North Carolina	Centura Bank, Rocky Mount, North Carolina	Richmond	November 18, 1992
KSB Bank, Killbuck, Ohio	The Killbuck Savings Bank Company, Killbuck, Ohio	Cleveland	October 22, 1992
Old Kent Bank, Elmhurst, Illinois	UnibancTrust/DuPage, First Federal of Elgin, Elgin, Illinois	Chicago	November 17, 1992

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

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

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 November 20, 1992, the Board filed a motion to dismiss.

Castro v. Board of Governors, No. 92–1764 (D. District of Columbia, filed July 29, 1992). Freedom of Information Act case. On November 20, 1992, plaintiff filed a motion for voluntary dismissal.

Board of Governors v. bin Mahfouz, No. 92-CIV-5096 (S.D. New York, filed July 8, 1992). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On July 8, 1992, the court issued a temporary restraining order restraining the transfer or disposition of the individual's assets. On October 30, the parties filed a stipulation of dismissal without prejudice.

Zemel v. Board of Governors, No. 92–1057 (D. District of Columbia, filed May 4, 1992). Age Discrimination in Employment Act case.

Fields v. Board of Governors, No. 92–3920 (6th Cir., filed September 14, 1992). Federal Tort Claims Act complaint alleging misrepresentation during application process. The district court for the Northern District of Ohio granted the Board's motion to dismiss on August 10, 1992. On September 14, 1992, the plaintiff filed a notice of appeal.

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. The Board's brief was filed on June 29, 1992. Oral argument was held October 6, 1992.

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.

First Interstate BancSystem of Montana, Inc. v. Board of Governors, No. 91–1525 (D.C. Cir., filed November 1, 1991). Petition for review of Board's order denying on Community Reinvestment Act grounds the petitioner's application under section 3 of the Bank Holding Company Act to merge with Commerce BancShares of Wyoming, Inc. On August 19, 1992, the court granted petitioner First Interstate's motion for a stay of the proceedings.

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.

Fields v. Board of Governors, No. 3:91CV069 (N.D. Ohio, filed February 5, 1991). Appeal of denial of request for information under the Freedom of Information Act. The Board's motion for summary judgment was granted in part and its motion to dismiss was denied on June 23, 1992.

FINAL ENFORCEMENT ORDERS ISSUED BY THE BOARD OF GOVERNORS

CBC, Inc.
Clovis, New Mexico

The Federal Reserve Board announced on November 24, 1992, the issuance of a Final Decision and Order of Assessment of a Civil Money Penalty against CBC, Inc., Clovis, New Mexico, and Lynell G. Skarda, Langdon L. Skarda and Kent Carruthers, institution-affiliated parties of CBC, Inc.

Gaylon M. Lawrence, Sr.
Blytheville, Arkansas

The Federal Reserve Board announced on November 17, 1992, the issuance of an Order of Removal and Prohibition against Gaylon M. Lawrence, Sr., an institution-affiliated party of the Farmers Bank and Trust Company and Farmers Bancorp, Inc., both of Blytheville, Arkansas.

WRITTEN AGREEMENTS APPROVED BY FEDERAL RESERVE BANKS

Columbus Junction State Bank
Columbus Junction, Iowa

The Federal Reserve Board announced on November 30, 1992, the execution of a Written Agreement between the Federal Reserve Bank of Chicago and the Columbus Junction State Bank, Columbus Junction, Iowa.

Heritage Bank
McLean, Virginia

The Federal Reserve Board announced on November 3, 1992, the execution of a Written Agreement between the Federal Reserve Bank of Richmond, the Bureau of Financial Institutions of the Commonwealth of Virginia and the Heritage Bank, McLean, Virginia.

Khalid Bin Mahfouz
Saudi Arabia

The Federal Reserve Board announced on November 17, 1992, the execution of a Written Agreement between the Board of Governors of the Federal Reserve System and Khalid Bin Mahfouz, who until recently controlled the National Commercial Bank, Saudi Arabia.

NESB Corp.
New London, Connecticut

The Federal Reserve Board announced on November 6, 1992, the execution of a Written Agreement between the Federal Reserve Bank of Boston and NESB Corp., New London, Connecticut.

People's Mutual Holdings
Bridgeport, Connecticut

The Federal Reserve Board announced on November 6, 1992, the execution of a Written Agreement among the Federal Reserve Bank of New York, the Banking Commissioner of the State of Connecticut and People's Mutual Holdings, Bridgeport, Connecticut.

Wahoo State Bank
Wahoo, Nebraska

The Federal Reserve Board announced on November 3, 1992, the execution of a Written Agreement among the Federal Reserve Bank of Kansas City, the Nebraska Director of Banking and Finance and the Wahoo State Bank, Wahoo, Nebraska.

Financial and Business Statistics

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Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

c	Corrected
e	Estimated
n.a.	Not available
n.e.c.	Not elsewhere classified
p	Preliminary
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)
0	Calculated to be zero
. . .	Cell not applicable
ATS	Automatic transfer service
CD	Certificate of deposit
CMO	Collateralized mortgage obligation
FFB	Federal Financing Bank
FHA	Federal Housing Administration
FHLBB	Federal Home Loan Bank Board
FHLMC	Federal Home Loan Mortgage Corporation
FmHA	Farmers Home Administration
FNMA	Federal National Mortgage Association
FSLIC	Federal Savings and Loan Insurance Corporation
G-7	Group of Seven
G-10	Group of Ten
GNMA	Government National Mortgage Association
GDP	Gross domestic product
HUD	Department of Housing and Urban Development
IMF	International Monetary Fund
IO	Interest only
IPCs	Individuals, partnerships, and corporations
IRA	Individual retirement account
MMDA	Money market deposit account
NOW	Negotiable order of withdrawal
OCD	Other checkable deposit
OPEC	Organization of Petroleum Exporting Countries
OTS	Office of Thrift Supervision
PO	Principal only
REIT	Real estate investment trust
REMIC	Real estate mortgage investment conduit
RP	Repurchase agreement
RTC	Resolution Trust Corporation
SAIF	Savings Association Insurance Fund
SCO	Securitized credit obligation
SDR	Special drawing right
SIC	Standard Industrial Classification
SMSA	Standard metropolitan statistical area
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[1]

Monetary and credit aggregate	1991	1992			1992				
	Q4	Q1	Q2	Q3	June	July[r]	Aug.	Sept.	Oct.
Reserves of depository institutions[2]									
1 Total	15.2	23.4	14.9	9.3	−6.3	6.2	20.2	24.4	42.0
2 Required	15.4	23.5	15.4	9.9	−4.3	5.0	21.3	23.4[r]	40.9
3 Nonborrowed	20.0	24.0	14.8	8.4	−8.1	4.9	21.1	23.7	45.6
4 Monetary base[3]	8.2	9.2	7.1	10.5	3.9	9.5	16.6	16.7	14.3
Concepts of money, liquid assets, and debt[4]									
5 M1	11.1	16.5	9.8[r]	10.3[r]	−3.3[r]	11.1	15.7[r]	19.1[r]	22.6
6 M2	2.4	4.2	.4[r]	.3[r]	−3.0[r]	−.8	3.3[r]	3.6	5.0
7 M3	1.0	2.2	−1.2[r]	−.2[r]	−3.4	−1.1	3.5[r]	1.8[r]	.5
8 L	.2	1.5	.5	1.2	2.7	−1.9	4.3[r]	4.6	n.a.
9 Debt	3.9	4.2	5.2	4.6	5.3	4.6	4.5	3.6	n.a.
Nontransaction components									
10 In M2[5]	−.6	−.1	−3.0[r]	−3.5[r]	−2.9[r]	−5.2	−1.5[r]	−2.5[r]	−1.9
11 In M3 only[6]	−5.4	−7.4[r]	−9.3[r]	−2.3	−5.3[r]	−3.1	4.8[r]	−7.0[r]	−21.8
Time and savings deposits									
Commercial banks									
12 Savings, including MMDAs	16.0	19.1	12.0	10.0[r]	4.7[r]	9.5	13.4[r]	16.7[r]	14.4
13 Small time[7]	−8.4	−18.9	−13.3	−16.4	−14.2	−16.8	−18.8[r]	−16.6[r]	−18.4
14 Large time[8,9]	−14.4	−18.2	−14.8	−16.0[r]	−14.9	−23.6	−10.2	−16.7	−25.4
Thrift institutions									
15 Savings, including MMDAs	10.2	22.4	18.8	8.4[r]	5.2	5.5	9.2[r]	10.8	8.8
16 Small time[7]	−22.5	−24.3	−29.4	−18.7[r]	−17.8	−18.1	−19.3[r]	−17.8[r]	−27.3
17 Large time[8,9]	−36.5	−29.7	−36.7	−17.1	−25.2	−5.2	−22.4	−3.5	−3.5
Money market mutual funds									
18 General purpose and broker-dealer	−4.0	−.3	−3.9[r]	−7.2[r]	−4.0[r]	−10.5	−5.8	−17.1[r]	10.8
19 Institution-only	37.2	26.9	20.0	40.0	30.2	48.1	54.9	.0	−65.2
Debt components[4]									
20 Federal	11.5	10.0	14.2	11.0	14.8	10.7	9.5	5.0	n.a.
21 Nonfederal	1.5	2.4	2.3	2.5	2.1	2.5	2.7	3.1	n.a.

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

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

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

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

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

M2: M1 plus (1) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) savings (including MMDAs) and small time deposits (time deposits—including retail repurchase agreements (RPs)—in amounts of less than $100,000), and (3) balances in both taxable and tax-exempt general-purpose and broker–dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker–dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

M3: M2 plus (1) large time deposits and term RP liabilities (in amounts of $100,000 or more) issued by all depository institutions, (2) term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and (3) balances in both taxable and tax-exempt, institution-only money market funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also excluded is the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. Seasonally adjusted M3 is computed by adjusting its non-M2 component as a whole and then adding this result to seasonally adjusted M2.

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

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

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

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

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

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

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

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT[1]

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	1992			1992						
	Aug.	Sept.	Oct.	Sept. 16	Sept. 23	Sept. 30	Oct. 7	Oct. 14	Oct. 21	Oct. 28
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	315,617	325,915[r]	321,291	323,716	324,993	335,306[r]	319,552	323,092	321,295	320,855
U.S. government securities[2]										
2 Bought outright—System account	276,117	280,746	282,073	280,496	280,594	281,532	281,132	282,037	282,160	281,906
3 Held under repurchase agreements	1,699	6,452	858	4,167	5,901	13,947	370	1,924	361	1,147
Federal agency obligations										
4 Bought outright	5,603	5,538	5,534	5,534	5,534	5,534	5,534	5,534	5,534	5,534
5 Held under repurchase agreements	26	293	69	168	195	855	46	153	29	78
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	28	94	29	244	24	102	19	58	9	37
8 Seasonal credit	224	192	115	182	194	197	165	127	103	86
9 Extended credit	0	0	0	0	0	0	0	0	0	0
10 Float	655	541	572	1,095	477	153	320	994	948	2
11 Other Federal Reserve assets	31,264	32,059[r]	32,041	31,830	32,074	32,986[r]	31,966	32,265	32,152	32,066
12 Gold stock	11,060	11,059	11,059	11,060	11,059	11,058	11,059	11,060	11,059	11,059
13 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
14 Treasury currency outstanding	21,292	21,324	21,380	21,320	21,331	21,342	21,356	21,370	21,384	21,398
ABSORBING RESERVE FUNDS										
15 Currency in circulation	315,783	318,628	320,241	319,953	318,149	317,314	318,796	321,085	321,007	319,968
16 Treasury cash holdings	553	530	518	531	529	522	526	525	516	509
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	5,729	11,390	4,946	6,284	13,697	21,297	5,499	4,555	4,675	5,191
18 Foreign	211	309	330	257	297	438	298	293	271	402
19 Service-related balances and adjustments	5,612	5,773	5,782	5,708	5,756	5,963	5,740	5,703	5,742	5,832
20 Other	267	290	286	293	289	275	324	276	269	265
21 Other Federal Reserve liabilities and capital	8,496	8,507[r]	8,108	8,274	8,235	8,275[r]	8,099	8,180	8,132	8,242
22 Reserve balances with Federal Reserve Banks[3]	21,336	22,890	23,539	24,814	20,450	23,641	22,701	24,922	23,145	22,921

Factor	End-of-month figures			Wednesday figures						
	Aug.	Sept.	Oct.	Sept. 16	Sept. 23	Sept. 30	Oct. 7	Oct. 14	Oct. 21	Oct. 28
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	319,410	336,583[r]	320,048	325,472	333,889	336,583[r]	319,293	332,569	319,138	318,942
U.S. government securities[2]										
2 Bought outright—System account	274,537	279,712	282,877	283,122	280,683	279,712	281,573	281,313	281,314	282,004
3 Held under repurchase agreements	7,616	16,685	0	2,682	14,303	16,685	0	9,831	0	521
Federal agency obligations										
4 Bought outright	5,571	5,534	5,534	5,534	5,534	5,534	5,534	5,534	5,534	5,534
5 Held under repurchase agreements	53	1,475	0	307	224	1,475	0	1,044	0	130
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	28	425	11	1,398	44	425	11	190	20	28
8 Seasonal credit	216	184	70	191	200	184	143	119	96	75
9 Extended credit	0	0	0	0	0	0	0	0	0	0
10 Float	195	−227[r]	494	154	136	−227[r]	61	1,485	335	−1,505
11 Other Federal Reserve assets	31,195	32,796[r]	31,063	32,083	32,765	32,796[r]	31,970	33,054	31,838	32,155
12 Gold stock	11,059	11,058	11,060	11,060	11,059	11,058	11,060	11,059	11,059	11,059
13 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
14 Treasury currency outstanding	21,298	21,342	21,412	21,320	21,331	21,342	21,356	21,370	21,384	21,398
ABSORBING RESERVE FUNDS										
15 Currency in circulation	316,136	317,923	320,398	319,266	317,713	317,923	319,912	321,611	320,503	320,237
16 Treasury cash holdings	539	527	505	530	522	527	526	517	510	505
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	6,232	24,586	4,413	7,881	21,796	24,586	5,197	4,342	5,692	5,028
18 Foreign	297	546	415	501	310	546	320	279	393	585
19 Service-related balances and adjustments	5,768	5,963	6,042	5,708	5,756	5,963	5,740	5,703	5,742	5,832
20 Other	254	296[r]	317	328	256	296[r]	335	300	254	298
21 Other Federal Reserve liabilities and capital	9,275	8,024[r]	7,271	8,104	8,107	8,024[r]	8,036	8,097	7,916	8,081
22 Reserve balances with Federal Reserve Banks[3]	23,284	21,138	23,176	25,550	21,836	21,138	21,661	34,168	20,590	20,851

1. For amounts of cash held as reserves, see table 1.12.
2. Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes any securities sold and scheduled to be bought back under matched sale-purchase transactions.
3. Excludes required clearing balances and adjustments to compensate for float.

1.12 RESERVES AND BORROWINGS Depository Institutions[1]

Millions of dollars

Reserve classification	1989	1990	1991	1992						
	Prorated monthly averages of biweekly averages									
	Dec.	Dec.	Dec.	Apr.	May	June	July	Aug.	Sept.	Oct.
1 Reserve balances with Reserve Banks[2]	35,436	30,237	26,659	22,655	21,071	21,223	21,206	21,272	22,627[r]	23,625
2 Total vault cash[3]	29,828	31,786	32,513	31,071	31,197	31,729	32,145	32,457	32,343	32,992
3 Applied vault cash[4]	27,374	28,884	28,872	27,800	27,754	28,273	28,617	28,890	28,894	29,510
4 Surplus vault cash[5]	2,454	2,903	3,641	3,271	3,442	3,456	3,528	3,567	3,448	3,482
5 Total reserves[6]	62,810	59,120	55,532	50,455	48,825	49,496	49,823	50,162	51,521[r]	53,135
6 Required reserves	61,887	57,456	54,553	49,318	47,825	48,584	48,857	49,227	50,527[r]	52,062
7 Excess reserve balances at Reserve Banks[7]	923	1,664	979	1,137	1,000	913	965	935	994[r]	1,073
8 Total borrowings at Reserve Banks[8]	265	326	192	90	155	229	284	251	287	143
9 Seasonal borrowings	84	76	38	47	98	149	203	223	193	114
10 Extended credit[9]	20	23	1	2	0	0	0	0	0	0
	Biweekly averages of daily figures for weeks ending									
	1992									
	July 8	July 22	Aug. 5	Aug. 19	Sept. 2	Sept. 16	Sept. 30	Oct. 14	Oct. 28	Nov. 11
1 Reserve balances with Reserve Banks[2]	21,014	21,277	21,264	21,515	20,991	23,439	22,048[r]	23,810	23,031	25,532
2 Total vault cash[3]	32,589	32,233	31,613	32,687	32,541	31,625	33,033	32,929	33,334	31,689
3 Applied vault cash[4]	28,910	28,779	28,105	29,166	28,896	28,438	29,351	29,438	29,790	28,540
4 Surplus vault cash[5]	3,679	3,455	3,508	3,521	3,645	3,187	3,682	3,491	3,544	3,150
5 Total reserves[6]	49,924	50,056	49,369	50,681	49,887	51,876	51,399[r]	53,248	52,821	54,072
6 Required reserves	48,884	49,106	48,447	49,856	48,820	51,081	50,217[r]	52,099	51,750	53,345
7 Excess reserve balances at Reserve Banks[7]	1,041	950	922	825	1,067	795	1,182[r]	1,149	1,071	727
8 Total borrowings at Reserve Banks[8]	455	215	241	249	258	321	259	185	118	66
9 Seasonal borrowings	187	199	222	221	226	187	196	146	95	53
10 Extended credit[9]	1	0	0	0	0	0	0	0	0	0

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover.
2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.
3. Total "lagged" vault cash held by depository institutions subject to reserve requirements. Dates refer to the maintenance periods during which the vault cash can be used to satisfy reserve requirements. Under contemporaneous reserve requirements, maintenance periods end thirty days after the lagged computation periods during which the balances are held.
4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.
5. Total vault cash (line 2) less applied vault cash (line 3).
6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).
7. Total reserves (line 5) less required reserves (line 6).
8. Also includes adjustment credit.
9. Consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Banks[1]

Millions of dollars, averages of daily figures

Source and maturity	1992, week ending Monday								
	Aug. 3	Aug. 10	Aug. 17	Aug. 24	Aug. 31	Sept. 7	Sept. 14	Sept. 21	Sept. 28
Federal funds purchased, repurchase agreements, and other selected borrowings									
From commercial banks in the United States									
1 For one day or under continuing contract	72,386	75,784	72,520[r]	69,943	69,674	77,011	74,385	69,893	64,560
2 For all other maturities	15,378[r]	15,969[r]	15,864[r]	15,853[r]	15,512[r]	14,365	14,605	13,869	13,988
From other depository institutions, foreign banks and official institutions, and U.S. government agencies									
3 For one day or under continuing contract	19,314	17,607	17,988	18,137	17,874	19,902	17,075	16,166	18,880
4 For all other maturities	19,092	19,173	20,827	19,917	19,493	20,735	21,184	20,791	21,305
Repurchase agreements on U.S. government and federal agency securities									
Brokers and nonbank dealers in securities									
5 For one day or under continuing contract	12,644	13,697	13,289	15,753	15,305	14,459	14,299	12,197	11,514
6 For all other maturities	13,071[r]	15,180[r]	16,280[r]	15,866[r]	16,977[r]	15,956	17,202	16,960	17,490
All other customers									
7 For one day or under continuing contract	24,609	24,862	24,794	25,358	25,113	25,117	23,355	23,519	23,466
8 For all other maturities	11,603[r]	11,588[r]	11,830[r]	12,198[r]	12,483[r]	12,542	12,198	13,008	13,304
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	44,550[r]	41,718	41,371[r]	39,158[r]	41,511[r]	42,828	41,225	44,357	39,913
10 To all other specified customers[2]	16,393	20,327	19,248	18,911	17,663	19,705	20,430	23,037	21,064

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

Current and previous levels

Federal Reserve Bank	Adjustment credit[1]			Seasonal credit[2]			Extended credit[3]		
	On 11/30/92	Effective date	Previous rate	On 11/30/92	Effective date	Previous rate	On 11/30/92	Effective date	Previous rate
Boston	3	7/2/92	3.5	3.35	11/27/92	3.20	3.85	11/27/92	3.70
New York		7/2/92			11/27/92			11/27/92	
Philadelphia		7/2/92			11/27/92			11/27/92	
Cleveland		7/6/92			11/27/92			11/27/92	
Richmond		7/2/92			11/27/92			11/27/92	
Atlanta		7/2/92			11/27/92			11/27/92	
Chicago		7/2/92			11/27/92			11/27/92	
St. Louis		7/7/92			11/27/92			11/27/92	
Minneapolis		7/2/92			11/27/92			11/27/92	
Kansas City		7/2/92			11/27/92			11/27/92	
Dallas		7/2/92			11/27/92			11/27/92	
San Francisco	3	7/2/92	3.5	3.35	11/27/92	3.20	3.85	11/27/92	3.70

Range of rates for adjustment credit in recent years[4]

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1977	6	6
1978—Jan. 9	6–6.5	6.5
20	6.5	6.5
May 11	6.5–7	7
12	7	7
July 3	7–7.25	7.25
10	7.25	7.25
Aug. 21	7.75	7.75
Sept. 22	8	8
Oct. 16	8–8.5	8.5
20	8.5	8.5
Nov. 1	8.5–9.5	9.5
3	9.5	9.5
1979—July 20	10	10
Aug. 17	10–10.5	10.5
20	10.5	10.5
Sept. 19	10.5–11	11
21	11	11
Oct. 8	11–12	12
10	12	12
1980—Feb. 15	12–13	13
19	13	13
May 29	12–13	13
30	12	12
June 13	11–12	11
16	11	11
29	10	10
July 28	10–11	10
Sept. 26	11	11
Nov. 17	12	12
Dec. 5	12–13	13

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1981—May 5	13–14	14
8	14	14
Nov. 2	13–14	13
6	13	13
Dec. 4	12	12
1982—July 20	11.5–12	11.5
23	11.5	11.5
Aug. 2	11–11.5	11
3	11	11
16	10.5	10.5
27	10–10.5	10
30	10	10
Oct. 12	9.5–10	9.5
13	9.5	9.5
Nov. 22	9–9.5	9
26	9	9
Dec. 14	8.5–9	9
15	8.5–9	8.5
17	8.5	8.5
1984—Apr. 9	8.5–9	9
13	9	9
Nov. 21	8.5–9	8.5
26	8.5	8.5
Dec. 24	8	8
1985—May 20	7.5–8	7.5
24	7.5	7.5
1986—Mar. 7	7–7.5	7
10	7	7
Apr. 21	6.5–7	6.5
July 11	6	6

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1986—Aug. 21	5.5–6	5.5
22	5.5	5.5
1987—Sept. 4	5.5–6	6
11	6	6
1988—Aug. 9	6–6.5	6.5
11		
1989—Feb. 24	6.5–7	7
27	7	7
1990—Dec. 19	6.5	6.5
1991—Feb. 1	6.65	6
4	6	6
Apr. 30	5.5–6	5.5
May 2	5.5	5.5
Sept. 13	5–5.5	5
Sept. 17	5	5
Nov. 6	4.5–5	4.5
7	4.5	4.5
Dec. 20	3.5–4.5	3.5
24	3.5	3.5
1992—July 2	3–3.5	3
7	3	3
In effect Nov. 30, 1992	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. Such credit may be provided when exceptional circumstances (including sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance) or practices involve only a particular institution, or to meet the needs of institutions experiencing difficulties adjusting to changing market conditions over a longer period (particularly at times of deposit disintermediation). The discount rate applicable to adjustment credit ordinarily is charged on extended-credit loans outstanding less than thirty days; however, at the discretion of the Federal Reserve Bank, this time period may be shortened. *Beyond this initial period, a flexible rate somewhat above rates on market sources of funds is charged.* The rate ordinarily is reestablished on the first business day of each two-week reserve maintenance period, but it is never less than the discount rate applicable to adjustment credit plus 50 basis points.

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

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

Type of deposit[2]	Requirements	
	Percent of deposits	Effective date
Net transaction accounts[3]		
1 $0 million–$46.8 million	3	12/15/92
2 More than $46.8 million[4]	10	4/2/92
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 quarterly, and Dec. 24, 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 quarterly.

5. For institutions that report weekly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to 1½ percent for the maintenance period that began Dec. 13, 1990, and to zero for the maintenance period that began Dec. 27, 1990. The reserve requirement on nonpersonal time deposits with an original maturity of 1½ years or more has been zero since Oct. 6, 1983.

For institutions that report quarterly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to zero on Jan. 17, 1991.

6. The reserve requirement on Eurocurrency liabilities was reduced from 3 percent to zero in the same manner and on the same dates as were the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years (see note 4).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS[1]

Millions of dollars

Type of transaction	1989	1990	1991	1992						
				Mar.	Apr.	May	June	July	Aug.	Sept.
U.S. TREASURY SECURITIES										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	14,284	24,739	20,158	505	0	4,110	306	0	271	595
2 Gross sales	12,818	7,291	120	0	0	0	0	0	0	0
3 Exchanges	231,211	241,086	277,314	21,674	27,526	24,275	22,392	27,755	25,041	22,268
4 Redemptions	12,730	4,400	1,000	0	0	0	0	0	0	0
Others within one year										
5 Gross purchases	327	425	3,043	0	0	0	0	0	0	550
6 Gross sales	0	0	0	0	0	0	0	0	0	0
7 Maturity shifts	28,848	25,638	24,454	2,552	1,100	3,754	2,152	687	5,415	0
8 Exchanges	−25,783	−27,424	−28,090	−2,512	−1,863	−5,225	−1,854	−1,669	−4,617	0
9 Redemptions	500	0	1,000	0	0	0	0	0	0	0
One to five years										
10 Gross purchases	1,436	250	6,583	1,425	0	200	2,278	0	400	3,325
11 Gross sales	490	200	0	0	0	0	0	0	0	0
12 Maturity shifts	−25,534	−21,770	−21,211	−2,552	−877	−2,113	−3,447	−216	−4,036	0
13 Exchanges	23,250	25,410	24,594	2,512	1,484	4,311	1,854	1,478	3,567	0
Five to ten years										
14 Gross purchases	287	0	1,280	0	0	0	597	0	0	725
15 Gross sales	29	100	0	0	0	0	0	0	0	0
16 Maturity shifts	−2,231	−2,186	−2,037	0	−223	−346	0	−471	−412	0
17 Exchanges	1,934	789	2,894	0	379	614	0	191	700	0
More than ten years										
18 Gross purchases	284	0	375	0	0	0	655	0	195	731
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shifts	−1,086	−1,681	−1,209	0	0	0	0	0	0	0
21 Exchanges	600	1,226	600	0	0	300	0	0	350	0
All maturities										
22 Gross purchases	16,617	25,414	31,439	1,930	0	4,310	3,836	0	866	5,927
23 Gross sales	13,337	7,591	120	0	0	0	0	0	0	0
24 Redemptions	13,230	4,400	1,000	0	0	0	0	0	0	0
Matched transactions										
25 Gross sales	1,323,480	1,369,052	1,570,456	128,230	125,999	118,972	126,977	127,051	104,873	116,331
26 Gross purchases	1,326,542	1,363,434	1,571,534	126,673	128,149	117,524	129,216	126,137	102,575	115,579
Repurchase agreements[2]										
27 Gross purchases	129,518	219,632	310,084	48,758	18,432	38,777	10,792	12,224	39,484	68,697
28 Gross sales	132,688	202,551	311,752	46,953	20,237	38,533	11,036	12,224	31,868	59,628
29 Net change in U.S. government securities	−10,055	24,886	29,729	2,178	345	3,107	5,831	−914	6,184	14,244
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	0	0	0	0	0	0	0	0	0	0
31 Gross sales	0	0	5	0	0	0	0	0	0	0
32 Redemptions	442	183	292	0	49	160	40	85	54	37
Repurchase agreements[2]										
33 Gross purchases	38,835	41,836	22,807	1,640	224	1,281	402	94	601	3,222
34 Gross sales	40,411	40,461	23,595	1,640	224	1,281	402	94	548	1,800
35 Net change in federal agency obligations	−2,018	1,192	−1,085	0	−49	−160	−40	−85	−1	1,385
36 Total net change in System Open Market Account	**−12,073**	**26,078**	**28,644**	**2,178**	**295**	**2,946**	**5,791**	**−1,000**	**6,183**	**15,629**

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 Statements[1]

Millions of dollars

Account	Wednesday					End of month		
	1992					1992		
	Sept. 30	Oct. 7	Oct. 14	Oct. 21	Oct. 28	Aug. 31	Sept. 30	Oct. 31
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,058	11,060	11,059	11,059	11,059	11,059	11,058	11,060
2 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
3 Coin	501[r]	510	515	516	517	499	501	519
Loans								
4 To depository institutions	609	154	309	116	103	244	609	80
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
Federal agency obligations								
7 Bought outright	5,534	5,534	5,534	5,534	5,534	5,571	5,534	5,534
8 Held under repurchase agreements	1,475	0	1,044	0	130	53	1,475	0
9 **Total U.S. Treasury securities**	**296,397**	**281,573**	**291,144**	**281,314**	**282,525**	**282,153**	**296,397**	**282,877**
10 Bought outright[2]	279,712	281,573	281,313	281,314	282,004	274,537	279,712	282,877
11 Bills	133,752	135,613	135,352	135,354	135,843	133,908	133,752	136,716
12 Notes	112,376	112,376	112,376	112,376	112,576	107,822	112,376	112,576
13 Bonds	33,584	33,584	33,584	33,584	33,584	32,807	33,584	33,584
14 Held under repurchase agreements	16,685	0	9,831	0	521	7,616	16,685	0
15 **Total loans and securities**	**304,015**	**287,262**	**298,030**	**286,965**	**288,292**	**288,020**	**304,015**	**288,491**
16 Items in process of collection	5,125[r]	5,670	9,791	5,502	4,791	2,267	5,125	5,136
17 Bank premises	1,019	1,019	1,023	1,024	1,025	1,015	1,019	1,024
Other assets								
18 Denominated in foreign currencies[3]	24,432[r]	24,476	24,493	24,053	24,065	24,742	24,432	23,067
19 All other[4]	7,423[r]	6,451	7,580	6,701	6,949	5,472	7,423	7,020
20 **Total assets**	**363,591[r]**	**346,466**	**362,511**	**345,838**	**346,715**	**343,093**	**363,591**	**346,334**
LIABILITIES								
21 Federal Reserve notes	297,609[r]	299,591	301,274	300,144	299,861	295,876	297,609	300,010
22 **Total deposits**	**53,094**	**33,391**	**44,951**	**32,794**	**34,084**	**36,206**	**53,094**	**34,484**
23 Depository institutions	27,665[r]	27,538	40,030	26,455	28,161	29,422	27,665	29,339
24 U.S. Treasury—General account	24,586	5,197	4,342	5,692	5,028	6,232	24,586	4,413
25 Foreign—Official accounts	546	320	279	393	585	297	546	415
26 Other	296[r]	335	300	254	298	254	296	317
27 Deferred credit items	4,865[r]	5,448	8,189	4,984	4,689	1,736	4,865	4,568
28 Other liabilities and accrued dividends[5]	1,840[r]	1,746	1,769	1,651	1,752	1,960	1,840	1,805
29 **Total liabilities**	**357,408[r]**	**340,176**	**356,183**	**339,573**	**340,386**	**335,778**	**357,408**	**340,868**
CAPITAL ACCOUNTS								
30 Capital paid in	2,977	2,985	2,990	3,000	3,006	2,957	2,977	3,040
31 Surplus	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,419
32 Other capital accounts	555[r]	653	686	614	671	1,707	555	8
33 **Total liabilities and capital accounts**	**363,591[r]**	**346,466**	**362,511**	**345,838**	**346,715**	**343,093**	**363,591**	**346,334**
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts	283,556	284,205	287,507	287,386	284,546	296,756	283,556	293,014
	Federal Reserve note statement							
35 Federal Reserve notes outstanding (issued to Bank)	357,496	357,073	357,281	357,554	357,787	357,972	357,496	357,540
36 LESS: Held by Federal Reserve Bank	59,887[r]	57,482	56,008	57,409	57,926	62,096	59,887	57,530
37 Federal Reserve notes, net	297,609[r]	299,591	301,274	300,144	299,861	295,876	297,609	300,010
Collateral held against notes, net:								
38 Gold certificate account	11,058	11,060	11,059	11,059	11,059	11,059	11,058	11,060
39 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	276,532[r]	278,514	280,196	279,067	278,784	274,799	276,532	278,933
42 **Total collateral**	**297,609[r]**	**299,591**	**301,274**	**300,144**	**299,861**	**295,876**	**297,609**	**300,010**

1. Some of the data in this table also appear in the Board's H.4.1 (503) weekly statistical release. For ordering address, see inside front cover.
2. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale-purchase transactions.
3. Valued monthly at market exchange rates.
4. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within ninety days.
5. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign-exchange commitments.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding[1]

Millions of dollars

Type and maturity grouping	Wednesday					End of month		
	1992					1992		
	Sept. 30	Oct. 7	Oct. 14	Oct. 21	Oct. 28	Aug. 31	Sept. 30	Oct. 30
1 **Total loans**	**609**	**154**	**309**	**116**	**103**	**244**	**609**	**80**
2 Within fifteen days	506	60	241	106	87	110	506	35
3 Sixteen days to ninety days	103	94	68	10	16	134	103	46
4 Ninety-one days to one year	0	0	0	0	0	0	0	0
5 **Total acceptances**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
6 Within fifteen days	0	0	0	0	0	0	0	0
7 Sixteen days to ninety days	0	0	0	0	0	0	0	0
8 Ninety-one days to one year	0	0	0	0	0	0	0	0
9 **Total U.S. Treasury securities**	**296,397**	**281,573**	**291,144**	**281,314**	**282,525**	**282,153**	**296,397**	**287,862**
10 Within fifteen days[2]	24,468	12,780	22,344	13,851	11,667	13,027	24,468	10,753
11 Sixteen days to ninety days	67,062	65,597	65,554	67,275	67,250	70,616	67,062	69,984
12 Ninety-one days to one year	91,423	89,753	89,803	87,116	90,336	90,167	91,423	93,864
13 One year to five years	69,648	69,648	69,648	69,427	69,627	66,029	69,648	68,970
14 Five years to ten years	17,165	17,165	17,165	17,014	17,014	16,415	17,165	17,014
15 More than ten years	26,631	26,631	26,631	26,631	26,631	25,899	26,631	26,631
16 **Total federal agency obligations**	**7,009**	**5,534**	**6,578**	**5,534**	**5,664**	**5,624**	**7,009**	**5,534**
17 Within fifteen days[2]	1,685	5	1,127	197	244	463	1,685	114
18 Sixteen days to ninety days	747	937	854	740	843	573	747	843
19 Ninety-one days to one year	1,221	1,236	1,236	1,266	1,198	1,286	1,221	1,198
20 One year to five years	2,465	2,465	2,470	2,455	2,503	2,391	2,465	2,503
21 Five years to ten years	737	737	737	722	722	757	737	722
22 More than ten years	154	154	154	154	154	154	154	154

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 BASE[1]

Billions of dollars, averages of daily figures

Item	1988 Dec.	1989 Dec.	1990 Dec.	1991 Dec.	1992 Mar.	1992 Apr.	1992 May	1992 June	1992 July	1992 Aug.	1992 Sept.	1992 Oct.
					Seasonally adjusted							
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]												
1 Total reserves[3]	40.47	40.56	41.83	45.60	48.48	49.00	49.49	49.23	49.49	50.32	51.35	53.14
2 Nonborrowed reserves[4]	38.75	40.29	41.51	45.41	48.39	48.91	49.34	49.01	49.21	50.07	51.06	53.00
3 Nonborrowed reserves plus extended credit[5]	40.00	40.31	41.53	45.41	48.39	48.91	49.34	49.01	49.21	50.07	51.06	53.00
4 Required reserves	39.42	39.64	40.17	44.62	47.45	47.86	48.49	48.32	48.52	49.39	50.35[r]	52.07
5 Monetary base[6]	256.97	267.77	293.29	317.25	324.51	326.50	328.58	329.64	332.26	336.87	341.55	345.63
					Not seasonally adjusted							
6 Total reserves[7]	41.65	41.77	43.07	46.98	47.69	50.02	48.62	49.25	49.52	49.81	51.11	52.66
7 Nonborrowed reserves	39.93	41.51	42.74	46.78	47.59	49.93	48.47	49.02	49.24	49.56	50.83	52.52
8 Nonborrowed reserves plus extended credit[5]	41.17	41.53	42.77	46.78	47.60	49.93	48.47	49.02	49.24	49.56	50.83	52.52
9 Required reserves[8]	40.60	40.85	41.40	46.00	46.66	48.88	47.62	48.33	48.56	48.88	50.12[r]	51.59
10 Monetary base[9]	260.41	271.18	296.68	321.07	322.69	327.45	328.37	330.94	334.09	336.59	340.11	343.67
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10]												
11 Total reserves[11]	63.75	62.81	59.12	55.53	56.28	50.46	48.83	49.50	49.82	50.16	51.52	53.14
12 Nonborrowed reserves	62.03	62.54	58.80	55.34	56.19	50.37	48.67	49.27	49.54	49.91	51.23[r]	52.99
13 Nonborrowed reserves plus extended credit[5]	63.28	62.56	58.82	55.34	56.19	50.37	48.67	49.27	49.54	49.91	51.23[r]	52.99
14 Required reserves	62.70	61.89	57.46	54.55	55.25	49.32	47.83	48.58	48.86	49.23	50.53[r]	52.06
15 Monetary base[12]	283.00	292.55	313.70	333.61	335.82	332.69	333.79	336.43	339.87	342.49	346.21	349.83
16 Excess reserves[13]	1.05	.92	1.66	.98	1.03	1.14	1.00	.91	.97	.94	.99[r]	1.07
17 Borrowings from the Federal Reserve	1.72	.27	.33	.19	.09	.09	.16	.23	.28	.25	.29	.14

1. Latest monthly and biweekly figures are available from the Board's H.3 (502) weekly statistical release. Historical data and estimates of the impact on required reserves of changes in reserve requirements are available from the Monetary and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.
2. Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (See also table 1.10)
3. Seasonally adjusted, break-adjusted total reserves equal seasonally adjusted, break-adjusted required reserves (line 4) plus excess reserves (line 16).
4. Seasonally adjusted, break-adjusted nonborrowed reserves equal seasonally adjusted, break-adjusted total reserves (line 1) less total borrowings of depository institutions from the Federal Reserve (line 17).
5. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.
6. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.
7. Break-adjusted total reserves equal break-adjusted required reserves (line 9) plus excess reserves (line 16).
8. To adjust required reserves for discontinuities that are due to regulatory changes in reserve requirements, a multiplicative procedure is used to estimate what required reserves would have been in past periods had current reserve requirements been in effect. Break-adjusted required reserves include required reserves against transactions deposits and nonpersonal time and savings deposits (but not reservable nondeposit liabilities).
9. The break-adjusted monetary base equals (1) break-adjusted total reserves (line 6), plus (2) the (unadjusted) currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all weekly reporters whose vault cash exceeds their required reserves) the break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.
10. Reflects actual reserve requirements, including those on nondeposit liabilities, with no adjustments to eliminate the effects of discontinuities associated with changes in reserve requirements.
11. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements.
12. The monetary base, not break-adjusted and not seasonally adjusted, consists of (1) total reserves (line 11), plus (2) required clearing balances and adjustments to compensate for float at Federal Reserve Banks, plus (3) the currency component of the money stock, plus (4) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the difference between current vault cash and the amount applied to satisfy current reserve requirements. Since the introduction of changes in reserve requirements (CRR), currency and vault cash figures have been measured over the computation periods ending on Mondays.
13. Unadjusted total reserves (line 11) less unadjusted required reserves (line 14).

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES[1]

Billions of dollars, averages of daily figures

Item	1988 Dec.	1989 Dec.	1990 Dec.	1991 Dec.	1992			
					July[r]	Aug.[r]	Sept.[r]	Oct.
	Seasonally adjusted							
Measures[2]								
1 M1	786.9	794.1	826.1	898.1	960.5	973.1	988.6	1,007.2
2 M2	3,071.1	3,227.3	3,339.0	3,439.8[r]	3,462.2	3,471.6	3,481.9	3,496.5
3 M3	3,923.1	4,059.8	4,114.6	4,171.0	4,163.0	4,175.2	4,181.4	4,183.3
4 L	4,677.1	4,890.6	4,965.2	4,988.1	5,006.1	5,023.9	5,043.3	n.a.
5 Debt	9,326.3	10,076.7	10,751.3	11,200.4	11,526.0	11,569.0	11,604.0	n.a.
M1 components								
6 Currency[3]	212.3	222.6	246.8	267.3	278.9	282.3	286.4	288.4
7 Travelers checks[4]	7.5	7.4	8.3	8.2	7.8	7.9	8.3	8.6
8 Demand deposits[5]	286.5	279.0	277.1	289.5	315.6	320.6	327.8	336.3
9 Other checkable deposits[6]	280.6	285.1	293.9	333.2	358.2	362.2	366.1	373.9
Nontransaction components								
10 In M2[7]	2,284.2	2,433.2	2,512.9	2,541.7[r]	2,501.7	2,498.5	2,493.2	2,489.3
11 In M3[8]	852.0	832.5	775.6	731.2[r]	700.8	703.6	699.5	686.8
Commercial banks								
12 Savings deposits, including MMDAs	542.7	541.5	581.9	664.9	716.3	724.3	734.4	743.2
13 Small time deposits[9]	447.0	531.0	606.4	598.5	543.8	535.3	527.9	519.8
14 Large time deposits[10, 11]	366.9	398.2	374.0	354.0	319.1	316.4	312.0	305.4
Thrift institutions								
15 Savings deposits, including MMDAs	383.5	349.7	338.8	377.7	418.1	421.3	425.1	428.2
16 Small time deposits[9]	585.9	617.5	562.3	464.5	398.5	392.1	386.3	377.5
17 Large time deposits[10]	174.3	161.1	120.9	83.1	69.5	68.2	68.0	67.8
Money market mutual funds								
18 General purpose and broker–dealer	241.9	316.3	348.9	360.5	352.4	350.7	345.7	348.8
19 Institution-only	91.0	107.2	133.7	179.1	207.7	217.2	217.2	205.4
Debt components								
20 Federal debt	2,101.5	2,249.5	2,493.4	2,764.8	2,968.2	2,991.6	3,004.1	n.a.
21 Nonfederal debt	7,224.8	7,827.2	8,258.0	8,435.6	8,557.8	8,577.4	8,599.8	n.a.
	Not seasonally adjusted							
Measures[2]								
22 M1	804.1	811.9	844.1	917.3	963.0	970.6	983.0	1,001.2
23 M2	3,083.8	3,240.0	3,351.9	3,453.6[r]	3,465.3	3,470.6	3,473.3	3,491.7
24 M3	3,934.7	4,070.3	4,124.7	4,181.7	4,164.0	4,177.9	4,172.5	4,173.8
25 L	4,694.2	4,909.9	4,984.9	5,008.3	4,997.8	5,017.5	5,033.0	n.a.
26 Debt	9,312.5	10,063.6	10,739.9	11,190.5	11,480.6	11,531.1	11,576.9	n.a.
M1 components								
27 Currency[3]	214.8	225.3	249.5	270.0	280.8	282.9	284.7	287.0
28 Travelers checks[4]	6.9	6.9	7.8	7.7	8.6	8.8	8.9	8.7
29 Demand deposits[5]	298.9	291.5	289.9	303.0	317.2	319.2	325.4	336.1
30 Other checkable deposits[6]	283.5	288.1	296.9	336.5	356.4	359.7	364.1	369.4
Nontransaction components								
31 In M2[7]	2,279.7	2,428.1	2,507.8	2,536.3[r]	2,502.4	2,500.0	2,490.3	2,490.6
32 In M3[8]	850.8	830.3	772.8	728.0	698.7	707.3	699.2	682.1
Commercial banks								
33 Savings deposits, including MMDAs	543.8	543.0	580.0	662.4	719.8	726.2	733.4	741.9
34 Small time deposits[9]	446.0	529.5	606.3	598.7	543.6	534.9	527.5	520.8
35 Large time deposits[10, 11]	365.9	397.1	373.0	352.8	318.9	318.0	313.2	305.4
Thrift institutions								
36 Savings deposits, including MMDAs	381.1	347.6	337.7	376.3	420.1	422.4	424.5	427.4
37 Small time deposits[9]	584.9	616.0	562.2	464.6	398.4	391.8	386.1	378.2
38 Large time deposits[10]	175.2	162.0	120.6	82.8	69.4	68.6	68.3	67.8
Money market mutual funds								
39 General purpose and broker–dealer	240.8	314.6	346.8	358.1	348.0	349.0	344.6	347.2
40 Institution-only	91.4	107.8	134.4	180.3	202.2	213.8	210.0	199.5
Repurchase agreements and eurodollars								
41 Overnight	83.2	77.5	74.7	76.2[r]	72.4	75.8	74.2	75.0
42 Term	227.4	178.5	158.3	127.7	122.9	122.6	122.0	123.9
Debt components								
43 Federal debt	2,098.9	2,247.5	2,491.3	2,765.0	2,937.5	2,970.3	2,993.9	n.a.
44 Nonfederal debt	7,213.5	7,816.2	8,248.6	8,425.5	8,543.1	8,560.8	8,583.0	n.a.

For notes see following page.

NOTES TO TABLE 1.21

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

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

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

M2: M1 plus (1) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) 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. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker–dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

M3: M2 plus (1) large time deposits and term RP liabilities (in amounts of $100,000 or more) issued by all depository institutions, (2) term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and (3) balances in both taxable and tax-exempt, institution-only money market funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also excluded is the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. Seasonally adjusted M3 is computed by adjusting its non-M2 component as a whole and then adding this result to seasonally adjusted M2.

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

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

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

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

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

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

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

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

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

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

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

1.22 BANK DEBITS AND DEPOSIT TURNOVER[1]

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

Bank group, or type of customer	1989[2]	1990[2]	1991[2]	1992 Mar.	1992 Apr.	1992 May	1992 June	1992 July	1992 Aug.
DEBITS TO	Seasonally adjusted								
Demand deposits[3]									
1 All insured banks	256,150.4	277,916.3	281,050.1	305,837.0	315,651.2	292,177.4	302,259.2	336,868.4	298,612.4
2 Major New York City banks	129,319.9	131,784.0	140,905.5	164,171.5	167,177.5	154,225.3	149,743.3	179,593.4	154,231.2
3 Other banks	126,830.5	146,132.3	140,144.6	141,665.5	148,473.7	137,952.1	152,515.9	157,275.0	144,381.2
4 ATS–NOW accounts[4]	2,910.5	3,349.6	3,624.6	3,670.2	3,957.0	3,552.6	4,070.7	4,024.0	3,594.2
5 Savings deposits[5]	547.5	558.8	1,377.4	3,361.0	3,356.5	3,241.4	3,838.9	3,724.9	2,995.9
DEPOSIT TURNOVER									
Demand deposits[3]									
6 All insured banks	735.1	800.6	817.6	832.5	857.4	771.2	814.2	910.5	779.4
7 Major New York City banks	3,421.5	3,804.1	4,391.9	4,974.4	5,029.1	4,438.0	4,470.1	5,425.1	4,445.7
8 Other banks	408.3	467.7	449.6	423.7	443.3	400.9	451.6	466.9	414.4
9 ATS–NOW accounts[4]	15.2	16.5	16.1	14.5	15.6	13.7	15.6	15.3	13.5
10 Savings deposits[5]	3.0	2.9	3.3	4.9	4.7	4.4	5.1	5.0	4.1
DEBITS TO	Not seasonally adjusted								
Demand deposits[3]									
11 All insured banks	256,133.2	277,400.0	280,922.8	313,513.5	314,388.6	290,950.2	311,175.8	336,160.9	310,646.4
12 Major New York City banks	129,400.1	131,784.7	140,563.0	168,122.2	164,994.4	153,163.7	154,953.8	178,555.6	162,973.4
13 Other banks	126,733.0	145,615.3	140,359.7	145,391.3	149,394.3	137,786.5	156,222.0	157,605.3	147,673.1
14 ATS–NOW accounts[4]	2,910.7	3,342.2	3,622.4	3,747.2	4,104.5	3,515.5	4,032.5	3,925.6	3,669.6
15 MMDAs[6]	2,677.1	2,923.8	n.a	n.a	n.a	n.a	n.a	n.a	n.a
16 Savings deposits[5]	546.9	557.9	1,408.3	3,363.7	3,459.2	3,031.2	3,472.9	3,461.5	3,110.6
DEPOSIT TURNOVER									
Demand deposits[3]									
17 All insured banks	735.4	799.6	817.5	878.2	849.3	785.8	842.5	903.0	824.6
18 Major New York City banks	3,426.2	3,810.0	4,370.1	5,308.9	5,042.4	4,551.3	4,668.3	5,312.2	4,867.0
19 Other banks	408.0	466.3	450.6	446.9	442.7	409.3	464.7	465.4	430.2
20 ATS–NOW accounts[4]	15.2	16.4	16.1	14.7	15.7	13.7	15.6	15.2	14.0
21 MMDAs[6]	7.9	8.0	n.a	n.a	n.a	n.a	n.a	n.a	n.a
22 Savings deposits[5]	2.9	2.9	3.4	4.9	4.9	4.3	4.9	4.8	4.3

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

1.23 LOANS AND SECURITIES All Commercial Banks[1]

Billions of dollars, averages of Wednesday figures

Item	1991 Nov.	1991 Dec.	1992 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
	Seasonally adjusted											
1 **Total loans and securities[1]**	**2,822.7**	**2,838.7**	**2,852.0**	**2,854.8**	**2,863.1**	**2,877.5**	**2,877.6**	**2,883.7**	**2,884.3**	**2,897.0**	**2,913.0**	**2,924.4**
2 U.S. government securities	550.8	562.6	566.2	571.2	579.5	592.3	601.7	611.6	619.4	634.0	638.7	645.7
3 Other securities	178.8	179.4	179.7	180.5	178.1	178.5	177.1	175.6	177.6	177.7	178.0	178.9
4 Total loans and leases[1]	2,093.2	2,096.6	2,106.1	2,103.1	2,105.5	2,106.7	2,098.8	2,096.5	2,087.3	2,085.2	2,096.3	2,099.8
5 Commercial and industrial	621.7	618.0	617.3	613.2	610.9	609.2	607.3	604.7	602.8	600.5	602.7	603.2
6 Bankers acceptances held[2]	7.2	7.3	7.2	7.2	6.9	6.5	6.6	6.1	6.8	6.6	6.4	7.3
7 Other commercial and industrial	614.6	610.7	610.1	606.0	603.9	602.7	600.7	598.6	596.0	593.9	596.4	595.9
8 U.S. addressees[3]	607.9	603.3	603.7	599.5	597.3	595.8	593.5	591.6	588.4	586.5	588.7	587.8
9 Non-U.S. addressees[3]	6.7	7.4	6.5	6.5	6.7	6.9	7.1	7.0	7.6	7.4	7.6	8.1
10 Real estate	871.9	873.1	873.5	877.5	879.4	881.4	882.6	881.3	879.2	878.7	882.8	886.9
11 Individual	363.1	363.5	363.1	363.6	362.2	360.7	358.9	359.1	358.6	357.3	356.6	355.4
12 Security	53.5	54.5	59.4	57.1	60.4	64.9	61.6	63.9	60.7	62.5	66.2	65.8
13 Nonbank financial institutions	37.8	40.6	40.8	42.6	43.7	42.7	43.0	41.9	39.9	40.9	43.8	44.2
14 Agricultural	33.8	34.0	33.7	33.5	34.3	34.4	34.3	34.8	34.8	35.3	35.3	35.0
15 State and political subdivisions	29.4	29.1	28.0	28.1	28.0	27.7	27.2	26.8	26.3	26.0	26.0	25.6
16 Foreign banks	6.9	7.4	7.2	6.7	6.5	6.5	6.9	7.5	7.8	7.0	7.9	7.2
17 Foreign official institutions	2.5	2.4	2.3	2.1	2.1	2.0	2.0	2.0	2.1	2.1	2.1	2.1
18 Lease-financing receivables	31.5	31.7	31.5	31.6	31.5	31.6	31.7	32.0	31.0	30.7	30.8	30.6
19 All other loans	41.1	42.4	49.2	47.1	46.5	45.6	43.3	42.6	44.0	44.3	42.1	43.8
	Not seasonally adjusted											
20 **Total loans and securities[1]**	**2,828.1**	**2,845.1**	**2,848.8**	**2,857.4**	**2,864.0**	**2,876.6**	**2,873.1**	**2,884.6**	**2,876.7**	**2,893.4**	**2,912.2**	**2,926.9**
21 U.S. government securities	551.7	558.6	565.7	575.1	584.9	594.5	601.8	610.6	616.7	631.8	636.5	644.4
22 Other securities	179.0	179.7	180.3	180.5	178.2	178.1	176.8	175.7	176.6	177.8	177.9	179.1
23 Total loans and leases[1]	2,097.4	2,106.8	2,102.8	2,101.8	2,100.8	2,104.0	2,094.6	2,098.4	2,083.4	2,083.8	2,097.8	2,103.4
24 Commercial and industrial	620.4	619.3	614.2	612.4	613.5	612.1	609.6	606.6	602.6	598.8	600.0	601.7
25 Bankers acceptances held[2]	7.3	7.6	7.2	7.4	6.9	6.3	6.6	6.2	6.4	6.4	6.3	7.3
26 Other commercial and industrial	613.1	611.7	606.9	605.0	606.7	605.8	603.0	600.4	596.2	592.4	593.7	594.4
27 U.S. addressees[3]	606.9	604.7	600.0	598.1	599.8	598.6	595.9	593.1	588.6	585.0	586.2	586.9
28 Non-U.S. addressees[3]	6.2	7.0	6.9	6.9	6.9	7.2	7.1	7.4	7.6	7.3	7.5	7.5
29 Real estate	873.2	873.4	872.9	874.5	875.9	880.2	883.2	881.6	880.4	880.7	883.7	888.4
30 Individual	364.5	368.1	367.4	363.6	359.7	358.1	357.3	357.0	356.0	356.3	358.0	356.3
31 Security	53.5	55.1	59.0	61.7	62.2	66.4	58.2	63.8	58.6	60.6	64.1	65.9
32 Nonbank financial institutions	38.1	41.9	41.3	42.3	43.1	42.3	42.3	42.2	40.2	41.1	43.2	43.7
33 Agricultural	34.1	34.0	33.2	32.7	33.0	33.4	33.9	35.0	35.6	36.2	36.4	35.9
34 State and political subdivisions	29.4	29.0	28.4	28.2	28.0	27.6	27.3	26.8	26.2	25.9	26.0	25.6
35 Foreign banks	7.3	7.9	7.0	6.6	6.4	6.4	6.8	7.2	7.7	6.9	8.0	7.4
36 Foreign official institutions	2.5	2.4	2.3	2.1	2.1	2.0	2.0	2.0	2.1	2.1	2.1	2.1
37 Lease-financing receivables	31.6	31.7	31.8	31.7	31.7	31.6	31.7	31.7	30.8	30.5	30.7	30.7
38 All other loans	42.6	44.1	45.4	46.0	45.2	44.0	42.3	44.4	43.4	44.6	45.8	45.6

1. Adjusted to exclude loans to commercial banks in the United States.
Data have been revised to reflect new seasonal adjustment factors and benchmarking to call reports.

2. Includes nonfinancial commercial paper held.

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

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Billions of dollars, monthly averages

Source of funds	1991[r]		1992[r]									
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
	Seasonally adjusted											
1 Total nondeposit funds[2]	268.4	281.6	283.3	287.1	287.3	290.3	290.0	292.7	293.6	297.7	304.7	305.2
2 Net balances due to related foreign offices[3]	33.1	39.2	43.4	42.0	45.1	49.3	54.2	60.2	61.8	58.8	62.1	65.5
3 Borrowings from other than commercial banks in United States[4]	235.3	242.4	239.9	245.0	242.2	241.1	235.8	232.5	231.7	238.9	242.6	239.6
4 Domestically chartered banks	152.1	154.9	156.7	160.1	156.1	153.1	148.0	144.8	143.3	149.1	150.6	152.8
5 Foreign-related banks	83.2	87.5	83.1	84.9	86.1	87.9	87.8	87.7	88.5	89.8	92.1	86.9
	Not seasonally adjusted											
6 Total nondeposit funds[2]	272.7	279.8	279.2	287.7	291.2	287.5	295.8	294.1	290.0	294.8	302.1	306.4
7 Net balances due to related foreign offices[3]	34.0	42.7	44.1	42.2	45.5	47.8	56.7	59.8	58.3	57.2	61.4	64.8
8 Domestically chartered banks	−4.4	−3.8	−4.6	−.7	−.7	−5.0	−4.3	−6.4	−7.0	−9.3	−10.8	−12.6
9 Foreign-related banks	38.5	46.5	48.7	42.9	46.3	52.9	60.9	66.2	65.3	66.5	72.1	77.4
10 Borrowings from other than commercial banks in United States[4]	238.7	237.1	235.1	245.5	245.7	239.7	239.2	234.3	231.8	237.6	240.7	241.7
11 Domestically chartered banks	156.4	153.6	152.4	160.6	159.2	151.1	150.6	145.0	141.8	147.4	149.6	153.8
12 Federal funds and security RP borrowings[5]	153.2	150.4	149.0	157.1	155.9	147.7	146.8	140.9	137.6	143.5	145.8	150.2
13 Other[6]	3.2	3.1	3.4	3.5	3.3	3.4	3.9	4.1	4.2	3.9	3.8	3.6
14 Foreign-related banks[6]	82.3	83.5	82.7	84.9	86.5	88.5	88.5	89.4	90.0	90.2	91.1	87.9
MEMO												
Gross large time deposits[7]												
15 Seasonally adjusted	426.1	423.9	416.0	413.7	406.9	399.9	396.7	392.4	386.1	384.6	381.2	373.3
16 Not seasonally adjusted	425.8	422.6	413.6	412.6	407.4	398.8	398.0	393.7	385.9	386.2	382.4	373.3
U.S. Treasury demand balances at commercial banks[8]												
17 Seasonally adjusted	34.2	26.4	27.8	19.5	21.8	19.9	17.0	25.8	21.9	32.6	25.4	22.5
18 Not seasonally adjusted	28.5	25.4	33.1	25.2	20.1	17.7	21.0	25.2	19.7	22.4	28.7	21.9

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 have been revised to reflect new seasonal adjustment factors and benchmarking to call reports.

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.

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

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

1.25 ASSETS AND LIABILITIES OF COMMERCIAL BANKS[1] Wednesday figures

Millions of dollars

Account	1992								
	Sept. 2r	Sept. 9r	Sept. 16r	Sept. 23r	Sept. 30r	Oct. 7	Oct. 14	Oct. 21	Oct. 28
ALL COMMERCIAL BANKING INSTITUTIONS[2]									
Assets									
1 Loans and securities	3,081,079	3,066,062	3,088,779	3,050,415	3,081,527	3,084,335	3,094,349	3,079,363	3,083,082
2 Investment securities	777,063	779,771	776,262	776,150	778,196	780,581	784,096	783,918	781,125
3 U.S. government securities	614,149	616,013	612,145	612,581	615,171	616,658	620,655	620,752	618,057
4 Other	162,915	163,758	164,117	163,568	163,024	163,923	163,441	163,166	163,068
5 Trading account assets	39,001	37,765	36,972	35,421	36,801	40,670	40,051	40,023	41,140
6 U.S. government securities	23,862	22,837	22,885	21,233	22,704	25,291	24,217	24,689	24,924
7 Other securities	2,398	2,483	2,406	2,491	2,823	3,205	3,394	3,292	3,592
8 Other trading account assets	12,741	12,445	11,682	11,697	11,274	12,174	12,441	12,043	12,624
9 Total loans	2,265,015	2,248,526	2,275,544	2,238,844	2,266,530	2,263,085	2,270,201	2,255,422	2,260,818
10 Interbank loans	170,923	158,752	172,791	143,296	162,370	161,493	167,421	151,974	157,123
11 Loans excluding interbank	2,094,092	2,089,774	2,102,754	2,095,548	2,104,160	2,101,592	2,102,781	2,103,447	2,103,695
12 Commercial and industrial	598,589	596,737	600,842	600,238	602,542	602,085	601,787	600,841	601,186
13 Real estate	882,527	884,604	884,027	883,126	883,325	887,965	888,324	887,196	888,839
14 Revolving home equity	72,600	72,664	72,814	72,884	73,034	73,754	73,759	73,758	73,706
15 Other	809,927	811,940	811,213	810,242	810,291	814,211	814,565	813,437	815,133
16 Individual	357,778	357,315	358,348	358,896	357,507	355,458	355,605	356,913	356,923
17 All other	255,198	251,118	259,536	253,288	260,786	256,084	257,064	258,497	256,748
18 Total cash assets	218,253	225,497	220,034	201,146	210,813	198,317	241,295	199,323	203,683
19 Balances with Federal Reserve Banks	28,129	28,860	27,786	25,096	23,568	24,353	36,036	23,330	24,519
20 Cash in vault	30,596	31,736	31,379	31,107	31,069	29,551	31,915	31,326	31,658
21 Demand balances at U.S. depository institutions	30,802	30,963	30,899	26,965	27,384	28,108	33,798	29,041	29,985
22 Cash items	83,736	87,964	84,196	73,266	84,282	71,797	95,371	71,847	73,333
23 Other cash assets	44,991	45,974	45,775	44,711	44,510	44,508	44,174	43,780	44,188
24 Other assets	293,698	288,403	289,958	285,725	287,119	290,194	292,102	286,859	287,228
25 **Total assets**	**3,593,030**	**3,579,961**	**3,598,771**	**3,537,286**	**3,579,459**	**3,572,846**	**3,627,745**	**3,565,545**	**3,573,993**
Liabilities									
26 Total deposits	2,501,595	2,512,937	2,506,495	2,455,383	2,488,549	2,497,417	2,529,166	2,474,445	2,478,756
27 Transaction accounts	722,502	730,072	729,758	689,133	728,412	719,500	752,026	708,381	718,206
28 Demand, U.S. government	3,481	3,637	7,248	3,275	3,939	2,570	3,012	2,420	2,522
29 Demand, depository institutions	39,965	42,970	40,876	37,589	39,746	37,827	44,696	38,174	39,037
30 Other demand and all checkable deposits	679,056	683,465	681,634	648,269	684,728	679,103	704,318	667,788	676,647
31 Savings deposits (excluding checkable)	729,358	733,742	734,235	728,334	728,991	740,647	743,231	738,898	738,848
32 Small time deposits	655,830	655,638	652,971	650,195	649,883	651,232	649,238	647,293	645,000
33 Time deposits over $100,000	393,906	393,486	389,531	387,721	381,263	386,038	384,672	379,873	376,703
34 Borrowings	513,471	489,658	521,390	501,484	499,030	485,125	508,472	496,551	491,820
35 Treasury tax and loan notes	24,705	10,275	31,900	34,211	34,143	19,423	14,469	15,879	16,221
36 Other	488,766	479,383	489,490	467,273	464,887	465,702	494,003	480,672	475,599
37 Other liabilities	316,173	314,335	308,179	318,617	329,440	326,399	325,931	331,009	339,918
38 **Total liabilities**	**3,331,238**	**3,316,929**	**3,336,064**	**3,275,484**	**3,317,019**	**3,308,941**	**3,363,569**	**3,302,004**	**3,310,494**
39 Residual (assets less liabilities)[3]	261,792	263,032	262,707	261,802	262,439	263,905	264,176	263,540	263,499

Footnotes appear on the following page.

1.25 ASSETS AND LIABILITIES OF COMMERCIAL BANKS[1] Wednesday figures—Continued

Millions of dollars

Account	1992								
	Sept. 2[r]	Sept. 9[r]	Sept. 16[r]	Sept. 23[r]	Sept. 30[r]	Oct. 7	Oct. 14	Oct. 21	Oct. 28
DOMESTICALLY CHARTERED COMMERCIAL BANKS[4]									
Assets									
40 Loans and securities	2,733,837	2,724,420	2,739,392	2,705,795	2,730,647	2,742,318	2,745,923	2,728,830	2,733,501
41 Investment securities	717,877	719,113	716,571	716,692	717,841	720,223	722,954	722,832	721,478
42 U.S. government securities	576,564	577,529	574,727	575,110	576,430	578,282	581,270	581,111	580,029
43 Other	141,313	141,584	141,845	141,581	141,411	141,942	141,684	141,721	141,449
44 Trading account assets	39,001	37,765	36,972	35,421	36,801	40,670	40,051	40,023	41,140
45 U.S. government securities	23,862	22,837	22,885	21,233	22,704	25,291	24,217	24,689	24,924
46 *Other securities*	2,398	2,483	2,406	2,491	2,823	3,205	3,394	3,292	3,592
47 Other trading account assets	12,741	12,445	11,682	11,697	11,274	12,174	12,441	12,043	12,624
48 Total loans	1,976,959	1,967,542	1,985,848	1,953,682	1,976,004	1,981,425	1,982,918	1,965,974	1,970,883
49 Interbank loans	144,484	138,883	146,487	122,885	137,636	140,866	141,835	129,414	133,375
50 Loans excluding interbank	1,832,475	1,828,659	1,839,361	1,830,797	1,838,369	1,840,559	1,841,083	1,836,561	1,837,509
51 Commercial and industrial	439,254	436,793	440,052	438,706	441,457	440,665	440,323	439,344	439,269
52 Real estate	828,123	830,334	829,842	828,865	830,602	835,230	835,485	834,350	836,439
53 Revolving home equity	72,600	72,664	72,814	72,884	73,034	73,754	73,759	73,758	73,706
54 Other	755,522	757,670	757,028	755,981	757,568	761,476	761,725	760,591	762,733
55 Individual	357,778	357,315	358,348	358,896	357,507	355,458	355,605	356,913	356,923
56 All other	207,320	204,217	211,119	204,330	208,803	209,207	209,671	205,954	204,878
57 Total cash assets	187,487	194,349	188,826	171,403	180,116	168,779	211,379	170,974	175,099
58 Balances with Federal Reserve Banks	27,371	28,372	27,024	24,705	22,501	23,946	35,060	22,900	23,783
59 Cash in vault	30,561	31,697	31,342	31,071	31,036	29,516	31,879	31,291	31,622
60 Demand balances at U.S. depository institutions	29,206	29,298	29,198	25,494	25,814	26,690	32,167	27,552	28,520
61 Cash items	81,143	85,804	82,007	71,050	81,904	69,402	92,883	69,485	70,801
62 Other cash assets	19,207	19,179	19,255	19,084	18,861	19,225	19,391	19,746	20,373
63 Other assets	175,812	172,242	174,624	172,447	177,192	172,161	176,574	169,077	171,499
64 **Total assets**	**3,097,136**	**3,091,011**	**3,102,842**	**3,049,645**	**3,087,954**	**3,083,258**	**3,133,877**	**3,068,881**	**3,080,099**
Liabilities									
65 Total deposits	2,340,314	2,352,251	2,347,332	2,297,830	2,330,577	2,339,980	2,371,971	2,318,243	2,319,907
66 Transaction accounts	711,371	719,300	718,412	678,445	716,998	708,434	740,905	697,699	707,295
67 Demand, U.S. government	3,480	3,637	7,247	3,275	3,938	2,570	3,011	2,419	2,521
68 Demand, depository institutions	37,326	40,303	37,950	35,016	36,980	35,278	42,161	35,723	36,568
69 Other demand and all checkable deposits	670,565	675,360	673,215	640,155	676,080	670,587	695,732	659,557	668,206
70 Savings deposits (excluding checkable)[4]	724,744	729,054	729,548	723,514	724,140	735,892	738,384	733,980	734,136
71 Small time deposits	653,151	652,947	650,304	647,530	647,230	648,582	646,584	644,653	642,374
72 Time deposits over $100,000	251,048	250,950	249,068	248,341	242,210	247,071	246,098	241,912	236,101
73 Borrowings	370,535	350,629	371,861	366,175	363,350	352,404	371,138	360,952	365,181
74 Treasury tax and loan notes	24,705	10,275	31,900	34,211	34,143	19,423	14,469	15,879	16,221
75 Other	345,830	340,354	339,961	331,964	329,207	332,981	356,669	345,073	348,960
76 Other liabilities	128,069	128,673	124,514	127,410	135,161	130,543	130,164	129,719	135,086
77 **Total liabilities**	**2,838,918**	**2,831,553**	**2,843,708**	**2,791,416**	**2,829,088**	**2,822,927**	**2,873,274**	**2,808,914**	**2,820,173**
78 Residual (assets less liabilities)[3]	258,218	259,458	259,134	258,229	258,866	260,331	260,603	259,967	259,926

1. Excludes assets and liabilities of International Banking Facilities.
Data have been revised to reflect new seasonal adjustment factors and benchmarking to call reports. Revised data are available back to January 1, 1992 from the Banking and Money Market Statistics Section, Board of Governors of the Federal Reserve System, Washington, DC 20551.
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.
3. This balancing item is not intended as a measure of equity capital for use in capital adequacy analysis.
4. Includes all member banks and insured nonmember banks. Loans and securities data are estimates for the last Wednesday of the month based on a sample of weekly reporting banks and quarter-end condition reports.

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS

Millions of dollars, Wednesday figures

Account	1992								
	Sept. 2	Sept. 9	Sept. 16	Sept. 23	Sept. 30[r]	Oct. 7	Oct. 14	Oct. 21	Oct. 28
ASSETS									
1 Cash and balances due from depository institutions	111,964[r]	116,799[r]	113,656[r]	102,365[r]	105,571	97,933	129,709	99,702	103,243
2 U.S. Treasury and government securities	265,584[r]	265,432[r]	262,209[r]	259,500[r]	267,218	266,192	266,091	267,738	267,627
3 Trading account	21,295	20,464	20,778	19,105	20,484	20,632	20,951	22,406	22,236
4 Investment account	244,289[r]	244,967[r]	241,431[r]	240,395[r]	246,734	245,560	245,140	245,332	245,390
5 Mortgage-backed securities[1]	80,110[r]	79,978[r]	78,564[r]	78,276[r]	79,193	78,910	78,787	79,957	80,587
All others, by maturity									
6 One year or less	25,479	26,413	26,504	26,394	26,686	26,823	26,818	26,661	27,730
7 One year through five years	77,456[r]	77,724[r]	76,794[r]	76,183[r]	76,489	76,313	78,675	78,618	77,639
8 More than five years	61,245	60,852	59,569	59,541	64,367	63,515	60,860	60,096	59,435
9 Other securities	55,380[r]	55,071[r]	54,990[r]	55,034[r]	55,009	55,576	55,569	55,439	55,241
10 Trading account	2,291	2,376	2,299	2,384	2,717	3,097	3,287	3,185	3,485
11 Investment account	53,089[r]	52,696[r]	52,692[r]	52,650[r]	52,292	52,479	52,282	52,253	51,756
12 State and political subdivisions, by maturity	21,592[r]	20,973[r]	21,017[r]	21,048[r]	20,986	20,860	20,759	20,763	20,754
13 One year or less	4,009	3,375	3,397	3,432	3,411	3,377	3,255	3,253	3,252
14 More than one year	17,583[r]	17,598[r]	17,620[r]	17,615[r]	17,576	17,483	17,504	17,510	17,503
15 Other bonds, corporate stocks, and securities	31,497[r]	31,723[r]	31,675[r]	31,602	31,306	31,619	31,524	31,490	31,002
16 *Other trading account assets*	*12,506*	*12,208*	*11,445*	*11,459*	*11,039*	*11,936*	*12,204*	*11,808*	*12,389*
17 Federal funds sold[2]	89,941	80,429	97,332	78,322	83,827	87,255	89,053	78,155	80,197
18 To commercial banks in the United States	59,855	52,407	65,874	48,514	56,245	54,951	59,267	48,863	51,969
19 To nonbank brokers and dealers	24,412	22,565	25,371	23,917	24,064	26,651	24,323	24,679	23,394
20 To others[3]	5,674	5,457	6,087	5,892	3,518	5,653	5,462	4,613	4,833
21 Other loans and leases, gross	971,328[r]	969,288[r]	974,610[r]	968,716[r]	977,115	973,884	977,676	972,433	975,045
22 Commercial and industrial	276,279[r]	274,399[r]	277,000[r]	275,633[r]	278,272	277,308	277,585	276,607	276,825
23 Bankers acceptances and commercial paper	1,713	1,578	1,599	1,635	1,594	1,589	1,781	1,885	1,895
24 All other	274,566[r]	272,821[r]	275,401[r]	273,998[r]	276,679	275,719	275,804	274,722	274,930
25 U.S. addressees	272,680[r]	271,142[r]	273,787[r]	272,319[r]	274,810	274,011	273,838	272,780	273,208
26 Non-U.S. addressees	1,887	1,679	1,614	1,679	1,869	1,708	1,966	1,942	1,722
27 Real estate loans	397,134[r]	398,372[r]	397,475[r]	396,050[r]	396,686	399,759	399,083	397,514	399,013
28 Revolving, home equity	42,174[r]	42,156[r]	42,249[r]	42,263[r]	42,457	42,996	43,022	42,950	42,948
29 All other	354,960[r]	356,216[r]	355,226[r]	353,787[r]	354,229	356,763	356,061	354,564	356,065
30 To individuals for personal expenditures	177,050[r]	176,661[r]	177,572[r]	177,897[r]	176,904	176,099	176,175	177,008	176,974
31 To financial institutions	36,624	37,593	36,214[r]	35,911[r]	38,257	37,260	38,076	37,213	37,692
32 Commercial banks in the United States	13,382	13,749	12,502	12,723	13,598	13,635	13,954	13,230	13,800
33 Banks in foreign countries	1,940	2,533	2,519	2,347	2,975	2,021	2,264	2,713	2,373
34 Nonbank financial institutions	21,303	21,311	21,193[r]	20,842[r]	21,685	21,604	21,857	21,270	21,519
35 For purchasing and carrying securities	15,102	13,957	17,417	14,098	15,937	14,637	17,402	15,709	16,261
36 To finance agricultural production	6,306	6,256	6,243	6,188	6,262	6,222	6,220	6,183	6,151
37 To states and political subdivisions	15,596	15,541	15,552	15,614	15,618	15,490	15,364	15,338	15,228
38 To foreign governments and official institutions	925	844	953	853	907	923	861	870	836
39 All other loans[4]	22,131	21,554	22,061	22,334	23,968	21,857	22,633	21,720	21,861
40 Lease-financing receivables	24,183	24,111	24,123	24,137	24,305	24,329	24,278	24,272	24,204
41 LESS: Unearned income	2,661[r]	2,699[r]	2,696[r]	2,689[r]	2,668	2,693	2,685	2,686	2,685
42 Loan and lease reserve[5]	38,524	38,776	38,733	38,232	37,009	37,356	37,368	37,414	37,261
43 Other loans and leases, net	930,143[r]	927,814[r]	933,181[r]	927,795[r]	937,439	933,835	937,623	932,333	935,100
44 Other assets	164,233[r]	160,235[r]	162,404[r]	160,410[r]	163,028	159,872	163,107	157,416	159,661
45 **Total assets**	**1,629,751**	**1,617,987**	**1,635,218**	**1,594,885**	**1,623,131**	**1,612,599**	**1,653,356**	**1,602,591**	**1,613,458**

Footnotes appear on the following page.

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS—Continued

Millions of dollars, Wednesday figures

Account	1992								
	Sept. 2	Sept. 9	Sept. 16	Sept. 23	Sept. 30[r]	Oct. 7	Oct. 14	Oct. 21	Oct. 28
LIABILITIES									
46 Deposits	1,120,896	1,125,407	1,128,422[r]	1,093,056	1,111,347	1,116,200	1,139,430	1,100,320	1,102,596
47 Demand deposits	260,674	262,682	267,389[r]	245,365	265,712	254,484	279,430	250,083	255,487
48 Individuals, partnerships, and corporations	210,992	210,261	213,411[r]	195,861	215,293	209,026	226,207	203,311	206,700
49 Other holders	49,682	52,422	53,978	49,504	50,418	45,458	53,223	46,772	48,788
50 States and political subdivisions	8,548	8,010	8,692	8,246	8,484	7,786	8,215	8,335	8,245
51 U.S. government	2,106	2,494	5,291	2,272	2,359	1,564	1,801	1,439	1,471
52 Depository institutions in the United States	23,127	24,211	23,213	21,048	21,854	21,388	26,725	22,028	22,557
53 Banks in foreign countries	4,935	6,084	5,168	5,418	6,524	5,210	5,423	4,825	5,488
54 Foreign governments and official institutions	725	781	979	780	934	652	576	671	699
55 Certified and officers' checks	10,242	10,842	10,636	11,740	10,263	8,857	10,483	9,473	10,328
56 Transaction balances other than demand deposits[4]	107,543	107,981	107,748	102,969	106,683	108,604	107,075	106,658	110,515
57 Nontransaction balances	752,679	754,744	753,285	744,722	738,952	753,113	752,925	743,579	736,594
58 Individuals, partnerships, and corporations	724,871[r]	727,018[r]	726,488[r]	718,061[r]	713,345	726,726	726,227	716,941	710,087
59 Other holders	27,808[r]	27,726[r]	26,797[r]	26,660[r]	25,607	26,386	26,698	26,637	26,507
60 States and political subdivisions	22,641	22,683	22,543	22,332	21,691	22,139	22,373	22,282	22,189
61 U.S. government	2,178	2,165	2,152	2,168	1,787	2,135	2,137	2,139	2,133
62 Depository institutions in the United States	2,687[r]	2,579[r]	1,803[r]	1,857[r]	1,826	1,809	1,883	1,903	1,868
63 Foreign governments, official institutions, and banks	302	299	299	304	304	303	304	314	318
64 Liabilities for borrowed money[5]	277,731[r]	260,512[r]	278,755[r]	270,155	271,099	260,869	278,789	267,484	271,394
65 Borrowings from Federal Reserve Banks	0	0	1,350	0	380	0	166	0	0
66 Treasury tax and loan notes	21,600	8,122	27,248	29,180	28,973	15,211	11,437	12,340	13,191
67 Other liabilities for borrowed money[6]	256,131[r]	252,390[r]	250,157[r]	240,975	241,746	245,658	267,186	255,144	258,203
68 Other liabilities (including subordinated notes and debentures)	99,804[r]	100,006[r]	96,107	98,965	106,843	101,705	100,955	100,562	105,791
69 **Total liabilities**	**1,498,432**	**1,485,925**	**1,503,284**	**1,462,176**	**1,489,289**	**1,478,774**	**1,519,174**	**1,468,366**	**1,479,781**
70 Residual (total assets less total liabilities)[7]	131,319	132,062	131,934	132,709	133,843	133,825	134,182	134,225	133,677
MEMO									
71 Total loans and leases, gross, adjusted, plus securities[8]	1,321,502[r]	1,316,271[r]	1,322,210[r]	1,311,795[r]	1,324,366	1,326,257	1,327,371	1,323,479	1,324,730
72 Time deposits in amounts of $100,000 or more	135,280	135,159	133,619	131,898	126,501	131,101	130,302	126,954	121,524
73 Loans sold outright to affiliates[9]	1,067	1,074	1,139	1,130	1,056	1,060	1,034	1,031	1,023
74 Commercial and industrial	587	592	596	585	515	516	492	490	484
75 Other	480	482	543	546	541	544	542	541	539
76 Foreign branch credit extended to U.S. residents[10]	24,547	24,551	24,674	24,747	24,834	24,815	24,683	25,245	25,033
77 Net due to related institutions abroad	−14,122[r]	−10,042[r]	−13,873[r]	−10,538[r]	−11,337	−11,404	−14,370	−13,440	−9,687

1. Includes certificates of participation, issued or guaranteed by agencies of the U.S. government, in pools of residential mortgages.
2. Includes securities purchased under agreements to resell.
3. Includes allocated transfer risk reserve.
4. Includes negotiable order of withdrawal accounts (NOWs), automatic transfer service (ATS), and telephone and preauthorized transfers of savings deposits.
5. Includes borrowings only from other than directly related institutions.
6. Includes federal funds purchased and securities sold under agreements to repurchase.
7. This balancing item is not intended as a measure of equity capital for use in capital-adequacy analysis.
8. Excludes loans to and federal funds transactions with commercial banks in the United States.
9. Affiliates include a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.
10. Credit extended by foreign branches of domestically chartered weekly reporting banks to nonbank U.S. residents. Consists mainly of commercial and industrial loans, but includes an unknown amount of credit extended to other than nonfinancial businesses.

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

1.30 LARGE WEEKLY REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS Assets and Liabilities[1]

Millions of dollars, Wednesday figures

Account	1992								
	Sept. 2	Sept. 9	Sept. 16	Sept. 23	Sept. 30	Oct. 7	Oct. 14	Oct. 21	Oct. 28
1 Cash and balances due from depository institutions	20,838	21,108	21,151	20,115	20,789	19,970	20,237	19,129	19,296
2 U.S. Treasury and government agency securities	23,683	24,255	23,577	23,610	24,419	24,187	24,829	24,992	23,965
3 Other securities	8,363	8,596	8,636	8,520	8,368	8,518	8,426	8,299	8,370
4 Federal funds sold[1]	21,090	16,668	21,016	17,804	22,126	17,517	19,843	22,614	20,966
5 To commercial banks in the United States	7,051	3,773	7,193	4,162	6,822	4,557	7,197	5,419	5,632
6 To others[2]	14,039	12,895	13,823	13,643	15,303	12,960	12,646	17,195	15,333
7 Other loans and leases, gross	160,972	160,620	162,071	162,201	161,524	160,239	161,643	160,387	162,315
8 Commercial and industrial	95,846	96,217	96,733	97,186	96,966	97,178	97,205	97,133	97,408
9 Bankers acceptances and commercial paper	2,444	2,490	2,362	2,353	2,689	3,242	3,073	2,909	2,813
10 All other	93,401	93,727	94,371	94,833	94,278	93,936	94,132	94,224	94,596
11 U.S. addressees	90,559	90,878	91,398	91,846	91,284	91,003	91,224	91,332	91,662
12 Non-U.S. addressees	2,843	2,849	2,972	2,987	2,994	2,933	2,908	2,892	2,934
13 Loans secured by real estate	36,069	35,980	35,924	35,974	34,871	34,872	34,941	35,038	34,722
14 To financial institutions	22,560	22,651	22,925	22,576	22,961	22,475	22,205	22,588	23,486
15 Commercial banks in the United States	6,665	6,457	6,415	6,262	5,696	5,966	6,080	5,895	6,554
16 Banks in foreign countries	2,045	2,241	2,486	2,307	2,610	2,262	2,178	2,174	2,216
17 Nonbank financial institutions	13,850	13,954	14,023	14,006	14,655	14,248	13,946	14,520	14,716
18 For purchasing and carrying securities	3,925	3,569	4,315	4,303	4,479	3,405	4,952	3,387	4,409
19 To foreign governments and official institutions	385	385	381	377	377	371	374	378	374
20 All other	2,187	1,817	1,794	1,785	1,870	1,938	1,965	1,862	1,916
21 Other assets (claims on nonrelated parties)	29,965	30,967	29,791	29,597	30,186	29,940	28,510	29,001	29,725
22 **Total assets**[3]	**307,381**	**302,927**	**307,404**	**302,088**	**304,602**	**303,372**	**306,118**	**307,911**	**306,134**
23 Deposits or credit balances due to other than directly related institutions	102,295	101,992	99,834	99,088	99,198	99,222	99,393	99,992	102,346
24 Demand deposits[4]	3,816	3,531	3,812	3,627	4,422	3,928	3,741	3,606	3,705
25 Individuals, partnerships, and corporations	2,800	2,740	2,824	2,751	3,442	3,144	2,993	2,894	2,879
26 Other	1,016	791	988	876	980	784	748	712	826
27 Nontransaction accounts	98,480	98,461	96,023	95,461	94,775	95,294	95,652	96,386	98,641
28 Individuals, partnerships, and corporations	71,241	70,431	68,784	69,391	68,639	69,191	69,982	68,973	70,551
29 Other	27,238	28,030	27,239	26,070	26,136	26,103	25,670	27,413	28,090
30 Borrowings from other than directly related institutions	99,719	96,979	104,344	94,369	94,629	92,554	95,790	94,573	88,288
31 Federal funds purchased[5]	55,688	52,170	59,781	48,767	48,017	49,771	51,992	45,579	41,264
32 From commercial banks in the United States	16,966	14,183	22,620	10,836	17,050	17,072	16,032	11,498	11,898
33 From others	38,722	37,987	37,161	37,931	30,967	32,699	35,960	34,081	29,366
34 Other liabilities for borrowed money	44,031	44,809	44,563	45,602	46,612	42,783	43,797	48,994	47,024
35 To commercial banks in the United States	9,892	9,030	9,117	8,822	9,768	9,284	10,119	9,925	10,638
36 To others	34,139	35,778	35,446	36,780	36,844	33,499	33,678	39,069	36,386
37 Other liabilities to nonrelated parties	29,741	30,061	29,690	29,878	30,347	29,823	28,803	28,929	30,221
38 **Total liabilities**[6]	**307,381**	**302,927**	**307,404**	**302,088**	**304,602**	**303,372**	**306,118**	**307,911**	**306,134**
MEMO									
39 Total loans (gross) and securities, adjusted[7]	200,391	199,909	201,692	201,712	203,919	199,938	201,464	204,978	203,429
40 Net due to related institutions abroad	33,155	33,181	32,374	38,512	43,238	38,770	39,503	40,928	43,781

1. Includes securities purchased under agreements to resell.
2. Includes transactions with nonbank brokers and dealers in securities.
3. Includes net due from related institutions abroad for U.S. branches and agencies of foreign banks having a net "due from" position.
4. Includes other transaction deposits.
5. Includes securities sold under agreements to repurchase.
6. Includes net to related institutions abroad for U.S. branches and agencies of foreign banks having a net "due to" position.
7. Excludes loans to and federal funds transactions with commercial banks in the United States.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Item	Year ending December					1992					
	1987	1988	1989	1990	1991	Apr.	May	June	July	Aug.	Sept.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**358,997**	**458,464**	**525,831**	**561,142**	**530,300**	**537,020**	**533,719**	**542,205**	**547,242**	**545,801**	**549,731**
Financial companies[1]											
Dealer-placed paper[2]											
2 Total	102,742	159,777	183,622	215,123	214,445	225,989	226,552	234,212	226,943	231,586	233,977
3 Bank-related (not seasonally adjusted)[3]	1,428	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper[4]											
4 Total	174,332	194,931	210,930	199,835	183,195	172,136	168,914	171,321	179,725	173,772	179,731
5 Bank-related (not seasonally adjusted)[3]	43,173	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies[5]	81,923	103,756	131,279	146,184	132,660	138,895	138,253	136,672	140,574	140,443	136,023
	Bankers dollar acceptances (not seasonally adjusted)[6]										
7 **Total**	**70,565**	**66,631**	**62,972**	**54,771**	**43,770**	**39,335**	**38,384**	**37,767**	**37,733**	**37,090**	**37,814**
Holder											
8 Accepting banks	10,943	9,086	9,433	9,017	11,017	9,821	9,255	9,680	9,225	9,372[r]	10,436
9 Own bills	9,464	8,022	8,510	7,930	9,347	8,427	7,954	8,129	7,808	7,927[r]	9,073
10 Bills bought	1,479	1,064	924	1,087	1,670	1,394	1,301	1,551	1,417	1,446	1,363
Federal Reserve Banks											
11 Own account	0	0	0	0	0	0	0	0	0	0	0
12 Foreign correspondents	965	1,493	1,066	918	1,739	1,598	1,477	1,338	1,269	1,851	1,803
13 Others	58,658	56,052	52,473	44,836	31,014	27,915	27,653	26,749	27,239	25,866[r]	25,575
Basis											
14 Imports into United States	16,483	14,984	15,651	13,095[r]	12,843	12,045	11,893	11,569	11,825	11,600	12,227
15 Exports from United States	15,227	14,410	13,683	12,703	10,351	9,168	8,702	9,062	9,015	7,861	8,051
16 All other	38,854[r]	37,237	33,638	28,973	20,577	18,121	17,790	17,135	16,893	17,628	17,536

1. Institutions engaged primarily in commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.
2. Includes all financial-company paper sold by dealers in the open market.
3. Bank-related series were discontinued in January 1989.
4. As reported by financial companies that place their paper directly with investors.
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 institutions whose acceptances total $100 million or more annually. The reporting group is revised every January. In January 1988, the group was reduced from 155 to 111 institutions. The current group, totaling approximately 100 institutions, accounts for more than 90 percent of total acceptances activity.

1.33 PRIME RATE CHARGED BY BANKS on Short-Term Business Loans[1]

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1989— Jan. 1	10.50	1989	10.87	1990— Apr.	10.00	1991— July	8.50
Feb. 10	11.00	1990	10.01	May	10.00	Aug.	8.50
24	11.50	1991	8.46	June	10.00	Sept.	8.20
June 5	11.00			July	10.00	Oct.	8.00
July 31	10.50	1989— Jan.	10.50	Aug.	10.00	Nov.	7.58
		Feb.	10.93	Sept.	10.00	Dec.	7.21
1990— Jan. 8	10.00	Mar.	11.50	Oct.	10.00		
		Apr.	11.50	Nov.	10.00	1992— Jan.	6.50
1991— Jan. 2	9.50	May	11.50	Dec.	10.00	Feb.	6.50
Feb. 4	9.00	June	11.07			Mar.	6.50
May 1	8.50	July	10.98	1991— Jan.	9.52	Apr.	6.50
Sept. 13	8.00	Aug.	10.50	Feb.	9.05	May	6.50
Nov. 6	7.50	Sept.	10.50	Mar.	9.00	June	6.50
Dec. 23	6.50	Oct.	10.50	Apr.	9.00	July	6.02
		Nov.	10.50	May	8.50	Aug.	6.00
1992— July 2	6.00	Dec.	10.50	June	8.50	Sept.	6.00
						Oct.	6.00
		1990— Jan.	10.11			Nov.	6.00
		Feb.	10.00				
		Mar.	10.00				

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.

1.35 INTEREST RATES Money and Capital Markets

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

Item	1989	1990	1991	1992				1992, week ending				
				July	Aug.	Sept.	Oct.	Oct. 2	Oct. 9	Oct. 16	Oct. 23	Oct. 30
MONEY MARKET INSTRUMENTS												
1 Federal funds[1,2,3]	9.21	8.10	5.69	3.25	3.30	3.22	3.10	3.41	3.20	3.20	3.05	2.96
2 Discount window borrowing[2,4]	6.93	6.98	5.45	3.02	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Commercial paper[3,5,6]												
3 1-month	9.11	8.15	5.89	3.43	3.38	3.25	3.22	3.26	3.15	3.23	3.27	3.26
4 3-month	8.99	8.06	5.87	3.44	3.38	3.24	3.33	3.24	3.16	3.30	3.42	3.47
5 6-month	8.80	7.95	5.85	3.53	3.44	3.26	3.33	3.22	3.17	3.30	3.44	3.48
Finance paper, directly placed[3,5,7]												
6 1-month	8.99	8.00	5.73	3.33	3.28	3.13	3.14	3.12	3.04	3.16	3.17	3.21
7 3-month	8.72	7.87	5.71	3.33	3.27	3.08	3.24	3.10	3.09	3.24	3.32	3.38
8 6-month	8.16	7.53	5.60	3.35	3.29	3.11	3.23	3.14	3.11	3.21	3.27	3.35
Bankers acceptances[3,5,8]												
9 3-month	8.87	7.93	5.70	3.32	3.28	3.10	3.19	3.04	3.05	3.18	3.31	3.32
10 6-month	8.67	7.80	5.67	3.42	3.35	3.13	3.19	3.04	3.04	3.18	3.31	3.32
Certificates of deposit, secondary market[3,9]												
11 1-month	9.11	8.15	5.82	3.35	3.29	3.14	3.11	3.08	3.02	3.14	3.18	3.16
12 3-month	9.09	8.15	5.83	3.37	3.31	3.13	3.26	3.10	3.09	3.25	3.38	3.39
13 6-month	9.08	8.17	5.91	3.50	3.40	3.17	3.27	3.11	3.10	3.27	3.39	3.41
14 Eurodollar deposits, 3-month[3,10]	9.16	8.16	5.86	3.40	3.33	3.15	3.30	3.10	3.10	3.29	3.44	3.46
U.S. Treasury bills												
Secondary market[3,5]												
15 3-month	8.11	7.50	5.38	3.21	3.13	2.91	2.86	2.69	2.76	2.90	2.95	2.94
16 6-month	8.03	7.46	5.44	3.28	3.21	2.96	3.04	2.82	2.88	3.01	3.17	3.19
17 1-year	7.92	7.35	5.52	3.45	3.33	3.06	3.17	2.91	2.97	3.12	3.35	3.36
Auction average[3,5,11]												
18 3-month	8.12	7.51	5.42	3.28	3.14	2.97	2.84	2.73	2.67	2.88	2.94	2.97
19 6-month	8.04	7.47	5.49	3.36	3.23	3.01	2.98	2.85	2.78	2.95	3.10	3.22
20 1-year	7.91	7.36	5.54	3.65	3.28	3.02	3.12	n.a.	n.a.	n.a.	3.12	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities[12]												
21 1-year	8.53	7.89	5.86	3.60	3.47	3.18	3.30	3.02	3.09	3.26	3.48	3.50
22 2-year	8.57	8.16	6.49	4.36	4.19	3.89	4.08	3.75	3.83	4.02	4.28	4.35
23 3-year	8.55	8.26	6.82	4.91	4.72	4.42	4.64	4.26	4.34	4.56	4.89	4.93
24 5-year	8.50	8.37	7.37	5.84	5.60	5.38	5.60	5.26	5.35	5.52	5.83	5.85
25 7-year	8.52	8.52	7.68	6.36	6.12	5.96	6.15	5.88	5.96	6.09	6.35	6.34
26 10-year	8.49	8.55	7.86	6.84	6.59	6.42	6.59	6.32	6.39	6.54	6.78	6.78
27 30-year	8.45	8.61	8.14	7.60	7.39	7.34	7.53	7.34	7.44	7.52	7.62	7.63
Composite												
28 More than 10 years (long-term)	8.58	8.74	8.16	7.40	7.19	7.08	7.26	7.05	7.14	7.24	7.38	7.39
STATE AND LOCAL NOTES AND BONDS												
Moody's series[13]												
29 Aaa	7.00	6.96	6.56	5.72	5.67	5.92	6.10	5.88	6.01	6.01	6.17	6.21
30 Baa	7.40	7.29	6.99	6.10	6.03	6.27	6.51	6.24	6.39	6.42	6.59	6.64
31 *Bond Buyer* series[14]	7.23	7.27	6.92	6.13	6.16	6.25	6.41	6.27	6.29	6.34	6.53	6.62
CORPORATE BONDS												
32 Seasoned issues, all industries[15]	9.66	9.77	9.23	8.44	8.29	8.26	8.41	8.27	8.31	8.40	8.49	8.51
Rating group												
33 Aaa	9.26	9.32	8.77	8.07	7.95	7.92	7.99	7.93	7.92	7.96	8.04	8.07
34 Aa	9.46	9.56	9.05	8.37	8.21	8.17	8.32	8.18	8.23	8.31	8.40	8.41
35 A	9.74	9.82	9.30	8.49	8.34	8.31	8.49	8.34	8.38	8.47	8.58	8.58
36 Baa	10.18	10.36	9.80	8.84	8.65	8.62	8.84	8.64	8.72	8.84	8.93	8.96
37 A-rated, recently offered utility bonds[16]	9.79	10.01	9.32	8.38	8.16	8.11	8.40	8.16	8.37	8.42	8.55	8.52
MEMO: Dividend–price ratio[17]												
38 Preferred stocks	9.05	8.96	8.17	7.47	7.21	7.14	7.22	7.09	7.09	7.21	7.28	7.31
39 Common stocks	3.45	3.61	3.25	3.00	2.97	3.00	3.07	3.02	3.13	3.09	3.05	3.01

1. The daily effective federal funds rate is a weighted average of rates on trades through New York brokers.
2. Weekly figures are averages of seven calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.
3. Annualized using a 360-day year or bank interest.
4. Rate for the Federal Reserve Bank of New York.
5. Quoted on a discount basis.
6. An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.
7. An average of offering rates on paper directly placed by finance companies.
8. Representative closing yields for acceptances of the highest-rated money center banks.
9. An average of dealer offering rates on nationally traded certificates of deposit.
10. Bid rates for Eurodollar deposits at 11 a.m. London time. Data are for indication purposes only.
11. Auction date for daily data; weekly and monthly averages computed on an issue-date basis.
12. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Treasury.
13. 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.
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

Indicator	1989	1990	1991	1992 Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
	Prices and trading volume (averages of daily figures)											
Common stock prices (indexes)												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	180.13	183.66	206.35	214.26	229.34	228.12	225.21	224.55	228.55	224.68	228.17	230.07
2 Industrial	228.04	226.06	258.16	266.01	286.62	286.09	282.36	281.60	285.17	279.54	281.90	284.44
3 Transportation	174.90	158.80	173.97	185.47	201.55	205.53	204.09	201.28	207.88	202.02	198.36	191.31
4 Utility	94.33	90.72	92.64	98.08	99.30	96.19	94.15	94.92	98.24	97.23	101.18	103.41
5 Finance	162.01	133.21	150.84	159.96	174.50	174.05	173.49	171.05	175.89	174.82	180.96	180.47
6 Standard & Poor's Corporation (1941–43 = 10)[1]	323.05	335.01	376.20	388.51	416.08	412.56	407.36	407.41	414.81	408.27	415.05	417.93
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	356.67	338.32	360.32	373.08	409.08	413.74	404.09	388.06	392.63	385.56	384.07	385.80
Volume of trading (thousands of shares)												
8 New York Stock Exchange	165,568	156,359	179,411	197,914	239,903	226,476	185,581	206,251	182,027	195,089	194,138	174,003
9 American Stock Exchange	13,124	13,155	12,486	17,475	20,444	18,126	15,654	14,096	13,455	11,216	10,749	n.a.
	Customer financing (millions of dollars, end-of-period balances)											
10 Margin credit at broker-dealers[3]	**34,320**	**28,210**	**36,660**	**36,660**	**36,350**	**38,200**	**39,090**	**38,750**	**39,890**	**39,690**	**39,640**	**39,940**
Free credit balances at brokers[4]												
11 Margin accounts[5]	7,040	8,050	8,290	8,290	7,865	7,620	7,350	8,780	7,700	7,780	7,920	8,060
12 Cash accounts	18,505	19,285	19,255	19,255	19,990	20,370	19,305	16,400	18,695	19,610	18,775	18,305

Margin requirements (percent of market value and effective date)[6]

Indicator	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974
13 Margin stocks	70	80	65	55	65	50
14 Convertible bonds	50	60	50	50	50	50
15 Short sales	70	80	65	55	65	50

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.
2. On July 5, 1983, the American Stock Exchange rebased its index, effectively cutting previous readings in half.
3. Since July 1983, under the revised Regulation T, margin credit at broker-dealers has included credit extended against stocks, convertible bonds, stocks acquired through 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 on securities other than options are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1, 1971.

On Jan. 1, 1977, the Board of Governors for the first time established in Regulation T the initial margin required for writing options on securities, setting it at 30 percent of the current market value of the stock underlying the option. On Sept. 30, 1985, the Board changed the required initial margin, allowing it to be the same as the option maintenance margin required by the appropriate exchange or self-regulatory organization; such maintenance margin rules must be approved by the Securities and Exchange Commission. Effective Jan. 31, 1986, the SEC approved new maintenance margin rules, permitting margins to be the price of the option plus 15 percent of the market value of the stock underlying the option.

Effective June 8, 1988, margins were set to be the price of the option plus 20 percent of the market value of the stock underlying the option (or 15 percent in the case of stock-index options).

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1989	1990	1991 Nov.	1991 Dec.	1992 Jan.[r]	Feb.	Mar.[r]	Apr.[r]	May[r]	June[r]	July[r]	Aug.
	SAIF-insured institutions											
1 **Assets**	**1,249,055**	**1,084,821**	**934,539**	**919,979**	**909,014**	**906,142[r]**	**883,407**	**872,026**	**870,334**	**862,534**	**856,408**	**856,169**
2 Mortgages	733,729	633,385	557,513	551,322	545,728	541,734[r]	529,158	524,922	521,890	516,644	512,273	512,047
3 Mortgage-backed securities	170,532	155,228	133,341	129,461	127,371	127,766	125,272	124,763	124,225	123,452	123,363	120,417
4 Contra-assets to mortgage assets[1]	25,457	16,897	12,303	12,307	11,917	11,608[r]	10,979	10,949	11,121	11,280	12,051	11,143
5 Commercial loans	32,150	24,125	17,147	17,139	16,827	16,050	15,400	15,073	14,607	14,017	13,930	13,520
6 Consumer loans	58,685	48,753	42,763	41,775	40,857	39,908[r]	38,717	38,031	37,889	37,424	37,241	37,115
7 Contra-assets to nonmortgage loans[1]	3,592	1,939	1,150	1,239	1,314	1,115	−1,008	992	949	945	810	905
8 Cash and investment securities	166,053	146,644	123,380	120,077	118,610	121,969	119,543	116,462	120,763	119,390	120,225	124,145
9 Other[2]	116,955	95,522	73,849	73,751	72,653	71,637[r]	67,387	64,711	63,030	62,831	62,336	61,066
10 **Liabilities and net worth**	**1,249,055**	**1,084,821**	**934,539**	**919,979**	**909,014**	**906,142[r]**	**883,407**	**872,026**	**870,334**	**862,534**	**856,408**	**856,169**
11 Savings capital	945,656	835,496	737,555	731,937	721,099	717,026	703,811	689,777	688,199	682,536	676,140	672,354
12 Borrowed money	252,230	197,353	125,147	121,923	119,915	118,554	110,031	111,262	110,126	108,943	109,035	110,110
13 FHLBB	124,577	100,391	66,005	65,842	62,642	63,138	62,628	62,268	61,439	62,760	62,358	62,225
14 Other	127,653	96,962	59,142	56,081	57,273	55,416	47,403	48,994	48,687	46,183	46,677	47,885
15 Other	27,556	21,332	21,690	17,560	18,941	21,329[r]	18,295	18,883	19,626	17,753	18,568	20,526
16 Net worth	23,612	30,640	50,148	48,559	49,009	49,233	51,271	52,104	52,354	52,300	52,664	53,179

1. Contra-assets are credit-balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels. Contra-assets to mortgage assets, mortgage loans, contracts, and pass-through securities—include loans in process, unearned discounts and deferred loan fees, valuation allowances for mortgages "held for sale," and specific reserves and other valuation allowances. Contra-assets to nonmortgage loans include loans in process, unearned discounts and deferred loan fees, and specific reserves and valuation allowances.

2. Includes holding of stock in Federal Home Loan Bank and finance leases plus interest.

NOTE. Components do not sum to totals because of rounding. Data for credit unions and life insurance companies have been deleted from this table. Starting in the December 1991 issue, data for life insurance companies are shown in a special table of quarterly data.

SOURCE. *Savings Association Insurance Fund (SAIF)-insured institutions: Estimates by the Office of Thrift Supervision (OTS) for all institutions insured by the SAIF and based on the OTS thrift institution Financial Report.*

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1990	Fiscal year 1991	Fiscal year 1992	Calendar year 1992 May	June	July	Aug.	Sept.	Oct.
U.S. budget[1]									
1 Receipts, total	1,031,308	1,054,265	1,091,692	62,303	120,920	79,080	78,218	118,344	76,833
2 On-budget	749,654	760,382	789,266	36,926	91,438	55,977	55,434	92,813	55,057
3 Off-budget	281,654	293,883	302,426	25,377	29,482	23,103	22,784	25,531	21,776
4 Outlays, total	1,251,766	1,323,757	1,381,895	109,089	117,137	122,226	102,920	112,943	125,698
5 On-budget	1,026,701	1,082,072	1,129,337	86,402	102,329	99,935	79,128	86,709	103,858
6 Off-budget	225,064	241,685	252,559	22,687	14,808	22,291	23,792	26,235	21,841
7 Surplus or deficit (−), total	−220,458	−269,492	−290,204	−46,786	3,783	−43,146	−24,702	5,400	−48,865
8 On-budget	−277,047	−321,690	−340,071	−49,476	−10,891	−43,958	−23,694	6,104	−48,801
9 Off-budget	56,590	52,198	49,867	2,690	14,674	812	−1,008	−704	−65
Source of financing (total)									
10 Borrowing from the public	220,101	276,802	310,918	33,840	22,318	26,839	38,841	9,853	−1,552
11 Operating cash (decrease, or increase (−))	818	−1,329	−17,305	20,977	−26,919	9,542	1,523	−22,807	39,420
12 Other[2]	−461	−5,981	−3,409	−8,031	818	6,765	−15,662	7,554	10,997
MEMO									
13 Treasury operating balance (level, end of period)	40,155	41,484	58,789	20,128	47,047	37,505	35,982	58,789	19,369
14 Federal Reserve Banks	7,638	7,928	24,586	5,583	13,630	6,923	6,232	24,586	4,413
15 Tax and loan accounts	32,517	33,556	34,203	14,545	33,417	30,581	29,749	34,203	14,956

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.*

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS[1]

Millions of dollars

Source or type	Fiscal year 1991	Fiscal year 1992	Calendar year 1990 H2	Calendar year 1991 H1	Calendar year 1991 H2	Calendar year 1992 H1	Calendar year 1992 Aug.	Calendar year 1992 Sept.	Calendar year 1992 Oct.
RECEIPTS									
1 **All sources**	**1,054,265**	**1,091,692**	**503,123**	**540,504**	**519,293**	**561,125**	**78,218**	**118,344**	**76,833**
2 Individual income taxes, net	467,827	476,465	230,745	232,389	234,949	237,052	34,718	55,496	37,288
3 Withheld	404,152	408,352	207,469	193,440	210,552	198,868	32,584	33,184	34,515
4 Presidential Election Campaign Fund	32	30	3	31	1	19	8	1	0
5 Nonwithheld	142,693	149,342	31,728	109,405	32,276[r]	112,328[r]	3,184	24,161	3,583
6 Refunds	79,050	81,259	8,455	70,487	7,880[r]	74,163	1,058	1,850	809
Corporation income taxes									
7 Gross receipts	113,599	117,951	54,044	58,903	54,016	61,681	2,443	21,365	4,291
8 Refunds	15,513	17,680	7,603	7,904	8,649	9,402	864	1,469	2,194
9 Social insurance taxes and contributions, net	396,011	413,689	178,468	214,303	186,839[r]	224,569	33,142	33,322	29,594
10 Employment taxes and contributions[2]	370,526	385,491	167,224	199,727	175,802	208,110	28,996	32,597	28,135
11 Self-employment taxes and contributions[3]	25,457	24,421	2,638	22,150	3,306	20,433	0	3,988	0
12 Unemployment insurance	20,922	23,410	8,996	12,296	8,721	14,070	3,762	316	1,034
13 Other net receipts[4]	4,563	4,788	2,249	2,279	2,317	2,389	384	409	426
14 Excise taxes	42,430	45,570	17,535	20,703	24,428	22,389	4,051	4,093	3,670
15 Customs deposits	15,921	17,359	8,568	7,488	8,694	8,145	1,579	1,552	1,666
16 Estate and gift taxes	11,138	11,143	5,333	5,631	5,507	5,701	827	1,004	1,027
17 Miscellaneous receipts[5]	22,852	27,195	16,032	8,991	13,508	10,992	2,323	2,980	1,491
OUTLAYS									
18 **All types**	**1,323,757**	**1,381,895**	**647,461**	**632,153**	**694,474**	**705,068**	**102,920**	**112,943**	**125,698**
19 National defense	272,514	298,188	149,497	122,089	147,572[r]	146,963	21,238	25,842	27,412
20 International affairs	16,167	16,100	8,943	7,592	7,651	8,464	186	1,727	2,126
21 General science, space, and technology	15,946	16,234	8,081	7,496	8,473	7,952	1,352	1,159	1,410
22 Energy	2,511	4,519	1,222	1,235	1,576[r]	1,442	508	665	607
23 Natural resources and environment	18,708	19,870	9,933	8,324	11,202[r]	8,625	1,516	1,742	3,341
24 Agriculture	14,864	14,968	6,878	7,684	7,361[r]	7,514	381	195	2,270
25 Commerce and housing credit	75,639	9,752	37,491	17,992	36,594[r]	15,583	−2,721	585	−2,262
26 Transportation	31,531	33,747	16,218	14,748	17,094	15,681	2,818	3,618	2,933
27 Community and regional development	7,432	7,924	3,939	3,552	3,784	3,901	570	764	1,028
28 Education, training, employment, and social services	41,479	43,586	18,988	21,234	21,110[r]	23,224	3,492	2,233	3,797
29 Health	71,183	89,571	31,424	35,608	41,458	43,698	7,593	8,834	8,021
30 Social security and medicare	373,495	406,570	176,353	190,247	193,156	205,443	33,593	34,460	35,320
31 Income security	171,618	199,395	75,948	88,778	87,937[r]	105,911	14,616	15,173	18,300
32 Veterans benefits and services	31,344	33,973	15,479	14,326	17,425	15,597	1,369	3,213	4,078
33 Administration of justice	12,295	14,481	5,265	6,187	6,577[r]	7,438	1,155	1,277	1,121
34 General government	11,358	12,874	6,976	5,212	6,831[r]	5,538	917	1,869	2,529
35 Net interest[6]	195,012	199,422	94,650	98,556	99,318[r]	100,324	17,274	15,435	16,463
36 Undistributed offsetting receipts[7]	−39,356	−39,280	−19,829	−18,702	−20,435	−18,229	−2,937	−5,847	−2,796

1. Functional details do not sum to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for outlays does not correspond to calendar year data because revisions from the *Budget* have not been fully distributed across months.
2. Old-age, disability, and hospital insurance, and railroad retirement accounts.
3. Old-age, disability, and hospital insurance.
4. Federal employee retirement contributions and civil service retirement and disability fund.
5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
6. 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 1993*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	1990		1991				1992		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 **Federal debt outstanding**	**3,266**	**3,397**	**3,492**	**3,563**	**3,683**	**3,820**	**3,897**	**NA**	**NA**
2 Public debt securities	3,233	3,365	3,465	3,538	3,665	3,802	3,881	3,985	4,065
3 Held by public	2,438	2,537	2,598	2,643	2,746	2,833	2,918	NA	NA
4 Held by agencies	796	828	867	895	920	969	964	NA	NA
5 Agency securities	33	33	27	25	18	19	16	NA	NA
6 Held by public	33	32	26	25	18	19	16	NA	NA
7 Held by agencies	0	0	0	0	0	0	0	NA	NA
8 **Debt subject to statutory limit**	**3,161**	**3,282**	**3,377**	**3,450**	**3,569**	**3,707**	**3,784**	**3,891**	**3,973**
9 Public debt securities	3,161	3,281	3,377	3,450	3,569	3,706	3,783	3,890	3,972
10 Other debt[1]	0	0	0	0	0	0	0	0	0
MEMO									
11 Statutory debt limit	3,195	4,145	4,145	4,145	4,145	4,145	4,145	4,145	4,145

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

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

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

Billions of dollars, end of period

Type and holder	1988	1989	1990	1991	1991	1992		
					Q4	Q1	Q2	Q3
1 **Total gross public debt**	**2,684.4**	**2,953.0**	**3,364.8**	**3,801.7**	**3,801.7**	**3,881.3**	**3,984.7**	**4,064.6**
By type								
2 Interest-bearing	2,663.1	2,931.8	3,362.0	3,798.9	3,798.9	3,878.5	3,981.8	4,061.8
3 Marketable	1,821.3	1,945.4	2,195.8	2,471.6	2,471.6	2,552.3	2,605.1	2,677.5
4 Bills	414.0	430.6	527.4	590.4	590.4	615.8	618.2	634.3
5 Notes	1,083.6	1,151.5	1,265.2	1,430.8	1,430.8	1,477.7	1,517.6	1,566.4
6 Bonds	308.9	348.2	388.2	435.5	435.5	443.8	454.3	461.8
7 Nonmarketable[1]	841.8	986.4	1,166.2	1,327.2	1,327.2	1,326.2	1,376.7	1,384.3
8 State and local government series	151.5	163.3	160.8	159.7	159.7	157.8	161.9	157.6
9 Foreign issues[2]	6.6	6.8	43.5	41.9	41.9	42.0	38.7	37.0
10 Government	6.6	6.8	43.5	41.9	41.9	42.0	38.7	37.0
11 Public	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	107.6	115.7	124.1	135.9	135.9	139.9	143.2	148.3
13 Government account series[3]	575.6	695.6	813.8	959.2	959.2	956.1	1,002.5	1,011.0
14 Non-interest-bearing	21.3	21.2	2.8	2.8	2.8	2.8	2.9	2.8
By holder[4]								
15 U.S. Treasury and other federal agencies and trust funds	589.2	707.8	828.3	968.7	968.7	963.7		
16 Federal Reserve Banks	238.4	228.4	259.8	281.8	281.8	267.6		
17 Private investors	1,858.5	2,015.8	2,288.3	2,563.2	2,563.2	2,664.0		
18 Commercial banks	184.9	164.9	171.5	233.9	233.9	240.0		
19 Money market funds	11.8	14.9	45.4	80.0	80.0	84.8		
20 Insurance companies	118.6	125.1	142.0	172.9	172.9	175.0	n.a.	n.a.
21 Other companies	87.1	93.4	108.9	150.8	150.8	166.0		
22 State and local treasuries	471.6	487.5	490.4	498.8	498.8	500.0		
Individuals								
23 Savings bonds	109.6	117.7	126.2	138.1	138.1	142.0		
24 Other securities	79.2	98.7	107.6	125.8	125.8	126.1		
25 Foreign and international[5]	362.2	392.9	421.7	453.4	453.4	468.0		
26 Other miscellaneous investors[6]	433.0	520.7	674.5	709.5	709.5	762.1		

1. Includes (not shown separately) securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.
2. Nonmarketable series denominated in dollars, and series denominated in foreign currency held by foreigners.
3. Held almost entirely by U.S. Treasury and other federal agencies and trust funds.
4. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.
5. 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. Treasury 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 Transactions[1]

Millions of dollars, daily averages

Item	1992			1992, week ending								
	July	Aug.	Sept.	Sept. 2	Sept. 9	Sept. 16	Sept. 23	Sept. 30	Oct. 7	Oct. 14	Oct. 21	Oct. 28
IMMEDIATE TRANSACTIONS[2]												
By type of security												
U.S. Treasury securities												
1 Bills	39,895	35,523	41,374	34,875	38,338	41,851	42,769	44,531	53,581	43,627	52,154	40,503
Coupon securities, by maturity												
2 Less than 3.5 years	42,881	45,267	41,727	35,819	39,308	42,698	45,148	41,634	46,668	45,459	51,612	54,712
3 3.5 to 7.5 years	43,377r	36,672	37,760r	31,889	35,730	39,574	37,191	40,488	49,037	44,527	45,359	46,134
4 7.5 to 15 years	19,672	22,308	20,476	15,837	22,815	23,107	18,130	20,177	22,875	20,041	22,779	17,469
5 15 years or more	16,132	16,539	14,240	12,034	14,286	15,362	14,874	13,329	15,904	14,548	16,667	12,291
Federal agency securities												
Debt, maturing in												
6 Less than 3.5 years	4,334	4,343	4,979	4,826	4,891	4,109	4,490	6,471	4,534	3,573	5,528	5,194
7 3.5 to 7.5 years	670	684	588	648	617	670	391	654	1,067	532	598	679
8 7.5 years or more	646	536	803	616	509	910	742	1,069	950	695	1,330	1,267
Mortgage-backed												
9 Pass-throughs	13,806	12,787	13,601	11,116	14,496	17,269	12,592	11,220	15,482	20,075	15,450	13,935
10 All others[3]	4,110	3,951	4,290	4,767	2,713	4,617	4,157	5,168	3,906	4,020	2,373	3,222
By type of counterparty												
Primary dealers and brokers												
11 U.S. Treasury securities	101,221	99,904	98,684	81,971	91,237	104,696	102,125	101,875	118,979	109,286	126,365	111,066
Federal agency securities												
12 Debt	1,097	1,016	1,371	1,225	1,072	1,397	1,283	1,732	1,856	1,026	2,094	1,877
13 Mortgage-backed	8,021	7,240	7,552	5,735	7,441	9,854	8,049	5,568	7,611	9,511	7,830	8,370
Customers												
14 U.S. Treasury securities	60,737	56,405	56,893r	48,483	59,240	57,896	55,986	58,284	69,085	58,917	62,206	60,042
Federal agency securities												
15 Debt	4,554	4,548	4,999	4,865	4,944	4,292	4,340	6,463	4,696	3,774	5,362	5,263
16 Mortgage-backed	9,895	9,498	10,339	10,147	9,769	12,032	8,699	10,820	11,777	14,585	9,994	8,787
FUTURES AND FORWARD TRANSACTIONS[4]												
By type of deliverable security												
U.S. Treasury securities												
17 Bills	2,887r	2,354	2,969	1,791	2,121	4,960	2,827	2,271	4,431	3,766	3,673	3,444
Coupon securities, by maturity												
18 Less than 3.5 years	1,762	2,216	1,915	1,815	2,373	1,962	2,037	1,418	2,240	2,060	2,440	2,293
19 3.5 to 7.5 years	1,326	1,329	1,853	1,952	2,224	1,857	1,820	1,545	1,151	1,501	865	1,511
20 7.5 to 15 years	1,969	2,713	2,950	2,311	2,482	3,859	3,283	2,336	2,949	3,380	3,283	2,585
21 15 years or more	9,621r	10,152	10,091	8,153	10,535	12,172	10,808	7,712	11,297	11,165	11,234	9,690
Federal agency securities												
Debt, maturing in												
22 Less than 3.5 years	20	81	67	182	8	13	132	59	52	151	50	32
23 3.5 to 7.5 years	61	147	88	87	156	141	58	11	84	10	NA	68
24 7.5 years or more	37	44	13	44	8	13	12	6	7	19	21	32
Mortgage-backed												
25 Pass-throughs[3]	16,925	15,902	16,571	12,766	17,497	17,826	15,341	17,327	18,013	22,966	16,206	15,725
26 Others	3,246	2,832	2,476	2,755	1,845	2,490	2,410	2,920	2,218	1,862	1,754	1,363
OPTIONS TRANSACTIONS[5]												
By type of underlying security												
U.S. Treasury, coupon securities, by maturity												
27 Less than 3.5 years	1,550	1,431	1,084	784	1,365	1,052	807	1,287	1,259	1,569	1,388	1,047
28 3.5 to 7.5 years	635	433	618	301	619	603	808	568	654	1,180	730	706
29 7.5 to 15 years	685	1,054	825	1,070	1,132	633	1,064	436	787	515	834	751
30 15 years or more	2,520	2,795	2,009	1,471	2,469	1,700	3,000	1,174	1,392	1,743	1,569	1,726
Federal agency, mortgage-backed securities												
31 Pass-throughs	499	343	452	427	1,079	401	308	155	402	371	211	212

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Averages for transactions are based on the number of trading days in the period. Immediate, forward, and 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 as collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), interest-only securities (IOs), and principal-only securities (POs).

4. Futures transactions are standardized agreements arranged on an exchange. Forward transactions are agreements made in the over-the-counter market that specify delayed delivery. All futures transactions are included regardless of time to delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five 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 formerly shown under options transactions for U.S. Treasury securities, bills; Federal agency securities, debt; and mortgage-backed securities, other than pass-throughs are no longer available because of insufficient activity.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing[1]

Millions of dollars

Item	1992			1992, week ending							
	July	Aug.	Sept.	Sept. 2	Sept. 9	Sept. 16	Sept. 23	Sept. 30	Oct. 7	Oct. 14	Oct. 21
	Positions[2]										
NET IMMEDIATE POSITIONS[3]											
By type of security											
U.S. Treasury securities											
1 Bills	10,399	8,264	14,539	12,122	13,595	12,450	18,295	14,507	13,176	13,663	12,162
Coupon securities, by maturity											
2 Less than 3.5 years	−7,674	−2,799	−1,572	−3,427	−3,476	−4,158	−130	2,004	4,193	−303	−1,491
3 3.5 to 7.5 years	−7,629	−10,045	−13,636[r]	−11,916	−15,727	−14,788	−10,164	−14,355	−15,049	−14,011	−15,442
4 7.5 to 15 years	−6,825	−6,464	−10,785	−7,148	−8,733	−10,700	−11,045	−13,701	−14,535	−12,729	−11,429
5 15 years or more	2,970	5,204	5,795	5,212	5,926	5,119	5,654	6,647	6,963	8,356	5,902
Federal agency securities											
Debt, maturing in											
6 Less than 3.5 years	4,944	6,256	6,040	7,348	6,432	5,595	7,071	4,688	6,027	7,372	6,727
7 3.5 to 7.5 years	2,908	3,194	3,033	3,096	3,106	2,964	2,942	3,102	3,074	3,069	2,865
8 7.5 years or more	3,481	4,233	4,285	4,543	4,569	4,319	4,366	3,811	4,361	4,305	4,191
Mortgage-backed											
9 Pass-throughs	30,255	30,749	29,518[r]	21,604	33,745	37,553	30,419	18,616	28,245	39,763	32,132
10 All others[4]	22,090	23,366	27,455[r]	24,863	24,672	26,538	27,493	31,859	26,362	26,100	25,901
Other money market instruments											
11 Certificates of deposit	2,811	3,734	3,852	4,042	3,600	4,254	3,558	3,943	4,196	3,530	2,924
12 Commercial paper	6,021	5,542	6,389	5,941	6,545	6,919	5,713	6,509	6,663	7,379	4,842
13 Bankers acceptances	1,158	978	1,053	1,019	1,023	1,066	793	1,338	708	640	685
FUTURES AND FORWARD POSITIONS[5]											
By type of deliverable security											
U.S. Treasury securities											
14 Bills	−6,214	−6,189	−5,557	−4,055	−5,734	−8,014	−6,015	−2,894	−7,586	−4,607	1,221
Coupon securities, by maturity											
15 Less than 3.5 years	2,260	1,543	1,448	1,354	1,826	1,807	1,876	309	711	291	261
16 3.5 to 7.5 years	3,031	3,030	2,012[r]	2,050	1,639	1,662	2,608	2,129	3,074	1,814	2,455
17 7.5 to 15 years	−450	399	526[r]	−121	−463	44	246	2,463	2,999	1,617	2,453
18 15 years or more	−7,899[r]	−7,645	−4,380	−5,384	−6,061	−4,254	−2,891	−4,025	−3,479	−4,468	−4,552
Federal agency securities											
Debt, maturing in											
19 Less than 3.5 years	59	3	−10	65	−23	7	14	−58	136	361	77
20 3.5 to 7.5 years	−79	−2	−73	2	−76	−153	14	−98	−69	−62	16
21 7.5 years or more	45	−20	−44	−70	−81	−70	−10	−8	8	59	−44
Mortgage-backed											
22 Pass-throughs	−20,201	−18,255	−13,731	−8,463	−17,543	−22,571	−14,714	−1,599	−11,667	−23,833	−13,734
23 All others[4]	4,672	5,955	6,241	4,862	6,272	7,347	7,466	4,272	6,120	6,299	6,162
24 Certificates of deposit	−232,567	−251,401	−242,241	−250,638	−251,740	−257,037	−226,981	−230,805	−203,358	−180,858	−159,387
	Financing[6]										
Reverse repurchase agreements											
25 Overnight and continuing	214,805	218,808	209,905	209,252	220,175	214,663	202,961	202,009	214,339	223,501	210,604
26 Term	315,020	320,431	310,234	295,997	313,881	333,993	343,265	253,866	328,676	330,562	348,644
Repurchase agreements											
27 Overnight and continuing	356,881	361,098	369,411[r]	363,112	376,527	379,964	371,852	351,100	379,870	399,164	388,641
28 Term	287,022	300,209	285,332	271,228	282,138	307,902	321,059	234,258	299,232	303,155	322,762
Securities borrowed											
29 Overnight and continuing	92,740	97,726	100,438	99,204	102,780	103,327	103,169	92,827	97,890	100,174	104,332
30 Term	37,846	40,171	42,957	42,404	42,274	42,940	45,998	40,774	43,698	43,066	44,878
Securities loaned											
31 Overnight and continuing	8,173	8,822	9,802	8,723	9,398	9,491	10,547	10,080	9,617	10,552	10,417
32 Term	1,008	1,496	854	790	667	839	1,317	613	635	498	779
Collateralized loans											
33 Overnight and continuing	17,919	19,635	17,750[r]	18,886	17,366	17,416	17,475	18,419	17,536	16,833	16,527
MEMO: Matched book[7]											
Reverse repurchase agreements											
34 Overnight and continuing	152,606	151,137	144,415	142,383	150,089	148,377	141,458	138,317	147,193	152,355	141,889
35 Term	269,912	272,361	267,773[r]	253,585	269,694	288,004	294,999	222,450	289,415	289,497	300,393
Repurchase agreements											
36 Overnight and continuing	194,278	182,822	188,263	190,283	188,294	195,613	183,730	184,839	198,684	207,204	197,181
37 Term	212,775	229,511	215,996[r]	201,772	218,264	233,305	243,500	172,981	233,074	231,490	242,405

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 are standardized contracts arranged on an exchange. Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. All futures positions are included regardless of time to delivery. Forward contracts for U.S. Treasury securities and 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 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.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1988	1989	1990	1991	1992				
					Apr.	May	June	July	Aug.
1 **Federal and federally sponsored agencies**	**381,498**	**411,805**	**434,668**	**442,772**	**449,472**	**449,561**	**457,182**	**456,885**	**464,289**
2 Federal agencies	35,668	35,664	42,159	41,035	40,788	40,535	40,388	39,773	40,034
3 Defense Department[1]	8	7	7	7	7	7	7	7	7
4 Export-Import Bank[2,3]	11,033	10,985	11,376	9,809	8,644	8,644	8,156	8,156	8,156
5 Federal Housing Administration[4]	150	328	393	397	419	427	432	194	229
6 Government National Mortgage Association certificates of participation[5]	0	0	0	0	0	0	0	0	0
7 Postal Service[6]	6,142	6,445	6,948	8,421	9,771	9,771	10,123	10,123	10,123
8 Tennessee Valley Authority	18,335	17,899	23,435	22,401	21,947	21,686	21,670	21,293	21,519
9 United States Railway Association[6]	0	0	0	0	0	0	0	0	0
10 Federally sponsored agencies[7]	345,830	375,407	392,509	401,737	408,684	409,026	416,794	417,112	424,255
11 Federal Home Loan Banks	135,836	136,108	117,895	107,543	107,011	106,368	106,050	107,343	108,564
12 Federal Home Loan Mortgage Corporation	22,797	26,148	30,941	30,262	25,233	27,612	32,479	33,959	34,295
13 Federal National Mortgage Association	105,459	116,064	123,403	133,937	145,856	144,655	149,013	147,377	150,280
14 Farm Credit Banks[8]	53,127	54,864	53,590	52,199	52,368	52,080	51,805	49,241	52,137
15 Student Loan Marketing Association[9]	22,073	28,705	34,194	38,319	38,739	38,885	38,020	39,765	39,552
16 Financing Corporation[10]	5,850	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation[11]	690	847	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation[12]	0	4,522	23,055	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 **Federal Financing Bank debt**[13]	**142,850**	**134,873**	**179,083**	**185,576**	**186,879**	**179,617**	**180,848**	**177,700**	**174,003**
Lending to federal and federally sponsored agencies									
20 Export-Import Bank[3]	11,027	10,979	11,370	9,803	8,638	8,638	8,150	8,150	8,150
21 Postal Service[6]	5,892	6,195	6,698	8,201	9,551	9,551	9,903	9,903	9,903
22 Student Loan Marketing Association	4,910	4,880	4,850	4,820	4,820	4,820	4,820	4,820	4,820
23 Tennessee Valley Authority	16,955	16,519	14,055	10,725	9,325	9,025	9,025	8,475	7,275
24 United States Railway Association[6]	0	0	0	0	0	0	0	0	0
Other lending[14]									
25 Farmers Home Administration	58,496	53,311	52,324	48,534	47,634	45,434	44,784	43,209	43,009
26 Rural Electrification Administration	19,246	19,265	18,890	18,562	18,440	18,473	18,199	18,227	18,238
27 Other	26,324	23,724	70,896	84,931	88,471	83,676	85,967	84,916	82,608

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 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration, the Department of Health, Education, and Welfare, the Department of Housing and Urban Development, the Small Business Administration, and the Veterans' Administration.
6. Off-budget.
7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Some data are estimated.
8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, shown in line 17.
9. Before late 1982, the Association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 22.
10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.
11. The Farm Credit Financial Assistance Corporation, established in January 1988 to provide assistance to the Farm Credit System, undertook its first borrowing in July 1988.
12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.
13. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. 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.

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1989	1990	1991	1992 Mar.	Apr.	May	June	July	Aug.	Sept.[r]	Oct.
1 **All issues, new and refunding[1]**	**113,646**	**120,339**	**154,402**	**17,064**	**16,922**	**16,935**	**24,084**	**17,386**	**19,774**	**18,698**	**21,092**
By type of issue											
2 General obligation	35,774	39,610	55,100	6,432	5,251	5,995	8,806	7,136	7,005	7,461	7,733
3 Revenue	77,873	81,295	99,302	10,632	11,671	10,940	15,278	10,250	12,769	11,237	13,359
By type of issuer											
4 State	11,819	15,149	24,939	3,174	575	1,165	2,063	2,836	1,933	1,710	2,742
5 Special district or statutory authority[2]	71,022	72,661	80,614	8,619	11,583	11,031	16,477	10,040	11,203	11,054	13,113
6 Municipality, county, or township	30,805	32,510	48,849	5,271	4,764	4,739	5,544	4,510	5,638	5,934	5,237
7 **Issues for new capital, total**	**84,062**	**103,235**	**116,953**	**10,637**	**9,020**	**9,259**	**14,096**	**7,565**	**11,993**	**10,496**	**13,760**
By use of proceeds											
8 Education	15,133	17,042	21,121	1,075	2,208	1,651	2,132	1,747	1,737	1,237	2,083
9 Transportation	6,870	11,650	13,395	1,412	921	1,669	2,618	571	2,130	1,977	1,364
10 Utilities and conservation	11,427	11,739	21,039	2,104	1,380	771	1,851	629	2,604	2,265	3,340
11 Social welfare	16,703	23,099	25,648	1,811	2,582	2,045	4,266	887	767	1,869	2,365
12 Industrial aid	5,036	6,117	8,376	528	558	133	724	91	503	1,176	367
13 Other purposes	28,894	34,607	30,275	3,707	1,371	2,990	2,505	3,640	4,252	1,972	4,241

1. Par amounts of long-term issues based on date of sale.
2. Since 1986, has included school districts.

SOURCES. *Investment Dealer's Digest* beginning April 1990. Securities Data/Bond Buyer Municipal Data Base beginning 1986. Public Securities Association for earlier data.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1989	1990	1991[r]	1992 Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
1 **All issues[1]**	**377,836**	**339,052**	**465,389**	**37,494**	**38,303**	**28,948**	**44,947**	**47,985**	**46,170[r]**	**36,855[r]**	**42,468**
2 **Bonds[2]**	**319,965**	**298,814**	**389,968**	**27,958**	**31,946**	**23,610**	**38,031**	**38,988**	**39,693[r]**	**31,579[r]**	**37,158**
By type of offering											
3 Public, domestic	179,694	188,778	287,076	26,331	29,417	22,236	35,059	35,960	37,768[r]	28,350[r]	36,300
4 Private placement, domestic[3]	117,420	86,982	74,930	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	22,851	23,054	27,962	1,626	2,529	1,373	2,972	3,027	1,924	3,254[r]	1,200
By industry group											
6 Manufacturing	74,736[r]	51,779[r]	86,627	3,940	8,955	4,170	6,046	7,263	5,509	4,720[r]	5,610
7 Commercial and miscellaneous	50,268[r]	40,719[r]	36,681	1,664	3,670	2,351	2,472	1,630	3,476	2,230	2,253
8 Transportation	10,221[r]	12,776[r]	13,598	1,004	641	140	621	899	766	393	677
9 Public utility	18,611[r]	17,621	23,949	3,569	1,896	3,462	3,041	4,251	6,909	4,401	5,218
10 Communication	9,276[r]	6,687[r]	9,431	416	725	1,205	1,590	1,028	2,081	1,053[r]	1,156
11 Real estate and financial	156,853[r]	169,231	219,682	17,364	16,060	12,282	24,261	23,916	20,951[r]	18,783[r]	22,243
12 **Stocks[2]**	**57,870**	**40,165**	**75,467**	**9,536**	**6,357**	**5,338**	**6,916**	**8,997**	**6,477**	**5,276**	**5,310**
By type of offering											
13 Public preferred	6,194	3,998	17,408	4,306	625	334	1,552	2,916	2,413	1,148	1,233
14 Common	26,030	19,443	47,860	5,230	5,732	5,004	5,364	6,081	4,064	4,129	4,077
15 Private placement[3]	25,647	16,736	10,109	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By industry group											
16 Manufacturing	9,308	5,649	24,154	2,541	2,637	1,523	2,499	3,000	857	713	307
17 Commercial and miscellaneous	7,446	10,171	19,418	3,194	1,595	1,162	2,010	1,070	1,599	1,287	487
18 Transportation	n.a.[r]	n.a.[r]	n.a.	n.a.[r]	n.a.[r]	n.a.	n.a.[r]	n.a.[r]	n.a.	n.a.	n.a.
19 Public utility	3,090	416	3,474	489	704	577	826	610	564	921	595
20 Communication	n.a.[r]	n.a.[r]	n.a.	n.a.	n.a.[r]	n.a.[r]	n.a.[r]	n.a.	n.a.	n.a.	n.a.
21 Real estate and financial	34,028	19,738	25,507	3,234	1,175	1,691	1,324	3,254	3,457	2,327	2,695

1. Figures represent gross proceeds of issues maturing in more than one year; they are the principal amount or number of units calculated by multiplying by the offering price. Figures exclude secondary offerings, employee stock plans, investment companies other than closed-end, intracorporate transactions, equities sold abroad, and Yankee bonds. Stock data include ownership securities issued by limited partnerships.
2. Monthly data cover only public offerings.
3. Monthly data are not available.

SOURCES. IDD Information Services, Inc., the Board of Governors of the Federal Reserve System, and, before 1989, the U.S. Securities and Exchange Commission.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets

Millions of dollars

Item[1]	1990	1991	1992 Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
1 **Sales of own shares[2]**	**344,420**	**464,488**	**48,015**	**50,462**	**52,309**	**48,127**	**51,457**	**54,915**	**50,627**	**50,378**
2 Redemptions of own shares	288,441	342,088	30,869	35,464	39,302	31,409	37,457	34,384	35,223	37,887
3 Net sales[3]	55,979	122,400	17,146	14,998	13,007	16,718	14,000	20,703	15,404	12,491
4 **Assets[4]**	**568,517**	**807,001**	**846,868**	**848,842**	**870,011**	**897,211**	**911,218**	**951,806**	**957,145**	**977,321**
5 Cash[5]	48,638	60,937	64,022	64,216	67,632	67,270	69,508	72,732	77,245	77,380
6 Other	519,875	746,064	782,846	781,626	802,379	829,941	841,710	879,074	879,900	899,941

1. 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.
2. Includes reinvestment of dividends. Excludes reinvestment of capital gains distributions.
3. Does not includes sales or redemptions resulting from transfers of shares into or out of money market mutual funds within the same fund family.
4. Market value at end of period, less current liabilities.
5. Includes all U.S. Treasury securities and other short-term debt securities.

SOURCE. Investment Company Institute. Data based on reports of membership, which comprises substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect underwritings of new companies.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1989	1990	1991	1990 Q4	1991 Q1	1991 Q2	1991 Q3	1991 Q4	1992 Q1	1992 Q2	1992 Q3
1 Profits with inventory valuation and capital consumption adjustment	362.8	361.7	346.3	344.0	349.6	347.3	341.2	347.1	384.0	388.4	370.4
2 Profits before taxes	342.9	355.4	334.7	354.7	337.6	332.3	336.7	332.3	366.1	376.8	350.5
3 Profits tax liability	141.3	136.7	124.0	133.7	121.3	122.9	127.0	125.0	136.4	144.1	131.7
4 Profits after taxes	201.6	218.7	210.7	221.0	216.3	209.4	209.6	207.4	229.7	232.7	218.8
5 Dividends	134.6	149.3	146.5	151.9	150.6	146.2	145.1	143.9	143.6	146.6	151.1
6 Undistributed profits	67.1	69.4	64.2	69.1	65.7	63.2	64.5	63.4	86.2	86.1	67.7
7 Inventory valuation	−17.5	−14.2	3.1	−21.2	6.7	9.9	−4.8	.7	−5.4	−15.5	−9.8
8 Capital consumption adjustment	37.4	20.5	8.4	10.5	5.3	5.1	9.3	14.1	23.3	27.0	29.7

SOURCE. U.S. Department of Commerce, *Survey of Current Business.*

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

Billions of dollars; quarterly data at seasonally adjusted annual rates

Industry	1990	1991	1992[1]	1991 Q1	1991 Q2	1991 Q3	1991 Q4	1992 Q1	1992 Q2	1992 Q3	1992 Q4[1]
1 **Total nonfarm business**	**532.61**	**528.39**	**551.03**	**534.27**	**525.02**	**526.59**	**529.87**	**535.72**	**540.91**	**565.16**	**562.36**
Manufacturing											
2 Durable goods industries	82.58	77.64	75.70	80.99	79.31	74.94	76.40	74.19	74.26	76.10	78.25
3 Nondurable goods industries	110.04	105.17	101.72	109.84	107.20	102.55	102.66	99.79	97.52	106.69	102.86
Nonmanufacturing											
4 Mining	9.88	10.02	9.21	9.94	10.08	10.09	9.99	8.87	9.18	9.76	9.01
Transportation											
5 Railroad	6.40	5.95	6.74	5.68	6.25	6.32	5.44	6.65	6.50	7.08	6.74
6 Air	8.87	10.17	9.58	10.89	9.95	9.61	10.41	8.86	9.75	9.60	10.12
7 Other	6.20	6.54	7.34	6.41	6.67	6.63	6.45	6.37	7.27	7.77	7.95
Public utilities											
8 Electric	44.10	43.76	48.85	43.62	43.09	43.27	44.75	46.06	48.45	50.16	50.74
9 Gas and other	23.11	22.82	23.85	23.40	22.00	23.25	22.67	22.75	24.19	24.37	24.11
10 Commercial and other[2]	241.43	246.32	268.05	243.51	240.46	249.94	251.11	262.17	263.80	273.62	272.59

1. Figures are amounts anticipated by business.
2. "Other" consists of construction, wholesale and retail trade, finance and insurance, personal and business services, and communication.

SOURCE. U.S. Department of Commerce, *Survey of Current Business.*

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period; not seasonally adjusted

Account	1989	1990	1991	1990	1991				1992	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2
ASSETS										
1 Accounts receivable, gross[1]	462.9	492.9	480.3	492.9	482.9	488.5	484.7	480.3	475.7	477.0
2 Consumer	138.9	133.9	121.9	133.9	127.1	127.5	125.3	121.9	118.4	116.7
3 Business	270.2	293.5	292.6	293.5	291.7	295.2	293.2	292.6	291.6	293.9
4 Real estate	53.8	65.5	65.8	65.5	64.1	65.7	66.2	65.8	65.8	66.4
5 LESS: Reserves for unearned income	54.7	57.6	55.1	57.6	57.2	58.0	57.6	55.1	53.6	51.2
6 Reserves for losses	8.4	9.6	12.9	9.6	10.7	11.1	13.1	12.9	13.0	12.3
7 Accounts receivable, net	399.8	425.7	412.3	425.7	415.0	419.3	414.1	412.3	409.1	413.6
8 All other	102.6	113.9	149.0	113.9	118.7	122.8	136.4	149.0	145.5	139.4
9 **Total assets**	**502.4**	**539.6**	**561.2**	**539.6**	**533.7**	**542.1**	**550.5**	**561.2**	**554.6**	**553.0**
LIABILITIES AND CAPITAL										
10 Bank loans	27.0	31.0	42.3	31.0	35.6	36.9	39.6	42.3	38.0	37.8
11 Commercial paper	160.7	165.3	159.5	165.3	155.5	156.1	156.8	159.5	154.4	147.7
Debt										
12 Other short-term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Long-term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Due to parent	35.2	37.5	34.5	37.5	32.4	34.2	36.5	34.5	34.5	34.8
15 Not elsewhere classified	162.7	178.2	191.3	178.2	182.4	184.5	185.0	191.3	189.8	191.9
16 All other liabilities	61.5	63.9	69.0	63.9	64.3	67.1	68.8	69.0	72.0	73.4
17 Capital, surplus, and undivided profits	55.2	63.7	64.8	63.7	63.4	63.3	63.8	64.8	66.0	67.1
18 **Total liabilities and capital**	**502.4**	**539.6**	**561.2**	**539.6**	**533.7**	**542.1**	**550.5**	**561.2**	**554.6**	**548.4**

1.52 DOMESTIC FINANCE COMPANIES Business Credit Outstanding and Net Change[1]

Millions of dollars, end of period; seasonally adjusted except as noted

Type of credit	1989	1990	1991	1992					
				Apr.	May	June	July	Aug.[r]	Sept.
	SEASONALLY ADJUSTED								
1 **Total**	**481,436**	**523,023**	**519,573**	**520,242**	**519,668**	**520,804**	**522,834**	**528,117**	**526,862**
2 Consumer	157,766	161,070	154,786	156,103	154,989	154,850	153,588	154,729	156,360
3 Real estate[2]	53,518	65,147	65,388	67,032	66,898	66,433	66,843	67,753	67,697
4 Business	270,152	296,807	299,400	297,107	297,781	299,521	302,403	305,634	302,805
	NOT SEASONALLY ADJUSTED								
5 **Total**	**484,566**	**526,441**	**522,853**	**522,017**	**520,682**	**524,587**	**522,686**	**523,448**	**524,029**
6 Consumer	158,542	161,965	155,677	155,106	154,414	154,859	154,099	155,529	157,161
7 Motor vehicles	84,126	75,045	63,413	61,717	59,399	60,056	60,400	60,393	60,507
8 Other consumer[3]	54,732	58,818	58,488	56,647	56,740	56,634	56,568	56,782	56,844
9 Securitized motor vehicles[4]	13,690	19,837	23,166	24,697	26,529	26,195	25,392	26,852	28,204
10 Securitized other consumer[4]	5,994	8,265	10,610	12,045	11,746	11,974	11,739	11,503	11,606
11 Real estate[2]	53,781	65,509	65,764	66,604	66,650	66,437	67,065	68,104	68,044
12 Business	272,243	298,967	301,412	300,307	299,618	303,291	301,522	299,815	298,824
13 Motor vehicles	90,416	92,072	90,319	89,105	88,585	90,075	87,686	85,745	84,560
14 Retail[5]	29,505	26,401	22,507	20,842	20,143	20,674	21,086	20,743	19,706
15 Wholesale[6]	34,093	33,573	31,216	31,161	30,893	30,505	27,158	n.a.	n.a.
16 Leasing	26,818	32,098	36,596	37,102	37,549	38,896	39,443	39,889	39,506
17 Equipment	122,246	137,654	141,399	143,510	143,431	145,994	145,787	145,790	147,926
18 Retail	29,828	31,968	30,962	31,824	31,569	32,610	32,370	32,250	31,571
19 Wholesale[6]	6,452	11,101	9,671	9,217	9,116	9,194	9,128	9,084	8,994
20 Leasing	85,966	94,585	100,766	102,469	102,746	104,190	104,289	104,455	107,361
21 Other business[7]	57,560	63,774	60,887	59,573	59,291	57,586	59,099	59,013	56,792
22 Securitized business assets[4]	n.a.	5,467	8,807	8,119	8,311	9,636	8,951	9,268	9,546
23 Retail	710	667	576	206	196	178	170	158	152
24 Wholesale	n.a.	3,281	5,285	5,137	5,147	5,231	4,649	5,193	5,378
25 Leasing	1,311	1,519	2,946	2,776	2,968	4,227	4,132	3,917	4,016

1. Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data are before deductions for unearned income and losses. Data in this table also appear in the Board's G.20 (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 goods such as appliances, apparel, general merchandise, and recreation vehicles.
4. Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.
5. Passenger car fleets and commercial land vehicles for which licenses are required.
6. Credit arising from transactions between manufacturers and dealers, that is, floor plan financing.
7. 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 Conventional Mortgages on New Homes

Millions of dollars, except as noted

Item	1989	1990	1991	1992 Apr.	May	June	July	Aug.	Sept.	Oct.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms[1]										
1 Purchase price (thousands of dollars)	159.6	153.2	155.0	154.7	167.0	162.5	158.7	154.4	173.5	148.4
2 Amount of loan (thousands of dollars)	117.0	112.4	114.0	110.2	123.2	122.7	119.7	116.1	132.6	113.6
3 Loan-price ratio (percent)	74.5	74.8	75.0	72.9	76.1	76.9	77.3	77.3	77.5	78.7
4 Maturity (years)	28.1	27.3	26.8	24.5	25.2	26.6	26.4	25.0	26.4	24.8
5 Fees and charges (percent of loan amount)[2]	2.06	1.93	1.71	1.84	1.75	1.88	1.69	1.57	1.19	1.62
6 Contract rate (percent per year)	9.76	9.68	9.02	8.29	8.21	8.26	8.30	8.15	7.81	7.72
Yield (percent per year)										
7 OTS series[3]	10.11	10.01	9.30	8.65	8.51	8.58	8.59	8.43	8.00	8.00
8 HUD series[4]	10.21	10.08	9.20	8.74	8.91	8.78	8.66	8.42	8.14	8.01
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (HUD series)[5]	10.24	10.17	9.25	8.74	8.85	8.79	8.66	8.56	8.12	8.08
10 GNMA securities[6]	9.71	9.51	8.59	8.01	8.20	8.10	8.00	7.90	7.63	7.28
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	104,974	113,329	122,837	133,399	136,506	139,808	140,899	142,148	142,465	142,246
12 FHA/VA-insured	19,640	21,028	21,702	21,980	21,902	21,914	21,924	22,218	22,263	22,199
13 Conventional	85,335	92,302	101,135	111,419	114,604	117,894	118,975	119,930	120,202	120,047
Mortgage transactions (during period)										
14 Purchases	22,518	23,959	37,202	5,358	7,282	7,258	5,576	5,809	4,191	3,651
Mortgage commitments (during period)[7]										
15 Issued[8]	n.a.	23,689	40,010	6,589	6,738	5,400	4,392	4,662	4,663	6,053
16 To sell[9]	n.a.	5,270	7,608	343	1,143	2,219	1,695	1,831	807	10
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[9]										
17 Total	20,105	20,419	24,131	27,030	28,821	30,077	28,710	28,621	n.a.	n.a.
18 FHA/VA-insured	590	547	484	450	446	438	432	426	n.a.	n.a.
19 Conventional	19,516	19,871	23,283	26,580	28,376	29,639	28,278	28,195	n.a.	n.a.
Mortgage transactions (during period)										
20 Purchases	78,588	75,517	97,727	12,190	16,001	18,109	16,405	14,222	n.a.	n.a.
21 Sales	73,446	73,817	92,478	11,998	13,639	16,139	17,214	13,740	12,210	11,984
Mortgage commitments (during period)[10]										
22 Contracted	88,519	102,401	114,031	23,278	19,098	23,748	13,334	19,114	n.a.	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups; compiled by the Federal Housing Finance Board in cooperation with the Federal Deposit Insurance Corporation.
2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.
3. Average effective interest rates on loans closed, assuming prepayment at the end of ten years; from Office of Thrift Supervision (OTS).
4. Average contract rates on new commitments for conventional first mortgages; from U.S. Department of Housing and Urban Development (HUD).
5. Average gross yields on thirty-year, minimum-downpayment, first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month. Large monthly movements of average yields may reflect market adjustments to changes in maximum permissible contract rates.
6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs carrying the prevailing ceiling rate. Monthly figures are averages of Friday figures from the *Wall Street Journal*.
7. Includes some multifamily and nonprofit hospital loan commitments in addition to one- to four-family loan commitments accepted in the Federal National Mortgage Association's (FNMA's) free market auction system, and through the FNMA-GNMA tandem plans.
8. Does not include standby commitments issued, but includes standby commitments converted.
9. Includes participation loans as well as whole loans.
10. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, while the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING[1]

Millions of dollars, end of period

Type of holder and property	1988	1989	1990	1991			1992	
				Q2	Q3	Q4	Q[r]	Q2[p]
1 **All holders**	**3,275,697**	**3,561,685**	**3,807,306**	**3,898,924**	**3,912,518**	**3,927,396**	**3,971,687**	**3,999,102**
By type of property								
2 One- to four-family residences	2,203,973	2,432,222	2,649,436	2,726,425	2,758,976	2,781,078	2,833,365	2,873,755
3 Multifamily residences	292,590	304,612	310,619	315,404	308,047	308,844	308,510	301,007
4 Commercial	693,888	740,826	763,281	773,315	762,330	754,300	746,902	740,760
5 Farm	85,247	84,025	83,969	83,779	83,165	83,173	82,910	83,579
By type of holder								
6 Major financial institutions	1,831,472	1,931,537	1,914,315	1,898,492	1,860,710	1,846,910	1,825,983	1,807,045
7 Commercial banks[2]	674,003	767,069	844,826	871,416	870,937	876,284	880,377	884,598
8 One- to four-family	334,367	389,632	455,931	476,363	478,851	486,572	492,910	496,518
9 Multifamily	33,912	38,876	37,015	37,564	36,398	37,424	37,710	38,314
10 Commercial	290,254	321,906	334,648	339,450	337,365	333,852	330,837	330,229
11 Farm	15,470	16,656	17,231	18,039	18,323	18,436	18,919	19,538
12 Savings institutions[3]	924,606	910,254	801,628	755,403	719,679	705,367	682,338	660,547
13 One- to four-family	671,722	669,220	600,154	570,015	547,799	538,358	524,536	509,397
14 Multifamily	110,775	106,014	91,806	86,483	81,883	79,881	77,166	74,837
15 Commercial	141,433	134,370	109,168	98,457	89,595	86,741	80,278	75,969
16 Farm	676	650	500	448	402	388	358	345
17 Life insurance companies	232,863	254,214	267,861	271,674	270,094	265,258	263,269	261,900
18 One- to four-family	11,164	12,231	13,005	11,743	11,720	11,547	11,214	11,087
19 Multifamily	24,560	26,907	28,979	30,006	29,962	29,562	29,693	29,745
20 Commercial	187,549	205,472	215,121	219,204	218,179	214,105	212,865	211,913
21 Farm	9,590	9,604	10,756	10,721	10,233	10,044	9,497	9,155
22 Finance companies[4]	37,846	45,476	48,777	48,972	50,658	51,567	50,573	55,933
23 Federal and related agencies	200,570	209,498	250,761	276,797	282,115	282,856	296,664	297,618
24 Government National Mortgage Association	26	23	20	20	20	19	19	23
25 One- to four-family	26	23	20	20	20	19	19	23
26 Multifamily	0	0	0	0	0	0	0	0
27 Farmers Home Administration[5]	42,018	41,176	41,439	41,430	41,566	41,713	41,791	41,628
28 One- to four-family	18,347	18,422	18,527	18,521	18,598	18,496	18,488	17,718
29 Multifamily	8,513	9,054	9,640	9,898	9,990	10,141	10,270	10,356
30 Commercial	5,343	4,443	4,690	4,750	4,829	4,905	4,961	4,998
31 Farm	9,815	9,257	8,582	8,261	8,149	8,171	8,072	8,557
32 Federal Housing and Veterans' Administrations	5,973	6,087	8,801	10,210	10,057	10,733	11,332	11,798
33 One- to four-family	2,672	2,875	3,593	3,729	3,649	4,036	4,254	4,124
34 Multifamily	3,301	3,212	5,208	6,480	6,408	6,697	7,078	7,674
35 Federal National Mortgage Association	103,013	110,721	116,628	122,806	125,451	128,983	136,506	142,148
36 One- to four-family	95,833	102,295	106,081	111,560	113,696	117,087	124,137	129,392
37 Multifamily	7,180	8,426	10,547	11,246	11,755	11,896	12,369	12,756
38 Federal Land Banks	32,115	29,640	29,416	29,152	29,053	28,777	28,776	28,775
39 One- to four-family	1,890	1,210	1,838	2,041	2,124	1,693	1,693	1,693
40 Farm	30,225	28,430	27,577	27,111	26,929	27,084	27,083	27,082
41 Federal Home Loan Mortgage Corporation	17,425	21,851	21,857	23,649	23,906	26,809	28,895	28,621
42 One- to four-family	15,077	18,248	19,185	21,120	21,489	24,125	26,182	26,001
43 Multifamily	2,348	3,603	2,672	2,529	2,417	2,684	2,713	2,620
44 Mortgage pools or trusts[6]	811,847	946,766	1,110,555	1,188,626	1,229,836	1,262,685	1,302,217	1,339,172
45 Government National Mortgage Association	340,527	368,367	403,613	416,082	422,500	425,295	421,977	422,922
46 One- to four-family	331,257	358,142	391,505	403,679	412,715	415,767	412,574	413,828
47 Multifamily	9,270	10,225	12,108	12,403	9,785	9,528	9,404	9,094
48 Federal Home Loan Mortgage Corporation	226,406	272,870	316,359	341,132	348,843	359,163	367,878	382,797
49 One- to four-family	219,988	266,060	308,369	332,624	341,183	351,906	360,887	376,177
50 Multifamily	6,418	6,810	7,990	8,509	7,660	7,257	6,991	6,620
51 Federal National Mortgage Association	178,250	228,232	299,833	331,089	351,917	371,984	389,853	413,226
52 One- to four-family	172,331	219,577	291,194	322,444	343,430	362,667	380,617	403,940
53 Multifamily	5,919	8,655	8,639	8,645	8,487	9,317	9,236	9,286
54 Farmers Home Administration[5]	104	80	66	55	52	47	43	43
55 One- to four-family	26	21	17	13	12	11	10	9
56 Multifamily	0	0	0	0	0	0	0	0
57 Commercial	38	26	24	21	20	19	18	18
58 Farm	40	33	26	21	20	17	16	15
59 Individuals and others[7]	431,808	473,884	531,674	535,009	539,858	534,945	546,823	555,267
60 One- to four-family	262,713	297,050	333,532	333,256	336,711	330,062	340,561	348,631
61 Multifamily	80,394	82,830	87,950	87,002	87,351	87,440	86,975	86,390
62 Commercial	69,270	74,609	90,894	95,573	96,687	98,409	100,321	101,358
63 Farm	19,431	19,395	19,298	19,178	19,109	19,034	18,966	18,887

1. 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.

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

3. Includes savings banks and savings and loan associations. Beginning 1987:1, data reported by institutions insured by the Federal Savings and Loan Insurance Corporation include loans in process and other contra-assets (credit balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels).

4. Assumed to be entirely loans on one- to four-family residences.

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

6. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated. Includes private pools, which are not shown as a separate line item.

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

1.55 CONSUMER INSTALLMENT CREDIT Total Outstanding[1]

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1989	1990	1991	1992					
				Apr.	May	June	July	Aug.[r]	Sept.
	Seasonally adjusted								
1 **Total**	**716,825**	**735,338**	**727,799**	**723,821**	**722,928**	**722,919**	**721,820**	**720,664**	**722,271**
2 Automobile	292,002	284,993	263,003	260,376	259,834	257,339	257,743	256,944	257,853
3 Revolving	199,308	222,950	242,785	245,905	246,220	247,418	247,332	248,043	249,867
4 Other	225,515	227,395	222,012	217,541	216,874	218,162	216,744	215,677	214,550
	Not seasonally adjusted								
5 **Total**	**728,877**	**748,524**	**742,058**	**718,676**	**718,420**	**719,845**	**718,599**	**721,985**	**724,371**
By major holder									
6 Commercial banks	342,770	347,087	339,565	326,205	324,791	324,171	323,899	323,866	324,046
7 Finance companies	138,858	133,863	121,901	118,364	116,138	116,690	117,002	117,175	117,351
8 Credit unions	93,114	93,057	92,254	91,339	91,605	92,340	91,778	92,270	92,286
9 Retailers	44,154	44,822	44,030	39,553	37,824	37,438	37,219	38,791	38,778
10 Savings institutions	57,253	46,969	40,315	36,499	36,224	35,782	35,552	35,378	35,069
11 Gasoline companies	3,935	4,822	4,362	4,094	4,193	4,360	4,506	4,542	4,499
12 Pools of securitized assets[2]	48,793	77,904	99,631	102,622	107,645	109,064	108,643	109,963	112,342
By major type of credit[3]									
13 Automobile	292,060	285,050	263,108	258,449	258,665	257,442	258,104	259,128	260,870
14 Commercial banks	126,288	124,913	111,912	109,056	108,610	106,645	107,722	107,978	108,355
15 Finance companies	84,126	75,045	63,413	61,717	59,399	60,056	60,400	60,393	60,507
16 Pools of securitized assets[2]	18,185	24,428	28,057	28,679	31,406	31,024	30,454	30,826	31,972
17 Revolving	210,310	235,056	255,895	242,708	243,315	245,092	244,661	247,051	248,543
18 Commercial banks	130,811	133,385	137,968	128,506	128,013	127,925	127,476	126,922	127,234
19 Retailers	39,583	40,003	39,352	34,989	33,245	32,844	32,617	34,167	34,148
20 Gasoline companies	3,935	4,822	4,362	4,094	4,193	4,360	4,506	4,542	4,499
21 Pools of securitized assets[2]	23,477	44,335	60,139	61,190	63,801	65,784	65,791	66,985	68,127
22 Other	226,507	228,418	223,055	217,519	216,440	217,311	215,834	215,806	214,958
23 Commercial banks	85,671	88,789	89,685	88,643	88,168	89,601	88,701	88,966	88,457
24 Finance companies	54,732	58,818	58,488	56,647	56,739	56,634	56,602	56,782	56,844
25 Retailers	4,571	4,819	4,678	4,564	4,579	4,594	4,602	4,624	4,630
26 Pools of securitized assets[2]	7,131	9,141	11,435	12,753	12,438	12,256	12,398	12,152	12,243

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments.
Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.
2. Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.
3. Totals include estimates for certain holders for which only consumer credit totals are available.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT[1]

Percent per year except as noted

Item	1989	1990	1991	1992						
				Mar.	Apr.	May	June	July	Aug.	Sept.
INTEREST RATES										
Commercial banks[2]										
1 48-month new car[3]	12.07	11.78	11.14	n.a.	n.a.	9.52	n.a.	n.a.	9.15	n.a.
2 24-month personal	15.44	15.46	15.18	n.a.	n.a.	14.28	n.a.	n.a.	13.94	n.a.
3 120-month mobile home[3]	14.11	14.02	13.70	n.a.	n.a.	12.82	n.a.	n.a.	12.57	n.a.
4 Credit card	18.02	18.17	18.23	n.a.	n.a.	17.97	n.a.	n.a.	17.66	n.a.
Auto finance companies										
5 New car	12.62	12.54	12.41	10.92	10.84	10.67	10.24	9.94	8.88	8.65
6 Used car	16.18	15.99	15.60	14.19	14.14	14.01	13.89	13.67	13.49	13.44
OTHER TERMS[4]										
Maturity (months)										
7 New car	54.2	54.6	55.1	54.3	54.5	54.7	54.4	54.4	53.6	53.3
8 Used car	46.6	46.0	47.2	48.0	47.8	47.9	48.0	48.0	47.9	47.7
Loan-to-value ratio										
9 New car	91	87	88	89	89	89	89	89	90	90
10 Used car	97	95	96	97	97	97	97	97	97	97
Amount financed (dollars)										
11 New car	12,001	12,071	12,494	13,137	13,208	13,373	13,369	13,570	13,745	13,889
12 Used car	7,954	8,289	8,884	8,908	8,905	9,247	9,201	9,293	9,238	8,402

1. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.
2. Data are available for only the second month of each quarter.
3. Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months.
4. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS[1]

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1987	1988	1989	1990	1991	1990	1991				1992	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**721.2**	**775.8**	**740.8**	**665.0**	**452.5**	**503.9**	**455.4**	**544.4**	**404.5**	**405.7**	**648.2**	**534.9**
By sector and instrument												
2 U.S. government	143.9	155.1	146.4	246.9	278.2	270.8	227.4	276.7	288.4	320.4	368.9	351.9
3 Treasury securities	142.4	137.7	144.7	238.7	292.0	271.8	251.4	282.9	317.2	316.6	380.1	351.5
4 Agency issues and mortgages	1.5	17.4	1.6	8.2	−13.8	−1.0	−24.0	−6.2	−28.8	3.8	−11.2	.4
5 Private	577.3	620.7	594.4	418.2	174.3	233.0	228.0	267.7	116.1	85.3	279.3	183.0
By instrument												
6 Debt capital instruments	487.2	474.1	441.8	342.3	254.5	277.9	296.0	331.1	180.8	210.0	293.6	223.9
7 Tax-exempt obligations	83.5	53.7	65.0	51.2	45.8	40.6	35.6	48.5	53.5	45.5	47.0	68.0
8 Corporate bonds	78.8	103.1	73.8	47.1	78.6	65.2	76.7	96.5	81.7	59.7	76.1	78.1
9 Mortgages	325.0	317.3	303.0	244.0	130.0	172.1	183.7	186.0	45.6	104.8	170.5	77.7
10 Home mortgages	235.3	241.8	245.3	219.4	142.2	162.3	153.0	158.1	122.4	135.1	203.4	137.0
11 Multifamily residential	24.4	16.7	16.4	3.7	−2.0	3.9	6.2	12.9	−29.7	2.7	−1.6	−33.5
12 Commercial	71.6	60.8	42.7	21.0	−9.4	7.2	24.5	15.6	−44.5	−33.1	−30.2	−28.5
13 Farm	−6.4	−2.1	−1.5	−.1	−.8	−1.3	−.1	−.7	−2.5	.0	−1.1	2.7
14 Other debt instruments	90.1	146.6	152.6	75.8	−80.2	−44.9	−68.0	−63.3	−64.8	−124.7	−14.3	−40.9
15 Consumer credit	32.9	50.1	41.7	17.5	−12.5	−6.6	−10.4	−7.8	−24.0	−8.0	3.1	−13.5
16 Bank loans n.e.c.	9.9	41.0	40.2	4.4	−33.4	−8.4	−15.0	−34.5	−18.2	−66.1	−26.9	−27.0
17 Open market paper	1.6	11.9	21.4	9.7	−18.4	−34.1	−14.3	−15.9	−36.3	−7.0	12.6	−3.4
18 Other	45.7	43.6	49.3	44.2	−15.8	4.3	−28.3	−5.2	13.7	−43.6	−3.2	3.1
By borrowing sector												
19 State and local government	83.0	48.9	63.2	48.3	38.5	34.7	36.0	38.6	37.6	41.9	41.1	58.4
20 Household	296.4	318.6	305.6	254.2	158.0	159.8	160.8	188.8	136.1	146.3	208.8	155.4
21 Nonfinancial business	197.8	253.1	225.6	115.6	−22.3	38.6	31.1	40.3	−57.6	−103.0	29.4	−30.8
22 Farm	−10.6	−7.5	1.6	2.5	.9	−.3	3.9	2.1	−.3	−2.2	−1.6	7.0
23 Nonfarm noncorporate	65.3	61.8	50.4	26.7	−23.6	7.9	13.2	9.8	−65.9	−51.5	−22.7	−67.6
24 Corporate	143.1	198.8	173.6	86.4	.4	31.0	14.0	28.4	8.6	−49.3	53.7	29.8
25 Foreign net borrowing in United States	6.2	6.4	10.2	23.9	14.1	24.2	63.1	−63.2	15.6	41.0	9.5	64.5
26 Bonds	7.4	6.9	4.9	21.4	14.9	29.6	11.1	10.6	15.5	22.3	4.7	12.6
27 Bank loans n.e.c.	−3.6	−1.8	−.1	−2.9	3.1	−5.2	8.1	−3.5	1.4	6.5	1.4	21.2
28 Open market paper	3.8	8.7	13.1	12.3	6.4	15.6	46.7	−51.9	16.0	14.9	−7.8	27.7
29 U.S. government loans	−1.4	−7.5	−7.6	−6.9	−10.2	−15.8	−2.8	−18.3	−17.2	−2.7	11.2	2.9
30 **Total domestic plus foreign**	**727.4**	**782.2**	**750.9**	**688.9**	**466.6**	**528.1**	**518.5**	**481.3**	**420.1**	**446.7**	**657.7**	**599.3**
	Financial sectors											
31 **Total net borrowing by financial sectors**	**259.0**	**211.4**	**220.1**	**187.1**	**139.2**	**296.8**	**108.9**	**103.1**	**144.3**	**200.5**	**108.7**	**217.5**
By instrument												
32 U.S. government-related	171.8	119.8	151.0	167.4	147.7	188.3	154.6	127.4	156.3	152.7	126.8	199.5
33 Sponsored-credit-agency securities	30.2	44.9	25.2	17.1	9.2	37.1	13.1	−29.7	20.6	32.6	11.5	48.3
34 Mortgage pool securities	142.3	74.9	125.8	150.3	138.6	151.6	141.5	157.1	135.8	120.1	115.3	151.2
35 Loans from U.S. government	−.8	.0	.0	−.1	.0	−.5	.0	.0	.0	−.1	.0	.0
36 Private	87.2	91.7	69.1	19.7	−8.6	108.6	−45.7	−24.3	−12.0	47.8	−18.0	18.1
37 Corporate bonds	39.1	16.2	46.8	34.4	57.7	98.6	41.4	72.6	29.3	87.5	−24.2	25.0
38 Mortgages	.4	.3	.0	.3	.6	.6	.2	−.2	.9	1.5	.9	.2
39 Bank loans n.e.c.	−3.6	.6	1.9	1.2	3.2	1.4	1.0	−2.9	10.2	4.5	7.2	4.9
40 Open market paper	26.9	54.8	31.3	8.6	−32.0	24.7	−52.5	−46.0	−16.7	−12.7	7.6	−17.6
41 Loans from Federal Home Loan Banks	24.4	19.7	−11.0	−24.7	−38.0	−16.7	−35.8	−47.7	−35.7	−33.0	−9.5	5.7
By borrowing sector												
42 Sponsored credit agencies	29.5	44.9	25.2	17.0	9.1	36.7	13.1	−29.7	20.6	32.5	11.5	48.3
43 Mortgage pools	142.3	74.9	125.8	150.3	138.6	151.6	141.5	157.1	135.8	120.1	115.3	151.2
44 Private	87.2	91.7	69.1	19.7	−8.6	108.6	−45.7	−24.3	−12.0	47.8	−18.0	18.1
45 Commercial banks	6.2	−3.0	−1.4	−1.1	−13.3	14.7	−18.4	−11.7	−9.2	−14.1	7.2	−.6
46 Bank affiliates	14.3	5.2	6.2	−27.7	−2.5	−30.2	−9.3	−3.5	−6.8	9.6	2.7	−9.2
47 Savings and loan associations	19.6	19.9	−14.1	−29.9	−39.5	−20.7	−42.9	−48.7	−41.1	−25.1	−20.3	4.2
48 Mutual savings banks	8.1	1.9	−1.4	−.5	−3.5	1.4	2.0	−1.7	−5.5	−8.7	4.3	−1.2
49 Finance companies	−.5	31.5	59.7	35.6	14.5	81.9	−10.3	3.4	12.2	52.9	−39.0	−20.9
50 Real estate investment trusts (REITs)	.4	3.6	−1.9	−1.9	.0	.3	.1	−.8	.0	.8	4.6	2.4
51 Securitized credit obligation (SCO) issuers	39.1	32.5	22.0	45.2	35.6	61.3	33.2	38.7	38.5	32.3	22.4	43.3

1.57—Continued

Transaction category or sector	1987	1988	1989	1990	1991	1990	1991				1992	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
	All sectors											
52 **Total net borrowing, all sectors**	**986.4**	**993.6**	**971.0**	**876.0**	**605.8**	**824.9**	**627.4**	**584.4**	**564.4**	**647.1**	**766.4**	**816.9**
53 U.S. government securities	316.4	274.9	297.3	414.4	426.0	459.6	382.0	404.1	444.8	473.2	495.7	551.4
54 State and local obligations	83.5	53.7	65.0	51.2	45.8	40.6	35.6	48.5	53.5	45.5	47.0	68.0
55 Corporate and foreign bonds	125.2	126.3	125.5	102.9	151.2	193.4	129.2	179.7	126.4	169.5	56.6	115.7
56 Mortgages	325.4	317.5	303.0	244.3	130.6	172.8	183.9	185.8	46.5	106.2	171.4	77.9
57 Consumer credit	32.9	50.1	41.7	17.5	−12.5	−6.6	−10.4	−7.8	−24.0	−8.0	3.1	−13.5
58 Bank loans n.e.c.	2.7	39.9	41.9	2.8	−27.1	−12.2	−5.9	−40.9	−6.7	−55.1	−18.2	−.9
59 Open market paper	32.3	75.4	65.9	30.7	−44.0	6.1	−20.2	−113.8	−37.0	−4.9	12.4	6.7
60 Other loans	68.0	55.8	30.6	12.4	−64.2	−28.8	−66.9	−71.2	−39.1	−79.3	−1.5	11.6
	External corporate equity funds raised in United States											
61 **Total net share issues**	**7.1**	**−118.4**	**−65.7**	**22.1**	**198.8**	**28.2**	**112.4**	**178.9**	**235.2**	**268.9**	**271.8**	**283.6**
62 Mutual funds	70.2	6.1	38.5	67.9	150.5	85.2	98.1	125.6	182.5	195.9	189.8	223.3
63 All other	−63.2	−124.5	−104.2	−45.8	48.3	−57.0	14.3	53.3	52.7	72.9	82.0	60.3
64 Nonfinancial corporations	−75.5	−129.5	−124.2	−63.0	18.3	−61.0	−6.0	12.0	19.0	48.0	46.0	36.0
65 Financial corporations	14.5	4.1	2.7	9.8	−.1	1.2	−6.7	4.7	−.4	2.0	6.0	2.9
66 Foreign shares purchased in United States	−2.1	.9	17.2	7.4	30.2	2.8	27.0	36.6	34.1	22.9	30.0	21.4

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.

1.58 SUMMARY OF FINANCIAL TRANSACTIONS[1]

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

Transaction category or sector	1987	1988	1989	1990	1991	1990	1991				1992	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
NET LENDING IN CREDIT MARKETS[2]												
1 **Total net lending in credit markets**	**986.4**	**993.6**	**971.0**	**876.0**	**605.8**	**824.9**	**627.4**	**584.4**	**564.4**	**647.1**	**766.4**	**816.9**
2 Private domestic nonfinancial sectors	237.4	226.2	209.6	203.8	21.4	54.8	49.0	190.8	-135.2	-18.8	86.2	65.2
3 Households	180.7	198.9	179.5	172.3	-14.1	7.9	12.0	174.4	-177.8	-65.1	93.6	62.0
4 Nonfarm noncorporate business	-5.6	3.1	-.8	-1.4	-1.8	-1.9	-1.6	-2.0	-1.6	-2.1	-2.1	-2.5
5 Nonfinancial corporate business	18.5	5.7	12.9	6.6	21.1	13.3	-6.8	29.0	32.2	30.1	11.1	-1.5
6 State and local governments	43.9	18.6	17.9	26.2	16.3	35.5	45.4	-10.6	12.1	18.2	-16.5	7.2
7 U.S. government	-7.9	-10.6	-3.1	33.7	10.0	-1.1	35.2	24.8	-2.1	-17.9	13.7	-12.1
8 Foreign	61.8	96.3	74.1	58.4	44.7	85.1	19.1	51.4	37.3	71.0	89.1	144.2
9 Financial sectors	695.0	681.8	690.4	580.2	529.7	686.0	524.1	317.4	664.3	612.9	577.4	619.6
10 Sponsored credit agencies	27.0	37.1	-.5	16.4	14.2	-8.4	27.4	-22.3	33.7	17.8	93.0	47.9
11 Mortgage pools	142.3	74.9	125.8	150.3	138.6	151.6	141.5	157.1	135.8	120.1	115.3	151.2
12 Monetary authority	24.7	10.5	-7.3	8.1	31.1	-11.6	58.1	-4.0	48.1	22.3	33.2	9.8
13 Commercial banking	135.3	157.1	176.8	125.4	84.0	69.5	114.4	34.7	82.4	104.3	97.9	53.2
14 U.S. commercial banks	99.1	127.1	145.7	95.2	38.9	30.7	77.0	6.4	26.5	45.6	90.7	.1
15 Foreign banking offices	34.2	29.4	26.7	28.4	48.5	37.9	42.2	33.7	56.7	61.3	.9	53.8
16 Bank affiliates	2.0	-.1	2.8	-2.8	-1.5	-1.7	-4.7	-2.6	2.4	-1.1	6.4	-1.7
17 Banks in U.S. possession	.1	.7	1.6	4.5	-1.9	2.7	-.1	-2.8	-3.3	-1.5	.0	1.0
18 Private nonbank finance	365.8	402.2	395.7	279.9	261.8	484.8	182.7	152.0	364.4	348.3	238.0	357.6
19 Thrift institutions	136.9	119.0	-91.0	-151.9	-144.9	-178.5	-188.3	-164.8	-176.8	-49.7	-102.1	-51.4
20 Savings and loan associations	93.5	87.4	-93.9	-143.9	-140.9	-177.9	-179.8	-144.0	-156.3	-83.3	-137.9	-78.4
21 Mutual savings banks	25.6	15.3	-4.8	-16.5	-15.5	-9.8	-11.7	-31.1	-30.8	11.5	7.6	-3.7
22 Credit unions	17.8	16.3	7.7	8.5	11.5	9.2	3.3	10.2	10.3	22.2	28.2	30.6
23 Insurance	153.5	186.2	207.7	188.5	215.4	197.2	236.2	219.5	254.5	151.4	142.4	194.0
24 Life insurance companies	91.7	103.8	93.1	94.4	83.2	73.4	112.9	132.8	73.8	13.2	80.6	93.3
25 Other insurance companies	39.5	29.2	29.7	26.5	34.7	28.8	32.7	37.0	36.8	32.1	33.1	22.2
26 Private pension funds	-4.7	18.1	36.2	16.6	60.6	55.6	42.1	.7	110.5	89.2	-18.9	41.3
27 State and local government retirement funds	27.0	35.1	48.7	51.0	37.0	39.5	48.5	49.0	33.4	17.0	47.6	37.2
28 Finance n.e.c.	75.4	96.9	278.9	243.3	191.3	466.2	134.7	97.4	286.7	246.5	197.7	215.0
29 Finance companies	38.2	49.2	69.3	41.6	-13.1	26.0	-18.5	-14.5	-5.2	-14.1	.8	-23.0
30 Mutual funds	25.8	11.9	23.8	41.4	90.3	56.2	44.0	75.3	117.1	124.8	105.3	156.1
31 Money market funds	1.8	10.7	67.1	80.9	30.1	83.3	134.2	-68.9	1.1	53.9	61.8	-20.9
32 Real estate investment trusts (REITs)	1.0	.9	.5	-.7	-.7	-2.1	-1.2	-.1	-.6	-.9	-.7	-.5
33 Brokers and dealers	-30.6	-8.2	96.3	34.9	49.0	241.5	-56.9	66.8	135.8	50.5	8.1	60.0
34 Securitized credit obligation (SCOs) issuers	39.1	32.5	22.0	45.2	35.6	61.3	33.2	38.7	38.5	32.3	22.4	43.3
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
35 **Net flows through credit markets**	**986.4**	**993.6**	**971.0**	**876.0**	**605.8**	**824.9**	**627.4**	**584.4**	**564.4**	**647.1**	**766.4**	**816.9**
Other financial sources												
36 Official foreign exchange	-9.7	4.0	24.8	2.0	-5.9	4.0	1.5	-4.8	-15.5	-5.0	3.5	-6.4
37 Treasury currency and special drawing rights	.5	.5	4.1	2.5	.0	8.2	-1.2	.4	.4	.5	.1	.3
38 Life insurance reserves	26.0	25.3	28.8	25.7	22.0	23.7	19.9	29.4	19.4	19.2	21.2	24.6
39 Pension fund reserves	104.5	193.6	221.4	186.8	268.1	253.0	284.1	193.9	339.6	254.7	112.7	225.5
40 Interbank claims	34.8	2.9	-16.5	34.2	-2.1	-18.5	4.5	-81.6	97.9	-29.0	45.6	-12.6
41 Deposits at financial institutions	141.1	259.9	290.0	96.8	58.0	233.2	244.8	-75.4	27.3	35.3	152.0	-12.0
42 Checkable deposits and currency	3.9	43.2	6.1	44.2	75.8	59.5	76.2	7.9	104.5	114.4	89.4	97.6
43 Small time and savings deposits	76.5	120.8	96.7	59.9	16.7	69.1	97.3	-1.1	-42.4	13.0	-13.7	-77.4
44 Large time deposits	50.6	53.6	17.6	-66.7	-60.9	-69.0	15.1	-63.0	-78.1	-117.4	-82.0	-106.3
45 Money market fund shares	24.0	21.9	90.1	70.3	41.3	57.6	193.0	-58.7	4.0	26.8	106.1	-38.3
46 Security repurchase agreements	-10.9	23.5	78.3	-23.5	-16.4	97.9	-160.7	43.1	36.3	16.0	15.4	96.5
47 Foreign deposits	-3.1	-3.1	1.1	12.6	1.5	18.2	24.0	-3.6	3.0	-17.5	36.8	16.0
48 Mutual fund shares	70.2	6.1	38.5	67.9	150.5	85.2	98.1	125.6	182.5	195.9	189.8	223.3
49 Corporate equities	-63.2	-124.5	-104.2	-45.8	48.3	-57.0	14.3	53.3	52.7	72.9	82.0	60.3
50 Security credit	-27.4	3.0	15.6	3.5	51.4	36.5	-17.5	20.1	82.4	120.7	-70.0	-47.7
51 Trade debt	57.7	89.2	60.0	44.1	11.2	-13.1	-36.7	41.8	48.2	-8.5	70.1	58.8
52 Taxes payable	5.4	5.3	2.0	-.5	-9.1	-3.7	-34.8	-11.5	13.0	-3.3	-2.9	1.4
53 Noncorporate proprietors' equity	-60.9	-31.2	-32.5	-39.3	-1.3	-22.2	-21.3	-34.1	44.9	5.1	-20.4	30.4
54 Miscellaneous	241.2	222.3	269.9	120.5	157.0	-34.7	273.7	84.9	41.3	228.3	82.8	204.2
55 **Total financial sources**	**1,506.7**	**1,650.2**	**1,772.7**	**1,374.3**	**1,354.0**	**1,319.6**	**1,456.9**	**926.3**	**1,498.6**	**1,534.1**	**1,432.9**	**1,566.9**
Floats not included in assets (−)												
56 U.S. government checking deposits	.0	1.6	8.4	3.3	-13.1	-8.0	-18.8	15.6	23.9	-73.1	4.4	-10.8
57 Other checkable deposits	.4	.8	-3.2	2.5	2.0	7.7	13.3	3.0	-2.1	-6.1	-13.3	-17.5
58 Trade credit	-8.5	-.9	.6	21.5	19.4	54.6	13.4	41.2	27.8	-4.8	27.7	1.2
Liabilities not identified as assets (−)												
59 Treasury currency	-.1	-.1	-.2	.2	-.6	1.5	-1.9	-.3	-.2	-.1	-.4	-.1
60 Interbank claims	-4.0	-3.0	-4.4	1.6	26.2	-14.9	55.3	20.8	28.4	.2	13.4	-13.8
61 Security repurchase agreements	-21.2	-29.8	23.9	-34.8	9.7	45.7	-115.4	76.2	36.9	41.1	-23.5	78.2
62 Taxes payable	6.7	6.3	2.3	6.5	7.4	14.9	-14.4	2.0	23.4	18.5	-16.7	16.3
63 Miscellaneous	10.0	4.4	-95.6	-13.8	-26.0	-112.2	-111.4	8.4	-195.4	194.3	-148.9	-128.3
64 **Totals identified to sectors as assets**	**1,523.4**	**1,670.7**	**1,841.0**	**1,387.5**	**1,329.1**	**1,330.2**	**1,636.7**	**759.4**	**1,556.0**	**1,364.1**	**1,590.2**	**1,641.7**

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 OUTSTANDING[1]

Billions of dollars, end of period

Transaction category or sector	1988	1989	1990	1991	1990	1991				1992	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Nonfinancial sectors										
1 **Total credit market debt owed by domestic nonfinancial sectors**	**9,316.3**	**10,087.1**	**10,760.8**	**11,210.7**	**10,760.8**	**10,832.3**	**10,960.5**	**11,082.5**	**11,210.7**	**11,331.7**	**11,459.8**
By lending sector and instrument											
2 U.S. government	2,104.9	2,251.2	2,498.1	2,776.4	2,498.1	2,548.8	2,591.9	2,687.2	2,776.4	2,859.7	2,923.3
3 Treasury securities	2,082.3	2,227.0	2,465.8	2,757.8	2,465.8	2,522.4	2,567.1	2,669.6	2,757.8	2,844.0	2,907.4
4 Agency issues and mortgages	22.6	24.2	32.4	18.6	32.4	26.4	24.8	17.6	18.6	15.8	15.9
5 Private	7,211.4	7,835.9	8,262.6	8,434.3	8,262.6	8,283.5	8,368.6	8,395.3	8,434.3	8,472.0	8,536.5
By instrument											
6 Debt capital instruments	5,119.0	5,577.9	5,936.0	6,190.4	5,936.0	5,997.7	6,087.8	6,138.4	6,190.4	6,252.0	6,315.8
7 Tax-exempt obligations	939.4	1,004.4	1,055.6	1,101.4	1,055.6	1,061.5	1,072.5	1,089.3	1,101.4	1,110.3	1,126.1
8 Corporate bonds	852.2	926.1	973.2	1,051.8	973.2	992.3	1,016.5	1,036.9	1,051.8	1,070.8	1,090.4
9 Mortgages	3,327.3	3,647.5	3,907.3	4,037.3	3,907.3	3,943.8	3,998.9	4,012.2	4,037.3	4,070.8	4,099.4
10 Home mortgages	2,257.5	2,515.1	2,760.0	2,902.1	2,760.0	2,788.9	2,836.9	2,869.5	2,902.1	2,943.9	2,987.3
11 Multifamily residential	286.7	304.4	305.8	303.8	305.8	307.3	310.5	303.1	303.8	303.4	295.0
12 Commercial	696.4	742.6	757.6	748.2	757.6	763.7	767.6	756.5	748.2	740.7	733.5
13 Farm	86.8	85.3	84.0	83.2	84.0	83.9	83.8	83.1	83.2	82.9	83.6
14 Other debt instruments	2,092.5	2,258.0	2,326.7	2,243.9	2,326.7	2,285.8	2,280.8	2,256.9	2,243.9	2,220.0	2,220.6
15 Consumer credit	742.1	791.8	809.3	796.7	809.3	785.3	786.7	785.9	796.7	775.7	775.5
16 Bank loans n.e.c.	710.6	760.7	758.0	724.6	758.0	748.3	742.0	734.1	724.6	712.5	708.1
17 Open market paper	85.7	107.1	116.9	98.5	116.9	120.8	119.4	107.0	98.5	110.3	111.7
18 Other	554.1	598.4	642.6	624.1	642.6	631.5	632.6	629.8	624.1	621.6	625.3
By borrowing sector											
19 State and local government	752.5	815.7	864.0	902.5	864.0	870.1	878.5	891.4	902.5	910.0	923.4
20 Household	3,177.3	3,508.2	3,780.6	3,938.6	3,780.6	3,788.3	3,848.3	3,888.7	3,938.6	3,958.8	4,010.8
21 Nonfinancial business	3,281.6	3,512.0	3,618.0	3,593.2	3,618.0	3,625.2	3,641.8	3,615.3	3,593.2	3,603.2	3,602.3
22 Farm	137.6	139.2	140.5	138.8	140.5	136.8	139.6	140.4	138.8	136.3	140.2
23 Nonfarm noncorporate	1,127.1	1,177.5	1,204.2	1,180.6	1,204.2	1,207.1	1,210.8	1,191.0	1,180.6	1,174.4	1,159.0
24 Corporate	2,016.9	2,195.3	2,273.4	2,273.8	2,273.4	2,281.2	2,291.4	2,283.9	2,273.8	2,292.5	2,303.1
25 **Foreign credit market debt held in United States**	**244.6**	**254.8**	**278.6**	**292.7**	**278.6**	**291.3**	**277.6**	**282.2**	**292.7**	**282.3**	**300.6**
26 Bonds	83.1	88.0	109.4	124.2	109.4	112.1	114.8	118.6	124.2	125.4	128.5
27 Bank loans n.e.c.	21.5	21.4	18.5	21.6	18.5	20.5	19.7	20.0	21.6	22.0	27.3
28 Open market paper	49.9	63.0	75.3	81.8	75.3	87.0	74.0	78.0	81.8	70.5	77.5
29 U.S. government loans	90.1	82.4	75.4	65.2	75.4	71.6	69.1	65.6	65.2	64.4	67.3
30 **Total credit market debt owed by nonfinancial sectors, domestic and foreign**	**9,560.9**	**10,341.9**	**11,039.4**	**11,503.4**	**11,039.4**	**11,123.6**	**11,238.2**	**11,364.7**	**11,503.4**	**11,614.0**	**11,760.4**
	Financial sectors										
31 **Total credit market debt owed by financial sectors**	**2,082.9**	**2,333.0**	**2,524.2**	**2,667.8**	**2,524.2**	**2,546.3**	**2,571.1**	**2,608.2**	**2,667.8**	**2,686.9**	**2,739.7**
By instrument											
32 U.S. government-related	1,098.4	1,249.3	1,418.4	1,566.2	1,418.4	1,452.1	1,482.8	1,524.4	1,566.2	1,592.9	1,641.6
33 Sponsored credit-agency securities	348.1	373.3	393.7	402.9	393.7	397.0	389.6	394.7	402.9	405.7	417.8
34 Mortgage pool securities	745.3	871.0	1,019.9	1,158.5	1,019.9	1,050.3	1,088.4	1,124.8	1,158.5	1,182.4	1,219.0
35 Loans from U.S. government	5.0	5.0	4.9	4.8	4.9	4.9	4.9	4.9	4.8	4.8	4.8
36 Private	984.6	1,083.7	1,105.8	1,101.6	1,105.8	1,094.1	1,088.4	1,083.9	1,101.6	1,093.9	1,098.1
37 Corporate bonds	415.1	491.9	528.2	590.2	528.2	545.4	562.3	569.5	590.2	578.4	583.3
38 Mortgages	3.4	3.4	4.2	4.8	4.2	4.3	4.2	4.4	4.8	5.0	5.1
39 Bank loans n.e.c.	35.6	37.5	38.6	41.8	38.6	36.5	37.0	39.0	41.8	41.3	43.7
40 Open market paper	377.7	409.1	417.7	385.7	417.7	400.9	390.1	387.0	385.7	392.9	389.2
41 Loans from Federal Home Loan Banks	152.8	141.8	117.1	79.1	117.1	107.0	94.7	83.9	79.1	76.3	76.9
By borrowing sector											
42 Sponsored credit agencies	353.1	378.3	398.5	407.7	398.5	401.8	394.4	399.5	407.7	410.5	422.6
43 Mortgage pools	745.3	871.0	1,019.9	1,158.5	1,019.9	1,050.3	1,088.4	1,124.8	1,158.5	1,182.4	1,219.0
44 Private financial sectors	984.6	1,083.7	1,105.8	1,101.6	1,105.8	1,094.1	1,088.4	1,083.9	1,101.6	1,093.9	1,098.1
45 Commercial banks	78.8	77.4	76.3	63.0	76.3	68.1	65.9	64.6	63.0	60.8	61.3
46 Bank affiliates	136.2	142.5	114.8	112.3	114.8	114.4	113.3	110.6	112.3	115.0	112.4
47 Savings and loan associations	159.3	145.2	115.3	75.9	115.3	104.2	91.0	79.0	75.9	71.2	70.7
48 Mutual savings banks	18.6	17.2	16.7	13.2	16.7	16.4	16.6	15.2	13.2	13.5	13.9
49 Finance companies	444.6	504.2	539.8	557.9	539.8	539.6	540.4	543.7	557.9	547.1	541.8
50 Real estate investment trusts (REITs)	11.4	10.1	10.6	11.4	10.6	10.8	10.8	11.0	11.4	12.7	13.5
51 Securitized credit obligation (SCO) issuers	135.7	187.1	232.3	268.0	232.3	240.6	250.3	259.9	268.0	273.6	284.4
	All sectors										
52 **Total credit market debt, domestic and foreign**	**11,643.9**	**12,674.9**	**13,563.6**	**14,171.2**	**13,563.6**	**13,669.9**	**13,809.3**	**13,973.0**	**14,171.2**	**14,300.9**	**14,500.1**
53 U.S. government securities	3,198.3	3,495.6	3,911.7	4,337.7	3,911.7	3,996.1	4,069.8	4,206.7	4,337.7	4,447.8	4,560.1
54 State and local obligations	939.4	1,004.4	1,055.6	1,101.4	1,055.6	1,061.5	1,072.5	1,089.3	1,101.4	1,110.3	1,126.1
55 Corporate and foreign bonds	1,350.4	1,506.0	1,610.7	1,766.2	1,610.7	1,649.9	1,693.5	1,725.0	1,766.2	1,774.6	1,802.2
56 Mortgages	3,330.7	3,650.9	3,911.5	4,042.1	3,911.5	3,948.1	4,003.1	4,016.7	4,042.1	4,075.8	4,104.4
57 Consumer credit	742.1	791.8	809.3	796.7	809.3	785.3	786.7	785.9	796.7	775.7	775.5
58 Bank loans n.e.c.	767.7	819.6	815.1	788.0	815.1	805.3	798.7	793.2	788.0	775.8	779.1
59 Open market paper	513.4	579.2	609.9	565.9	609.9	608.8	583.6	572.0	565.9	573.7	578.4
60 Other loans	801.9	827.5	839.9	773.2	839.9	814.9	801.4	784.2	773.2	767.1	774.3

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.

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES[1]

Billions of dollars except as noted, end of period

Transaction category or sector	1988	1989	1990	1991	1990	1991				1992	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2
CREDIT MARKET DEBT OUTSTANDING[2]											
1 **Total credit market assets**	**11,643.9**	**12,674.9**	**13,563.6**	**14,171.2**	**13,563.6**	**13,669.9**	**13,809.3**	**13,973.0**	**14,171.2**	**14,300.9**	**14,500.1**
2 Private domestic nonfinancial sectors	2,185.5	2,440.5	2,644.2	2,658.2	2,644.2	2,634.2	2,653.8	2,648.2	2,658.2	2,642.4	2,631.3
3 Households	1,485.1	1,710.1	1,882.3	1,860.8	1,882.3	1,875.1	1,881.7	1,875.3	1,860.8	1,859.2	1,837.2
4 Nonfarm noncorporate business	57.2	56.4	55.0	53.2	55.0	53.9	53.4	52.9	53.2	51.9	51.3
5 Nonfinancial corporate business	167.4	180.3	186.9	208.1	186.9	174.6	189.9	190.1	208.1	199.9	208.6
6 State and local governments	475.8	493.7	519.9	536.2	519.9	530.6	528.8	530.0	536.2	531.3	534.2
7 U.S. government	213.2	205.1	238.7	246.2	238.7	245.5	252.9	252.0	246.2	250.1	248.4
8 Foreign	653.2	734.2	792.4	848.8	792.4	797.1	810.0	819.3	848.8	871.1	907.2
9 Financial sectors	8,592.0	9,295.1	9,888.3	10,418.0	9,888.3	9,993.0	10,092.7	10,253.3	10,418.0	10,537.3	10,713.3
10 Sponsored credit agencies	367.7	367.2	383.6	397.7	383.6	388.5	382.7	389.5	397.7	419.9	431.0
11 Mortgage pools	745.3	871.0	1,019.9	1,158.5	1,019.9	1,050.3	1,088.4	1,124.8	1,158.5	1,182.4	1,219.0
12 Monetary authority	240.6	233.3	241.4	272.5	241.4	247.3	253.7	264.7	272.5	271.8	282.6
13 Commercial banking	2,476.3	2,643.9	2,769.3	2,853.3	2,769.3	2,780.2	2,796.6	2,817.8	2,853.3	2,860.3	2,881.3
14 U.S. commercial banks	2,231.9	2,368.4	2,463.6	2,502.5	2,463.6	2,470.8	2,480.0	2,488.7	2,502.5	2,513.7	2,521.5
15 Foreign banking offices	215.6	242.3	270.8	319.2	270.8	275.6	284.4	297.5	319.2	313.4	327.0
16 Bank affiliates	13.4	16.2	13.4	11.9	13.4	12.3	11.3	11.6	11.9	13.6	12.8
17 Banks in U.S. possession	15.4	17.1	21.6	19.7	21.6	21.6	20.9	20.0	19.7	19.7	19.9
18 Private nonbank finance	4,762.1	5,179.7	5,474.1	5,735.9	5,474.1	5,526.8	5,571.3	5,656.5	5,735.9	5,803.0	5,899.4
19 Thrift institutions	1,572.0	1,484.9	1,335.5	1,190.6	1,335.5	1,287.8	1,248.4	1,205.1	1,190.6	1,164.5	1,153.3
20 Savings and loan associations	1,184.2	1,088.9	945.1	804.2	945.1	901.3	866.3	826.1	804.2	771.1	752.4
21 Mutual savings banks	240.6	241.1	227.1	211.5	227.1	224.1	216.4	208.7	211.5	213.4	212.5
22 Credit unions	147.2	154.9	163.4	174.9	163.4	162.3	165.7	170.2	174.9	180.0	188.4
23 Insurance	1,932.6	2,140.3	2,329.1	2,544.6	2,329.1	2,392.0	2,448.8	2,511.7	2,544.6	2,584.7	2,635.5
24 Life insurance companies	920.0	1,013.1	1,116.5	1,199.6	1,116.5	1,148.5	1,183.7	1,201.4	1,199.6	1,224.3	1,250.0
25 Other insurance companies	287.9	317.5	344.0	378.7	344.0	352.2	361.4	370.7	378.7	387.0	392.5
26 Private pension funds	358.5	394.7	431.3	491.9	431.3	441.8	442.0	469.6	491.9	487.2	497.5
27 State and local government retirement funds	366.2	414.9	437.4	474.3	437.4	449.5	461.7	470.1	474.3	486.2	495.5
28 Finance n.e.c.	1,257.5	1,554.5	1,809.4	2,000.7	1,809.4	1,847.0	1,874.1	1,939.7	2,000.7	2,053.7	2,110.5
29 Finance companies	559.2	617.1	658.7	645.6	658.7	649.4	651.7	647.4	645.6	641.0	641.6
30 Mutual funds	283.4	307.2	360.2	450.5	360.2	374.6	394.4	421.4	450.5	480.3	520.4
31 Money market funds	224.7	291.8	372.7	402.8	372.7	411.4	389.9	389.5	402.8	423.1	413.5
32 Real estate investment trusts (REITs)	7.8	8.4	7.7	7.0	7.7	7.4	7.4	7.2	7.0	6.8	6.7
33 Brokers and dealers	46.7	142.9	177.9	226.9	177.9	163.6	180.4	214.3	226.9	228.9	243.9
34 Securitized credit obligation (SCOs) issuers	135.7	187.1	232.3	268.0	232.3	240.6	250.3	259.9	268.0	273.6	284.4
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
35 **Total credit market debt**	**11,643.9**	**12,674.9**	**13,563.6**	**14,171.2**	**13,563.6**	**13,669.9**	**13,809.3**	**13,973.0**	**14,171.2**	**14,300.9**	**14,500.1**
Other liabilities											
36 Official foreign exchange	27.1	53.6	61.3	55.4	61.3	56.6	53.6	52.9	55.4	52.7	54.4
37 Treasury currency and special drawing rights certificates	19.8	23.8	26.3	26.3	26.3	26.0	26.1	26.2	26.3	26.3	26.4
38 Life insurance reserves	325.5	354.3	380.0	402.0	380.0	385.0	392.3	397.2	402.0	407.3	413.4
39 Pension fund reserves	2,755.0	3,210.5	3,303.0	3,882.3	3,303.0	3,520.6	3,555.8	3,720.8	3,882.3	3,889.4	3,962.7
40 Interbank claims	46.9	32.4	64.0	63.6	64.0	57.8	34.0	58.4	63.6	63.1	58.1
41 Deposits at financial institutions	4,354.7	4,644.6	4,741.4	4,799.4	4,741.4	4,776.4	4,765.7	4,769.5	4,799.4	4,812.9	4,817.9
42 Checkable deposits and currency	882.8	888.6	932.8	1,008.5	932.8	905.1	933.1	948.3	1,008.5	984.8	1,033.9
43 Small time and savings deposits	2,169.2	2,265.4	2,325.3	2,342.0	2,325.3	2,355.3	2,351.5	2,339.7	2,342.0	2,344.8	2,321.6
44 Large time deposits	596.9	615.4	548.7	487.9	548.7	553.1	532.6	517.1	487.9	468.6	437.3
45 Money market fund shares	338.0	428.1	498.4	539.6	498.4	551.7	532.8	533.1	539.6	571.0	557.2
46 Security repurchase agreements	325.0	403.2	379.7	363.4	379.7	348.6	354.0	368.9	363.4	376.4	396.7
47 Foreign deposits	42.8	43.9	56.6	58.0	56.6	62.6	61.7	62.4	58.0	67.2	71.2
48 Mutual fund shares	478.3	566.2	602.1	812.4	602.1	661.6	683.7	744.2	812.4	859.3	936.7
49 Security credit	118.3	133.9	137.4	188.9	137.4	132.5	137.5	158.1	188.9	195.1	183.3
50 Trade debt	838.4	903.9	938.0	951.6	938.0	914.1	920.2	946.3	951.6	950.3	960.3
51 Taxes payable	79.8	81.8	81.4	72.2	81.4	75.1	65.8	71.8	72.2	73.9	67.2
52 Miscellaneous	2,312.0	2,508.3	2,678.8	2,791.7	2,678.8	2,700.3	2,707.9	2,743.2	2,791.7	2,789.2	2,817.9
53 **Total liabilities**	**22,999.5**	**25,188.3**	**26,577.2**	**28,217.1**	**26,577.2**	**26,975.8**	**27,151.8**	**27,661.5**	**28,217.1**	**28,420.4**	**28,798.6**
Financial assets not included in liabilities (+)											
54 Gold and special drawing rights	40.0	40.3	41.3	41.6	41.3	40.7	40.7	41.1	41.6	41.3	42.0
55 Corporate equities	3,141.6	3,819.7	3,506.6	4,630.0	3,506.6	4,047.2	4,104.7	4,338.5	4,630.0	4,502.5	4,565.8
56 Household equity in noncorporate business	2,373.1	2,524.9	2,449.4	2,372.6	2,449.4	2,478.4	2,509.5	2,496.0	2,372.6	2,384.5	2,370.1
Floats not included in assets (−)											
57 U.S. government checking deposits	5.9	6.1	15.0	4.7	15.0	5.2	8.3	19.8	4.7	.3	−.2
58 Other checkable deposits	29.6	26.5	28.9	30.9	28.9	26.7	29.9	23.6	30.9	22.0	20.1
59 Trade credit	−164.3	−159.7	−148.0	−123.2	−148.0	−147.0	−146.7	−143.0	−123.2	−119.1	−131.1
Liabilities not identified as assets (−)											
60 Treasury currency	−4.1	−4.3	−4.1	−4.8	−4.1	−4.6	−4.7	−4.7	−4.8	−4.9	−4.9
61 Interbank claims	−28.5	−31.0	−32.0	−4.2	−32.0	−15.5	−9.9	−4.7	−4.2	−1.8	−3.6
62 Security repurchase agreements	−12.4	11.5	−23.3	−13.7	−23.3	−39.6	−25.8	−10.6	−13.7	−6.4	8.8
63 Taxes payable	21.4	20.6	21.8	18.8	21.8	21.4	11.7	17.5	18.8	17.0	9.6
64 Miscellaneous	−134.6	−253.3	−249.7	−307.2	−249.7	−260.9	−242.8	−301.8	−307.2	−304.4	−321.5
65 **Totals identified to sectors as assets**	**28,841.1**	**31,956.8**	**32,966.0**	**35,659.8**	**32,966.0**	**33,956.5**	**34,186.7**	**34,941.0**	**35,659.8**	**35,746.0**	**36,199.2**

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

Measure	1989	1990	1991	1992								
				Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
1 **Industrial production**[1]	**108.1**	**109.2**	**107.1**	**107.2**	**107.6**	**108.1**	**108.9**	**108.5**	**109.4[r]**	**109.0**	**108.7**	**109.0**
Market groupings												
2 Products, total	108.6	110.1	108.1	108.1	108.5	109.0	109.7	109.0	109.6[r]	109.6	109.4	109.9
3 Final, total	109.1	110.9	109.6	109.4	109.8	110.6	111.4	110.5	111.0	111.2	111.0	111.7
4 Consumer goods	106.7	107.3	107.5	108.8	109.3	110.1	110.8	109.6	110.4[r]	110.4	110.3	110.8
5 Equipment	112.3	115.5	112.2	110.2	110.4	111.3	112.3	111.6	111.8[r]	112.2	111.9	112.8
6 Intermediate	106.8	107.7	103.4	104.0	104.4	103.9	104.4	104.4	105.1[r]	104.6	104.3	104.3
7 Materials	107.4	107.8	105.5	105.8	106.1	106.8	107.7	107.6	109.0[r]	108.0	107.7	107.7
Industry groupings												
8 Manufacturing	108.9	109.9	107.4	108.1	108.5	109.0	109.9	109.6	110.2[r]	109.9	109.5	109.9
9 Capacity utilization, manufacturing (percent)[2]	83.9	82.3	78.2	77.4	77.5	77.7	78.2	77.8	78.1[r]	77.8	77.3	77.4
10 Construction contracts[3]	105.2	95.3	89.5	100.0	96.0	93.0	86.0	90.0	89.0	90.0	89.0	n.a.
11 Nonagricultural employment, total[4]	106.0	107.5	106.0	105.8	105.9	106.0	106.2	106.1	106.3	106.2	106.1	106.1
12 Goods-producing, total	102.5	101.0	96.4	95.2	95.2	95.2	95.3	95.0	94.9	94.6	94.3	94.2
13 Manufacturing, total	102.2	100.5	97.0	96.1	96.1	96.1	96.1	95.9	95.9	95.4	95.2	94.9
14 Manufacturing, production worker	102.3	100.1	96.1	95.6	95.7	95.7	95.7	95.4	95.5	94.9	94.6	94.4
15 Service-producing	107.1	109.5	109.0	109.2	109.3	109.5	109.6	109.6	109.9	109.9	109.8	109.9
16 Personal income, total	115.2	122.7	127.0	131.2	131.8	131.9	132.4	132.5	132.8	132.6	133.5	n.a.
17 Wages and salary disbursements	114.4	121.3	124.4	127.6	128.0	127.8	128.6	128.5	128.7	129.5	129.3	n.a.
18 Manufacturing	110.6	113.5	113.6	114.5	114.6	115.0	115.5	115.1	115.3	115.1	115.2	n.a.
19 Disposable personal income[5]	115.1	122.9	128.0	132.6	133.8	133.8	134.2	134.4	134.5[r]	134.1	135.1	n.a.
20 Retail sales[6]	113.5	118.7	119.8	124.6	123.1	123.5	124.1	124.0	125.4	125.5	126.2	127.3
Prices[7]												
21 Consumer (1982–84=100)	124.0	130.7	136.2	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8
22 Producer finished goods (1982=100)	113.6	119.2	121.7	122.1	122.2	122.4	123.2	123.9[r]	123.7	123.5	123.3	124.3

1. A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.
2. Ratio of index of production to index of capacity. Based on data from the Federal Reserve, DRI McGraw-Hill, U.S. Department of Commerce, and other sources.
3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Co., F.W. Dodge Division.
4. Based on data from U.S. Department of Labor, *Employment and Earnings*. Series covers employees only, excluding personnel in the armed forces.
5. Based on data from U.S. Department of Commerce, *Survey of Current Business*.
6. Based on data 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

Category	1989	1990	1991	1992							
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
HOUSEHOLD SURVEY DATA											
1 **Noninstitutional population**[1]	**188,601**	**190,216**	**191,883**	**193,036**	**193,168**	**193,295**	**193,431**	**193,588**	**193,749**	**193,893**	**194,051**
2 Labor force (including Armed Forces)[1]	126,077	126,954	127,421	128,604	128,830	129,148	129,525	129,498	129,396	129,219	128,879
3 Civilian labor force	123,869	124,787	125,303	126,590	126,830	127,160	127,549	127,532	127,437	127,273	126,959
Employment											
4 Nonagricultural industries[2]	114,142	114,728	114,644	114,155	114,465	114,478	114,322	114,568	114,519	114,459	114,465
5 Agriculture	3,199	3,186	3,233	3,194	3,209	3,178	3,252	3,204	3,218	3,242	3,160
Unemployment											
6 Number	6,528	6,874	8,426	9,242	9,155	9,504	9,975	9,760	9,700	9,572	9,334
7 Rate (percent of civilian labor force)	5.3	5.5	6.7	7.3	7.2	7.5	7.8	7.7	7.6	7.5	7.4
8 Not in labor force	62,524	63,262	64,462	64,432	64,338	64,147	63,906	64,090	64,353	64,674	65,172
ESTABLISHMENT SURVEY DATA											
9 **Nonagricultural payroll employment**[3]	**108,329**	**109,872**	**108,310**	**108,200**	**108,377**	**108,496**	**108,423**	**108,594**	**108,485**	**108,413**	**108,440**
10 Manufacturing	19,442	19,117	18,455	18,278	18,279	18,275	18,236	18,242	18,145	18,107	18,051
11 Mining	693	710	691	651	646	641	634	633	626	625	625
12 Contract construction	5,187	5,133	4,685	4,603	4,605	4,632	4,600	4,584	4,591	4,575	4,595
13 Transportation and public utilities	5,644	5,808	5,772	5,754	5,746	5,745	5,745	5,742	5,729	5,736	5,738
14 Trade	25,770	25,877	25,328	25,089	25,170	25,143	25,144	25,156	25,070	25,062	25,059
15 Finance	6,695	6,729	6,678	6,675	6,682	6,681	6,672	6,660	6,661	6,661	6,675
16 Service	27,120	28,130	28,323	28,643	28,707	28,833	28,854	28,971	28,981	29,035	29,124
17 Government	17,779	18,304	18,380	18,507	18,542	18,546	18,538	18,606	18,682	18,612	18,573

1. Persons sixteen years of age and older. Monthly figures are based on sample data collected during the calendar week that contains the twelfth day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures.
2. Includes self-employed, unpaid family, and domestic service workers.
3. Includes all full- and part-time employees who worked during, or received pay for, the pay period that includes the twelfth day of the month; 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 Earnings*.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]

Seasonally adjusted

Series	1991	1992			1991	1992			1991	1992		
	Q4	Q1	Q2	Q3[r]	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3[r]
	Output (1987=100)				Capacity (percent of 1987 output)				Capacity utilization rate (percent)			
1 **Total industry**	**107.9**	**107.1**	**108.5**	**109.0**	**136.2**	**137.0**	**137.7**	**138.4**	**79.3**	**78.2**	**78.8**	**78.8**
2 Manufacturing	108.6	108.0	109.5	109.9	138.9	139.7	140.6	141.4	78.2	77.3	77.9	77.7
3 Primary processing	104.1	104.0	105.4	106.3	128.8	129.3	129.6	129.9	80.8	80.5	81.3	81.8
4 Advanced processing	110.7	109.9	111.4	111.5	143.5	144.6	145.6	146.7	77.1	76.0	76.5	76.1
5 Durable goods	107.7	106.6	108.4	108.7	142.8	143.7	144.4	145.2	75.4	74.2	75.0	74.9
6 Lumber and products	95.1	98.5	96.7	98.7	125.7	125.9	126.1	126.3	75.7	78.2	76.7	78.2
7 Primary metals	102.5	102.2	101.7	103.9	129.3	129.1	128.3	127.5	79.2	79.2	79.2	81.5
8 Iron and steel	103.2	103.8	101.6	104.6	134.5	134.1	132.7	131.2	76.7	77.4	76.6	79.7
9 Nonferrous	101.4	100.0	101.7	103.0	121.9	122.1	122.2	122.3	83.2	81.9	83.3	84.2
10 Nonelectrical machinery	122.7	122.1	125.7	128.8	162.8	164.3	165.9	167.4	75.4	74.3	75.8	77.0
11 Electrical machinery	110.4	110.5	111.8	112.5	146.6	147.9	149.1	150.4	75.3	74.7	75.0	74.8
12 Motor vehicles and parts	97.0	91.7	100.5	98.0	135.6	136.2	136.7	137.2	71.5	67.3	73.5	71.4
13 Aerospace and miscellaneous transportation equipment	102.8	99.3	96.8	94.2	139.6	140.4	140.9	141.5	73.7	70.8	68.7	66.6
14 Nondurable goods	109.7	109.8	110.9	111.3	133.8	134.8	135.6	136.5	82.0	81.5	81.7	81.6
15 Textile mill products	104.1	104.3	106.2	106.9	118.3	118.8	119.2	119.7	88.0	87.9	89.0	89.3
16 Paper and products	107.4	105.8	106.7	107.6	118.7	119.3	119.9	120.5	90.5	88.7	89.0	89.3
17 Chemicals and products	113.0	113.6	116.8	117.7	142.3	143.4	144.3	145.1	79.4	79.2	81.0	81.1
18 Plastics materials	126.2	124.4	129.7	......	146.1	148.7	150.5	......	86.4	83.7	86.2	......
19 Petroleum products	107.1	107.7	109.2	107.0	121.4	121.4	121.5	121.6	88.2	88.7	89.9	88.0
20 Mining	99.7	97.9	98.9	99.0	114.7	114.7	114.7	114.8	87.0	85.3	86.2	86.3
21 Utilities	109.4	107.0	107.4	109.8	129.2	129.5	129.8	130.1	84.7	82.6	82.7	84.4
22 Electric	111.6	109.7	110.3	113.7	125.2	125.6	126.0	126.4	89.1	87.3	87.6	90.0

Series	Previous cycle[2]		Latest cycle[3]		1991	1992							
	High	Low	High	Low	Oct.	Mar.	Apr.	May	June	July[r]	Aug.[r]	Sept.[r]	Oct.[p]
	Capacity utilization rate (percent)												
1 **Total industry**	**89.2**	**72.6**	**87.3**	**71.8**	**79.8**	**78.4**	**78.7**	**79.1**	**78.6**	**79.1**	**78.7**	**78.4**	**78.5**
2 Manufacturing	88.9	70.8	87.3	70.0	78.7	77.5	77.7	78.2	77.8	78.1	77.8	77.3	77.4
3 Primary processing	92.2	68.9	89.7	66.8	81.4	80.8	81.1	81.5	81.4	82.7	81.6	81.2	81.2
4 Advanced processing	87.5	72.0	86.3	71.4	77.6	76.1	76.3	76.8	76.3	76.2	76.2	75.7	75.9
5 Durable goods	88.8	68.5	86.9	65.0	75.9	74.3	74.6	75.5	75.0	75.2	75.1	74.3	74.7
6 Lumber and products	90.1	62.2	87.6	60.9	74.6	78.8	77.1	77.2	75.6	79.1	78.2	77.3	77.9
7 Primary metals	100.6	66.2	102.4	46.8	79.4	78.7	78.5	79.5	79.7	82.6	81.8	80.1	80.9
8 Iron and steel	105.8	66.6	110.4	38.3	76.2	76.7	75.8	77.0	77.0	80.8	79.5	78.7	79.4
9 Nonferrous	92.9	61.3	90.5	62.2	84.5	81.8	82.6	83.3	83.9	85.4	85.2	82.2	83.1
10 Nonelectrical machinery	96.4	74.5	92.1	64.9	76.1	74.5	75.1	76.4	76.0	76.6	77.2	77.1	77.6
11 Electrical machinery	87.8	63.8	89.4	71.1	75.1	74.8	74.7	75.3	75.0	75.1	75.2	74.2	74.1
12 Motor vehicles and parts	93.4	51.1	93.0	44.5	74.2	69.1	72.2	75.1	73.3	71.3	72.5	70.6	73.6
13 Aerospace and miscellaneous transportation equipment	77.0	66.6	81.1	66.9	74.8	70.2	69.2	68.7	68.2	67.7	66.6	65.4	64.9
14 Nondurable goods	87.9	71.8	87.0	76.9	82.4	81.7	81.8	81.8	81.6	82.0	81.4	81.3	81.1
15 Textile mill products	92.0	60.4	91.7	73.8	89.2	88.5	89.3	89.6	88.2	89.6	89.3	89.0	87.5
16 Paper and products	96.9	69.0	94.2	82.0	92.1	88.5	89.3	88.3	89.3	91.1	87.5	89.3	88.1
17 Chemicals and products	87.9	69.9	85.1	70.1	80.0	79.9	80.4	81.1	81.3	81.5	81.1	80.8	80.8
18 Plastics materials	102.0	50.6	90.9	63.4	89.5	85.0	85.4	87.3	85.9	89.8	86.0	85.6	85.6
19 Petroleum products	96.7	81.1	89.5	68.2	87.3	90.3	90.8	89.3	89.6	89.8	85.8	88.4	91.2
20 Mining	94.4	88.4	96.6	80.6	87.9	84.9	86.3	86.9	85.4	87.6	86.1	85.1	85.5
21 Utilities	95.6	82.5	88.3	76.2	84.8	83.1	83.4	82.7	82.1	84.1	83.8	85.4	84.9
22 Electric	99.0	82.7	88.3	78.7	89.7	88.1	88.2	87.5	87.0	89.5	89.2	91.2	90.7

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. For ordering address, see inside front cover. For a detailed description of the series, see "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411–35.

2. Monthly high, 1973; monthly low, 1975.

3. Monthly highs, 1978 through 1980; monthly lows, 1982.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data seasonally adjusted

Group	1987 proportion	1991 avg.	1991 Oct.	1991 Nov.	1991 Dec.	1992 Jan.	1992 Feb.	1992 Mar.	1992 Apr.	1992 May	1992 June	1992 July[r]	1992 Aug.[r]	1992 Sept.[r]	1992 Oct.[p]
			Index (1987 = 100)												
MAJOR MARKETS															
1 **Total index**	**100.0**	**107.1**	**108.4**	**108.1**	**107.4**	**106.6**	**107.2**	**107.6**	**108.1**	**108.9**	**108.5**	**109.4**	**109.0**	**108.7**	**109.0**
2 Products	60.8	108.1	109.0	109.0	108.4	107.5	108.1	108.5	109.0	109.7	109.0	109.6	109.6	109.4	109.9
3 Final products	46.0	109.6	110.6	110.6	109.9	108.7	109.4	109.8	110.6	111.4	110.5	111.0	111.2	111.0	111.7
4 Consumer goods, total	26.0	107.5	109.7	110.0	109.1	108.1	108.8	109.3	110.1	110.8	109.6	110.4	110.4	110.3	110.8
5 Durable consumer goods	5.6	102.3	107.5	106.0	104.6	101.3	105.3	106.2	107.9	111.1	109.2	108.6	109.3	107.0	109.1
6 Automotive products	2.5	97.8	106.7	103.6	101.3	94.2	101.6	103.6	106.5	110.6	108.0	106.6	106.8	104.7	109.7
7 Autos and trucks	1.5	90.2	105.1	99.0	96.7	84.3	94.3	95.7	102.5	107.8	104.0	100.5	100.6	98.2	105.9
8 Autos, consumer	.9	84.6	92.6	89.8	88.2	79.1	84.8	81.9	93.1	98.6	97.6	92.3	87.2	88.1	88.5
9 Trucks, consumer	.6	99.6	126.1	114.5	111.0	93.0	110.2	118.8	118.3	123.3	114.8	114.3	123.1	115.1	135.1
10 Auto parts and allied goods	1.0	109.3	109.1	110.5	108.2	109.1	112.6	115.5	112.5	114.8	114.0	115.7	116.2	114.6	115.4
11 Other	3.1	105.8	108.1	108.0	107.2	106.9	108.3	108.3	109.1	111.5	110.2	110.3	111.2	108.8	108.6
12 Appliances, A/C, and TV	.8	99.5	102.1	102.3	98.9	99.6	102.9	103.5	103.4	107.4	106.2	102.3	110.6	108.4	104.8
13 Carpeting and furniture	.9	99.4	101.8	101.6	101.5	101.1	102.4	102.5	104.4	105.9	103.2	103.8	104.4	101.0	102.0
14 Miscellaneous home goods	1.4	113.4	115.6	115.2	115.5	114.7	115.0	114.7	115.2	117.3	116.9	118.8	115.9	114.1	114.9
15 Nondurable consumer goods	20.4	109.0	110.3	111.1	110.3	110.0	109.8	110.2	110.7	110.7	109.7	110.8	110.7	111.2	111.3
16 Foods and tobacco	9.1	106.7	107.8	108.1	107.0	107.3	107.4	107.8	107.6	107.7	107.2	108.6	108.7	108.4	108.5
17 Clothing	2.6	93.5	96.3	96.5	96.2	95.0	95.2	95.1	95.3	96.4	95.5	96.8	95.5	96.0	95.2
18 Chemical products	3.5	115.8	117.0	117.9	118.0	118.1	118.3	119.4	120.8	121.4	121.6	121.5	122.0	122.4	122.3
19 Paper products	2.5	123.6	125.6	126.4	126.8	126.8	124.7	124.6	125.1	124.3	121.7	121.9	122.1	123.8	124.6
20 Energy	2.7	108.5	108.5	112.0	109.3	106.8	106.4	107.0	108.9	107.2	104.8	107.4	106.5	108.3	109.3
21 Fuels	.7	103.5	103.5	103.6	104.3	103.8	103.5	103.7	105.1	104.0	104.4	105.3	99.0	103.5	108.4
22 Residential utilities	2.0	110.4	110.3	115.1	111.2	108.0	107.5	108.2	110.3	108.4	105.0	108.2	109.3	110.1	109.7
23 Equipment	20.0	112.2	111.9	111.4	110.9	109.4	110.2	110.4	111.3	112.3	111.6	111.8	112.2	111.9	112.8
24 Business equipment	13.9	121.5	122.3	121.8	121.4	119.9	121.0	121.5	123.0	124.5	124.1	124.4	125.5	125.4	126.7
25 Information processing and related	5.6	131.5	131.7	133.4	134.0	134.1	134.6	136.0	137.9	139.2	140.4	141.9	143.4	144.6	146.6
26 Office and computing	1.9	155.5	156.0	157.8	159.1	160.6	162.4	164.9	168.2	170.5	174.0	178.0	182.0	185.5	188.5
27 Industrial	4.0	108.0	106.8	104.2	102.3	100.7	101.3	101.3	101.7	103.4	102.9	103.4	102.5	102.4	102.7
28 Transit	2.5	126.8	133.1	130.5	129.5	124.2	129.2	128.9	131.7	133.3	131.8	128.7	131.5	127.7	130.1
29 Autos and trucks	1.2	88.6	101.1	96.5	96.1	84.9	94.7	95.0	101.3	105.6	101.7	98.1	101.3	99.1	105.6
30 Other	1.9	113.6	113.6	113.8	114.1	113.1	112.2	112.2	113.2	115.0	111.5	112.2	113.9	114.3	114.7
31 Defense and space equipment	5.4	91.1	89.1	88.8	88.1	86.7	86.2	85.6	84.7	84.2	83.6	82.7	81.7	81.0	80.1
32 Oil and gas well drilling	.6	93.3	79.0	78.1	75.8	71.8	73.9	76.2	79.2	79.2	74.6	78.6	75.0	74.4	80.2
33 Manufactured homes	.2	85.5	86.3	87.0	87.9	98.4	99.7	98.7	100.7	100.3	97.1	112.0	106.1	111.2	112.0
34 Intermediate products, total	14.7	103.4	104.1	103.9	103.8	103.9	104.0	104.4	103.9	104.4	104.4	105.1	104.6	104.3	104.3
35 Construction supplies	6.0	96.0	95.4	95.9	95.0	95.5	96.0	96.7	96.5	97.8	97.2	98.6	98.4	97.0	97.0
36 Business supplies	8.7	108.4	110.1	109.4	110.0	109.9	109.6	109.7	109.0	109.0	109.4	109.7	108.8	109.4	109.4
37 Materials	39.2	105.5	107.4	106.6	105.8	105.2	105.8	106.1	106.8	107.7	107.6	109.0	108.0	107.7	107.7
38 Durable goods materials	19.4	107.1	108.8	108.6	108.1	107.0	108.1	108.3	108.7	110.4	110.2	111.2	110.9	109.7	109.8
39 Durable consumer parts	4.2	96.4	101.6	100.5	97.0	95.3	97.1	97.9	99.3	102.5	102.9	101.8	103.4	101.1	100.8
40 Equipment parts	7.3	114.4	113.6	113.7	114.2	114.1	115.2	115.1	114.7	116.2	116.2	117.5	117.0	116.4	116.5
41 Other	7.9	106.0	108.2	108.3	108.4	106.7	107.5	107.5	108.1	109.2	108.7	110.2	109.2	108.1	108.5
42 Basic metal materials	2.8	106.0	107.7	108.1	108.1	105.1	107.3	106.3	106.3	108.3	107.7	111.5	110.9	108.8	109.6
43 Nondurable goods materials	9.0	105.9	109.6	107.7	107.1	107.3	107.1	108.9	109.4	109.7	110.4	111.7	110.2	110.5	110.6
44 Textile materials	1.2	97.0	101.8	99.9	98.5	98.9	101.5	102.0	103.2	102.9	102.3	103.9	102.9	103.9	102.1
45 Pulp and paper materials	1.9	106.9	112.0	108.6	109.6	107.4	106.8	107.8	109.2	107.8	110.8	111.8	108.2	112.0	110.3
46 Chemical materials	3.8	106.1	109.9	108.3	107.0	107.6	106.6	109.3	109.9	111.2	110.9	113.4	112.0	111.3	113.0
47 Other	2.1	109.7	111.2	110.1	109.7	111.2	111.2	112.7	112.2	112.4	113.4	112.8	112.8	111.3	111.2
48 Energy materials	10.9	102.3	103.1	102.2	100.4	100.4	100.5	100.1	101.3	101.3	100.6	102.9	101.1	101.8	101.3
49 Primary energy	7.2	102.4	102.8	100.9	100.4	100.5	100.6	98.2	99.8	99.7	99.6	102.3	101.3	101.6	100.7
50 Converted fuel materials	3.7	102.0	103.8	104.5	100.5	100.2	100.4	103.8	104.1	104.3	102.6	104.1	100.7	102.2	102.4
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.3	107.6	108.5	108.3	107.7	107.3	107.6	107.9	108.3	109.0	108.6	109.6	109.2	109.0	109.1
52 Total excluding motor vehicles and parts	95.3	107.9	108.8	108.7	108.0	107.6	107.8	108.2	108.6	109.2	108.8	109.9	109.4	109.3	109.4
53 Total excluding office and computing machines	97.5	105.8	107.2	106.8	106.1	105.3	105.8	106.1	106.6	107.4	106.8	107.6	107.1	106.8	107.0
54 Consumer goods excluding autos and trucks	24.5	108.6	109.9	110.7	109.8	109.6	109.7	110.2	110.6	110.9	109.9	111.0	111.0	111.0	111.1
55 Consumer goods excluding energy	23.3	107.4	109.8	109.8	109.1	108.3	109.1	109.6	110.3	111.2	110.1	110.7	110.9	110.5	111.0
56 Business equipment excluding autos and trucks	12.7	124.8	124.4	124.3	123.8	123.3	123.6	124.1	125.2	126.4	126.3	127.0	127.9	127.9	128.8
57 Business equipment excluding office and computing equipment	12.0	116.0	116.9	116.0	115.3	113.3	114.3	114.5	115.7	117.1	116.1	115.8	116.4	115.6	116.7
58 Materials excluding energy	28.4	106.7	109.1	108.3	107.8	107.1	107.8	108.5	108.9	110.2	110.3	111.3	110.7	110.0	110.1

2.13—Continued

	Group	SIC code	1987 proportion	1991 avg.	1991 Oct.	1991 Nov.	1991 Dec.	1992 Jan.	1992 Feb.	1992 Mar.	1992 Apr.	1992 May	1992 June	1992 July[r]	1992 Aug.[r]	1992 Sept.[r]	1992 Oct.[p]
					Index (1987 = 100)												
	MAJOR INDUSTRIES																
1	**Total index**	...	**100.0**	**107.1**	**108.4**	**108.1**	**107.4**	**106.6**	**107.2**	**107.6**	**108.1**	**108.9**	**108.5**	**109.4**	**109.0**	**108.7**	**109.0**
2	Manufacturing	...	84.4	107.4	109.0	108.6	108.1	107.4	108.1	108.5	109.0	109.9	109.6	110.2	109.9	109.5	109.9
3	Primary processing	...	26.7	102.4	104.7	104.1	103.5	103.6	103.9	104.5	105.0	105.6	105.6	107.3	106.0	105.6	105.7
4	Advanced processing	...	57.7	109.8	111.0	110.7	110.3	109.2	110.0	110.3	110.8	111.9	111.4	111.6	111.8	111.3	111.8
5	Durable goods	...	47.3	107.1	108.2	107.8	107.1	105.8	107.0	107.0	107.6	109.1	108.5	109.0	109.0	108.1	108.8
6	Lumber and products	24	2.0	94.2	93.8	96.4	95.2	97.4	98.8	99.2	97.2	97.4	95.4	99.8	98.7	97.6	98.4
7	Furniture and fixtures	25	1.4	99.1	100.5	99.9	100.6	98.7	98.1	98.6	101.1	103.3	100.3	101.0	102.2	101.4	102.7
8	Clay, glass, and stone products	32	2.5	94.9	94.4	92.8	93.0	92.8	94.6	95.0	95.6	96.7	96.6	97.1	96.2	95.9	95.1
9	Primary metals	33	3.3	99.5	102.6	103.5	101.3	102.5	102.7	101.4	100.9	102.0	102.1	105.6	104.3	101.9	102.8
10	Iron and steel	331,2	1.9	98.0	102.4	105.6	101.7	105.0	103.7	102.5	100.9	102.2	101.8	106.4	104.4	103.0	103.5
11	Raw steel	...	.1	97.3	101.3	99.1	97.6	103.3	102.7	98.8	99.9	98.5	101.5	105.3	101.9	99.8	100.2
12	Nonferrous	333–6,9	1.4	101.5	102.9	100.5	100.8	98.9	101.2	99.9	100.9	101.8	102.5	104.4	104.2	100.5	101.7
13	Fabricated metal products	34	5.4	100.4	101.9	101.8	101.2	99.7	100.5	100.0	100.6	102.2	102.2	102.6	102.1	100.8	101.0
14	Nonelectrical machinery	35	8.6	123.5	123.5	122.8	121.9	121.4	121.9	122.9	124.1	126.7	126.4	127.8	129.2	129.5	130.7
15	Office and computing machines	357	2.5	155.5	155.9	157.8	159.1	160.5	162.4	164.9	168.2	170.5	174.0	178.0	182.0	185.5	188.5
16	Electrical machinery	36	8.6	110.1	109.8	110.7	110.6	110.0	110.7	110.9	111.0	112.3	112.2	112.6	113.0	111.9	112.1
17	Transportation equipment	37	9.8	98.6	102.4	99.7	98.0	93.8	96.8	96.5	98.0	99.6	98.2	96.7	96.8	94.7	96.4
18	Motor vehicles and parts	371	4.7	90.4	100.4	95.9	94.6	87.1	93.8	94.2	98.5	102.7	100.4	97.7	99.4	97.0	101.2
19	Autos and light trucks	...	2.3	89.4	103.2	97.6	95.5	83.5	92.9	93.7	101.1	106.5	103.0	99.3	98.6	96.7	103.3
20	Aerospace and miscellaneous transportation equipment	372–6,9	5.1	106.0	104.3	103.1	101.2	99.8	99.6	98.6	97.4	96.8	96.3	95.7	94.3	92.7	92.0
21	Instruments	38	3.3	118.2	118.2	118.7	119.0	118.3	118.6	118.6	119.0	119.8	118.5	118.5	118.0	119.0	119.0
22	Miscellaneous	39	1.2	119.3	120.6	120.7	121.0	121.2	120.0	120.0	118.9	118.4	117.8	120.4	118.0	117.9	118.7
23	Nondurable goods	...	37.2	107.9	110.1	109.6	109.5	109.5	109.6	110.4	110.7	110.9	111.0	111.7	111.1	111.2	111.2
24	Foods	20	8.8	108.6	109.4	110.1	109.6	109.2	109.6	110.2	109.6	109.3	109.0	109.8	110.3	110.0	110.3
25	Tobacco products	21	1.0	99.7	102.2	97.7	94.7	98.8	99.4	101.3	101.0	102.5	103.6	106.6	107.1	105.4	103.5
26	Textile mill products	22	1.8	100.5	105.5	104.4	102.5	103.1	104.7	105.3	106.3	106.8	105.3	107.1	106.9	106.7	105.0
27	Apparel products	23	2.4	96.2	98.7	98.8	99.0	97.5	97.7	97.8	98.0	99.0	98.1	99.4	97.6	97.6	97.4
28	Paper and products	26	3.6	105.1	109.0	106.1	107.0	107.1	104.6	105.8	107.0	105.8	107.3	109.6	105.5	107.8	106.6
29	Printing and publishing	27	6.4	112.3	114.4	114.2	114.5	114.8	114.4	113.8	113.7	113.4	113.0	112.3	112.4	112.9	112.7
30	Chemicals and products	28	8.6	110.9	113.5	113.0	112.6	112.7	113.4	114.8	115.8	117.0	117.5	118.0	117.7	117.5	117.8
31	Petroleum products	29	1.3	107.5	106.0	106.7	108.6	106.6	106.9	109.7	110.3	108.5	108.9	109.1	104.3	107.5	111.0
32	Rubber and plastic products	30	3.0	110.0	113.2	112.6	113.0	113.2	114.0	115.4	116.5	117.1	117.3	118.5	118.5	117.4	117.3
33	Leather and products	31	.3	88.1	83.9	84.3	83.2	83.0	81.4	82.9	84.1	86.2	86.2	87.1	83.5	84.1	84.6
34	Mining	...	7.9	101.1	100.7	99.6	98.8	97.8	98.4	97.5	99.1	99.7	98.0	100.6	98.8	97.7	98.1
35	Metal	10	.3	150.2	146.5	151.5	154.0	144.2	152.9	155.8	154.2	166.4	154.0	163.7	165.5	165.0	165.4
36	Coal	11,12	1.2	109.2	107.9	108.4	107.6	107.3	107.9	103.0	104.0	107.6	98.6	112.0	107.5	103.7	101.9
37	Oil and gas extraction	13	5.7	95.8	96.0	94.1	93.0	92.4	92.7	91.9	94.2	93.4	93.9	94.0	92.4	91.8	92.7
38	Stone and earth minerals	14	.7	108.1	105.9	105.8	106.4	104.8	103.5	107.4	105.9	108.0	105.6	106.2	106.3	105.2	106.3
39	Utilities	...	7.6	109.2	109.4	111.0	107.9	106.8	106.4	107.7	108.2	107.3	106.7	109.3	109.1	111.2	110.7
40	Electric	491,3PT	6.0	112.8	112.2	112.7	109.9	109.3	109.0	110.7	111.0	110.2	109.7	113.0	112.7	115.4	114.8
41	Gas	492,3PT	1.6	96.0	98.9	104.7	100.5	97.5	96.9	96.7	97.7	96.6	95.3	95.4	95.5	95.6	95.2
	SPECIAL AGGREGATES																
42	Manufacturing excluding motor vehicles and parts	...	79.8	108.4	109.5	109.3	108.9	108.6	108.9	109.3	109.6	110.3	110.1	110.9	110.5	110.2	110.4
43	Manufacturing excluding office and computing machines	...	82.0	106.0	107.6	107.1	106.6	105.8	106.5	106.8	107.2	108.1	107.6	108.2	107.8	107.2	107.5
			Gross value (billions of 1982 dollars, annual rates)														
	MAJOR MARKETS																
44	**Products, total**	...	**1,734.8**	**1,880.0**	**1,911.4**	**1,904.9**	**1,888.9**	**1,869.5**	**1,889.7**	**1,902.8**	**1,918.7**	**1,935.5**	**1,920.1[r]**	**1,936.2**	**1,932.9**	**1,934.9**	**1,957.5**
45	Final	...	1,350.9	1,481.8	1,510.0	1,504.1	1,488.0	1,468.7	1,490.8	1,501.5	1,518.2	1,532.1	1,519.1[r]	1,530.4	1,530.3	1,533.6	1,556.6
46	Consumer goods	...	833.4	879.8	902.4	902.2	894.5	877.6	890.2	896.2	905.6	912.4	901.3[r]	909.3	904.0	905.3	920.8
47	Equipment	...	517.5	602.0	607.6	601.8	593.5	591.1	600.6	605.3	612.7	619.7	617.8[r]	621.0	626.4	628.3	635.8
48	Intermediate	...	384.0	398.2	401.4	400.8	401.0	400.7	398.9	401.2	400.5	403.4	401.1[r]	405.8	402.6	401.3	400.8

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 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. Standard industrial classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

Item	1989	1990	1991	1991	1992								
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July[r]	Aug.[r]	Sept.
	Private residential real estate activity (thousands of units except as noted)												
NEW UNITS													
1 Permits authorized	1,339	1,111	949	994	979	1,073	1,106	1,146	1,094	1,058	1,054	1,032	1,080
2 One-family	932	794	754	788	792	873	913	946	907	873	879	872	879
3 Two-or-more-family	407	317	195	206	187	200	193	200	187	185	175	160	201
4 Started	1,376	1,193	1,014	1,085	1,085	1,118	1,180	1,257	1,340	1,086	1,196	1,147[r]	1,120
5 One-family	1,003	895	840	887	907	972	989	1,109	1,068	933	1,019	999[r]	972
6 Two-or-more-family	373	298	174	198	178	146	191	148	272	153	177	148[r]	148
7 Under construction at end of period[1]	850	711	606	631	633	633	640	629	657	655	653[r]	645[r]	639
8 One-family	535	449	434	451	454	458	466	464	482	484	484[r]	484[r]	484
9 Two-or-more-family	315	262	173	180	179	175	174	165	175	171	169[r]	161[r]	155
10 Completed	1,423	1,308	1,091	1,073	1,021	1,021	1,043	1,097	1,127	1,067	1,204	1,191[r]	1,205
11 One-family	1,026	966	838	879	824	851	838	908	975	889	1,011[r]	989[r]	995
12 Two-or-more-family	396	342	253	194	197	170	205	189	152	178	193[r]	202[r]	210
13 Mobile homes shipped	198	188	171	171	171	176	192	197	197	199	189	194	211
Merchant builder activity in one-family units													
14 Number sold	650	535	507	526	578	578	667	627	555	546	549	578	563
15 Number for sale at end of period[1]	365	321	283	289	286	283	281	269	277	274	272	273	272
Price of units sold (thousands of dollars)[2]													
16 Median	120.4	122.3	120.0	122.6	118.5	122.0	120.0	117.2	120.0	120.0	114.5	124.9	115.0
17 Average	148.3	149.0	147.0	147.4	141.7	143.0	144.2	144.8	144.8	145.0	146.3	147.1	137.5
EXISTING UNITS (one-family)													
18 Number sold	3,346	3,211	3,219	3,150	3,230	3,310	3,220	3,490	3,510	3,490	3,460	3,350	3,450
Price of units sold (thousands of dollars)[2]													
19 Median	92.9	95.2	99.7	99.1	97.9	100.3	102.4	102.8	104.0	103.3	102.5	105.1	102.7
20 Average	118.0	118.3	127.4	126.4	124.9	127.3	130.5	128.8	130.2	130.6	130.6	133.7	132.2
	Value of new construction (millions of dollars)[3]												
CONSTRUCTION													
21 Total put in place	**443,401**	**442,066**	**400,955**	**406,114**	**401,247**	**398,736**	**407,121**	**411,767**	**421,512**	**423,104**	**426,049**	**424,416**	**421,959**
22 Private	345,327	334,153	290,707	291,714	288,345	287,383	292,540	294,758	301,142	305,504	305,269	309,624	305,446
23 Residential	196,551	182,856	157,837	164,696	164,491	164,133	169,548	169,772	172,660	178,897	181,795	182,650	180,589
24 Nonresidential, total	148,776	151,297	132,870	127,018	123,854	123,250	122,992	124,986	128,482	126,607	123,474	126,974	124,857
25 Industrial buildings	20,412	23,849	22,281	21,119	21,566	22,411	21,258	21,651	23,721	21,291	21,029	20,402	20,478
26 Commercial buildings	65,496	62,866	48,482	44,301	41,612	40,898	41,196	41,591	42,108	40,731	39,638	43,208	39,595
27 Other buildings	19,683	21,591	20,797	21,162	20,114	20,480	19,751	20,630	21,479	21,380	21,993	22,054	22,256
28 Public utilities and other	43,185	42,991	41,310	40,436	40,562	39,461	40,787	41,114	41,174	43,205	40,814	41,310	42,528
29 Public	98,071	107,909	110,247	114,400	112,901	111,353	114,581	117,009	120,370	117,600	120,780	114,792	116,513
30 Military	3,520	2,664	1,837	1,141	1,790	2,633	2,039	2,206	2,548	2,329	2,668	2,503	2,258
31 Highway	28,837	31,154	29,918	30,098	29,594	29,562	30,221	32,744	30,895	31,407	32,571	31,372	32,179
32 Conservation and development	5,009	4,607	4,958	6,068	6,611	5,363	5,480	5,283	6,197	5,909	5,820	5,929	5,504
33 Other	60,705	69,484	73,534	77,093	74,906	73,795	76,841	76,776	80,730	77,955	79,721	74,988	76,572

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.

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.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Oct. 1992[1]
	1991 Oct.	1992 Oct.	1991	1992			1992					
			Dec.	Mar.	June	Sept.	June	July	Aug.	Sept.	Oct.	
CONSUMER PRICES[2] (1982–84=100)												
1 **All items**	**2.9**	**3.2**	**3.2**	**3.5**	**2.6**	**2.6**	**.3**	**.1**	**.3**	**.2**	**.4**	**141.8**
2 Food	1.6	1.8	2.7	1.5	−1.2	4.7	.1	−.1	.9	.4	.0	138.3
3 Energy items	−8.6	2.7	3.6	−6.9	12.5	.4	2.0	.3	−.2	.0	.5	104.5
4 All items less food and energy	4.4	3.5	3.1	4.8	2.8	2.5	.2	.2	.2	.2	.5	149.0
5 Commodities	4.1	2.7	.6	5.3	2.1	2.1	.0	.2	.2	.2	.3	133.9
6 Services	4.6	3.9	4.3	4.8	2.9	2.6	.3	.3	.3	.1	.6	157.7
PRODUCER PRICES (1982=100)												
7 Finished goods	−.1	1.7	1.0	1.0	3.3	1.6	.2	.0[r]	.1	.3	.1	124.3
8 Consumer foods	−1.3	.5	−1.0	.3	−1.0	3.6	.2[r]	−.2[r]	.7	.4	.1	123.6
9 Consumer energy	−11.1	2.2	−.5	−7.0	17.9	−.5	2.5[r]	−.8[r]	−.1	.8	1.4	80.0
10 Other consumer goods	3.7	2.2	2.4	3.6	2.4	1.2	−.4	.2	−.1	.2	−.1	138.1
11 Capital equipment	2.7	1.7	1.9	3.5	.9	.9	−.1	.2	.1	.0	−.2	130.1
Intermediate materials												
12 Excluding foods and feeds	−3.2	1.2	−1.7	.0	5.4	.3	.8[r]	.0[r]	.0	.1	.0	115.7
13 Excluding energy	−.8	1.1	.0	1.7	1.7	1.0	.2	.1[r]	.2	.0	−.2	122.3
Crude materials												
14 Foods	−7.1	.9	−4.9	11.8	1.9	−6.2	.7[r]	−1.8[r]	−.4	.6	.6	103.5
15 Energy	−31.1	2.7	5.3	−26.6	51.5	16.4	3.5[r]	.0[r]	.2	3.6	−.5	82.8
16 Other	−9.4	2.9	−5.9	15.0	4.8	2.5	.1[r]	1.0[r]	.1	−.5	−1.3	128.4

1. Not seasonally adjusted.
2. Figures for consumer prices are for all urban consumers and reflect a rental-equivalence measure of homeownership.

SOURCE. Bureau of Labor Statistics.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1989	1990	1991	1991		1992		
				Q3	Q4	Q1	Q2	Q3
GROSS DOMESTIC PRODUCT								
1 **Total**	**5,250.8**	**5,522.2**	**5,677.5**	**5,713.1**	**5,753.3**	**5,840.2**	**5,902.2**	**5,967.1**
By source								
2 Personal consumption expenditures	3,523.1	3,748.4	3,887.7	3,914.2	3,942.9	4,022.8	4,057.1	4,105.0
3 Durable goods	459.4	464.3	446.1	453.0	450.4	469.4	470.6	481.6
4 Nondurable goods	1,149.5	1,224.5	1,251.5	1,255.3	1,251.4	1,274.1	1,277.5	1,290.1
5 Services	1,914.2	2,059.7	2,190.1	2,205.9	2,241.1	2,279.3	2,309.0	2,333.3
6 Gross private domestic investment	832.3	799.5	721.1	732.8	736.1	722.4	773.2	776.9
7 Fixed investment	798.9	793.2	731.3	732.6	726.9	738.2	765.1	761.5
8 Nonresidential	568.1	577.6	541.1	538.4	528.7	531.0	550.3	544.5
9 Structures	193.3	201.1	180.1	175.6	169.7	170.1	170.3	163.3
10 Producers' durable equipment	374.8	376.5	360.9	362.8	358.9	360.8	380.0	381.1
11 Residential structures	230.9	215.6	190.3	194.2	198.2	207.2	214.8	217.0
12 Change in business inventories	33.3	6.3	−10.2	.2	9.2	−15.8	8.1	15.4
13 Nonfarm	31.8	3.3	−10.3	−1.2	14.5	−13.3	6.4	10.3
14 Net exports of goods and services	−79.7	−68.9	−21.8	−27.1	−16.0	−8.1	−37.1	−37.3
15 Exports	508.0	557.0	598.2	602.3	622.9	628.1	625.4	626.8
16 Imports	587.7	625.9	620.0	629.5	638.9	636.2	662.5	664.2
17 Government purchases of goods and services	975.2	1,043.2	1,090.5	1,093.3	1,090.3	1,103.1	1,109.1	1,122.5
18 Federal	401.6	426.4	447.3	447.2	440.8	445.0	444.8	451.7
19 State and local	573.6	616.8	643.2	646.0	649.5	658.0	664.3	670.9
By major type of product								
20 Final sales, total	5,217.5	5,515.9	5,687.7	5,712.9	5,744.2	5,855.9	5,894.1	5,951.7
21 Goods	2,063.6	2,160.1	2,192.8	2,194.9	2,188.4	2,233.6	2,233.2	2,250.2
22 Durable	891.2	920.6	907.6	910.8	905.7	923.6	932.3	939.4
23 Nondurable	1,172.5	1,239.5	1,285.1	1,284.1	1,282.7	1,310.0	1,300.8	1,310.8
24 Services	2,642.2	2,846.4	3,030.3	3,053.6	3,090.3	3,142.2	3,173.4	3,218.1
25 Structures	511.7	509.4	464.7	464.4	465.5	480.1	487.6	483.4
26 Change in business inventories	33.3	6.3	−10.2	.2	9.2	−15.8	8.1	15.4
27 Durable goods	25.2	−.9	−19.3	−7.0	−8.1	−19.3	9.5	3.9
28 Nondurable goods	8.1	7.2	9.0	7.2	17.3	3.5	−1.4	11.5
MEMO								
29 **Total GDP in 1987 dollars**	**4,838.0**	**4,877.5**	**4,821.0**	**4,831.8**	**4,838.5**	**4,873.7**	**4,892.4**	**4,924.5**
NATIONAL INCOME								
30 **Total**	**4,249.5**	**4,468.3**	**4,544.2**	**4,555.4**	**4,599.1**	**4,679.4**	**4,716.5**	n.a.
31 Compensation of employees	3,100.2	3,291.2	3,390.8	3,407.0	3,433.8	3,476.3	3,506.3	3,531.8
32 Wages and salaries	2,586.4	2,742.9	2,812.2	2,824.4	2,845.0	2,877.6	2,901.3	2,921.3
33 Government and government enterprises	478.5	514.8	543.5	544.3	546.4	554.6	561.4	566.6
34 Other	2,107.9	2,228.0	2,268.7	2,280.0	2,298.6	2,323.0	2,339.9	2,354.7
35 Supplement to wages and salaries	513.8	548.4	578.7	582.6	588.7	598.7	605.0	610.5
36 Employer contributions for social insurance	261.9	277.4	290.4	292.0	293.7	299.4	301.5	302.6
37 Other labor income	251.9	271.0	288.3	290.6	295.0	299.2	303.6	307.9
38 Proprietors' income[1]	347.3	366.9	368.0	367.1	377.9	393.6	398.4	396.8
39 Business and professional[1]	307.0	325.2	332.2	337.6	340.0	353.6	359.9	366.2
40 Farm[1]	40.2	41.7	35.8	29.5	37.9	40.1	38.5	30.7
41 Rental income of persons[2]	−13.5	−12.3	−10.4	−10.3	−6.6	−4.5	3.3	.0
42 Corporate profits[1]	362.8	361.7	346.3	341.2	347.1	384.0	388.4	n.a.
43 Profits before tax[3]	342.9	355.4	334.7	336.7	332.3	366.1	376.8	n.a.
44 Inventory valuation adjustment	−17.5	−14.2	3.1	−4.8	.7	−5.4	−15.5	−11.1
45 Capital consumption adjustment	37.4	20.5	8.4	9.3	14.1	23.3	27.0	30.0
46 Net interest	452.7	460.7	449.5	450.5	446.9	430.0	420.0	n.a.

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.
3. For after-tax profits, dividends, and the like, see table 1.48.

SOURCE. U.S. Department of Commerce, *Survey of Current Business*.

2.17 PERSONAL INCOME AND SAVING

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

Account	1989	1990	1991	1991		1992		
				Q3	Q4	Q1	Q2	Q3
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**4,380.3**	**4,664.2**	**4,828.3**	**4,846.2**	**4,907.2**	**4,980.5**	**5,028.9**	**5,056.0**
2 Wage and salary disbursements	2,586.4	2,742.8	2,812.2	2,824.4	2,845.0	2,877.6	2,901.3	2,921.3
3 Commodity-producing industries	724.2	745.6	737.4	738.8	741.5	736.8	743.1	741.6
4 Manufacturing	542.2	556.1	556.9	559.0	563.9	559.9	564.7	564.7
5 Distributive industries	607.0	634.6	647.4	651.1	652.9	660.9	662.9	666.1
6 Service industries	776.8	847.8	883.9	890.2	904.3	925.3	933.9	946.9
7 Government and government enterprises	478.5	514.8	543.6	544.3	546.4	554.6	561.4	566.6
8 Other labor income	251.9	271.0	288.3	290.6	295.0	299.2	303.6	307.9
9 Proprietors' income[1]	347.3	366.9	368.0	367.1	377.9	393.6	398.4	396.8
10 Business and professional[1]	307.0	325.2	332.2	337.6	340.0	353.6	359.9	366.2
11 Farm[1]	40.2	41.7	35.8	29.5	37.9	40.1	38.5	30.7
12 Rental income of persons[2]	−13.5	−12.3	−10.4	−10.3	−6.6	−4.5	3.3	.0
13 Dividends	126.5	140.3	137.0	135.6	134.3	133.9	136.6	141.0
14 Personal interest income	668.2	694.5	700.6	701.8	703.3	684.8	675.2	666.7
15 Transfer payments	625.0	685.8	771.1	777.1	799.8	842.7	859.7	873.5
16 Old-age survivors, disability, and health insurance benefits	325.1	352.0	382.0	384.2	390.6	405.7	412.1	417.1
17 LESS: Personal contributions for social insurance	211.4	224.8	238.4	240.1	241.5	246.8	249.3	251.3
18 EQUALS: Personal income	4,380.3	4,664.2	4,828.3	4,846.2	4,907.2	4,980.5	5,028.9	5,056.0
19 LESS: Personal tax and nontax payments	593.3	621.3	618.7	618.6	622.3	619.6	617.1	628.7
20 EQUALS: Disposable personal income	3,787.0	4,042.9	4,209.6	4,227.6	4,284.9	4,360.9	4,411.8	4,427.3
21 LESS: Personal outlays	3,634.9	3,867.3	4,009.9	4,036.6	4,065.5	4,146.3	4,179.5	4,226.6
22 EQUALS: Personal saving	152.1	175.6	199.6	191.0	219.4	214.6	232.3	200.7
MEMO								
Per capita (1987 dollars)								
23 Gross domestic product	19,555.6	19,513.0	19,077.1	19,094.0	19,066.0	19,158.5	19,181.8	19,251.7
24 Personal consumption expenditures	13,028.9	13,043.6	12,824.1	12,847.9	12,802.6	12,930.2	12,893.3	12,963.9
25 Disposable personal income	14,005.0	14,068.0	13,886.0	13,876.0	13,913.0	14,017.0	14,021.0	13,982.0
26 Saving rate (percent)	4.0	4.3	4.7	4.5	5.1	4.9	5.3	4.5
GROSS SAVING								
27 **Gross saving**	**741.8**	**718.0**	**708.2**	**679.4**	**698.2**	**677.5**	**682.9**	n.a.
28 Gross private saving	819.4	854.1	901.5	884.9	934.8	950.1	968.1	n.a.
29 Personal saving	152.1	175.6	199.6	191.0	219.4	214.6	232.3	200.7
30 Undistributed corporate profits[1]	86.9	75.7	75.8	69.0	78.3	104.0	97.7	n.a.
31 Corporate inventory valuation adjustment	−17.5	−14.2	3.1	−4.8	.7	−5.4	−15.5	−11.1
Capital consumption allowances								
32 Corporate	352.4	368.3	383.0	383.5	386.3	386.1	391.2	406.9
33 Noncorporate	228.0	234.6	243.1	241.4	250.7	245.3	247.0	290.4
34 Government surplus, or deficit (−), national income and product accounts	−77.5	−136.1	−193.3	−205.6	−236.6	−272.6	−285.2	n.a.
35 Federal	−122.3	−166.2	−210.4	−221.0	−258.7	−289.2	−302.9	n.a.
36 State and local	44.8	30.1	17.1	15.4	22.0	16.6	17.7	n.a.
37 **Gross investment**	**742.9**	**723.4**	**730.1**	**709.9**	**714.6**	**706.5**	**713.8**	**720.0**
38 Gross private domestic	832.3	799.5	721.1	732.8	736.1	722.4	773.2	776.9
39 Net foreign	−89.3	−76.1	9.0	−22.9	−21.5	−16.0	−59.4	n.a.
40 **Statistical discrepancy**	**1.1**	**5.4**	**21.9**	**30.5**	**16.4**	**29.0**	**30.9**	n.a.

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.

SOURCE. U.S. Department of Commerce, *Survey of Current Business*.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted, except as noted[1]

Item	1989	1990	1991	1991			1992	
				Q2	Q3	Q4	Q1	Q2^p
1 Balance on current account	−101,142	−90,428	−3,682	2,431	−11,087	−7,218	−5,903	−17,788
2 Merchandise trade balance[2]	−115,668	−108,853	−73,436	−16,397	−20,174	−18,539	−17,222	−24,418
3 Merchandise exports	361,697	388,705	415,962	103,324	104,151	107,851	107,946	107,580
4 Merchandise imports	−477,365	−497,558	−489,398	−119,721	−124,325	−126,390	−125,168	−131,998
5 Military transactions, net	−6,837	−7,818	−5,524	−1,427	−995	−540	−624	−641
6 Other service transactions, net	32,604	39,873	50,821	12,209	13,018	13,676	14,468	13,613
7 Investment income, net	14,366	19,287	16,429	3,931	3,076	2,458	4,474	1,377
8 U.S. government grants	−10,773	−17,597	24,487	8,214	−1,986	78	−2,620	−3,011
9 U.S. government pensions and other transfers	−2,517	−2,945	−3,462	−796	−793	−1,080	−858	−1,140
10 Private remittances and other transfers	−12,316	−12,374	−12,996	−3,303	−3,233	−3,271	−3,521	−3,568
11 Change in U.S. government assets other than official reserve assets, net (increase, −)	1,271	2,304	3,397	−420	3,180	−437	−38	−209
12 Change in U.S. official reserve assets (increase, −)	−25,293	−2,158	5,763	1,014	3,877	1,225	−1,057	1,464
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	−535	−192	−177	−190	6	−23	−172	−168
15 Reserve position in International Monetary Fund	471	731	−367	72	−114	17	111	1
16 Foreign currencies	−25,229	−2,697	6,307	1,132	3,986	1,232	−996	1,631
17 Change in U.S. private assets abroad (increase, −)	−90,923	−56,467	−71,379	−7,644	−17,426	−44,947	−3,155	−6,987
18 Bank-reported claims[3]	−51,255	7,469	−4,753	−1,846	2,403	−23,219	15,859	12,592
19 Nonbank-reported claims	11,398	−2,477	5,526	2,304	−298	1,269	4,764	....
20 U.S. purchases of foreign securities, net	−22,070	−28,765	−45,017	−11,783	−12,403	−11,305	−8,703	−8,573
21 U.S. direct investments abroad, net	−28,996	−32,694	−27,135	3,681	−7,128	−11,692	−15,075	−11,006
22 Change in foreign official assets in United States (increase, +)	8,489	33,908	18,407	−4,178	4,115	12,819	21,192	21,071
23 U.S. Treasury securities	149	29,576	15,815	−3,553	5,624	12,619	14,909	11,615
24 Other U.S. government obligations	1,383	667	1,301	−219	474	1,075	540	1,699
25 Other U.S. government liabilities[4]	146	1,866	1,600	421	654	−344	96	503
26 Other U.S. liabilities reported by U.S. banks[3]	4,976	3,385	−1,668	−942	−2,732	−914	5,534	7,329
27 Other foreign official assets[5]	1,835	−1,586	1,359	115	95	383	113	−75
28 Change in foreign private assets in United States (increase, +)	205,205	65,471	48,573	7,137	18,818	36,110	−2,629	22,016
29 U.S. bank-reported liabilities[3]	63,382	16,370	−13,678	−27,411	8,508	23,465	−4,474	−5,133
30 U.S. nonbank-reported liabilities	5,565	4,906	−405	−1,275	1,575	725	1,942	....
31 Foreign private purchases of U.S. Treasury securities, net	29,618	−2,534	16,241	13,289	−1,306	1,408	−828	10,288
32 Foreign purchases of other U.S. securities, net	38,767	1,592	34,918	15,212	10,012	4,832	4,551	10,872
33 Foreign direct investments in United States, net	67,873	45,137	11,497	7,322	29	5,680	−3,820	5,989
34 Allocation of special drawing rights	0	0	0	0	0	0	0	0
35 Discrepancy	2,394	47,370	−1,078	1,660	−1,478	2,447	−8,410	−19,567
36 Due to seasonal adjustment	....	....	....	883	−6,137	613	4,023	343
37 Before seasonal adjustment	2,394	47,370	−1,078	777	4,659	1,835	−12,433	−19,910
MEMO								
Changes in official assets								
38 U.S. official reserve assets (increase, −)	−25,293	−2,158	5,763	1,014	3,877	1,225	−1,057	1,464
39 Foreign official assets in United States, excluding line 25 (increase, +)	8,343	32,042	16,807	−4,599	3,461	13,163	21,096	20,568
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	10,738	1,707	−5,604	−2,699	−4,288	1,023	2,459	−2,205

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*.

3.11 U.S. FOREIGN TRADE[1]

Millions of dollars; monthly data seasonally adjusted

Item	1989	1990	1991	1992						
				Mar.	Apr.	May	June	July	Aug.r	Sept.p
1 Exports of domestic and foreign merchandise, (F.A.S. value), excluding grant-aid shipments	363,812	393,592	421,730	37,085	36,406	35,718	38,165	37,806	35,799	38,238
2 General imports (customs value), including merchandise for immediate consumption plus entries into bonded warehouses	473,211	495,311	487,129	42,668	43,469	42,859	44,893	45,082	44,745	46,547
3 **Trade balance**	**−109,399**	**−101,718**	**−65,399**	**−5,584**	**−7,063**	**−7,141**	**−6,729**	**−7,276**	**−8,946**	**−8,309**

1. The Census basis data differ from merchandise trade data shown in table 3.10, lines 3–5, U.S. International Transactions Summary, because of coverage and timing. On the *export* side, the largest difference is the exclusion of military sales (which are combined with other military transactions and reported separately in table 3.10, line 6). On the *import* side, this table includes imports of gold, ship purchases, imports of electricity from Canada, and other transactions; military payments are excluded and shown separately in table 3.10, line 6. Since Jan. 1, 1987, Census data have been released forty-five days after the end of the month; the previous month is revised to reflect late documents. Total exports and the trade balance reflect adjustments for undocumented exports to Canada. Components may not sum to totals because of rounding.

SOURCE. FT900, *Summary of U.S. Export and Import Merchandise Trade* (U.S. Department of Commerce, Bureau of the Census).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1989	1990	1991	1992						
				Apr.	May	June	July	Aug.	Sept.	Oct.p
1 **Total**	**74,609**	**83,316**	**77,719**	**74,712**	**74,587**	**77,092**	**77,370**	**78,474**	**78,527**	**74,207**
2 Gold stock, including Exchange Stabilization Fund[1]	11,059	11,058	11,057	11,057	11,057	11,059	11,059	11,059	11,059	11,060
3 Special drawing rights[2,3]	9,951	10,989	11,240	10,930	11,315	11,597	11,702	12,193	12,111	11,561
4 Reserve position in International Monetary Fund[2]	9,048	9,076	9,488	8,968	9,175	9,381	9,625	9,762	9,778	9,261
5 Foreign currencies[4]	44,551	52,193	45,934	43,757	43,040	45,055	44,984	45,460	45,579	42,325

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, 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 BANKS[1]

Millions of dollars, end of period

Asset	1989	1990	1991	1992						
				Apr.	May	June	July	Aug.	Sept.	Oct.p
1 Deposits	589	369	968	206	217	219	264	297	546	415
Held in custody										
2 U.S. Treasury securities[2]	224,911	278,499	281,107	303,413	307,562	307,337	316,431	318,328	306,971	311,538
3 Earmarked gold[3]	13,456	13,387	13,303	13,304	13,295	13,268	13,261	13,261	13,241	13,201

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

2. Marketable U.S. Treasury bills, notes, and bonds and nonmarketable U.S. Treasury securities payable at face value in dollars or foreign currencies.

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 Data[1]

Millions of dollars, end of period

Account	1989	1990	1991	1992						
				Mar.	Apr.	May	June	July	Aug.	Sept.
ASSETS	All foreign countries									
1 **Total payable in any currency**	**545,366**	**556,925**	**548,901**	**562,212**	**549,858**	**564,816**	**564,466**	**537,529**	**544,411[r]**	**544,701**
2 Claims on United States	198,835	188,496	176,301	193,434	177,992	182,554	183,933	171,911	163,101	167,258
3 Parent bank	157,092	148,837	137,509	157,129	143,790	145,974	147,626	136,287	128,331	134,019
4 Other banks in United States	17,042	13,296	12,884	11,612	9,993	11,640	10,418	9,576	9,181	8,083
5 Nonbanks	24,701	26,363	25,908	24,693	24,209	24,940	25,889	26,048	25,589	25,156
6 Claims on foreigners	300,575	312,449	303,934	299,890	302,916	314,569	311,990	311,578	321,262	319,379
7 Other branches of parent bank	113,810	135,003	111,729	111,950[r]	111,140[r]	115,407[r]	115,398[r]	112,177	116,674	118,369
8 Banks	90,703	72,602	81,970	79,430[r]	83,673[r]	86,029[r]	84,534[r]	85,141[r]	86,978	83,912
9 Public borrowers	16,456	17,555	18,652	18,328	18,743	19,194	20,162	19,645	20,423	20,485
10 Nonbank foreigners	79,606	87,289	91,583	90,182[r]	89,360[r]	93,939[r]	91,896[r]	94,615[r]	97,187	96,613
11 Other assets	45,956	55,980	68,666	68,888	68,950	67,693	68,543	54,040	60,048[r]	58,064
12 **Total payable in U.S. dollars**	**382,498**	**379,479**	**363,941**	**381,113**	**364,748**	**370,290**	**369,561**	**349,145**	**340,689[r]**	**346,708**
13 Claims on United States	191,184	180,174	169,662	187,744	173,337	177,311	177,638	166,507	157,471	161,302
14 Parent bank	152,294	142,962	133,476	153,859	141,264	142,874	144,287	133,120	124,805	130,346
15 Other banks in United States	16,386	12,513	12,025	10,956	9,255	11,012	10,016	9,135	8,876	7,476
16 Nonbanks	22,504	24,699	24,161	22,929	22,818	23,425	23,335	24,252	23,790	23,480
17 Claims on foreigners	169,690	174,451	167,010	163,877	162,967	167,054	168,586	162,843	161,306	166,435
18 Other branches of parent bank	82,949	95,298	78,114	77,893[r]	75,177[r]	76,949[r]	76,700[r]	72,250	70,693	72,191
19 Banks	48,396	36,440	41,635	39,845[r]	41,415[r]	42,061[r]	43,307[r]	41,718	40,156	42,281
20 Public borrowers	10,961	12,298	13,685	13,217	12,994	12,994	13,723	13,320	13,661	13,965
21 Nonbank foreigners	27,384	30,415	33,576	32,922	33,381	35,050	34,856	35,555	36,796	37,998
22 Other assets	21,624	24,854	27,269	29,492	28,444	25,925	23,337	19,795	21,912[r]	18,971
	United Kingdom									
23 **Total payable in any currency**	**161,947**	**184,818**	**175,599**	**169,139**	**170,775**	**174,925**	**171,027**	**159,317**	**165,832**	**161,157**
24 Claims on United States	39,212	45,560	35,257	37,015	35,451	37,369	38,096	38,763	37,511	35,891
25 Parent bank	35,847	42,413	31,931	34,048	32,379	34,433	35,343	35,542	34,593	32,929
26 Other banks in United States	1,058	792	1,267	1,158	1,228	970	756	1,065	744	1,067
27 Nonbanks	2,307	2,355	2,059	1,809	1,844	1,966	1,997	2,156	2,174	1,895
28 Claims on foreigners	107,657	115,536	109,692	101,491	104,467	107,795	104,270	105,990	108,895	106,758
29 Other branches of parent bank	37,728	46,367	35,735	33,463	34,061	35,331	36,952	35,359	37,732	37,977
30 Banks	36,159	31,604	36,394	33,499	36,126	37,548	34,783	36,777	37,711	36,196
31 Public borrowers	3,293	3,860	3,306	3,060	3,108	3,165	2,995	3,128	3,046	3,371
32 Nonbank foreigners	30,477	33,705	34,257	31,469	31,172	31,751	29,540	30,726	30,406	29,214
33 Other assets	15,078	23,722	30,650	30,633	30,857	29,761	28,661	14,564	19,426	18,508
34 **Total payable in U.S. dollars**	**103,208**	**116,762**	**105,974**	**102,283**	**102,285**	**104,392**	**102,737**	**98,828**	**99,610**	**100,449**
35 Claims on United States	36,404	41,259	32,418	34,464	33,298	35,185	35,376	36,133	34,948	33,618
36 Parent bank	34,329	39,609	30,370	32,645	31,022	33,059	33,751	33,936	32,786	31,578
37 Other banks in United States	843	334	822	725	853	677	627	785	625	711
38 Nonbanks	1,232	1,316	1,226	1,094	1,423	1,449	998	1,412	1,537	1,329
39 Claims on foreigners	59,062	63,701	58,791	52,306	54,129	56,615	56,888	56,264	55,812	59,099
40 Other branches of parent bank	29,872	37,142	28,667	25,933	25,922	27,482	28,541	26,751	26,825	27,986
41 Banks	16,579	13,135	15,219	13,154	14,829	15,348	15,380	15,930	15,565	16,808
42 Public borrowers	2,371	3,143	2,853	2,623	2,545	2,463	2,474	2,653	2,353	2,604
43 Nonbank foreigners	10,240	10,281	12,052	10,596	10,833	11,322	10,493	10,930	11,069	11,701
44 Other assets	7,742	11,802	14,765	15,513	14,858	12,592	10,473	6,431	8,850	7,732
	Bahamas and Cayman Islands									
45 **Total payable in any currency**	**176,006**	**162,316**	**168,326**	**175,893**	**162,871**	**167,139**	**168,963**	**153,691**	**144,089**	**145,450**
46 Claims on United States	124,205	112,989	115,244	122,762	112,080	115,633	114,467	102,850	94,595	96,750
47 Parent bank	87,882	77,873	81,520	91,549	82,823	84,041	83,316	72,107	64,454	68,209
48 Other banks in United States	15,071	11,869	10,907	9,809	8,115	9,729	9,118	8,045	8,060	6,562
49 Nonbanks	21,252	23,247	22,817	21,404	21,142	21,863	22,033	22,698	22,081	21,979
50 Claims on foreigners	44,168	41,356	45,229	44,285	41,929	42,828	45,600	41,886	41,315	41,712
51 Other branches of parent bank	11,309	13,416	11,098	11,278	10,156	9,311	9,392	8,678	8,596	7,753
52 Banks	22,611	16,310	20,174	19,645	18,406	19,658	21,548	18,837	17,570	18,412
53 Public borrowers	5,217	5,807	7,161	6,599	6,332	6,459	7,084	6,728	7,125	7,102
54 Nonbank foreigners	5,031	5,823	6,796	6,763	7,035	7,400	7,576	7,643	8,024	8,445
55 Other assets	7,633	7,971	7,853	8,846	8,862	8,678	8,896	8,955	8,179	6,988
56 **Total payable in U.S. dollars**	**170,780**	**158,390**	**163,771**	**171,320**	**158,196**	**162,066**	**163,313**	**147,905**	**138,348**	**139,769**

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 Data[1]—Continued

Account	1989	1990	1991	1992						
				Mar.	Apr.	May	June	July	Aug.	Sept.
LIABILITIES	All foreign countries									
57 **Total payable in any currency**	**545,366**	**556,925**	**548,901**	**562,212**	**549,858**	**564,816**	**564,466**	**537,529**	**544,411[r]**	**544,701**
58 Negotiable certificates of deposit (CDs)	23,500	18,060	16,284	14,498	12,757	14,010	13,040	12,758	14,246	12,389
59 To United States	197,239	189,412	198,121	210,357	196,635	198,897	204,929	192,087	179,138	185,002
60 Parent bank	138,412	138,748	136,431	142,551	138,273	136,195	143,474	133,051	126,747	127,656
61 Other banks in United States	11,704	7,463	13,260	14,137	15,075	13,944	14,009	11,833	10,898	12,303
62 Nonbanks	47,123	43,201	48,430	53,669	43,287	48,758	47,446	47,203	41,493	45,043
63 To foreigners	296,850	311,668	288,254	292,523	296,580	308,394	302,376	301,943	314,702	311,853
64 Other branches of parent bank	119,591	139,113	112,033	113,178[r]	111,846[r]	115,098[r]	116,760[r]	114,226	120,292	118,987
65 Banks	76,452	58,986	63,097	63,060[r]	65,177[r]	68,528[r]	65,983[r]	65,419	68,366	69,259
66 Official institutions	16,750	14,791	15,596	15,697	16,083	19,465	16,399	18,058	18,241	16,963
67 Nonbank foreigners	84,057	98,778	97,528	100,588	103,474	105,303	103,234	104,240	107,803	106,644
68 Other liabilities	27,777	37,785	46,242	44,834	43,886	43,515	44,121	30,741	36,325[r]	35,457
69 **Total payable in U.S. dollars**	**396,613**	**383,522**	**370,561**	**380,384**	**365,920**	**373,679**	**374,506**	**354,666**	**346,278**	**346,575**
70 Negotiable CDs	19,619	14,094	11,909	10,278	8,470	9,643	8,475	8,531	8,755	7,628
71 To United States	187,286	175,654	185,286	198,349	185,533	187,438	192,792	179,395	166,309	170,705
72 Parent bank	132,563	130,510	129,669	135,761	131,844	130,007	136,273	125,647	119,302	119,797
73 Other banks in United States	10,519	6,052	11,707	13,036	14,217	12,840	13,251	10,816	9,835	11,012
74 Nonbanks	44,204	39,092	43,910	49,552	39,472	44,591	43,268	42,932	37,172	39,896
75 To foreigners	176,460	179,002	158,993	156,216	157,139	162,011	158,532	155,352	157,522	155,282
76 Other branches of parent bank	87,636	98,128	76,601	77,483[r]	75,772[r]	76,973[r]	77,604[r]	73,699	74,037	72,456
77 Banks	30,537	20,251	24,156	21,919[r]	22,577[r]	24,090[r]	23,474[r]	22,955	22,973	23,544
78 Official institutions	9,873	7,921	10,304	9,625	10,413	13,102	10,119	11,543	10,713	9,989
79 Nonbank foreigners	48,414	52,702	47,932	47,189	48,377	47,846	47,335	47,155	49,799	49,293
80 Other liabilities	13,248	14,772	14,373	15,541	14,778	14,587	14,707	11,388	13,692	12,960
	United Kingdom									
81 **Total payable in any currency**	**161,947**	**184,818**	**175,599**	**169,139**	**170,775**	**174,925**	**171,027**	**159,317**	**165,832**	**161,157**
82 Negotiable CDs	20,056	14,256	11,333	9,677	7,324	8,458	7,612	7,731	8,083	7,266
83 To United States	36,036	39,928	37,720	35,364	36,610	33,236	36,660	37,164	35,527	35,885
84 Parent bank	29,726	31,806	29,834	27,937	29,317	25,637	28,201	29,104	27,695	27,528
85 Other banks in United States	1,256	1,505	1,438	1,201	2,011	1,638	1,326	1,315	1,632	1,670
86 Nonbanks	5,054	6,617	6,448	6,226	5,282	5,961	7,133	6,745	6,200	6,687
87 To foreigners	92,307	108,531	98,167	96,566	99,804	106,603	100,340	100,738	104,892	101,082
88 Other branches of parent bank	27,397	36,709	30,054	27,937	28,239	30,429	31,464	30,205	31,234	29,839
89 Banks	29,780	25,126	25,541	25,881	27,046	27,549	25,315	25,155	26,435	25,823
90 Official institutions	8,551	8,361	9,670	9,277	9,539	12,732	10,167	11,091	10,699	9,131
91 Nonbank foreigners	26,579	38,335	32,902	33,471	34,980	35,893	33,394	34,287	36,524	36,289
92 Other liabilities	13,548	22,103	28,379	27,532	27,037	26,628	26,415	13,684	17,330	16,924
93 **Total payable in U.S. dollars**	**108,178**	**116,094**	**108,755**	**101,602**	**100,799**	**102,783**	**101,901**	**97,565**	**99,092**	**95,642**
94 Negotiable CDs	18,143	12,710	10,076	8,562	6,136	6,967	5,750	6,139	5,890	5,689
95 To United States	33,056	34,697	33,003	30,993	32,510	28,936	32,300	32,178	30,357	30,330
96 Parent bank	28,812	29,955	28,260	26,272	27,904	24,435	26,720	27,351	25,873	25,700
97 Other banks in United States	1,065	1,156	1,177	1,032	1,796	1,184	1,084	857	1,088	992
98 Nonbanks	3,179	3,586	3,566	3,689	2,810	3,317	4,496	3,970	3,396	3,638
99 To foreigners	50,517	60,014	56,626	52,059	52,625	57,489	54,262	52,894	54,381	51,677
100 Other branches of parent bank	18,384	25,957	20,800	18,792	18,136	19,497	20,918	18,634	18,983	17,747
101 Banks	12,244	9,488	11,069	9,861	9,435	10,799	9,848	9,399	9,289	9,112
102 Official institutions	5,454	4,692	7,156	6,628	6,998	9,915	7,049	7,808	6,956	6,156
103 Nonbank foreigners	14,435	19,877	17,601	16,778	18,056	17,278	16,447	17,053	19,153	18,662
104 Other liabilities	6,462	8,673	9,050	9,988	9,528	9,391	9,589	6,354	8,464	7,946
	Bahamas and Cayman Islands									
105 **Total payable in any currency**	**176,006**	**162,316**	**168,326**	**175,893**	**162,871**	**167,139**	**168,963**	**153,691**	**144,089**	**145,450**
106 Negotiable CDs	678	646	1,173	932	1,546	1,646	1,894	1,330	1,814	872
107 To United States	124,859	114,738	129,872	139,196	124,605	128,891	130,815	115,589	105,816	108,914
108 Parent bank	75,188	74,941	79,394	82,050	76,086	76,779	80,998	67,356	64,039	63,140
109 Other banks in United States	8,883	4,526	10,231	11,696	12,060	11,085	11,708	9,641	8,491	9,696
110 Nonbanks	40,788	35,271	40,247	45,450	36,459	41,027	38,109	38,592	33,286	36,078
111 To foreigners	47,382	44,444	35,200	34,002	34,899	35,021	34,637	35,136	34,878	34,087
112 Other branches of parent bank	23,414	24,715	17,388	17,100	16,933	16,842	16,799	17,668	17,315	16,071
113 Banks	8,823	5,588	5,662	5,139	6,009	6,346	6,075	6,390	6,242	6,787
114 Official institutions	1,097	622	572	536	736	731	770	862	935	1,034
115 Nonbank foreigners	14,048	13,519	11,578	11,227	11,221	11,102	10,993	10,216	10,386	10,195
116 Other liabilities	3,087	2,488	2,081	1,763	1,821	1,581	1,617	1,636	1,581	1,577
117 **Total payable in U.S. dollars**	**171,250**	**157,132**	**163,603**	**171,255**	**158,247**	**162,280**	**163,951**	**148,744**	**138,864**	**139,963**

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1990	1991	1992						
			Mar.	Apr.	May	June	July[r]	Aug.[r]	Sept.[p]
1 **Total**[1]	**344,529**	**360,546**	**381,499**	**385,572**	**394,709**	**401,795[r]**	**404,052**	**406,611**	**393,188**
By type									
2 Liabilities reported by banks in the United States[2]	39,880	38,412	43,874	44,583	47,471	51,421[r]	48,883	52,132	43,219
3 U.S. Treasury bills and certificates[3]	79,424	92,692	102,143	102,968	111,224	109,278	114,781	113,307	113,634
U.S. Treasury bonds and notes									
4 Marketable	202,487	203,677	209,042	210,754	208,069	213,363	212,596	213,293	208,810
5 Nonmarketable[4]	4,491	4,858	4,956	4,989	5,021	4,625	4,582	4,476	4,505
6 U.S. securities other than U.S. Treasury securities[5]	18,247	20,907	21,484	22,278	22,924	23,108	23,210	23,403	23,020
By area									
7 Western Europe[1]	167,191	168,365	178,041	179,239	185,416	191,214[r]	194,351	195,897	185,865
8 Canada	8,671	7,460	7,016	7,855	9,347	9,302	9,876	9,990	7,027
9 Latin America and Caribbean	21,184	33,554	37,961	39,130	39,732	39,433	39,146	38,356	37,703
10 Asia	138,096	139,465	148,614	148,573	149,062	150,215	150,047	151,789	151,650
11 Africa	1,434	2,092	2,011	2,392	2,792	3,265	3,218	2,860	3,360
12 Other countries[6]	7,955	9,608	7,854	8,381	8,358	8,364[r]	7,412	7,717	7,581

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies; zero coupon bonds are included at current value.
5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
6. Includes countries in Oceania and Eastern Europe.

SOURCE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States and on the 1984 benchmark survey of foreign portfolio investment in the United States.

3.16 LIABILITIES TO, AND CLAIMS ON, FOREIGNERS Reported by Banks in the United States[1] Payable in Foreign Currencies

Millions of dollars, end of period

Item	1988	1989	1990	1991		1992	
				Sept.	Dec.	Mar.	June
1 Banks' liabilities	74,980	67,835	70,477	63,291	75,129	67,874	70,764
2 Banks' claims	68,983	65,127	66,796	63,724	73,318	60,844	58,968
3 Deposits	25,100	20,491	29,672	29,812	26,192	23,269	23,462
4 Other claims	43,884	44,636	37,124	33,912	47,126	37,575	35,506
5 Claims of banks' domestic customers[2]	364	3,507	6,309	2,348	3,274	2,862	4,428

1. Data on claims exclude foreign currencies held by U.S. monetary authorities.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of the domestic customers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States[1]
Payable in U.S. dollars

Millions of dollars, end of period

Item	1989	1990	1991	1992						
				Mar.	Apr.	May	June	July	Aug.	Sept.[p]
HOLDER AND TYPE OF LIABILITY										
1 **Total, all foreigners**	**736,878**	**759,634**	**756,510**	**774,028**	**769,486**	**785,162**	**786,924r**	**777,485r**	**768,979r**	**778,487**
2 Banks' own liabilities	577,498	577,229	575,232	583,041	578,651	583,786	587,581r	571,410r	563,710r	584,512
3 Demand deposits	22,032	21,723	20,321	19,287	19,043	19,606	20,931	19,739	21,698	22,590
4 Time deposits[2]	168,780	168,017	159,649	147,994	153,383	150,373	152,185r	148,664r	144,483r	143,588
5 Other[3]	67,823	65,822	66,185	76,074	76,149	82,654	85,231r	82,448r	85,887r	81,289
6 Own foreign offices[4]	318,864	321,667	329,077	339,686	330,076	331,153	329,234	320,559	311,642r	337,045
7 Banks' custodial liabilities[5]	159,380	182,405	181,278	190,987	190,835	201,376	199,343	206,075	205,269	193,975
8 U.S. Treasury bills and certificates[6]	91,100	96,796	110,734	119,882	120,924	130,392	128,672	135,579r	135,744	134,894
9 Other negotiable and readily transferable instruments[7]	19,526	17,578	18,664	18,429	17,797	18,995	18,020	19,339r	18,541	18,814
10 Other	48,754	68,031	51,880	52,676	52,114	51,989	52,651	51,157	50,984	40,267
11 Nonmonetary international and regional organizations[8]	4,894	5,918	8,981	11,219	10,291	11,313	12,771r	11,281r	12,584	10,108
12 Banks' own liabilities	3,279	4,540	6,827	9,317	8,408	9,358	10,548r	8,152r	9,477	7,471
13 Demand deposits	96	36	43	144	29	46	40	24	21	103
14 Time deposits[2]	927	1,050	2,714	1,686	1,819	2,520	3,788	3,008r	2,630	2,292
15 Other[3]	2,255	3,455	4,070	7,487	6,560	6,792	6,720r	5,120r	6,826	5,076
16 Banks' custodial liabilities[5]	1,616	1,378	2,154	1,902	1,883	1,955	2,223	3,129	3,107	2,637
17 U.S. Treasury bills and certificates[6]	197	364	1,730	1,225	1,442	1,461	1,687	2,602	2,654	1,991
18 Other negotiable and readily transferable instruments[7]	1,417	1,014	424	637	441	494	534	527	453	646
19 Other	2	0	0	40	0	0	2	0	0	0
20 Official institutions[9]	113,481	119,303	131,104	146,017	147,551	158,695	160,699r	163,664r	165,439r	156,853
21 Banks' own liabilities	31,108	34,910	34,427	39,774	40,630	43,567	47,533r	45,338r	48,580r	40,068
22 Demand deposits	2,196	1,924	2,642	1,342	1,360	1,320	1,631r	1,372r	1,676r	1,761
23 Time deposits[2]	10,495	14,359	16,504	17,650	18,631	19,066	17,738	18,382r	18,551r	16,267
24 Other[3]	18,417	18,628	15,281	20,782	20,639	23,181	28,164r	25,584	28,353r	22,040
25 Banks' custodial liabilities[5]	82,373	84,393	96,677	106,243	106,921	115,128	113,166	118,326	116,859	116,785
26 U.S. Treasury bills and certificates[6]	76,985	79,424	92,692	102,143	102,968	111,224	109,278	114,781	113,307	113,634
27 Other negotiable and readily transferable instruments[7]	5,028	4,766	3,879	4,019	3,812	3,717	3,602	3,459	3,466	2,922
28 Other	361	203	106	81	141	187	286	86	86	229
29 Banks[10]	515,275	540,805	522,424	527,683	522,084	527,455	526,472r	514,723r	501,808r	522,844
30 Banks' own liabilities	454,273	458,470	459,177	461,497	456,309	460,919	459,710r	448,111r	434,855r	466,259
31 Unaffiliated foreign banks	135,409	136,802	130,100	121,811	126,233	129,766	130,476r	127,552r	123,213r	129,214
32 Demand deposits	10,279	10,053	8,632	8,543	8,753	9,229	9,705r	8,442r	9,851r	10,443
33 Time deposits[2]	90,557	88,541	82,857	74,266	79,632	77,098	80,170r	77,382r	73,082r	74,514
34 Other[3]	34,573	38,208	38,611	39,002	37,848	43,439	40,601r	41,728r	40,280r	44,257
35 Own foreign offices[4]	318,864	321,667	329,077	339,686	330,076	331,153	329,234	320,559	311,642r	337,045
36 Banks' custodial liabilities[5]	61,002	82,335	63,247	66,186	65,775	66,536	66,762	66,612	66,953r	56,585
37 U.S. Treasury bills and certificates[6]	9,367	10,669	7,471	8,344	8,410	8,946	8,927	9,444	10,429r	10,905
38 Other negotiable and readily transferable instruments[7]	5,124	5,341	5,694	6,733	7,147	7,044	6,647	7,129	6,920	6,846
39 Other	46,510	66,325	50,082	51,109	50,218	50,546	51,188	50,039	49,604	38,834
40 Other foreigners	103,228	93,608	94,001	89,109	89,560	87,699	86,982	87,817	89,148r	88,682
41 Banks' own liabilities	88,839	79,309	74,801	72,453	73,304	69,942	69,790	69,809	70,798r	70,714
42 Demand deposits	9,460	9,711	9,004	9,258	8,901	9,011	9,555	9,901	10,150	10,283
43 Time deposits[2]	66,801	64,067	57,574	54,392	53,301	51,689	50,489	49,892	50,220r	50,515
44 Other[3]	12,577	5,530	8,223	8,803	11,102	9,242	9,746	10,016	10,428	9,916
45 Banks' custodial liabilities[5]	14,389	14,299	19,200	16,656	16,256	17,757	17,192	18,008	18,350r	17,968
46 U.S. Treasury bills and certificates[6]	4,551	6,339	8,841	8,170	8,104	8,761	8,780	8,752r	9,354r	8,364
47 *Other negotiable and readily transferable instruments*[7]	7,958	6,457	8,667	7,040	6,397	7,740	7,237	8,224r	7,702	8,400
48 Other	1,880	1,503	1,692	1,446	1,755	1,256	1,175	1,032	1,294	1,204
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	7,203	7,073	7,456	8,110	7,624	7,642	7,351	6,976	7,279	6,955

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

Item	1989	1990	1991	1992						
				Mar.	Apr.	May	June	July	Aug.	Sept.[p]
AREA										
1 **Total, all foreigners**	**736,878**	**759,634**	**756,510**	**774,028**	**769,486**	**785,162**	**786,924[r]**	**777,485[r]**	**768,979[r]**	**778,487**
2 **Foreign countries**	**731,984**	**753,716**	**747,529**	**762,809**	**759,195**	**773,849**	**774,153**	**766,204[r]**	**756,395[r]**	**768,379**
3 Europe	237,501	254,452	249,067	256,024	262,246	273,436	279,521	283,109	289,338[r]	289,722
4 Austria	1,233	1,229	1,193	1,230	1,219	1,337	1,490	1,445	1,427[r]	1,461
5 Belgium and Luxembourg	10,648	12,382	13,337	16,269	15,818	17,346	16,740	16,797	18,449[r]	17,942
6 Denmark	1,415	1,399	937	892	961	1,331	1,263	1,348	1,329	1,760
7 Finland	570	602	1,341	1,014	1,005	764	843	720	976	685
8 France	26,903	30,946	31,808	26,036	27,667	27,005	30,132	28,900	29,456	32,053
9 Germany	7,578	7,485	8,619	9,556	9,272	8,319	8,018	8,967	10,982	14,659
10 Greece	1,028	934	765	1,058	1,134	1,254	1,374	998	934	1,069
11 Italy	16,169	17,735	13,541	9,915	10,035	10,055	10,362	10,164	10,992	12,236
12 Netherlands	6,613	5,350	7,161	9,250	9,352	9,572	9,456	9,653	10,422	10,397
13 Norway	2,401	2,357	1,866	1,286	899	1,429	1,359	1,421	1,341	1,851
14 Portugal	2,418	2,958	2,184	2,071	2,217	2,391	2,530	2,659	2,664	2,245
15 Spain	4,364	7,544	11,391	13,504	14,435	14,316	15,844	15,313	14,904	15,589
16 Sweden	1,491	1,837	2,222	2,106	2,888	2,007	4,125	3,710	4,162	3,189
17 Switzerland	34,496	36,690	37,238	37,104	33,604	36,663	35,987	39,568	40,599	39,014
18 Turkey	1,818	1,169	1,598	1,600	1,362	1,691	1,580	1,789	2,021	2,087
19 United Kingdom	102,362	109,555	100,262	103,319	108,023	112,828	111,712	111,878	111,521	115,665
20 Yugoslavia	1,474	928	622	504	569	524	555	547	554	567
21 Others in Western Europe[11]	13,563	11,689	9,274	15,452	17,208	19,961	21,609	22,743	21,842[r]	12,807
22 U.S.S.R	350	119	241	168	287	436	440	609	525[r]	499
23 Other Eastern Europe[12]	608	1,545	3,467	3,690	4,291	4,207	4,102	3,880	4,238	3,947
24 Canada	18,865	20,349	21,605	20,931	20,500	22,556	20,358	22,350	20,410	22,668
25 Latin America and Caribbean	311,028	332,997	346,025	351,067	341,925	339,862	339,517	325,910[r]	311,490[r]	302,175
26 Argentina	7,304	7,365	7,758	8,310	8,654	9,381	9,705	10,043	9,399	9,065
27 Bahamas	99,341	107,386	100,597	102,138	98,530	100,025	101,702	92,536	82,561	69,073
28 Bermuda	2,884	2,822	3,178	3,364	3,368	3,009	3,598	4,848	4,782	4,391
29 Brazil	6,351	5,834	5,942	5,745	5,752	5,399	5,612	5,522	5,484	5,393
30 British West Indies	138,309	147,321	163,872	166,802	160,991	158,515	156,756[r]	151,877[r]	148,450[r]	153,472
31 Chile	3,212	3,145	3,284	3,623	3,506	3,792	3,702	3,606[r]	3,394	3,440
32 Colombia	4,653	4,492	4,662	4,972	4,915	4,902	4,721	4,687[r]	4,711	4,205
33 Cuba	10	11	2	11	9	6	3	12	9	620
34 Ecuador	1,391	1,379	1,232	1,168	1,128	1,150	1,137	1,074	1,214	1,073
35 Guatemala	1,312	1,541	1,594	1,539	1,489	1,438	1,447	1,420	1,432	1,416
36 Jamaica	209	257	231	271	234	242	309	271	272[r]	309
37 Mexico	15,423	16,650	19,957	21,540	21,362	20,842	19,491	19,642	20,046[r]	19,650
38 Netherlands Antilles	6,310	7,357	5,592	5,205	5,986	5,347	5,313	5,085	4,825	4,751
39 Panama	4,362	4,574	4,695	4,158	4,216	4,100	4,286	4,457	4,302[r]	4,595
40 Peru	1,984	1,294	1,249	1,187	1,094	1,098	1,156	1,131	1,123	1,143
41 Uruguay	2,284	2,520	2,111	2,054	2,171	2,118	2,182	2,175	2,193[r]	2,019
42 Venezuela	9,482	12,271	13,181	12,190	11,874	11,705	11,448	11,080	10,802	11,101
43 Other	6,206	6,779	6,888	6,790	6,646	6,793	6,949[r]	6,444[r]	6,491[r]	6,459
44 Asia	156,201	136,844	120,440	125,678	125,187	128,083	124,549	124,894	125,214	144,134
China										
45 People's Republic of China	1,773	2,421	2,626	2,678	2,753	2,364	2,378	2,292	2,508	2,480
46 Republic of China (Taiwan)	19,588	11,246	11,491	10,593	10,471	10,265	9,985	10,277	10,362	9,299
47 Hong Kong	12,416	12,754	14,269	14,610	16,125	17,885	16,980	16,840	17,775	17,991
48 India	780	1,233	2,418	2,028	1,792	1,671	1,715	1,567	1,480	1,372
49 Indonesia	1,281	1,238	1,463	1,516	1,109	1,133	1,387	1,256	958	1,507
50 Israel	1,243	2,767	2,015	2,536	3,791	3,432	2,976	2,850	2,620	2,613
51 Japan	81,184	67,076	47,047	49,528	47,337	46,183	44,265	45,815	45,682	64,775
52 Korea (South)	3,215	2,287	2,587	2,886	3,016	3,132	2,839	3,288	3,644	3,692
53 Philippines	1,766	1,585	2,449	2,638	2,266	1,630	1,813	1,994	1,920	2,028
54 Thailand	2,093	1,443	2,252	3,330	3,147	6,990	4,586	4,017	4,624	4,517
55 Middle Eastern oil-exporting countries[13]	13,370	15,829	15,752	19,311	18,614	18,297	18,983	19,828	18,938	19,977
56 Other	17,491	16,965	16,071	14,024	14,766	15,101	16,642	14,870	14,703	13,883
57 Africa	3,824	4,630	4,825	4,886	4,864	5,430	5,810	5,516	5,314	5,592
58 Egypt	686	1,425	1,621	1,337	1,610	2,001	2,540	2,324	2,143	2,243
59 Morocco	78	104	79	90	88	77	87	85	93	100
60 South Africa	206	228	228	191	188	399	248	269	275	190
61 Zaire	86	53	31	35	27	26	29	17	24	14
62 Oil-exporting countries[14]	1,121	1,110[r]	1,082	1,428	1,277	1,257	1,232	1,211	1,090[r]	1,339
63 Other	1,648	1,710	1,784	1,805	1,674	1,670	1,674	1,610	1,689[r]	1,706
64 Other	4,564	4,444	5,567	4,223	4,473	4,482	4,398	4,425	4,629[r]	4,088
65 Australia	3,867	3,807	4,464	3,100	3,575	3,211	3,192	3,066	3,322	2,927
66 Other	697	637	1,103	1,123	898	1,271	1,206	1,359	1,307[r]	1,161
67 Nonmonetary international and regional organizations	4,894	5,918	8,981	11,219	10,291	11,313	12,771[r]	11,281[r]	12,584	10,108
68 International[15]	3,947	4,390	6,485	8,813	7,543	8,400	9,796[r]	7,362[r]	9,361	6,973
69 Latin American regional[16]	684	1,048	1,181	1,785	1,788	1,903	2,356	2,699	2,319	2,328
70 Other regional[17]	263	479	1,315	621	960	1,010	619	1,220	904	807

11. Includes the Bank for International Settlements and Eastern European countries not listed in line 23.
12. Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.
13. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
14. Comprises Algeria, Gabon, Libya, and Nigeria.
15. Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.
16. Principally the Inter-American Development Bank.
17. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States[1]
Payable in U.S. Dollars

Millions of dollars, end of period

	Area and country	1989	1990	1991	1992						
					Mar.	Apr.	May	June	July	Aug.	Sept.[p]
1	**Total, all foreigners**	**534,492**	**511,543**	**514,318**	**512,876**	**506,854**	**504,682**	**511,951[r]**	**503,051[r]**	**479,275[r]**	**485,539**
2	**Foreign countries**	**530,630**	**506,750**	**508,035**	**506,503**	**502,065**	**499,881**	**505,957[r]**	**499,630[r]**	**474,886[r]**	**481,345**
3	Europe	119,025	113,093	114,355	112,774	123,696	120,739	126,207[r]	124,473[r]	118,695[r]	117,181
4	Austria	415	362	327	375	444	456	433	647	606[r]	341
5	Belgium and Luxembourg	6,478	5,473	6,158	7,005	6,967	6,487	6,166	6,475	6,324	7,504
6	Denmark	582	497	686	737	871	994	1,436	951	901	1,007
7	Finland	1,027	1,047	1,912	1,321	1,475	1,536	1,516[r]	1,269[r]	1,081[r]	1,299
8	France	16,146	14,468	15,112	14,040	13,685	14,031	14,440	14,154	13,011	15,009
9	Germany	2,865	3,343	3,371	3,788	3,117	4,044	3,311	3,863	4,707	4,074
10	Greece	788	727	553	537	567	492	506	590	619	606
11	Italy	6,662	6,052	8,242	8,584	9,835	10,282	10,619	10,507	9,876	9,487
12	Netherlands	1,904	1,761	2,546	2,268	2,688	2,642	2,267	2,041	2,075	1,975
13	Norway	609	782	669	687	567	731	722	731	707	639
14	Portugal	376	292	344	368	361	398	367	382	387	383
15	Spain	1,930	2,668	1,881	3,355	3,726	2,687	3,880	3,730	2,590	3,304
16	Sweden	1,773	2,094	2,335	2,636	3,062	3,007	6,745	5,982	6,582	5,494
17	Switzerland	6,141	4,202	4,540	3,375	4,095	4,144	3,973	3,683	3,934	3,118
18	Turkey	1,071	1,405	1,063	943	927	1,130	976	1,173	1,001	984
19	United Kingdom	65,527	65,151	60,435	57,920	66,365	62,509	63,932	62,815	58,836	56,428
20	Yugoslavia	1,329	1,142	825	807	781	735	697	693	678	674
21	Others in Western Europe[2]	1,302	597	789	879	821	894	771	1,227	956	1,206
22	U.S.S.R.	1,179	530	1,970	2,659	2,824	2,948	3,035	3,153	3,280	3,199
23	Other Eastern Europe[3]	921	499	597	490	518	592	415	407	544	450
24	Canada	15,451	16,091	15,094	15,468	15,121	16,460	16,401[r]	17,438[r]	15,153[r]	15,908
25	Latin America and Caribbean	230,438	231,506	246,064	251,703	239,307	238,502	243,532[r]	234,119[r]	217,576[r]	210,533
26	Argentina	9,270	6,967	5,869	5,788	5,949	5,956	5,396	5,614	4,789[r]	4,559
27	Bahamas	77,921	76,525	87,173	88,866	82,118	84,668	83,141	74,816	62,615	58,522
28	Bermuda	1,315	4,056	2,191	3,649	6,377	4,283	4,951	6,099	6,302[r]	3,801
29	Brazil	23,749	17,995	11,845	12,375	12,321	12,183	12,020	12,186	12,286[r]	11,307
30	British West Indies	68,749	88,565	107,866	109,453	100,777	100,352	106,676[r]	104,188[r]	99,805[r]	99,285
31	Chile	4,353	3,271	2,805	2,779	2,922	3,055	3,227	3,118	3,218[r]	3,318
32	Colombia	2,784	2,587	2,425	2,339	2,322	2,328	2,304	2,398	2,322	2,475
33	Cuba	1	0	0	0	2	0	0	0	0	0
34	Ecuador	1,688	1,387	1,053	993	986	939	936	950	949	919
35	Guatemala	197	191	228	233	216	171	173	167	189	237
36	Jamaica	297	238	158	152	150	143	150	151	150	160
37	Mexico	23,376	14,851	16,567	17,315	17,367	16,900	16,455	16,331	16,532	17,284
38	Netherlands Antilles	1,921	7,998	1,207	1,181	1,265	904	920	941	966	1,045
39	Panama	1,740	1,471	1,560	1,704	1,834	1,926	2,199	2,025	2,053	1,924
40	Peru	771	663	739	644	715	666	719	708	708	731
41	Uruguay	929	786	599	604	685	717	765	749	799	921
42	Venezuela	9,652	2,571	2,516	2,188	2,010	2,046	2,215	2,360	2,585	2,654
43	Other	1,726	1,384	1,263	1,440	1,291	1,265	1,285	1,318	1,308[r]	1,391
44	Asia	157,474	138,722	125,288	119,631	116,770	117,259	112,406	115,961	116,514[r]	130,625
	China										
45	People's Republic of China	634	620	747	719	660	729	685	642	696	636
46	Republic of China (Taiwan)	2,776	1,952	2,087	1,969	2,008	1,808	1,778	1,965	1,982	2,053
47	Hong Kong	11,128	10,648	9,617	10,466	8,520	9,127	8,272	9,103	8,010	10,082
48	India	621	655	441	518	504	475	458	512	528	499
49	Indonesia	651	933	952	1,096	1,055	1,132	1,085	1,090	1,108	1,089
50	Israel	813	774	860	901	837	874	888	901	920	800
51	Japan	111,300	90,699	84,833	74,615	72,116	74,430	69,269	71,159	71,491	83,223
52	Korea (South)	5,323	5,766	6,048	6,423	6,218	5,796	5,927	6,063	6,201	6,248
53	Philippines	1,344	1,247	1,910	1,831	1,690	1,618	1,648	1,635	1,775	1,852
54	Thailand	1,140	1,573	1,713	1,599	1,618	1,703	1,756	1,705	1,680[r]	1,790
55	Middle Eastern oil-exporting countries[4]	10,149	10,749	8,284	12,291	14,562	13,453	14,505	14,323	14,783	14,613
56	Other	11,594	13,106	7,796	7,203	6,982	6,114	6,135	6,863	7,340	7,740
57	Africa	5,890	5,445	4,928	4,758	4,818	4,582	4,548	4,452	4,455[r]	4,333
58	Egypt	502	380	294	271	242	218	256	261	243	256
59	Morocco	559	513	575	547	547	529	527	496	483	467
60	South Africa	1,628	1,525	1,235	1,176	1,239	1,128	1,070	1,047	1,066	1,055
61	Zaire	16	16	4	4	4	4	4	4	4	4
62	Oil-exporting countries[5]	1,648	1,486	1,298	1,164	1,160	1,162	1,159	1,157	1,130[r]	1,067
63	Other	1,537	1,525	1,522	1,596	1,626	1,541	1,532	1,487	1,529	1,484
64	Other	2,354	1,892	2,306	2,169	2,353	2,339	2,863	3,187	2,493	2,765
65	Australia	1,781	1,413	1,665	1,388	1,424	1,197	1,725	1,937	1,463	1,765
66	Other	573	479	641	781	929	1,142	1,138	1,250	1,030	1,000
67	Nonmonetary international and regional organizations[6]	3,862	4,793	6,283	6,373	4,789	4,801	5,994	3,421	4,389	4,194

1. Reporting banks include all types of depository institutions, as well as some brokers and dealers.
2. Includes the Bank for International Settlements and Eastern European countries not listed in line 23.
3. Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States[1]
Payable in U.S. Dollars

Millions of dollars, end of period

Claim	1989	1990	1991	1992						
				Mar.	Apr.	May	June[r]	July[r]	Aug.[r]	Sept.[p]
1 **Total**	**593,087**	**579,044**	**579,622**	**576,230**	....	....	**565,597**	....	....	....
2 Banks' claims	534,492	511,543	514,318	512,876	506,854	504,682	511,951	503,051	479,275	485,539
3 Foreign public borrowers	60,511	41,900	37,130	36,892	34,585	34,637	35,946	32,926	32,249	31,411
4 Own foreign offices[2]	296,011	304,315	318,894	318,350	302,551	308,342	314,613	302,066	287,537	297,556
5 Unaffiliated foreign banks	134,885	117,272	116,569	113,936	120,195	116,823	112,048	114,045	105,540	105,854
6 Deposits	78,185	65,253	69,168	67,007	70,703	70,205	63,678	63,004	56,364	54,486
7 Other	56,700	52,019	47,401	46,929	49,492	46,618	48,370	51,041	49,176	51,368
8 All other foreigners	43,085	48,056	41,725	43,698	49,523	44,880	49,344	54,014	53,949	50,718
9 Claims of banks' domestic customers[3]	58,594	67,501	65,304	63,354	....	....	53,646	....	....	....
10 Deposits	13,019	14,375	15,240	17,522	....	....	17,098	....	....	....
11 Negotiable and readily transferable instruments[4]	30,983	41,333	37,125	33,115	....	....	24,240	....	....	....
12 Outstanding collections and other claims	14,592	11,792	12,939	12,717	....	....	12,308	....	....	....
13 MEMO: Customer liability on acceptances	12,899	13,628	8,974	7,887	....	....	7,571	....	....	....
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	45,767	44,638	38,888	37,028	34,255	32,963	33,100	34,118	32,283	n.a.

1. 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.
2. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in Consolidated Report of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
3. Assets 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 States[1]
Payable in U.S. Dollars

Millions of dollars, end of period

Maturity, by borrower and area	1988	1989	1990	1991		1992	
				Sept.	Dec.	Mar.	June
1 **Total**	**233,184**	**238,123**	**206,903**	**195,275**	**195,187**	**194,219**	**196,934**
By borrower							
2 Maturity of one year or less[2]	172,634	178,346	165,985	160,395	162,515	161,266	162,473
3 Foreign public borrowers	26,562	23,916	19,305	17,601	21,047	20,241	20,491
4 *All other foreigners*	146,072	154,430	146,680	142,794	141,468	141,025	141,982
5 Maturity of more than one year[2]	60,550	59,776	40,918	34,880	32,672	32,953	34,461
6 Foreign public borrowers	35,291	36,014	22,269	17,935	15,866	16,344	15,144
7 All other foreigners	25,259	23,762	18,649	16,945	16,806	16,609	19,317
By area							
Maturity of one year or less[2]							
8 Europe	55,909	53,913	49,184	51,211	51,875	52,608	54,977
9 Canada	6,282	5,910	5,450	5,682	6,474	6,926	7,946
10 Latin America and Caribbean	57,991	53,003	49,782	47,289	43,521	48,597	49,204
11 Asia	46,224	57,755	53,258	50,010	51,007	43,605	41,386
12 Africa	3,337	3,225	3,040	2,815	2,549	2,486	2,142
13 All other[3]	2,891	4,541	5,272	3,388	7,089	7,044	6,818
Maturity of more than one year[2]							
14 Europe	4,666	4,121	3,859	3,733	3,883	4,355	6,786
15 Canada	1,922	2,353	3,290	3,706	3,546	3,250	3,173
16 Latin America and Caribbean	47,547	45,816	25,774	19,282	18,264	18,180	16,891
17 Asia	3,613	4,172	5,165	5,635	4,459	4,738	5,007
18 Africa	2,301	2,630	2,374	2,393	2,335	2,191	2,341
19 All other[3]	501	684	456	131	185	239	263

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.
2. Maturity is time remaining to maturity.
3. Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks[1]

Billions of dollars, end of period

Area or country	1988	1989	1990			1991				1992	
			June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
1 **Total**	**346.3**	**338.8**	**321.7**	**331.5**	**317.8**	**325.4**	**320.8**	**335.5**	**341.5**	**347.5[r]**	**355.4[r]**
2 G-10 countries and Switzerland	152.7	152.9	139.3	143.6	132.1	129.9	130.1	134.0	137.3	130.4[r]	135.6[r]
3 Belgium and Luxembourg	9.0	6.3	6.2	6.5	5.9	6.2	6.1	5.8	6.0	5.3	6.2
4 France	10.5	11.7	10.2	11.1	10.4	9.7	10.5	11.1	11.0	10.0[r]	11.9[r]
5 Germany	10.3	10.5	11.2	11.1	10.6	8.8	8.3	9.7	8.3	8.4	8.7
6 Italy	6.8	7.4	5.4	4.4	5.0	4.0	3.6	4.5	5.6	5.4	8.0
7 Netherlands	2.7	3.1	2.7	3.8	3.0	3.3	3.3	3.0	4.7	4.3	3.3
8 Sweden	1.8	2.0	2.3	2.3	2.2	2.0	2.5	2.1	1.9	2.0	2.0
9 Switzerland	5.4	7.1	6.3	5.6	4.4	3.7	3.3	3.9	3.4	3.2	4.6
10 United Kingdom	66.2	67.2	59.9	62.6	60.8	62.2	59.8	64.9	68.5	64.6	65.9
11 Canada	5.0	5.4	5.1	5.0	5.9	6.8	8.2	5.9	5.9	6.6	6.7
12 Japan	34.9	32.2	30.1	31.3	23.9	23.2	24.6	23.2	22.2	20.7	18.3
13 Other industrialized countries	21.0	20.7	22.4	23.0	22.6	23.1	21.1	21.7	22.7	21.2	25.4
14 Austria	1.5	1.5	1.5	1.6	1.4	1.4	1.1	1.0	.6	.8	.8
15 Denmark	1.1	1.1	1.1	1.1	1.1	.9	1.2	.9	.9	.8	1.3
16 Finland	1.1	1.0	.9	.8	.7	1.0	.8	.7	.7	.8	.8
17 Greece	1.8	2.5	2.7	2.8	2.7	2.5	2.4	2.3	2.6	2.3	2.8
18 Norway	1.8	1.4	1.4	1.6	1.6	1.5	1.5	1.4	1.4	1.5	1.7
19 Portugal	.4	.4	.8	.6	.6	.6	.6	.5	.6	.5	.5
20 Spain	6.2	7.1	7.8	8.4	8.3	9.0	7.1	8.3	8.3	7.7	10.1
21 Turkey	1.5	1.2	1.4	1.6	1.7	1.7	1.9	1.6	1.4	1.2	1.5
22 Other Western Europe	1.3	.7	1.1	.7	.9	.8	.9	1.0	1.6	1.3	1.9
23 South Africa	2.4	2.0	1.9	1.9	1.8	1.8	1.8	1.6	1.9	1.8	1.7
24 Australia	1.8	1.6	1.8	2.0	1.8	1.9	2.0	2.4	2.7	2.3	2.3
25 OPEC[2]	16.6	17.1	15.3	14.2	12.8	17.1	14.0	15.6	14.6	15.8	16.2
26 Ecuador	1.7	1.3	1.1	1.1	1.0	.9	.9	.8	.7	.7	.7
27 Venezuela	7.9	7.0	6.0	6.0	5.0	5.1	5.3	5.6	5.4	5.4	5.3
28 Indonesia	1.7	2.0	2.0	2.3	2.7	2.8	2.6	2.8	2.8	3.0	3.0
29 Middle East countries	3.4	5.0	4.4	3.1	2.5	6.6	3.7	5.0	4.2	5.3	5.9
30 African countries	1.9	1.7	1.8	1.7	1.7	1.6	1.5	1.5	1.5	1.4	1.4
31 Non-OPEC developing countries	85.3	77.5	66.7	67.1	65.4	66.4	65.0	65.0	64.3	70.6	68.8[r]
Latin America											
32 Argentina	9.0	6.3	5.2	5.0	5.0	4.7	4.6	4.5	4.8	5.0	5.1
33 Brazil	22.4	19.0	16.7	15.4	14.4	13.9	11.6	10.5	9.5	10.8	10.6
34 Chile	5.6	4.6	3.7	3.6	3.5	3.6	3.6	3.7	3.6	3.9	4.0
35 Colombia	2.1	1.8	1.7	1.8	1.8	1.7	1.6	1.6	1.7	1.6	1.6
36 Mexico	18.8	17.7	12.6	12.8	13.0	13.7	14.3	16.2	15.5	18.2	16.5
37 Peru	.8	.6	.5	.5	.5	.5	.5	.4	.4	.4	.4
38 Other	2.6	2.8	2.3	2.4	2.3	2.2	2.0	1.9	2.1	2.2	2.2
Asia											
China											
39 Peoples Republic of China	.3	.3	.2	.2	.2	.4	.6	.4	.3	.3	.3
40 Republic of China (Taiwan)	3.7	4.5	3.6	4.0	3.5	3.6	4.1	4.1	4.1	4.8	4.6[r]
41 India	2.1	3.1	3.6	3.6	3.3	3.5	3.0	2.8	3.0	3.6	3.8
42 Israel	1.2	.7	.7	.6	.5	.5	.5	.5	.5	.4	.4
43 Korea (South)	6.1	5.9	5.6	6.2	6.2	6.8	6.9	6.5	6.8	6.9	6.9
44 Malaysia	1.6	1.7	1.8	1.8	1.9	2.0	2.1	2.3	2.3	2.5	2.7
45 Philippines	4.5	4.1	3.9	3.9	3.8	3.7	3.7	3.6	3.7	3.6	3.0
46 Thailand	1.1	1.3	1.3	1.5	1.5	1.6	1.7	1.9	1.7	1.7	1.9
47 Other Asia[3]	.9	1.0	1.1	1.6	1.7	2.1	2.3	2.3	2.4	2.7	3.1
Africa											
48 Egypt	.4	.4	.5	.4	.4	.4	.4	.4	.4	.3	.5
49 Morocco	.9	.9	.9	.9	.8	.8	.7	.7	.7	.7	.7
50 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa[3]	1.1	1.0	.8	.8	1.0	.8	.8	.8	.7	.7	.6
52 Eastern Europe	3.6	3.5	2.9	2.7	2.3	2.1	2.1	1.8	2.4	2.9	3.0
53 U.S.S.R.	.7	.7	.4	.4	.2	.3	.4	.4	.9	1.4	1.7
54 Yugoslavia	1.8	1.6	1.4	1.3	1.2	1.0	1.0	.8	.9	.8	.7
55 Other	1.1	1.3	1.1	1.1	.9	.8	.7	.7	.7	.6	.6
56 Offshore banking centers	44.2	36.6	40.3	42.6	42.5	50.1	48.3	52.4	51.9	58.5	56.9[r]
57 Bahamas	11.0	5.5	8.5	8.9	2.8	8.4	6.8	6.7	12.0	14.1	12.1
58 Bermuda	.9	1.7	2.5	4.5	4.4	4.4	4.2	7.1	2.2	3.9	5.1
59 Cayman Islands and other British West Indies	12.9	9.0	8.5	9.3	11.5	14.1	14.9	13.8	15.9	17.4	18.0
60 Netherlands Antilles	1.0	2.3	2.3	2.2	7.9	1.1	1.4	3.5	1.2	1.0	.8
61 Panama[4]	2.5	1.4	1.4	1.5	1.4	1.5	1.3	1.3	1.3	1.3	1.4
62 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	9.6	9.7	10.0	8.7	7.7	11.6	12.4	12.1	12.2	12.2	13.0[r]
64 Singapore	6.1	7.0	7.0	7.5	6.6	8.9	7.2	7.7	7.1	8.5	6.4
65 Other[5]	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
66 Miscellaneous and unallocated[6]	22.6	30.3	34.5	38.1	39.8	36.4	39.9	44.6	48.2	48.0	49.1

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches).

Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from $50 million to $150 million equivalent in total assets, the threshold now applicable to all reporting branches.

2. Organization of Petroleum Exporting Countries, shown individually; other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates); and Bahrain and Oman (not formally members of OPEC).
3. Excludes Liberia.
4. Includes Canal Zone beginning December 1979.
5. Foreign branch claims only.
6. Includes New Zealand, Liberia, and international and regional organizations.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

	Type and area or country	1988	1989	1990	1991				1992	
					Mar.	June	Sept.	Dec.	Mar.	June
1	**Total**	**32,952**	**38,764**	**44,988**	**41,787**	**40,472**	**41,916**	**41,505**	**43,495**	**43,757[r]**
2	Payable in dollars	27,335	33,973	39,791	37,211	36,003	37,210	36,225	38,174	37,064[r]
3	Payable in foreign currencies	5,617	4,791	5,197	4,576	4,469	4,706	5,280	5,321	6,693[r]
	By type									
4	Financial liabilities	14,507	17,879	20,010	18,606	18,260	20,350	20,242	21,664	21,585[r]
5	Payable in dollars	10,608	14,035	15,984	15,266	14,947	16,675	16,242	17,566	16,341[r]
6	Payable in foreign currencies	3,900	3,844	4,026	3,340	3,313	3,675	4,000	4,098	5,244[r]
7	Commercial liabilities	18,445	20,885	24,977	23,181	22,212	21,566	21,263	21,831	22,172[r]
8	Trade payables	6,505	8,070	10,683	8,793	8,569	8,313	8,310	8,914	9,500[r]
9	Advance receipts and other liabilities	11,940	12,815	14,294	14,388	13,644	13,253	12,953	12,917	12,672[r]
10	Payable in dollars	16,727	19,938	23,807	21,945	21,056	20,535	19,983	20,608	20,723[r]
11	Payable in foreign currencies	1,717	947	1,170	1,236	1,157	1,031	1,280	1,223	1,449[r]
	By area or country									
	Financial liabilities									
12	Europe	9,962	11,660	10,346	9,559	9,634	11,403	10,814	12,071	12,643[r]
13	Belgium and Luxembourg	289	340	394	335	355	397	217	174	194
14	France	359	258	700	632	556	1,747	1,593	1,997	2,324
15	Germany	699	464	621	561	658	652	649	636	836
16	Netherlands	880	941	1,081	1,036	1,026	1,050	1,056	1,025	979
17	Switzerland	1,033	541	516	517	484	468	360	355	470
18	United Kingdom	6,533	8,818	6,395	5,810	5,932	6,521	6,294	6,977	6,964[r]
19	Canada	388	610	229	278	293	305	267	283	337
20	Latin America and Caribbean	839	1,357	4,153	4,255	3,808	3,883	4,307	4,047	3,298
21	Bahamas	184	157	371	392	375	314	537	396	343
22	Bermuda	0	17	0	0	12	0	114	114	114
23	Brazil	0	0	0	0	0	6	6	8	10
24	British West Indies	645	724	3,160	3,293	2,816	2,961	3,047	2,915	2,157
25	Mexico	1	6	5	6	6	6	7	7	8
26	Venezuela	0	0	4	4	4	4	4	4	4
27	Asia	3,312	4,151	4,872	4,510	4,515	4,755	4,796	5,168	5,218[r]
28	Japan	2,563	3,299	3,637	3,432	3,339	3,605	3,557	3,906	4,122[r]
29	Middle East oil-exporting countries[2]	3	2	5	1	4	19	13	13	10
30	Africa	2	2	2	2	9	3	6	7	0
31	Oil-exporting countries[3]	0	0	0	0	7	2	4	6	0
32	All other[4]	4	100	409	2	2	1	52	88	89
	Commercial liabilities									
33	Europe	7,319	9,071	10,310	9,666	8,607	8,084	7,808	7,491	7,131[r]
34	Belgium and Luxembourg	158	175	275	261	245	225	248	256	240[r]
35	France	455	877	1,218	1,203	1,185	992	830	671	659[r]
36	Germany	1,699	1,392	1,270	1,383	1,040	911	944	878	691[r]
37	Netherlands	587	710	844	729	729	751	709	574	605[r]
38	Switzerland	417	693	775	661	580	492	488	482	400[r]
39	United Kingdom	2,079	2,620	2,792	2,755	2,289	2,217	2,310	2,444	2,404[r]
40	Canada	1,217	1,124	1,261	1,251	1,208	1,011	990	1,094	1,077[r]
41	Latin America and Caribbean	1,090	1,224	1,672	1,589	1,619	1,512	1,352	1,701	1,803[r]
42	Bahamas	49	41	12	14	5	14	3	13	8
43	Bermuda	286	308	538	494	504	450	310	493	409[r]
44	Brazil	95	100	145	216	180	211	219	230	212
45	British West Indies	34	27	30	35	49	46	107	108	73
46	Mexico	217	323	475	343	358	291	304	375	475[r]
47	Venezuela	114	164	130	129	119	102	94	168	279[r]
48	Asia	6,915	7,550	9,483	8,595	8,752	8,855	9,330	9,889	10,436[r]
49	Japan	3,094	2,914	3,651	3,423	3,411	3,363	3,720	3,548	3,534[r]
50	Middle Eastern oil-exporting countries[2,5]	1,385	1,632	2,016	1,543	1,657	1,780	1,498	1,591	1,778
51	Africa	576	886	844	617	596	836	713	644	775
52	Oil-exporting countries[3]	202	339	422	211	226	357	327	253	389
53	Other[4]	1,328	1,030	1,406	1,464	1,431	1,268	1,070	1,012	950[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).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.
5. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

Type, and area or country	1988	1989	1990	1991				1992	
				Mar.	June	Sept.	Dec.	Mar.	June
1 **Total**	**33,805**	**33,173**	**35,365**	**35,578**	**37,124**	**38,345**	**42,386**	**41,746**	**41,344r**
2 Payable in dollars	31,425	30,773	32,777	33,279	35,037	35,982	39,829	39,135	38,390r
3 Payable in foreign currencies	2,381	2,400	2,589	2,299	2,087	2,363	2,557	2,611	2,954r
By type									
4 Financial claims	21,640	19,297	19,891	19,746	20,904	22,566	25,320	25,029	24,291r
5 Deposits	15,643	12,353	13,727	13,115	12,576	16,227	17,177	16,819	14,986r
6 Payable in dollars	14,544	11,364	12,552	12,052	11,758	15,182	16,253	15,626	13,648r
7 Payable in foreign currencies	1,099	989	1,175	1,063	817	1,045	924	1,193	1,338r
8 Other financial claims	5,997	6,944	6,164	6,631	8,328	6,339	8,143	8,210	9,305r
9 Payable in dollars	5,220	6,190	5,297	5,960	7,656	5,641	7,322	7,521	8,643
10 Payable in foreign currencies	777	754	866	671	673	698	821	689	662r
11 Commercial claims	12,166	13,876	15,475	15,832	16,220	15,779	17,066	16,717	17,053r
12 Trade receivables	11,091	12,253	13,657	13,843	14,120	13,429	14,389	14,168	14,594r
13 Advance payments and other claims	1,075	1,624	1,817	1,989	2,100	2,350	2,677	2,549	2,459r
14 Payable in dollars	11,660	13,219	14,927	15,266	15,623	15,159	16,254	15,988	16,099r
15 Payable in foreign currencies	505	657	548	566	597	620	812	729	954r
By area or country									
Financial claims									
16 Europe	10,278	8,463	9,651	10,640	11,875	13,131	13,523	14,083	13,125r
17 Belgium and Luxembourg	18	28	76	86	74	76	13	12	25
18 France	203	153	371	208	271	255	312	277	786
19 Germany	120	152	367	312	298	434	342	290	381
20 Netherlands	348	238	265	380	429	420	385	727	732
21 Switzerland	217	153	357	422	433	580	591	682	779
22 United Kingdom	9,039	7,496	7,971	9,016	10,222	10,997	11,226	11,507	8,691r
23 Canada	2,325	1,904	2,934	1,929	2,017	2,172	2,674	2,744	2,537
24 Latin America and Caribbean	8,160	8,020	6,201	6,278	5,926	6,289	7,793	6,836	6,990
25 Bahamas	1,846	1,890	1,090	825	457	652	758	400	523
26 Bermuda	19	7	3	6	4	19	8	12	12
27 Brazil	47	224	68	68	127	137	192	191	181
28 British West Indies	5,763	5,486	4,635	4,949	4,957	5,106	6,300	5,748	5,804
29 Mexico	151	94	177	179	161	176	321	318	343
30 Venezuela	21	20	25	28	29	32	40	34	32
31 Asia	623	590	860	568	747	619	962	1,009	1,280
32 Japan	354	213	523	246	398	277	385	423	712
33 Middle East oil-exporting countries[2]	5	8	8	11	4	3	5	3	4
34 Africa	106	140	37	62	64	61	57	60	57
35 Oil-exporting countries[3]	10	12	0	3	1	1	1	0	0
36 All other[4]	148	180	207	269	275	294	311	297	302
Commercial claims									
37 Europe	5,181	6,209	7,044	7,060	7,464	6,884	7,865	7,809	8,027r
38 Belgium and Luxembourg	189	242	212	227	220	190	192	181	252r
39 France	672	964	1,240	1,273	1,402	1,330	1,539	1,552	1,551r
40 Germany	669	696	807	874	958	858	934	929	905r
41 Netherlands	212	479	555	604	707	641	643	645	661r
42 Switzerland	344	313	301	325	296	258	295	327	399r
43 United Kingdom	1,324	1,575	1,775	1,639	1,817	1,807	2,078	2,069	2,160r
44 Canada	983	1,091	1,074	1,213	1,241	1,232	1,169	1,167	1,122r
45 Latin America and Caribbean	2,241	2,184	2,375	2,334	2,433	2,494	2,590	2,564	2,636r
46 Bahamas	36	58	14	15	16	8	11	11	9
47 Bermuda	230	323	246	231	247	255	263	272	291r
48 Brazil	299	297	326	327	309	385	418	361	431
49 British West Indies	22	36	40	49	43	37	41	45	32r
50 Mexico	461	508	661	653	710	741	828	889	847r
51 Venezuela	227	147	192	181	195	196	202	206	248r
52 Asia	2,993	3,570	4,127	4,357	4,201	4,282	4,552	4,326	4,433r
53 Japan	946	1,199	1,460	1,816	1,645	1,808	1,861	1,770	1,778r
54 Middle Eastern oil-exporting countries[2]	453	518	460	498	501	496	622	636	606r
55 Africa	435	429	488	394	428	431	418	417	419r
56 Oil-exporting countries[3]	122	108	67	68	63	80	95	75	70
57 Other[4]	333	393	367	474	454	456	472	434	416r

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).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction and area or country	1990	1991	1992 Jan.–Sept.	Mar.	Apr.	May	June	July	Aug.[r]	Sept.[p]
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	173,293	211,204	161,918	18,857	17,536	18,664	16,525	18,547	13,174	13,884
2 Foreign sales	188,419	200,116	171,322	19,423	18,034	18,602	17,537	18,764	14,838	17,024
3 **Net purchases or sales (–)**	**–15,126**	**11,088**	**–9,404**	**–566**	**–498**	**62**	**–1,012**	**–217**	**–1,664**	**–3,140**
4 **Foreign countries**	**–15,197**	**10,520**	**–9,413**	**–588**	**–531**	**27**	**–1,170**	**–234**	**–1,619**	**–3,049**
5 Europe	–8,479	50	–6,878	–88	–730	278	–1,184	–964	–1,089	–1,675
6 France	–1,234	9	–1,035	–27	–217	–121	–148	10	–46	–234
7 Germany	–367	–63	–214	–36	–48	149	–4	–14	–26	–105
8 Netherlands	–397	–227	–442	–17	–38	76	–217	–14	–54	–107
9 Switzerland	–2,866	–131	86	260	90	122	–10	–55	–150	–189
10 United Kingdom	–2,980	–354	–4,722	–237	–334	–11	–691	–741	–652	–868
11 Canada	886	3,845	1,414	410	412	230	74	131	–59	–278
12 Latin America and Caribbean	–1,330	2,177	903	–322	45	43	–109	–24	–24	–90
13 Middle East[1]	–2,435	–134	121	121	–95	85	51	4	–11	136
14 Other Asia	–3,477	4,255	–5,201	–886	–158	–557	141	373	–442	–1,062
15 Japan	–2,891	1,179	–4,214	–496	–318	–401	35	174	–301	–96
16 Africa	–63	153	56	4	–1	20	–1	–7	–1	14
17 Other countries	–298	174	172	173	–4	–72	–142	253	7	–94
18 **Nonmonetary international and regional organizations**	**71**	**568**	**9**	**22**	**33**	**35**	**158**	**17**	**–45**	**–91**
BONDS[2]										
19 Foreign purchases	118,764	153,096	158,641	17,429	16,722	17,539	16,691	18,343[r]	20,349	17,097
20 Foreign sales	102,047	125,634	128,352	14,398	11,666	13,222	12,407	16,311[r]	16,620	14,587
21 **Net purchases or sales (–)**	**16,717**	**27,462**	**30,289**	**3,031**	**5,056**	**4,317**	**4,284**	**2,032[r]**	**3,729**	**2,510**
22 **Foreign countries**	**17,187**	**27,592**	**29,929**	**2,942**	**4,861**	**4,388**	**4,205**	**2,153[r]**	**3,714**	**2,375**
23 Europe	10,079	13,115	14,547	1,183	2,003	1,920	1,420	1,029[r]	1,589	1,670
24 France	373	847	1,021	–34	363	–45	364	161	–5	161
25 Germany	–377	1,577	1,793	116	391	67	11	–37	–13	387
26 Netherlands	172	482	206	–15	–122	123	64	177	22	58
27 Switzerland	284	656	–285	124	–393	–40	–53	–13	–94	–1
28 United Kingdom	10,383	8,933	10,811	745	1,543	1,496	847	760[r]	1,520	1,241
29 Canada	1,906	1,623	–255	–72	87	–68	–111	67	–100	–2
30 Latin America and Caribbean	4,328	2,672	6,938	1,443	572	1,022	619	676[r]	878	548
31 Middle East[1]	3	1,787	2,018	349	338	455	376	239	284	–5
32 Other Asia	1,120	8,459	6,669	75	1,778	1,088	1,904	231	1,084	171
33 Japan	727	5,767	–467	–316	687	324	740	–710	–738	–590
34 Africa	96	52	106	28	19	6	–6	22	1	–7
35 Other countries	–344	–116	–94	–64	64	–35	3	–111	–22	0
36 **Nonmonetary international and regional organizations**	**–471**	**–131**	**360**	**89**	**195**	**–71**	**79**	**–121**	**15**	**135**
	Foreign securities									
37 Stocks, net purchases or sales (–)[3]	–9,205	–31,967	–19,808	–2,801	–2,295	–913	72	–3,241[r]	–2,904	–2,850
38 Foreign purchases	122,641	120,598	112,681	12,977	11,336	13,871	14,604	13,485[r]	9,752	13,551
39 Foreign sales[3]	131,846	152,565	132,489	15,778	13,631	14,784	14,532	16,726[r]	12,656	16,401
40 Bonds, net purchases or sales (–)	–22,412	–14,828	–12,978	–357	–1,318	–2,767	–1,626	–4,747[r]	194	–1,259
41 Foreign purchases	314,645	330,311	347,876	33,045	30,421	33,109	40,145	43,226[r]	45,900	52,271
42 Foreign sales	337,057	345,139	360,854	33,402	31,739	35,876	41,771	47,973[r]	45,706	53,530
43 **Net purchases or sales (–), of stocks and bonds**	**–31,617**	**–46,795**	**–32,786**	**–3,158**	**–3,613**	**–3,680**	**–1,554**	**–7,988[r]**	**–2,710**	**–4,109**
44 **Foreign countries**	**–28,943**	**–46,711**	**–36,068**	**–3,492**	**–4,768**	**–3,706**	**–1,938**	**–8,847[r]**	**–2,797**	**–4,130**
45 Europe	–8,443	–34,452	–21,866	–605	–2,972	–163	–1,437	–5,790[r]	–1,087	–3,051
46 Canada	–7,502	–7,004	–4,764	–513	–904	–710	–852	–2,212	130	151
47 Latin America and Caribbean	–8,854	759	–2,000	–479	–845	–1,278	–556	1,622[r]	–437	83
48 Asia	–3,828	–7,350	–7,157	–1,596	122	–1,235	372	–2,459	–1,375	–1,658
49 Africa	–137	–9	–85	1	9	–99	7	14	11	–13
50 Other countries	–180	1,345	–196	–300	–178	–221	528	–22	–39	358
51 **Nonmonetary international and regional organizations**	**–2,673**	**–84**	**3,282**	**334**	**1,155**	**26**	**384**	**859**	**87**	**21**

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
2. Includes state and local government securities and securities of U.S. government agencies and corporations. Also includes issues of new debt 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.

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

Millions of dollars

Country or area	1990	1991	1992							
			Jan.–Sept.	Mar.	Apr.	May	June	July	Aug.[r]	Sept.[p]
	Transactions, net purchases or sales (–) during period[1]									
1 **Estimated total[2]**	**18,927**	**19,865**	**18,615**	**–9,464**	**6,558**	**–7,924**	**14,448**	**–1,862[r]**	**7,003**	**–6,046**
2 Foreign countries[2]	18,764	19,687	16,677	–10,063	7,579	–6,945	11,758	–2,286[r]	7,357	–6,251
3 Europe[2]	18,455	8,663	4,562	–4,679	3,207	–7,302	3,828	–2,445[r]	3,531	–4,703
4 Belgium and Luxembourg	10	523	1,411	–91	21	289	–49	331	80	–25
5 Germany[2]	5,880	–4,725	2,770	–242	441	329	824	–829	255	900
6 Netherlands	1,077	–3,735	–3,906	245	–219	–338	227	–1,046	367	–239
7 Sweden	1,152	–663	–1,330	102	–123	–3	372	–26	–1,289	–843
8 Switzerland[2]	112	1,007	–1,721	–411	10	–579	3	–703[r]	–87	292
9 United Kingdom	–1,259	6,218	10,107	–1,663	2,820	–5,867	1,664	212[r]	3,762	–32
10 Other Western Europe	11,463	10,024	–3,202	–2,629	257	–1,099	587	–581[r]	428	–4,761
11 Eastern Europe	13	13	433	10	0	–34	200	197	15	5
12 Canada	–4,627	–3,019	1,290	–460	185	2,627	47	2,520	900	–4,281
13 Latin America and Caribbean	14,734	10,285	–4,055	–1,361	2,780	–320	3,589	–2,869	–1,563	–1,479
14 Venezuela	33	10	346	73	–124	–196	–149	216	60	31
15 Other Latin America and Caribbean	3,943	4,179	–1,520	–262	3,723	–2,472	1,795	–589	–758	–2,537
16 Netherlands Antilles	10,757	6,097	–2,881	–1,172	–819	2,348	1,943	–2,496	–865	1,027
17 Asia	–10,952	3,367	17,414	–3,321	1,363	–2,406	4,129	1,783[r]	4,603	4,005
18 Japan	–14,785	–4,081	5,063	–3,044	657	1,085	1,638	2,221	2,378	2,448
19 Africa	313	689	1,021	125	193	40	92	149	56	59
20 Other	842	–298	–3,555	–367	–149	416	73	–1,424	–170	148
21 Nonmonetary international and regional organizations	163	178	1,938	599	–1,021	–979	2,690	424	–354	205
22 International	287	–358	1,852	801	–762	–747	2,421	365	–160	–35
23 Latin American regional	–2	–72	248	0	74	–4	127	–68	–75	201
MEMO										
24 Foreign countries[2]	18,764	19,687	16,677	–10,063	7,579	–6,945	11,758	–2,286[r]	7,357	–6,251
25 Official institutions	23,218	1,190	5,133	–3,136	1,712	–2,685	5,294	–767[r]	697	–4,483
26 Other foreign[2]	–4,453	18,496	11,544	–6,927	5,867	–4,260	6,464	–1,519[r]	6,660	–1,768
Oil-exporting countries										
27 Middle East[3]	–387	–6,822	3,676	233	556	–3,061	947	856	1,093	750
28 Africa[4]	0	239	11	0	15	0	–56	0	0	4

1. Estimated official and private transactions in marketable U.S. Treasury securities having an original maturity of more than one year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.
2. Includes U.S. Treasury notes, denominated in foreign currencies, publicly issued to private foreign residents.
3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4. Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS[1]

Percent per year

Country	Rate on Nov. 30, 1992		Country	Rate on Nov. 30, 1992		Country	Rate on Nov. 30, 1992	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	8.0	Oct. 1992	Germany	8.25	Sept. 1992	Norway	17.0	Nov. 1992
Belgium	7.75	Oct. 1992	Italy	13.0	Nov. 1992	Switzerland	6.0	Sept. 1992
Canada	8.82	Nov. 1992	Japan	3.25	July 1992	United Kingdom	12.0	Sept. 1992
Denmark	9.5	Dec. 1991	Netherlands	7.75	Oct. 1992			
France[2]	9.10	Nov. 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.

2. Since Feb. 1981, the rate has been that at which the Bank of France discounts Treasury bills for seven to ten days.

3.27 FOREIGN SHORT-TERM INTEREST RATES[1]

Averages of daily figures, percent per year

Type or country	1989	1990	1991	1992						
				May	June	July	Aug.	Sept.	Oct.	Nov.
1 Eurodollars	9.16	8.16	5.86	3.84	3.87	3.40	3.33	3.15	3.30	3.67
2 United Kingdom	13.87	14.73	11.47	10.00	9.94	10.10	10.27	9.86	8.23	7.16
3 Canada	12.20	13.00	9.07	6.60	6.03	5.58	5.15	5.33	7.57	7.63
4 Germany	7.04	8.41	9.15	9.70	9.66	9.69	9.79	9.37	8.85	8.84
5 Switzerland	6.83	8.71	8.01	8.77	9.04	8.67	8.09	7.20	6.28	6.44
6 Netherlands	7.28	8.57	9.19	9.43	9.45	9.50	9.73	9.23	8.63	8.66
7 France	9.27	10.20	9.49	9.83	9.98	10.11	10.27	10.51	10.82	9.58
8 Italy	12.44	12.11	12.04	12.39	13.38	15.54	15.27	17.54	15.52	14.38
9 Belgium	8.65	9.70	9.30	9.51	9.50	9.54	9.71	9.44	8.70	8.64
10 Japan	5.39	7.75	7.33	4.72	4.60	4.32	3.87	3.89	3.85	3.77

1. Rates are for three-month interbank loans, with the following exceptions: Canada, finance company paper; Belgium, three-month Treasury bills; and Japan, CD rate.

3.28 FOREIGN EXCHANGE RATES[1]

Currency units per dollar, except as noted

Country/currency unit	1989	1990	1991	1992 June	1992 July	1992 Aug.	1992 Sept.	1992 Oct.	1992 Nov.
1 Australia/dollar[2]	79.186	78.069	77.872	75.561	74.507	72.479	72.255	71.481	68.984
2 Austria/schilling	13.236	11.331	11.686	11.068	10.500	10.199	10.214	10.436	11.168
3 Belgium/franc	39.409	33.424	34.195	32.362	30.717	29.824	29.917	30.581	32.661
4 Canada/dollar	1.1842	1.1668	1.1460	1.1960	1.1924	1.1907	1.2225	1.2453	1.2674
5 China, P.R./yuan	3.7673	4.7921	5.3337	5.4893	5.4564	5.4417	5.5048	5.5486	5.6134
6 Denmark/krone	7.3210	6.1899	6.4038	6.0573	5.7409	5.5851	5.6203	5.7278	6.1166
7 Finland/markka	4.2963	3.8300	4.0521	4.2846	4.0803	3.9773	4.4764	4.7096	5.0615
8 France/franc	6.3802	5.4467	5.6468	5.2940	5.0321	4.9119	4.9378	5.0370	5.3706
9 Germany/deutsche mark	1.8808	1.6166	1.6610	1.5726	1.4914	1.4475	1.4514	1.4851	1.5875
10 Greece/drachma	162.60	158.59	182.63	190.69	182.89	179.12	182.70	192.50	206.48
11 Hong Kong/dollar	7.8008	7.7899	7.7712	7.7343	7.7341	7.7318	7.7298	7.7298	7.7348
12 India/rupee	16.213	17.492	22.712	28.519	28.564	28.464	28.476	28.477	28.474
13 Ireland/pound[2]	141.80	165.76	161.39	169.80	178.76	183.26	181.90	177.19	166.17
14 Italy/lira	1,372.28	1,198.27	1,241.28	1,189.52	1,129.83	1,100.00	1,176.21	1,309.64	1,364.45
15 Japan/yen	138.07	145.00	134.59	126.84	125.88	126.23	122.60	121.17	123.88
16 Malaysia/ringgit	2.7079	2.7057	2.7503	2.5187	2.4999	2.4977	2.5029	2.5044	2.5227
17 Netherlands/guilder	2.1219	1.8215	1.8720	1.7719	1.6819	1.6322	1.6348	1.6717	1.7862
18 New Zealand/dollar[2]	59.793	59.619	57.832	54.201	54.609	54.057	54.112	53.943	51.996
19 Norway/krone	6.9131	6.2541	6.4912	6.1493	5.8581	5.7120	5.8116	6.0562	6.4714
20 Portugal/escudo	157.53	142.70	144.77	130.79	126.24	124.98	127.86	132.33	141.71
21 Singapore/dollar	1.9511	1.8134	1.7283	1.6240	1.6142	1.6077	1.5988	1.6081	1.6338
22 South Africa/rand	2.6214	2.5885	2.7633	2.8077	2.7577	2.7629	2.8037	2.8923	2.9959
23 South Korea/won	674.29	710.64	736.73	793.60	789.93	792.56	788.76	786.79	787.09
24 Spain/peseta	118.44	101.96	104.01	99.02	94.88	93.05	98.19	105.74	113.83
25 Sri Lanka/rupee	35.947	40.078	41.200	43.941	44.014	44.050	44.159	44.276	44.404
26 Sweden/krona	6.4559	5.9231	6.0521	5.6792	5.4084	5.2745	5.3685	5.6006	6.2528
27 Switzerland/franc	1.6369	1.3901	1.4356	1.4250	1.3347	1.2966	1.2780	1.3176	1.4291
28 Taiwan/dollar	26.407	26.918	26.759	24.770	24.783	25.120	25.227	25.278	25.405
29 Thailand/baht	25.725	25.609	25.528	25.400	25.293	25.265	25.209	25.253	25.462
30 United Kingdom/pound[2]	163.82	178.41	176.74	185.51	191.77	194.34	184.65	165.29	152.68
MEMO									
31 United States/dollar[3]	98.60	89.09	89.84	85.91	82.57	80.97	81.98	85.03	90.04

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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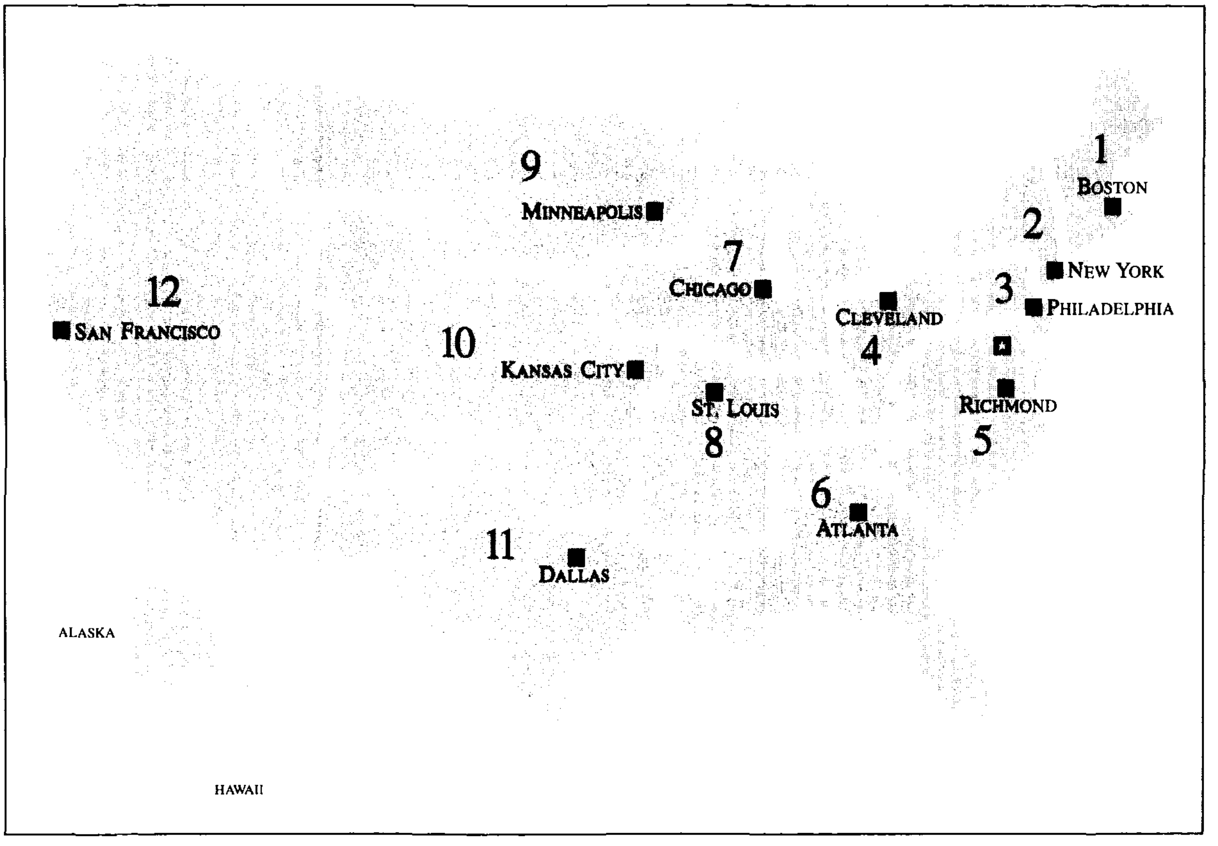

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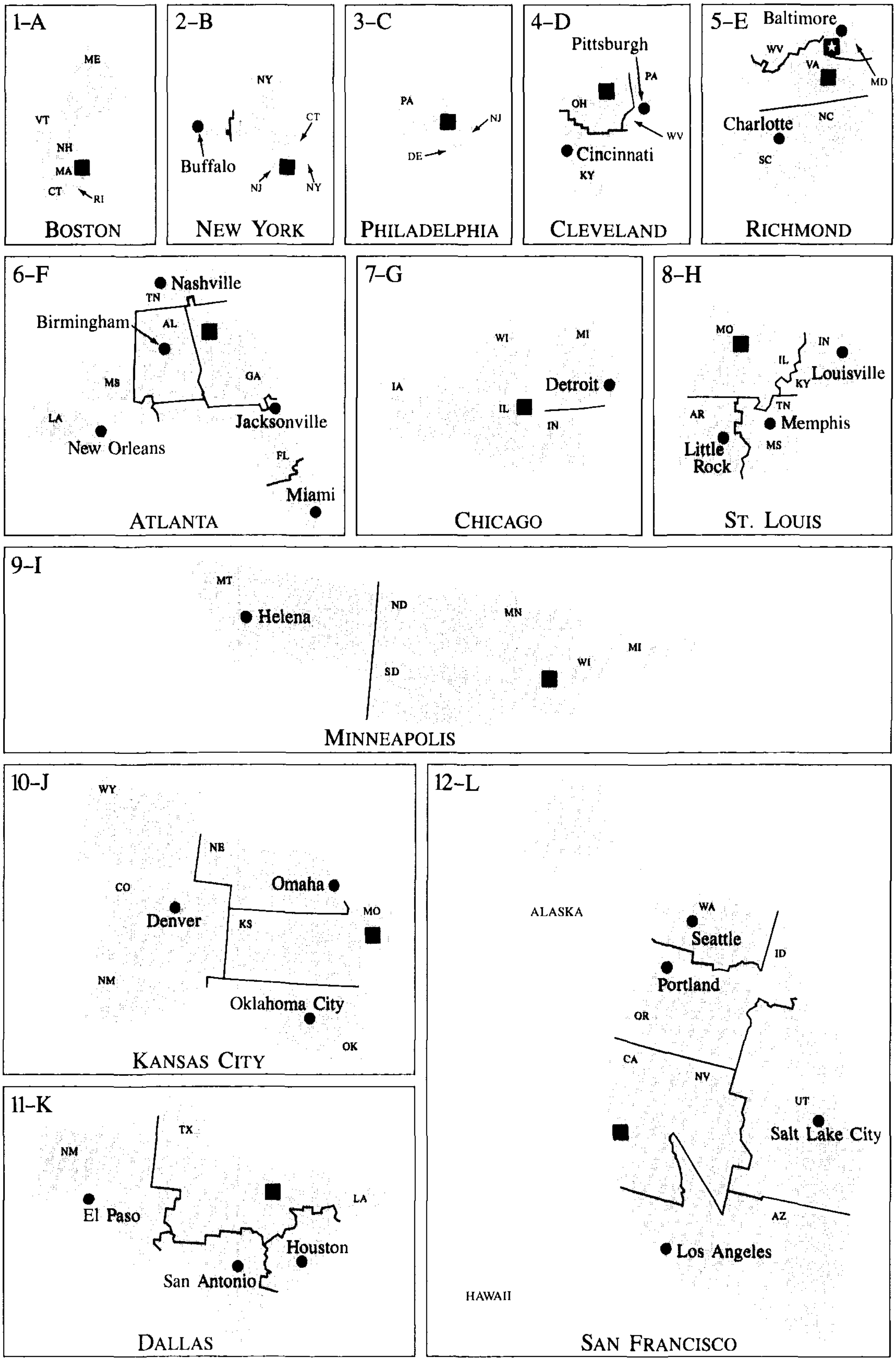
NOTE

The Federal Reserve officially identifies Districts by number and Reserve Bank city (shown on both pages) and by letter (shown on the facing page).

In the 12th District, the Seattle Branch serves Alaska, and the San Francisco Bank serves Hawaii.

The System serves commonwealths and territories as follows: the New York Bank serves the Commonwealth of Puerto Rico and the U.S. Virgin Islands; the San Francisco Bank serves American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. The Board of Governors revised the branch boundaries of the System most recently in December 1991.


1-A
ME
VT
NH
MA
CT
RI
BOSTON
2-B
NY
Buffalo
CT
NJ
NY
NEW YORK
3-C
PA
NJ
DE
PHILADELPHIA
4-D
Pittsburgh
PA
OH
WV
Cincinnati
KY
CLEVELAND
5-E
Baltimore
WV
VA
MD
Charlotte
NC
SC
RICHMOND
6-F
Nashville
TN
Birmingham
AL
MS
GA
LA
Jacksonville
New Orleans
FL
Miami
ATLANTA
7-G
WI
MI
IA
Detroit
IL
IN
CHICAGO
8-H
MO
IN
IL
Louisville
KY
TN
AR
Memphis
Little Rock
MS
ST. LOUIS
9-I
MT
Helena
ND
MN
MI
WI
SD
MINNEAPOLIS
10-J
WY
NE
Omaha
CO
Denver
KS
MO
NM
Oklahoma City
OK
KANSAS CITY
11-K
TX
NM
El Paso
LA
Houston
San Antonio
DALLAS
12-L
ALASKA
WA
Seattle
ID
Portland
OR
CA
NV
UT
Salt Lake City
AZ
Los Angeles
HAWAII
SAN FRANCISCO

Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK branch, or *facility*	Zip	Chairman / Deputy Chairman	President / First Vice President	Vice President in charge of branch
BOSTON*	02106	Jerome H. Grossman To be announced	Richard F. Syron Cathy E. Minehan	
NEW YORK*	10045	Ellen V. Futter Maurice R. Greenberg	E. Gerald Corrigan James H. Oltman	
Buffalo	14240	Herbert L. Washington		James O. Aston
PHILADELPHIA	19105	Jane G. Pepper James M. Mead	Edward G. Boehne William H. Stone, Jr.	
CLEVELAND*	44101	A. William Reynolds To be announced	Jerry L. Jordan Sandra Pianalto	
Cincinnati	45201	Marvin Rosenberg		Charles A. Cerino[1]
Pittsburgh	15230	Robert P. Bozzone		Harold J. Swart[1]
RICHMOND*	23219	Anne Marie Whittemore Henry J. Faison	J. Alfred Broaddus, Jr. Jimmie R. Monhollon	
Baltimore	21203	To be announced		Ronald B. Duncan[1]
Charlotte	28230	To be announced		Walter A. Varvel[1]
Culpeper Communications and Records Center	*22701*			John G. Stoides[1]
ATLANTA	30303	Edwin A. Huston Leo Benatar	Robert P. Forrestal Jack Guynn	Donald E. Nelson[1]
Birmingham	35283	Donald E. Boomershine		Fred R. Herr[1]
Jacksonville	32231	Joan D. Ruffier		James D. Hawkins[1]
Miami	33152	R. Kirk Landon		James T. Curry III
Nashville	37203	James R. Tuerff		Melvyn K. Purcell
New Orleans	70161	Lucimarian Roberts		Robert J. Musso
CHICAGO*	60690	Richard G. Cline Robert M. Healey	Silas Keehn William C. Conrad	
Detroit	48231	J. Michael Moore		Roby L. Sloan[1]
ST. LOUIS	63166	Robert H. Quenon Janet McAfee Weakley	Thomas C. Melzer James R. Bowen	
Little Rock	72203	To be announced		Karl W. Ashman
Louisville	40232	To be announced		Howard Wells
Memphis	38101	To be announced		Ray Laurence
MINNEAPOLIS	55480	Delbert W. Johnson Gerald A. Rauenhorst	Gary H. Stern Thomas E. Gainor	
Helena	59601	To be announced		John D. Johnson
KANSAS CITY	64198	Burton A. Dole, Jr. Herman Cain	Thomas M. Hoenig Henry R. Czerwinski	
Denver	80217	Barbara B. Grogan		Kent M. Scott
Oklahoma City	73125	Ernest L. Holloway		David J. France
Omaha	68102	Sheila Griffin		Harold L. Shewmaker
DALLAS	75201	Leo E. Linbeck, Jr. Cece Smith	Robert D. McTeer, Jr. Tony J. Salvaggio	
El Paso	79999	To be announced		Sammie C. Clay
Houston	77252	To be announced		Robert Smith, III[1]
San Antonio	78295	To be announced		Thomas H. Robertson
SAN FRANCISCO	94120	James A. Vohs Judith M. Runstad	Robert T. Parry Patrick K. Barron	
Los Angeles	90051	Donald G. Phelps		John F. Moore[1]
Portland	97208	William A. Hilliard		Leslie R. Watters
Salt Lake City	84125	Gary G. Michael		Andrea P. Wolcott
Seattle	98124	George F. Russell, Jr.		Gordon Werkema[1]

*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

1. Senior Vice President.