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Profits and Balance Sheet Developments at U.S. Commercial Banks in 2002

Mark Carlson and Roberto Perli, of the Board's Division of Monetary Affairs, prepared this article. Thomas C. Allard assisted in developing the database discussed in this article and is responsible for maintaining it. Steve Piraino provided research assistance.

The U.S. commercial banking industry continued to be highly profitable in 2002, despite the lackluster performance of the U.S. economy. Returns on both bank equity and assets rose, the latter reaching its highest level in more than three decades (chart 1). An important contributor to last year's bank profitability was the decline to extraordinarily low levels of market interest rates. As a result of the Federal Reserve's aggressive easing in 2001 in response to economic weakness, short-term interest rates were low throughout 2002 and fell further in November as monetary policy was eased again (chart 2). Longer-term rates backed up early in the year before falling dramatically to multidecade lows by year-end. With the cost of holding liquid deposits low and with weak equity

markets evidently adding to the attractiveness of liquidity, banks were the recipients of large inflows of inexpensive savings deposits that helped to reduce interest expense and boost net interest margins. Net interest margins also benefited from the shape of the yield curve, which, despite the decline in long-term rates, was considerably steeper on average in 2002 than in 2001. In addition, the decline in longer-term interest rates boosted realized gains on securities. Profitability was supported as well by a reduction in non-interest expense following a change in accounting rules that substantially limited the requirement to amortize goodwill. Finally, bank profitability benefited from a leveling off of loan charge-offs and loan provisioning, which seemed to reflect an improved ability of the household and business sectors to service their bank loans and other debt made possible by the generally low levels of market interest rates.

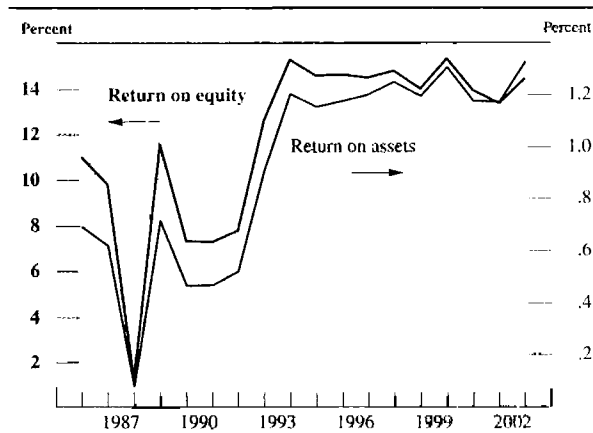
Both the household and business sectors took considerable advantage of falling long-term interest rates to strengthen their balance sheets. A drop in mortgage rates to record lows prompted a surge of mortgage refinancing. Households were able to reduce their interest rate burden in part by liquidating some of the equity in their homes and using the proceeds to pay down more-expensive consumer debt. Corporations also enjoyed a reduction in their interest rate burdens. Moreover, by issuing bonds and paying down short-term debt obligations, they were able to

NOTE. Except where otherwise indicated, data in this article are from the quarterly Reports of Condition and Income (Call Reports) for insured domestic commercial banks and nondeposit trust companies (hereafter, banks). The data consolidate information from foreign and domestic offices and have been adjusted to take account of mergers. For additional information on the adjustments to the data, see the appendix in William B. English and William R. Nelson, "Profits and Balance Sheet Developments at U.S. Commercial Banks in 1997," *Federal Reserve Bulletin*, vol. 84 (June 1998), p. 408. Size categories, based on assets at the start of each quarter, are as follows: the 10 largest banks, large banks (those ranked 11 through 100), medium-sized banks (those ranked 101 through 1,000), and small banks. At the start of the fourth quarter of 2002, the approximate asset sizes of the banks in those groups were as follows: the ten largest banks, more than \$87 billion; large banks, \$6.7 billion to \$85 billion; medium-sized banks, \$376 million to \$6.5 billion; and small banks, less than \$376 million.

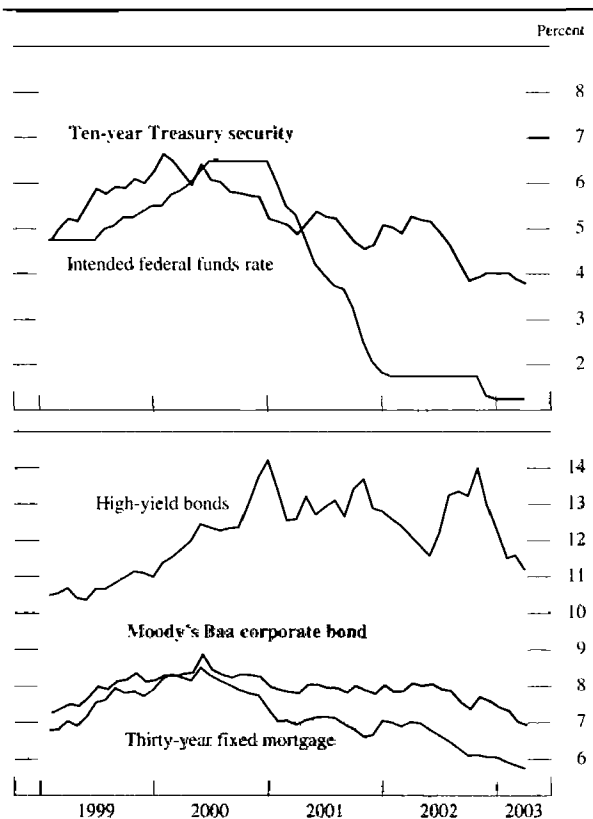
Many of the data series reported here begin in 1985 because the Call Reports were significantly revised in 1984. Data for 1984 and earlier years are taken from the Federal Deposit Insurance Corporation, *Statistics on Banking*, 1999. The data reported here are also available on the Internet at <http://www.fdic.gov/bank/statistical/statistics/index.html>.

Data shown in this article may not match data published in earlier years because of revisions and corrections. In the tables, components may not sum to totals because of rounding. Appendix table A.1, A–E, reports portfolio composition, income, and expense items, all as a percentage of overall net consolidated costs. Appendix table A.2 reports income statement data for all banks.

1. Measures of bank profitability, 1985–2002



2. Selected interest rates, 1999–2003:Q1



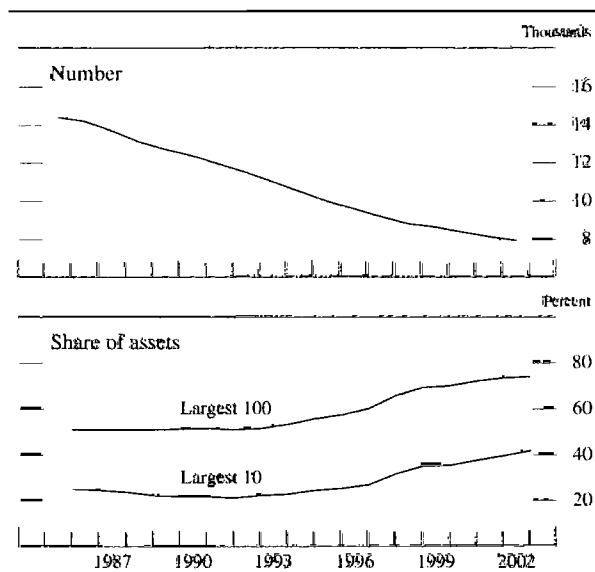
SOURCE: For intended federal funds rate, Federal Reserve Board (www.federalreserve.gov/fomc/fundsrate.htm); for Treasury security rates, mortgage rate, and Moody's bond rates, Federal Reserve Board, Statistical Release H.15, "Selected Interest Rates" (www.federalreserve.gov/releases/h15); for high-yield bond rates, Merrill Lynch Master II index.

bolster liquidity. The balance sheet strengthening on the part of both households and firms likely contributed to the stabilization of banks' credit quality during 2002. With delinquency rates for business and household loans flattening or declining, banks were able to hold loss provisioning steady, albeit at a high level.

Commercial and industrial lending continued to decline in 2002 and reflected weak business investment and the paydown of loans with the proceeds of bond issuance. However, bank support of the mortgage market was considerable: The share of bank assets accounted for by residential mortgages and mortgage-backed securities rose over the year by 2¼ percentage points, to 26.1 percent.

According to the Federal Deposit Insurance Corporation, ten commercial banks failed in 2002 and required government assistance to dispose of their assets and insured deposits. At the time of closing, these banks held about \$2.5 billion in assets, a tiny percentage of industry assets but the highest share since 1993. The number of bank mergers fell for the

3. Number of banks and share of assets at the largest banks, 1985–2002



NOTE: For definition of bank size, see the text note.

second consecutive year, to 305, the smallest number in more than a decade. With the slow pace of economic recovery, only 111 new bank charters were created in 2002, the lowest number in any year since 1994. Thus, total commercial banks in the United States continued to decline, falling to 7,935 as of December 31, 2002 (chart 3).¹ The share of industry assets at the ten largest banks continued to increase in 2002, and the rise was due largely to an internal consolidation among Citigroup subsidiaries. This consolidation had little effect on the share of assets at the largest 100 banks, as it took place within this group.

Reorganization activity also declined at the bank holding company (BHC) level. The number of mergers between BHCs dropped to 126, the smallest number since 1991. The formation of new BHCs, however, pushed up the overall total by 2 over the year, to 5,963. The share of banking and nonbanking assets held by the top fifty BHCs remained flat, at about 77.5 percent. The number of financial holding companies, a subset of BHCs that have a greater scope of allowed activities under the Gramm-Leach-Bliley Act, rose to 715 in 2002, up from 665 in 2001. The share of BHC assets held at financial holding companies rose to 74 percent.

1. This count of commercial banks, derived from Call Report data, may vary slightly from measures, such as those in the Federal Reserve's *Annual Report*, that are based on the definition of a bank given in the Bank Holding Company Act and implemented in the Federal Reserve's Regulation Y.

BALANCE SHEET DEVELOPMENTS

Total bank assets grew 7.2 percent in 2002, about in line with the expansion of total domestic nonfinancial debt (table 1). Asset growth was driven primarily by real estate loans—particularly residential mortgage and home equity loans—and securities held on balance sheet. These advances more than offset sharp declines in commercial and industrial loans. Overall, total loans and leases increased 5.9 percent last year, a pace more than three times that in 2001.

On the liability side of the balance sheet, banks enjoyed continued strong inflows of core deposits, a reflection of the drop in the opportunity cost of holding liquid deposits and, apparently, of a surge in the demand for safe, liquid assets stemming from increased economic uncertainty and a volatile and

weak stock market. Even so, banks found it necessary to expand their managed liabilities moderately.

Banks seemed to respond to the uncertain economic outlook in 2002 by bolstering their capital positions. Equity capital grew somewhat more quickly than assets, and the ratio of total regulatory capital to risk-weighted assets rose slightly as well; the increase in the latter ratio reflected the strong growth of assets with low risk weights, such as Treasury and agency securities and residential mortgages.

Loans to Businesses

Commercial and industrial (C&I) loans fell 7.3 percent over the year, the largest decline since 1991. The contraction was due mainly to weak demand, but the decrease reflected also a further tightening of

1. Annual rates of growth of balance sheet items, 1993–2002
Percent

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	MEMO: Dec. 2002 (billions of dollars)
Assets	5.68	8.06	7.55	6.10	9.23	8.25	5.43	8.77	5.12	7.18	6,954
Interest-earning assets	6.43	5.29	7.77	5.79	8.67	8.29	5.83	8.73	3.95	7.51	5,998
Loans and leases (net)	6.05	9.83	10.53	8.12	5.33	8.90	8.03	9.35	1.84	5.87	4,002
Commercial and industrial	.52	9.33	12.26	7.24	12.02	12.94	7.88	8.54	-6.72	-7.29	904
Real estate	6.13	7.90	8.32	5.45	9.30	7.99	12.22	10.74	7.94	14.45	2,049
Booked in domestic offices	6.17	7.64	8.47	5.51	9.52	7.97	12.36	11.02	8.01	14.86	2,018
One- to four-family residential	11.08	10.09	10.05	4.66	9.67	6.36	9.70	9.28	5.69	19.89	1,152
Other	.22	4.35	6.24	6.75	9.32	10.29	16.06	13.31	10.95	8.80	866
Booked in foreign offices	4.67	18.35	2.81	3.18	..34	8.79	6.28	-1.62	3.97	-7.41	31
Consumer	9.06	16.01	9.50	4.90	-2.19	.99	-1.47	8.06	4.25	6.46	649
Other loans and leases	9.98	5.29	14.23	22.28	-7.91	14.06	6.69	7.81	-1.93	-0.34	477
Loan-loss reserves and unearned income	-5.82	-2.21	.25	-0.06	-0.50	3.47	2.36	8.04	13.15	5.64	79
Securities	12.26	-4.14	.57	.86	8.85	8.40	5.11	6.36	7.17	16.18	1,518
Investment account	8.11	-1.73	-1.58	-1.10	8.66	12.06	6.68	2.85	8.82	13.52	1,308
U.S. Treasury	n.a.	n.a.	-19.21	-14.28	-8.86	-25.17	-1.89	-32.72	-40.27	41.92	63
U.S. government agency and corporation obligations	n.a.	n.a.	6.43	3.63	14.18	17.00	1.83	3.75	12.84	17.92	822
Other	n.a.	n.a.	4.20	1.83	11.20	26.99	20.90	13.39	12.01	2.97	422
Trading account	51.84	-20.46	18.51	14.44	10.00	-13.32	-6.93	37.16	-3.72	36.03	210
Other	-8.10	3.30	8.60	1.04	38.55	3.80	-8.37	10.30	13.00	-2.88	478
Non-interest-earning assets	-3.30	31.61	6.06	8.29	13.03	7.97	2.81	9.01	12.89	5.16	956
Liabilities	5.12	8.31	7.17	5.96	9.12	8.13	5.57	8.59	4.46	7.12	6,321
Core deposits	1.49	-0.17	3.96	4.13	4.52	7.04	.23	7.53	10.55	7.57	3,422
Transaction deposits	5.47	-.32	-3.09	-3.44	-4.55	-1.41	-8.98	-1.31	10.19	-5.09	701
Savings and small time deposits	-.85	-.07	8.37	8.35	9.03	10.73	3.80	10.54	10.66	11.40	2,720
Managed liabilities ¹	12.30	17.58	10.44	9.66	13.83	9.60	15.50	8.80	-2.70	5.32	2,427
Deposits booked in foreign offices	15.06	30.89	5.13	4.27	11.13	8.71	14.60	7.84	-10.96	4.49	658
Large time	-9.21	8.72	19.61	21.17	20.14	9.09	14.19	19.37	-3.65	5.08	571
Subordinated notes and debentures	10.82	9.23	6.61	17.74	21.05	17.00	5.07	13.98	9.56	-.60	94
Other managed liabilities	22.18	12.91	11.24	8.21	12.23	9.88	17.69	3.92	2.54	6.48	1,105
Other	15.30	79.17	20.46	2.60	23.79	8.59	-6.39	15.43	3.04	13.62	472
Equity capital	12.58	5.24	12.00	7.74	10.44	9.59	3.93	10.68	12.31	7.87	633
MEMO											
Commercial real estate loans ²	-.60	4.01	6.34	7.67	10.12	11.37	15.42	12.16	12.86	6.88	865
Mortgage-backed securities	n.a.	n.a.	.67	2.06	14.15	22.12	-3.34	3.29	28.97	15.53	691

NOTE: Data are from year-end to year-end.

1. Measured as the sum of deposits in foreign offices, large time deposits in domestic offices, federal funds purchased and securities sold under repurchase agreements, demand notes issued to the U.S. Treasury, subordinated notes and debentures, and other borrowed money.

2. Measured as the sum of construction and land development loans secured by real estate; real estate loans secured by nonfarm nonresidential properties; real estate loans secured by multifamily residential properties; and loans to finance commercial real estate, construction, and land development activities not secured by real estate.

Commercial and Industrial Lending by Size of Bank and Size of Loan

The runoff in C&I loans in 2001 and 2002 occurred entirely at the 100 largest commercial banks (chart a). Growth of C&I loans at other banks (institutions not among the 100 largest banks), though slowing, continued to be positive over this period. This divergence between small and large banks contrasts sharply with their much more comparable behavior following the business-cycle peak in 1990. Data on small business loans, available annually since 1993, make it also possible to examine the pattern of business loan growth by size of borrower.¹ As with C&I loans at small banks, loans to small businesses continued to expand over 2001 and 2002, while loans to other, mostly large businesses contracted (chart b). Further insight is gleaned from an examination of business loan data disaggregated by both loan size and borrower size. This analysis reveals that the runoff of business loans at large banks in 2001 and 2002 was due entirely to loans to other—not small—businesses (chart c). At small banks, the slowdown in lending was about equally shared by both small and other businesses (chart c).

The relative importance of supply and demand factors in explaining the changes of business lending by small and large banks and the implications for the supply of credit to large and small businesses in recent years are analyzed in this box.

Demand Factors

Over the 2001–02 period, sluggish capital expenditures and sharp inventory runoffs reduced the borrowing needs of firms and significantly depressed demand for C&I loans at both small and large banks. Dwindling merger and acquisi-

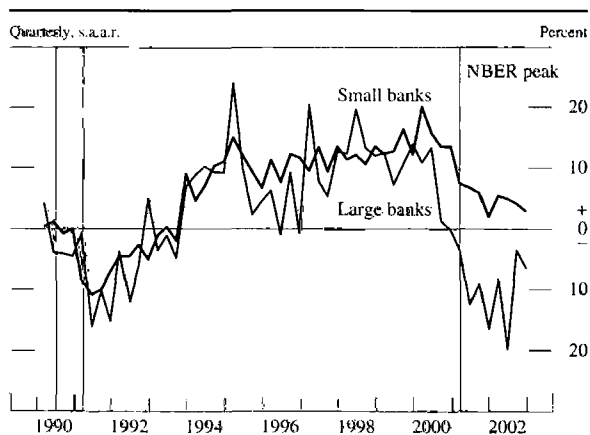
tion activity and access to the corporate bond market and other sources of external finance among larger firms amplified the reduction in C&I loan demand at large banks, as their bigger customers issued bonds in volume to lock in historically low long-term interest rates. Demand-side influences, therefore, appear to be a factor in the recent divergence in the growth rates of C&I loans at small and large banks as well as at small and large businesses.

Supply Factors

Measures of C&I loan pricing at large and small banks from the Survey of Terms of Business Lending (STBL), however, indicate that differences in demand tell only part of the story (chart d).² Large commercial banks significantly raised the risk spread on large loans—measured as the loan rate less the rate on a market instrument of comparable maturity, a proxy for funding costs—during the recent period of cyclical weakness. At the same time, these banks lowered rates charged on small C&I loans slightly faster than the decline in estimated funding costs, a move that fostered a more hospitable borrowing environment for smaller firms. By contrast, small banks have increased risk spreads on small C&I loan originations over the past couple of years. The variability and lack of clear systematic movement in risk spreads on extensions of large loans at small banks during this period indicate that a relatively small number of large C&I loans originated at these institutions.

Differences in the pricing of small C&I loans at large and small banks may reflect in part the greater diversification of small business loan portfolios—both across industries and across regions—at large institutions, brought about by

A. Growth of C&I loans, by bank size, 1990–2002

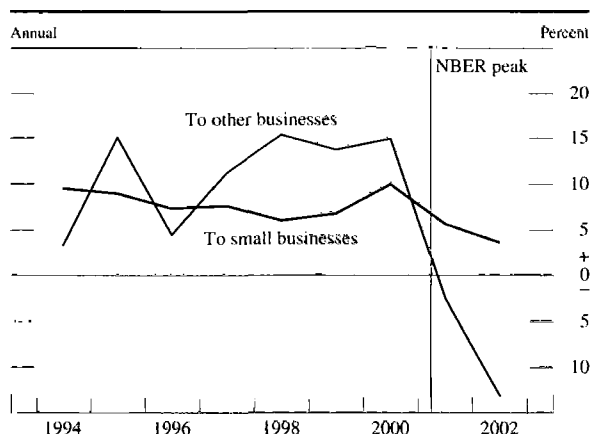


NOTE. The large bank category comprises the top 100 institutions in terms of assets; the small bank category comprises institutions outside the top 100. Data have been merger adjusted.

SOURCE. Call Report.

NBER. National Bureau of Economic Research.

B. Growth rates of C&I loans, by size of borrower, all commercial banks, 1994–2002



NOTE. Growth rates are Q2 over Q2. Loans to small businesses are in the original amount of \$1 million or less. Loans to other businesses are in the original amount of more than \$1 million.

SOURCE. Call Report.

NBER. National Bureau of Economic Research.

Commercial and Industrial Lending by Size of Bank and Size of Loan—Continued

the substantial number of mergers since the mid-1990s. By diluting the impact of idiosyncratic loan risk, the increasing diversification would allow large banks to price loans to small businesses more aggressively. The ability of small banks to remain competitive—despite the evidence of relative increases in their loan rates in recent years—may be due to their information advantage in establishing and maintaining local lending relationships.³

The increased risk in making loans to larger firms likely explains the run-up in risk spreads on large business loans at large commercial banks. Recent corporate governance problems, for example, were concentrated among large corporations. Moreover, worsening corporate credit quality was most pronounced in the telecom, energy, and airline sectors, industries dominated by big firms that are unlikely to borrow from smaller banks. This interpretation is corroborated by the faster rise in recent years and higher level of delinquency rates on C&I loans at large banks than at small banks. Greater risk in underwriting big C&I loans would act to restrict loan supply at large banks and would exacerbate any contraction in C&I lending stemming from reduced loan demand. The modest narrowing of risk spreads for small loans at large banks, by contrast, would tend to promote borrowing by small businesses.

Lending to Small Businesses by Large and Small Banks

The growth of C&I loans to small businesses has been consistently stronger at small banks than at large banks (charts a and c). However, to prevent distortions to relative growth rates caused by the wave of bank consolidations since the mid-1990s, these growth rates have been adjusted

for mergers between small and large banks. In fact, large banks have acquired a substantial volume of loans to small businesses through purchases of smaller banks. Indeed, Call Report data that have not been adjusted for mergers show that large banks' share of all small business loans has risen from less than one-third of outstandings in 1994 to about one-half in 2002. Thus, large banks have increased their share of the market for small business loans even though they have made relatively few such loans over and above what they have acquired through mergers. At the same time, loans to small businesses have become a growing share of business loans at small banks: In 2002, small business loans accounted for almost 60 percent of C&I loans outstanding at small banks, compared with about 48 percent in 1994. At large banks, by contrast, the share of small business loans as a fraction of their total C&I loan portfolio remained remarkably stable from 1994 to 2002, at around 16 percent.

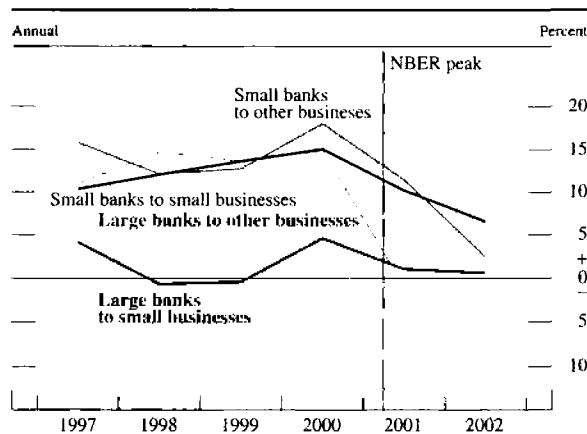
NOTE. Egon Zakrajšek, of the Division of Monetary Affairs, prepared this box material.

1. Since 1993, domestic commercial banks have reported both their C&I and commercial real estate loans outstanding to small businesses in their June Call Reports. Both types of loans to small businesses are defined as follows: (1) loans with original amounts of \$100,000 or less, (2) loans with original amounts between \$100,000 and \$250,000, and (3) loans with original amounts of between \$250,000 and \$1 million. For the purposes of this memo, the three loan size classes were aggregated into a single "C&I loans to small businesses" category; the remainder of the C&I loans outstanding—in the original amount of more than \$1 million—compose the "C&I loans to other businesses" category.

2. Because the STBL uses a stratified sample of the banking universe, the large bank category in the survey is not the same as the 100 largest banks. The STBL large bank category includes about forty of the largest institutions in terms of assets.

3. The loan rate data exclude information of any lending fees that may be present and thus should be considered as indicative rather than definitive measures of lending costs.

C. Growth rates of C&I loans, by size of bank and borrower, 1997–2002

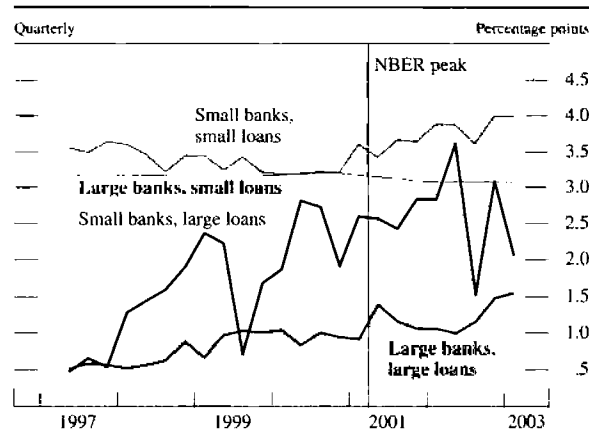


NOTE. Growth rates are Q2 over Q2. Loans to small businesses are in the original amount of \$1 million or less. Loans to other businesses are in the original amount of more than \$1 million. Data have been merger adjusted.

SOURCE. Call Report.

NBER. National Bureau of Economic Research.

D. Weighted median risk spread on C&I loans, by size of loan and bank, 1997–2003:Q1



NOTE. Small loans are those \$1 million or less (in 1996 dollars); large loans are those greater than \$1 million (in 1996 dollars). The spread is over the market rate on an instrument of comparable maturity.

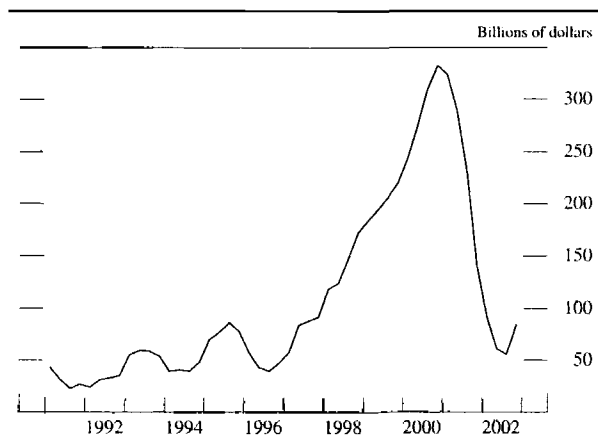
SOURCE. Survey of Terms of Business Lending.

NBER. National Bureau of Economic Research.

bank lending policies. Although nonfinancial firms expanded their capital expenditures a bit last year, their internally generated funds rose smartly, which caused the financing gap—and thus borrowing needs—to plummet to levels not seen since 1997 (chart 4). A paucity of merger activity and the attractiveness of the bond market as an alternative source of funds, which induced many firms to issue longer-term debt and use the proceeds to pay down bank loans and other short-term debt, also held down demand. Respondents to the Federal Reserve's Senior Loan Officer Opinion Survey on Bank Lending Practices (BLPS) noted these factors, particularly the first two, in reporting that the demand for C&I loans was quite weak in 2002 (chart 5, third panel).

On net, BLPS respondents also reported a tightening in lending standards in all four surveys conducted in 2002, although these fractions declined over the course of the year (chart 5, top panel). A similar picture can be painted for lending terms (chart 5, second panel): According to the BLPS, a substantial percentage of banks (albeit a smaller one than in 2001) reported increased spreads over the cost of funds and increased premiums for riskier loans throughout the year. The responses to special questions in the April 2002 BLPS indicated that most respondent banks, which accounted for more than 90 percent of total C&I loans plus unused loan commitments, had also tightened standards and terms for backup lines of credit for commercial paper issuers, particularly those with A2/P2 ratings. Virtually all the banks cited heightened concerns about possible deterioration in issuers' credit quality and a higher

4. Financing gap at nonfarm nonfinancial corporations, 1991–2002



NOTE. The data are four-quarter moving averages. The financing gap is the difference between capital expenditures and internally generated funds.

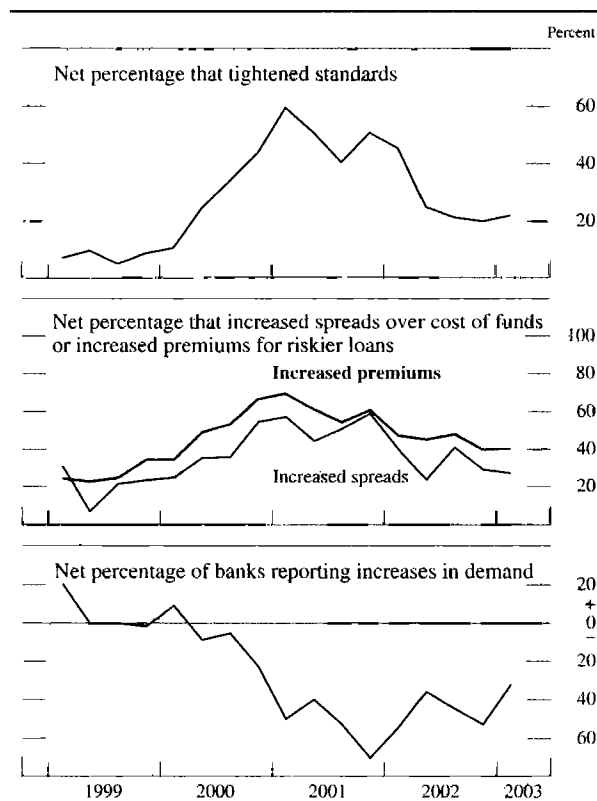
SOURCE. Federal Reserve Board, Statistical Release Z.1, "Flow of Funds Accounts of the United States," table L. 101 (www.federalreserve.gov/releases/z1).

probability of lines being drawn because of less-certain conditions in the commercial paper market as reasons for tightening standards and terms. Concerns about improper corporate accounting practices also restrained supply: According to the August BLPS, most banks had increased their scrutiny of financial statements and loan details in response to the wave of accounting scandals that permeated the first part of the year.

Nonetheless, results from the October BLPS suggested that reduced demand from creditworthy borrowers was a much more important reason than tighter supply conditions for the decline in C&I loans last year. Most of the BLPS banks are included in the 100 largest banks, for which C&I loans dropped more than 10 percent in 2002; in contrast, smaller banks posted a positive growth rate, albeit below that of previous years (see box on C&I lending).

Unlike C&I loans, growth in commercial real estate (CRE) loans was solid in 2002, at 8.8 percent,

5. Supply and demand conditions for C&I loans at selected banks, large and medium-sized borrowers, 1999–2003:Q1



NOTE. Net percentage is the percentage of banks reporting an increase in demand, a tightening of standards, or an increase in spreads or premiums less, in each case, the percentage reporting the opposite. The definition for firm size suggested for, and generally used by, survey respondents is that large and medium-sized firms have sales greater than \$50 million.

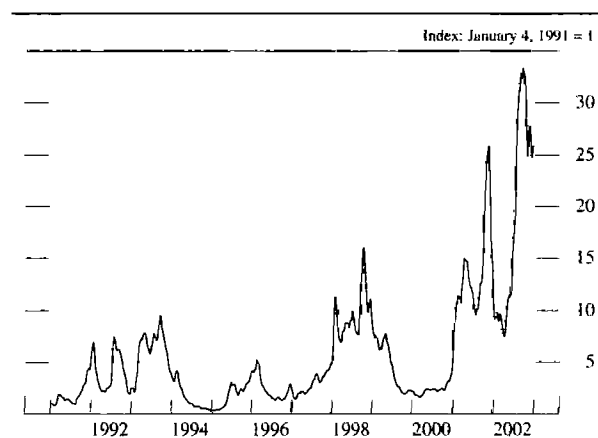
SOURCE. Federal Reserve Board, "Senior Loan Officer Opinion Survey on Bank Lending Practices."

down modestly from the 10.9 percent growth of 2001. The slowdown was due entirely to a sharp deceleration in the expansion of construction and land development lending, which was likely pulled down by high rates of office vacancy and declining office rents. The growth of nonfarm, nonresidential loans and multifamily loans actually picked up in 2002. As has been the pattern of the past several years, lending grew faster at small banks than at larger banks: The top 100 banks expanded their commercial real estate loans 2.2 percent, less than half the 2001 growth rate, while growth at other banks was 16.1 percent, only a bit less than in the previous year. According to the banks in the BLPS, which are mainly large ones, slower CRE lending flows appeared to reflect both tighter lending conditions and weaker demand. A substantial (although declining) fraction of BLPS respondents reported a tightening of lending standards throughout 2002 (chart 6). In addition, responses to the April 2003 BLPS indicated that terms for CRE loans had been tightened during 2002, as they had been in 2001, with significant percentages of banks reporting increased loan spreads and higher loan-to-value ratios. Banks cited mostly concerns about the general and local economic outlook as well as a decreased tolerance for risk as the main causes for tightening their terms. Demand for CRE loans continued to weaken throughout the year, according to BLPS respondents.

Loans to Households

Record low mortgage rates supported the growth of residential mortgage loans held by commercial banks,

7. Index of home mortgage refinancing activity, 1991–2002

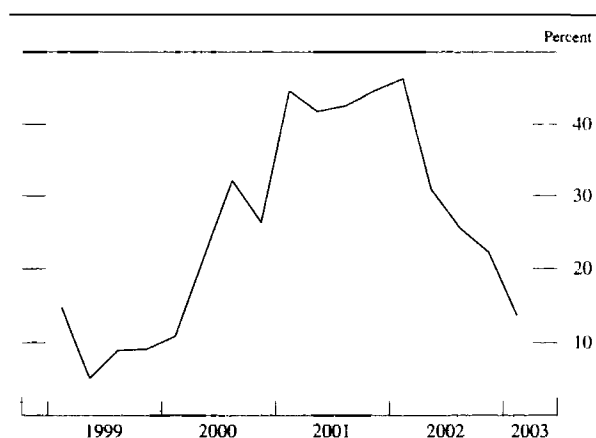


SOURCE: Mortgage Bankers Association.

which jumped an extraordinary 20 percent in 2002. Home equity loans expanded nearly 40 percent, and other one- to four-family residential mortgages also grew rapidly. This acceleration appeared to be due in part to a lack of securitizations, as outstanding residential mortgages securitized by banks and for which banks retained servicing rights or provided credit enhancements declined slightly.² The lack of growth in these securitized residential loans may reflect a reduction in the cost of funding loans on balance sheet due to strong inflows of deposits (discussed below).

The vigorous demand for residential mortgage credit was due to both an increase in housing construction and the desire of many homeowners to cash out part of their accumulated equity in existing homes. The Mortgage Bankers Association's index of refinancing activity was moderate for the first part of 2002 but surged in the second half, coincident with the sharp decline in mortgage rates, and peaked at a level even higher than that registered in the fall of 2001 (chart 7). Almost half the respondents to the October BLPS indicated that between 20 percent and 40 percent of the customers who refinanced their mortgages over the previous six months engaged in cash-out refinancing; about

6. Net percentage of selected banks that tightened standards for commercial real estate loans, 1999–2003:Q1



NOTE: Net percentage is the percentage of banks that reported a tightening of standards less the percentage that reported an easing.

SOURCE: Federal Reserve Board, "Senior Loan Officer Opinion Survey on Bank Lending Practices."

2. Securitized loans outstanding for which banks retain servicing rights or provide recourse or other credit enhancements have been reported on bank Call Reports only since June 2001. Thus, 2002 is the first year for which the annual growth of those loans is available. Such securitized one- to four-family residential mortgage loans (excludes home equity loans) stood at \$712 billion at the end of 2002; the amount compares with \$937 billion held on balance sheet. For home equity loans, the respective values were \$21 billion for securitized loans and \$214 billion for loans held on balance sheet. Banks do not report securitized loans for which they neither retain servicing rights nor provide credit enhancements.

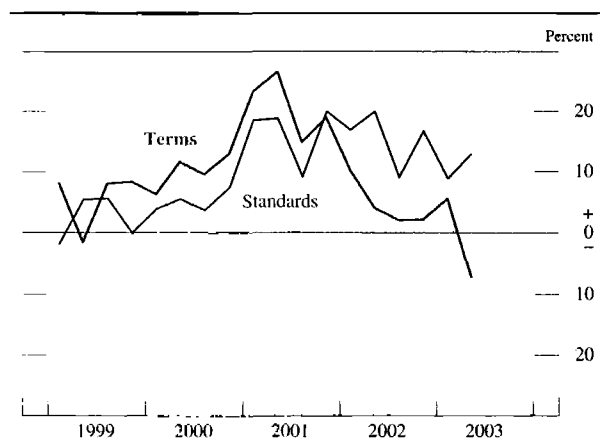
one-fifth of banks reported that more than 40 percent of their customers did so.

A main reported use of these funds was to pay down other, more expensive household debt. Nevertheless, consumer loans held on banks' balance sheets grew an overall 6.5 percent in 2002—more than 2 percentage points faster than in 2001. The boost was due largely to a 7.3 percent expansion of consumer installment loans that probably reflected in part strong auto sales last year. In contrast to the brisk advance of consumer loans held on balance sheet, securitized consumer loans on which banks retained servicing rights or provided credit enhancements grew sluggishly last year, again perhaps because of a more favorable cost of directly funding consumer loans on balance sheet.³

Although many banks have reported efforts to expand their lending to households, banks have also increased their scrutiny of credit cards and consumer installment loans, amid high charge-off rates on these loans (discussed below). According to the BLPS, the percentage of banks reporting tighter lending standards for credit card and other consumer loans oscillated between about 10 percent and 20 percent during the year, although the percentage of banks reporting

3. Banks securitize a considerable share of the consumer loans they originate. At the end of 2002, securitized consumer loans on which banks retained servicing rights or provided credit enhancements stood at \$353 billion, compared with \$649 billion held on balance sheet. More than 90 percent of securitized consumer loans were credit card receivables.

8. Net percentage of selected banks that tightened standards on consumer loans other than credit card loans, 1999–2003:Q1



NOTE. Net percentage is the percentage of banks reporting a tightening of standards or terms less the percentage that reported an easing. Tightening or easing of terms represents an increase or decrease respectively in spread of loan yield over bank's cost of funds.

SOURCE. Federal Reserve Board, "Senior Loan Officer Opinion Survey on Bank Lending Practices."

tighter terms declined in the first part of the year and remained low thereafter (chart 8).

Other Loans and Leases

Other loans and leases edged slightly lower in 2002. Because many leases, the largest component in this category, are made to businesses, this weak performance is probably due to some of the same factors that depressed C&I loans over the past two years. Also, banks' interest in engaging in automobile leases may have faded after reportedly lower-than-expected profits in previous years from such transactions. The second largest component of other loans and leases, lending to other depository institutions, posted strong growth after a decline in 2001.

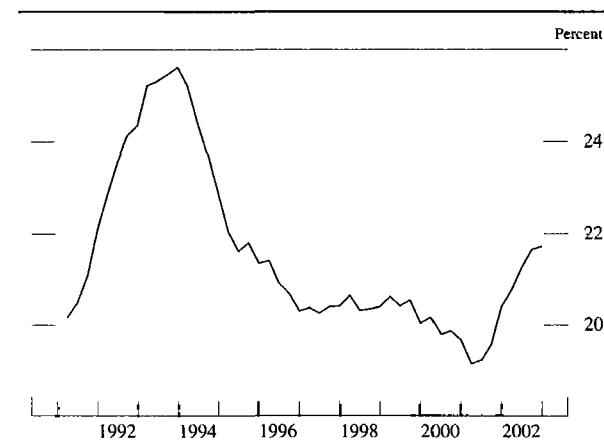
Securities

Banks' holding of securities jumped more than 16 percent in 2002, the strongest advance in the past ten years. The increase reflected a rapid expansion of both trading accounts and investment accounts.⁴ As a share of total assets, securities increased 1.3 percentage points, to 21.7 percent, at year-end (chart 9). The rise is a continuation of the trend initiated in 2001.

The attractiveness of securities may have reflected partly the steepness of the yield curve last year

4. Most investment account holdings are in the available-for-sale subcategory, which is marked to market, and increases in their reported values due to declining interest rates accounted for about 2.2 percentage points of reported total securities growth in 2002.

9. Bank holdings of securities as a share of total bank assets, 1991–2002



NOTE. Data are quarterly.

together with the short maturities of many bank liabilities. Much of the increase in banks' securities holdings was concentrated in mortgage-backed securities (MBS). The diversification of credit risk and low regulatory risk weights associated with agency-related MBS no doubt continued to serve as inducements for banks to expand their holdings of mortgage-related assets. As has been the case for several years, growth in MBS was stronger at small banks than at large banks, with institutions ranked outside the top 100 now holding about one-quarter of all MBS. Overall, at year-end MBS accounted for almost half of securities held in investment accounts and almost 10 percent of total assets. Treasury and agency securities (excluding agency MBS) also registered strong growth last year.

Liabilities

Core deposits expanded 7.6 percent in 2002, the highest growth rate of the past ten years, save for the 10.6 percent advance in 2001. In a pattern that is typical in periods of low market interest rates, the growth was fueled entirely by savings accounts, as the opportunity cost of the liquidity they provide fell further and a declining and volatile stock market generated a strong demand for liquid and safe assets. A runoff of small time deposits partly offset the strong inflows to liquid deposits, but the sum of small time and savings deposits expanded briskly and pushed the share of this category to almost 50 percent of total domestic liabilities (chart 10). The strong inflow of core deposits enabled banks, especially large ones, to hold down their reliance on more-expensive managed liabilities. A 5.1 per-

cent contraction in transaction deposits resumed the pattern of decline exhibited since the mid-1990s. This downtrend appears to reflect the continued spread of arrangements to shift business balances into money market deposit accounts to decrease reserve requirements.

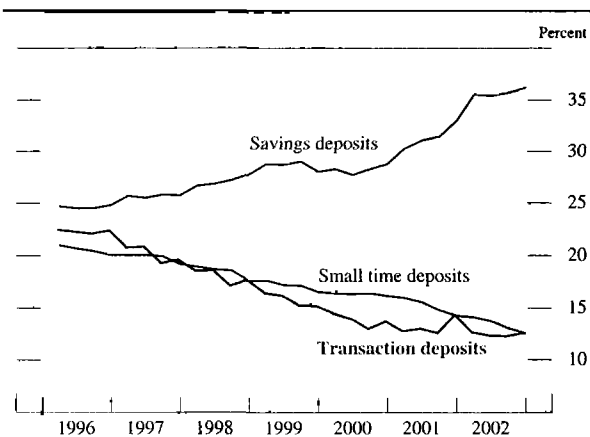
Total managed liabilities increased about 5 percent last year. Noticeably faster expansion among banks outside the top 100 reflected their stronger asset growth. The smallest banks, those ranked below the top 1,000, continued to show rapid growth in managed liabilities, although these instruments accounted for a relatively small share of their total liabilities.

Capital

Equity capital increased 7.9 percent in 2002, a little faster than assets. Retained earnings, paid-in capital, and unrealized gains on available-for-sale securities all contributed to the rise in equity capital. While total assets rose more than 7 percent for the year, risk-weighted assets grew only about 4 percent. As in 2001, banks substituted securities and residential real estate loans, which carry relatively low risk weights, for assets with high risk weights, such as C&I loans.

Tier 1 capital increased 5.6 percent for the year, while tier 2 capital increased 2.3 percent.⁵ The leverage ratio edged up 2 basis points, to 7.83 percent, at the end of the fourth quarter. The ratio of tier 1 capital to risk-weighted assets increased slightly to just under 10 percent. The ratio of tier 1 and tier 2 capital to risk-weighted assets rose to 12.83 percent over the year (chart 11). The increase of 7 basis points was due almost entirely to banks outside the top 100, for which the ratio advanced 29 basis points; at larger banks the ratio inched up only 2 basis points. The share of assets held by banks that were considered well capitalized for regulatory purposes

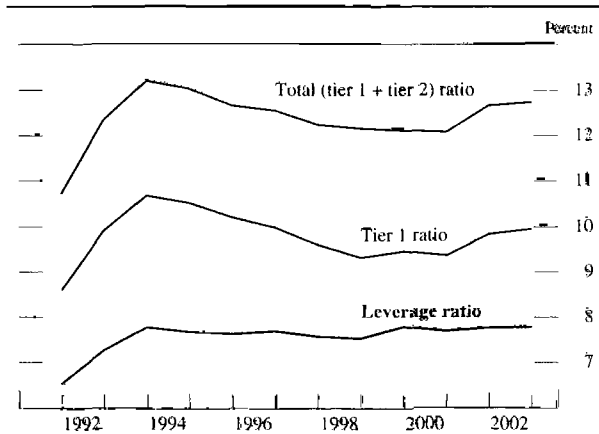
10. Selected domestic liabilities at banks as a share of their total domestic liabilities, 1996–2002



NOTE. Data are quarterly.

5. Tier 1 and tier 2 capital are regulatory measures. Tier 1 capital consists primarily of common equity (excluding intangible assets such as goodwill and excluding net unrealized gains on investment account securities classified as available for sale) and certain perpetual preferred stock. Tier 2 capital consists primarily of subordinated debt, preferred stock not included in tier 1 capital, and loan-loss reserves. Total capital is tier 1 plus tier 2 capital. Risk-weighted assets are calculated by multiplying the amount of assets and the credit-equivalent amount of off-balance-sheet items (an estimate of the potential credit exposure posed by the item) by the risk weight for each category. The risk weights rise from 0 to 1 as the credit risk of the assets increases. The leverage ratio is the ratio of tier 1 capital to average tangible assets. Tangible assets are equal to total assets less assets excluded from common equity in the calculation of tier 1.

11. Regulatory capital ratios, 1991–2002



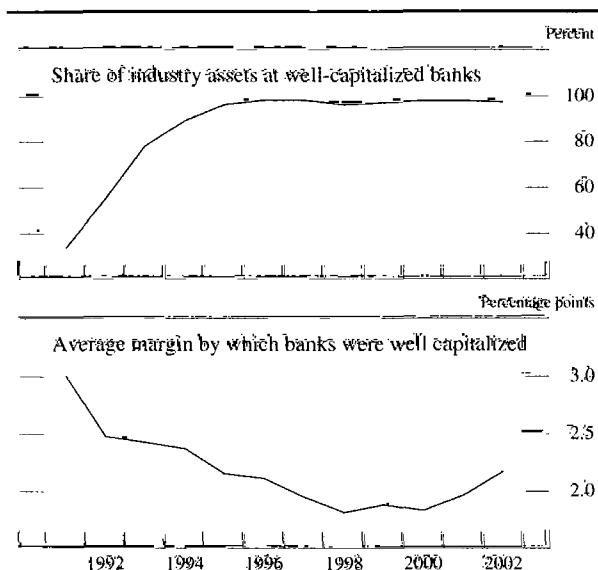
NOTE: For the definition of capital ratios, see text note 5.

remained near its very high level of the past several years (chart 12).⁶

Derivatives

Derivatives are financial instruments whose value is based on the prices of other instruments. Banks enter into derivatives contracts both to satisfy customer demand in their role as market makers and to manage their own market and credit risks. Banks' use of such contracts, as measured by the notional value of the underlying assets involved, grew 24 percent in 2002, to more than \$56 trillion. The market value of a derivatives contract, however, is typically much smaller than its notional value. When acting to meet customer demand, banks usually limit their net exposure by entering into at least partially offsetting contracts with different counterparties. These offsetting transactions account for the bulk of banks' activities in derivative markets. At the end of 2002, the fair market value of banks' contracts that had positive market value was \$1.17 trillion, while the fair market

12. Assets and regulatory capital at well-capitalized banks, 1991–2002



NOTE: For the definition of "well capitalized" and of the margin by which banks remain well capitalized, see text note 6.

value of contracts with negative value was \$1.14 trillion. On net, the fair value was \$27 billion, a level down about \$4 billion from 2001 but still well above the level of any other recent year. The overwhelming majority of derivatives contracts is held by large institutions: The top ten banks by assets held in excess of 97 percent of the value (either notional or fair) of all contracts last year.

The most common type of derivatives contracts is swaps, which are agreements to exchange the payment streams of two underlying assets (for example, the interest payments of a fixed-rate and of a variable-rate bond); at the end of 2002, swaps accounted for 58 percent of the notional value of all derivatives. Forwards (agreements to buy or sell the underlying asset for a certain price at a certain date in the future) and options (contracts giving the buyer the right to buy or sell a specified asset at a specified price on or before a certain future date) account for an additional 41 percent of total notional value.

One of the fastest growing derivatives markets in which banks are involved is that for credit derivatives, although it constitutes only about 1 percent of the total notional value. Credit derivatives transfer the risk of default of certain assets from one party, the beneficiary, to another, the guarantor; banks act both as guarantors and beneficiaries. The market for credit derivatives is even more concentrated than the market for other derivatives, with five banks accounting for 96 percent of the notional value outstanding. On net, banks have been receivers of guarantees in each

6. Well-capitalized banks are those with a total capital ratio greater than 10 percent, a tier 1 ratio greater than 6 percent, a leverage ratio greater than 5 percent, and a composite CAMELS rating of 1 or 2. Each letter in the CAMELS stands for a key element of a bank's financial condition—Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity to market risks. The average margin by which banks remained well capitalized was computed as follows. Among the leverage, tier 1, and total capitalized ratios of each well-capitalized bank, the institution's tightest capital ratio is defined as the one closest to the regulatory standard for being well capitalized. The bank's margin is then defined as the percentage-point difference between its tightest capital ratio and the corresponding regulatory standard. The average margin among all well-capitalized banks—the measure referred to in chart 12—is the weighted average of all the individual margins, with the weights being each bank's share of the total assets of well-capitalized banks.

year since 1997 (the first year for which data are available), except for 2001. In 2002 banks were net receivers of guarantees totaling about \$59 billion. According to a survey conducted by Fitch Ratings, those net guarantees were likely provided largely by the insurance and reinsurance sector.

A series of special questions in the January 2003 BLPS elicited some information on how banks use the most common of credit derivatives, credit default swaps (CDS).⁷ Only thirteen domestic banks said that they use CDS to hedge risk in their C&I loan portfolio. Even among those banks that use CDS for this purpose, the majority do so for less than 4 percent of their total C&I loan commitments (outstanding loans plus unused lines of credit). The most commonly cited reason for buying credit protection is that purchasing CDS is superior to selling loans outright because the transactions preserve the bank's relationship with the borrower. Also important was that CDS can provide protection for loans for which no resale or securitization markets exist. A smaller fraction of banks use CDS to acquire credit exposure—that is, they are net sellers of protection—and most of these banks that do so report that such exposure equals less than 2 percent of their total C&I loan commitments. The two most important reasons given for selling credit protection are its risk diversification benefits and its profitability relative to lending.

Almost all banks that use CDS, both as buyers and sellers of protection, reported that their participation in the CDS market did not affect their direct C&I lending. A few banks, however, indicated that their CDS market participation allowed them to increase moderately their direct C&I lending. Among the domestic banks that do not use CDS either to hedge loans or as standalone investments, most found the expenses related to CDS outweighed the benefits. Other often-cited reasons for avoiding CDS are their risk, the complications of managing them, and the difficulty of finding them in the desired amounts or maturities. Although relatively few banks actively participate in the CDS market, a majority of BLPS respondents reported using CDS spreads to impute value to certain loan assets or to price new loans.

TRENDS IN PROFITABILITY

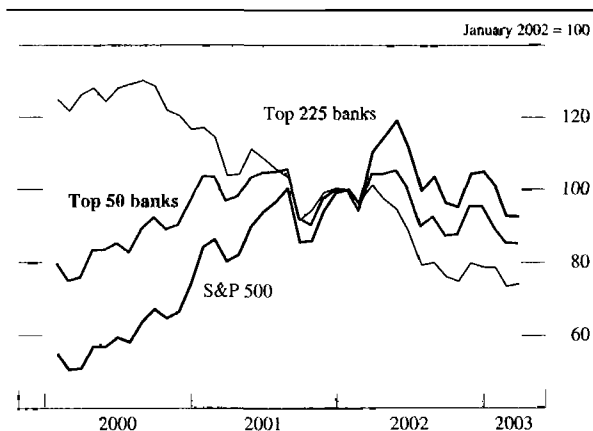
The profitability of the banking industry increased markedly in 2002 as most income components

improved. A steep yield curve fostered a noticeable rise in net interest income as a share of assets. Non-interest income grew at about the pace of recent years, but non-interest expense declined significantly as a share of assets, largely because of a change in accounting rules regarding goodwill rather than an active move on the part of banks to reduce costs. Falling interest rates allowed banks to book somewhat greater realized gains on securities in 2002 than in 2001. Loan-loss provisioning, while considerable, held steady as a share of assets as credit quality stabilized during 2002.

This confluence of positive developments caused banks' return on assets to rise 16 basis points, to 1.33 percent, the highest level in three decades, while the return on equity advanced 1.1 percentage points, to 14.5 percent. Consistent with robust aggregate earnings, relatively few banks were unprofitable: The proportion of banks with negative net income declined 1.7 percentage points, to 6.5 percent, and accounted for only 1.6 percent of industry assets.

A 22 percent surge in banks' dividend payments, made primarily to parent holding companies, reflected the strong earnings. Relative to after-tax income, dividends in 2002 were at their highest level in more than a decade. Also, rapid growth of retained income boosted equity capital. The high levels of profitability led bank holding company stocks (chart 13) to outperform the S&P 500 during 2002. Within that total, though, concerns about the exposure of the largest holding companies to some of the major corporate bankruptcies during the year restrained the growth of stock prices at the top fifty banking organizations. These concerns were most

13. Indexes of bank stock prices and the S&P 500, 2000–March 2003



NOTE. Banks are ranked by market value, and stock prices are weighted by market value.

SOURCE. Standard and Poor's and *American Banker*.

7. In a credit default swap, the guarantor agrees, for an upfront or continuing premium or fee, to compensate the beneficiary by a specified amount upon the occurrence of a specified event, such as the default of the referenced obligor.

evident last summer, when the association of a few very large banks with major corporate accounting scandals began to surface and to receive intense publicity.

Interest Income and Expense

Banks' interest expense and interest income both moved down with the general level of interest rates last year. On balance, banks benefited as interest expense tumbled 37 percent, while interest income declined only 13 percent. Thus, the industry's net interest margin—the ratio of net interest income to average interest-earning assets—increased in 2002 for the second consecutive year, rising 9 basis points, to 4.04 percent (chart 14). Much of the improvement occurred early in the year, when the yield curve was steepest. As the yield curve flattened during the year, the net interest margin narrowed.

The rise in the net interest margin was greatest at the 100 largest banks.⁸ Funding at these banks is dependent particularly on managed liabilities, and therefore this group benefited most from the substitution of these liabilities for less-expensive core deposits, discussed earlier. The net interest margin was also supported at these banks by a shift toward higher-yielding loans. The share of interest-earning assets that consists of consumer loans moved up from 10.0 percent to 10.5 percent, while the business loan share, which earned a rate of return 4.3 percentage points less than that of consumer loans last year, decreased from 17 percent to 14.5 percent.

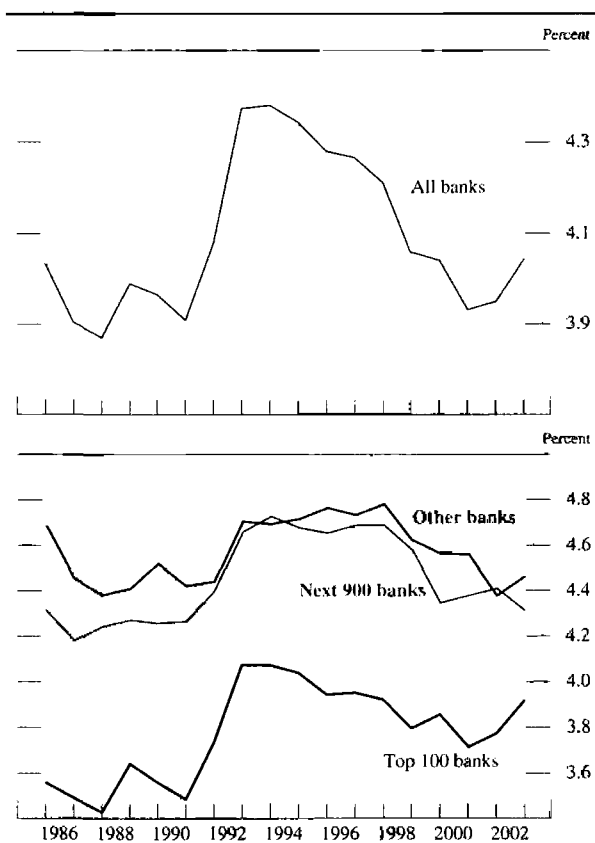
The smallest banks, those outside the 1,000 largest, were also able to raise their net interest margin, despite benefiting least from the inflow of low-cost core deposits. Their success was due largely to their ability to limit the decline in the rate of return on their loans, especially real estate loans, which made up about 45 percent of their interest-earning assets.⁹ Small banks were also relatively successful at limiting the decline in the rate of return on their non-credit-card consumer loans.

The net interest margin at banks among the 1,000 largest but outside the top 100 declined last year.

8. The net interest margin rose particularly at the ten largest banks, boosted in part by the consolidation of Citigroup subsidiaries noted above. Even after adjusting for this consolidation, however, the net interest margin still rose noticeably at these largest banks. As noted above, the Citigroup consolidation had little effect on the performance of the 100 largest banks.

9. Data limitations prevent a disaggregation of earnings between residential and commercial real estate loans. Commercial mortgages account for 49 percent of all real estate loans at small banks, compared with 42 percent for all other banks.

14. Net interest margins, by size of bank, 1985-2002



NOTE: Net interest margin is net interest income divided by average interest-earning assets. For definition of bank size, see the text note.

Although these banks gained somewhat from the inflow of lower-cost core deposits, they also experienced the largest decline in rates of return on their assets, a drop that reflected mainly a significant fall in the share of interest-earning assets consisting of relatively high-return consumer loans.

Non-interest Income and Expense

Non-interest income grew 5.3 percent in 2002, around the pace of the previous two years. The increase was due in large part to deposit fees, which expanded at a double-digit rate for the third consecutive year. Banks also enjoyed increased gains from the sale of loans, which, though small, nearly doubled as a share of total revenue. On their quarterly earnings statements, banks reported a rise in fees associated with mortgage refinancing, which evidently contributed to the 6.6 percent growth in other non-interest income. Fiduciary income, primarily fees received for services rendered by banks' trust divisions, declined for the second consecutive year.

Non-interest income was also restrained by a 15 percent drop in trading income.

The ratio of total non-interest expense to total revenue, already low by historical standards, dropped further in 2002, to about 57 percent (chart 15). Most of the decline was due to a change in the accounting rules that eliminated the requirement to amortize goodwill unless it is impaired (see box on "Goodwill"). A reduction in merger-related charges may also have been a factor behind the drop in non-interest expense in 2002: Measured by number and dollar volume, bank mergers were lower in 2002 than in any of the preceding five years. The decline in non-interest expense occurred last year despite a jump in the fourth quarter, attributable mainly to Citibank and J.P. Morgan Chase. The sudden rise likely reflected large legal fees and other costs associated with their roles in the Enron debacle and analyst malfeasance.

Salaries and benefits inched up relative to revenue in 2002. The increase was entirely at banks outside the top 100, where salaries and benefits have been steadily rising relative to total revenue since 1996. At the top 100 banks, the ratio of salaries and benefits to

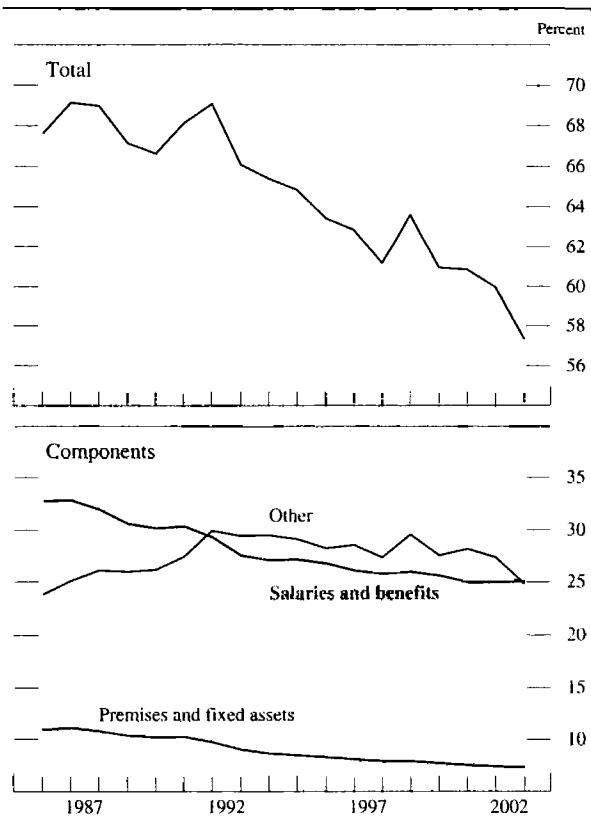
Change in the Accounting Standards Regarding Goodwill

According to the Financial Accounting Standards Board (FASB), goodwill is an intangible asset that generally arises as the result of a corporate merger when the purchase price of a firm exceeds the difference between the fair value of the assets acquired and the liabilities assumed.¹ As the banking system has consolidated over the past decade, the amount of goodwill in the banking system has expanded rapidly, with an average annual growth rate of 32 percent (over the same period, assets expanded at an average annual rate of 6.8 percent). In 2002, goodwill was about \$80 billion, or about 1.2 percent of total assets.

In previous years, FASB considered goodwill to be a "wasting asset" that would gradually dissipate and hence required that it be amortized over its useful life, up to a maximum of forty years. The expense associated with amortizing goodwill was reported on banks' balance sheets as part of non-interest expense. According to its Statement of Financial Accounting Standards No. 142, however, FASB now considers goodwill to generally represent the intangible "synergies" of the combined institution. As such, goodwill may have an indefinite life, so FASB no longer requires that it be amortized unless it becomes impaired. Goodwill may become impaired when a change occurs in a company's financial circumstances such that the amount of goodwill carried by the company exceeds the current implied fair value of goodwill. The new treatment of goodwill became effective for banks in their first fiscal year occurring after December 15, 2001, and contributed significantly to the one-time sharp decline in non-interest expense reported in 2002.

1. For mergers initiated before July 1, 2001, the FASB also allowed the use of a pooling-of-interest method of accounting. In a pooling of interests, the assets, liabilities, and retained earnings of each company are carried forward at their historical carrying amounts to the combined entity. In contrast to the purchase method, no goodwill is recorded in a pooling of interests. Operating results of both companies are combined for all periods before the consummation date, and previously issued financial statements are restated as though the companies had always been combined.

15. Non-interest expense as a proportion of revenue, 1985–2002

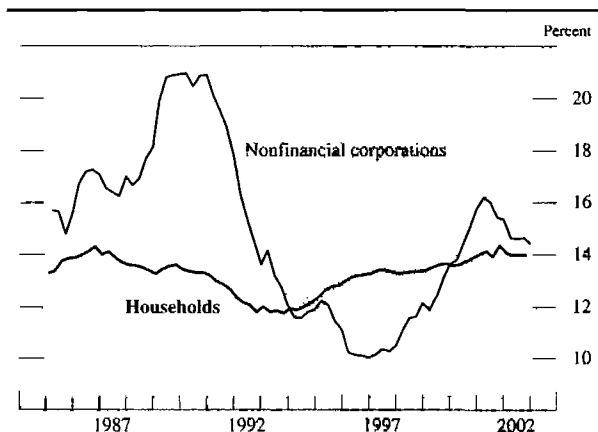


total revenue continued to trend down last year, albeit more slowly than during the late 1990s. The cost of premises and fixed assets relative to total revenue edged lower.

Loan Performance and Loss Provisioning

Credit quality generally stabilized during 2002. Despite some adverse developments, delinquency rates on most types of household and business loans declined, while others remained steady. On the corporate side, bankruptcies of several large firms,

16. Debt burdens of businesses and households, 1985–2002



NOTE. The debt burden for nonfinancial corporations is calculated as interest payments as a percentage of cash flow. The debt burden for households is an estimate of the ratio of debt payments to disposable personal income; debt payments consist of the estimated required payments on outstanding mortgage and consumer debt. Data are quarterly.

SOURCE. National income and product accounts and the Federal Reserve System.

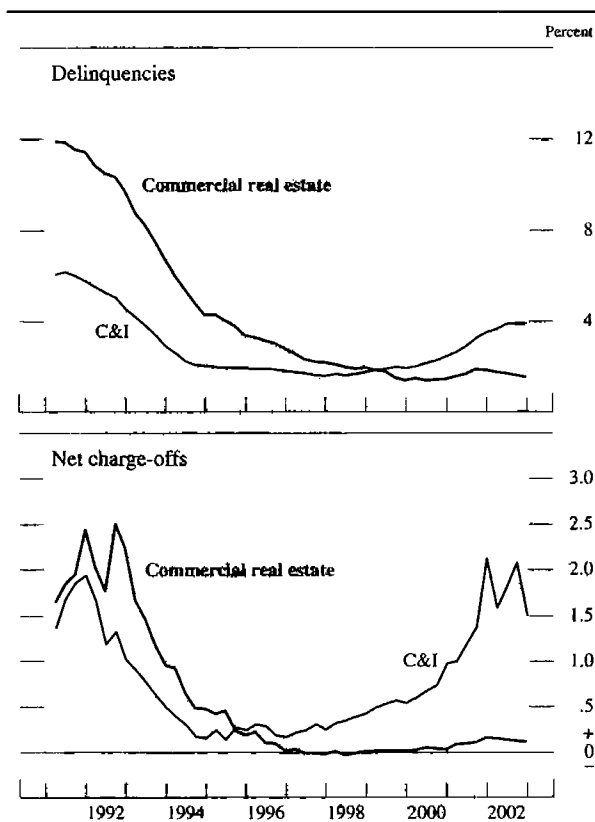
including WorldCom, continued to pressure delinquency and charge-off rates, especially at large banks. Extreme financial stress was also a problem for a segment of the household sector, as the personal bankruptcy rate ran at record levels last year. Working strongly to counter the impact of these problems, however, were the declines in interest rates, which allowed for a material reduction in the debt burden of businesses and a leveling off for households (chart 16). Even so, debt burdens remain elevated in both sectors.

C&I Loans

The delinquency rate on C&I loans rose during the first two quarters of 2002, but it held steady through year-end at a relatively elevated 3.9 percent, despite continued runoffs in outstanding loans (chart 17). This pattern reflects primarily developments at the 100 largest banks; at other banks, the delinquency rate has been about unchanged since the second half of 2001 and is below that of the top 100 banks. The higher delinquency rate at large banks is consistent with the increased difficulties at large firms recently, which are reflected in the rise in bankruptcies following corporate governance scandals. Reportedly, the use of credit default swaps by some large banks mitigated the effects of some of the larger loan defaults on their credit quality.

While delinquency rates are far below the peaks of the early 1990s, recent charge-off rates have exceeded their earlier highs. According to responses to the

17. Delinquency and charge-off rates for loans to businesses, by type of loan, 1991–2002



NOTE. The data are quarterly and seasonally adjusted. Delinquent loans are loans that are not accruing interest and those that are accruing interest but are more than thirty days past due. The delinquency rate is the end-of-period level of delinquent loans divided by the end-of-period level of outstanding loans. The net charge-off rate is the annualized amount of charge-offs over the period, net of recoveries, divided by the average level of outstanding loans over the period.

April 2003 BLPS, C&I charge-off rates have been high in part because they have been associated with a relatively narrow group of delinquent loans on which recovery rates have been low. In addition, banks have charged off C&I loans aggressively, facilitated by the growth of a liquid secondary market for distressed loans. This market provides banks with a way to clear their balance sheets of underperforming loans. When loans are sold, they must first be classified as an “available-for-sale” asset and marked to market, with any shortfalls of market from book value charged off.

Commercial Real Estate Loans

Vacancy rates for commercial office buildings continued to increase during 2002 and approached the levels of the early 1990s, and office rents fell faster than at any point during the previous fifteen years. Despite these signs of deterioration in commercial

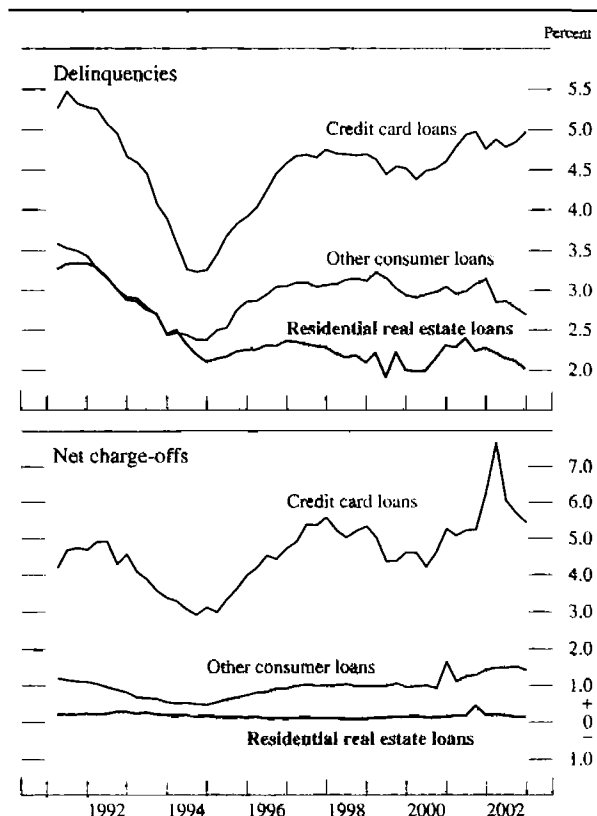
real estate markets, delinquency rates on commercial real estate loans were low and declining in 2002. Charge-off rates have also remained low.

According to the April 2003 BLPS, the improved quality of these loans reflects mainly declines in the burden of servicing them due to lower interest rates. In addition, banks reported that some borrowers have a substantial equity position in their properties, an additional incentive to keep loans current. Also, banks have been reporting on BLPS surveys since 1998 that they have been tightening standards on commercial real estate loans; and in the January 2002 and April 2003 surveys, they reported tightening lending terms in both 2001 and 2002. The most common method of tightening terms was to reduce maximum loan-to-value ratios.

Loans to Households

The credit quality of loans to households also generally improved last year as the household interest rate burden was held down by falling interest rates. Also, a decline in the delinquency rate on residen-

18. Delinquency and charge-off rates for loans to households, by type of loan, 1991–2002



NOTE: See note to chart 17.

tial real estate loans during 2002 (chart 18) partly reflected the rapid expansion of these loans, as new loans are much less likely to become delinquent than older loans. Charge-off rates likely were held down by the rapid rise in housing prices over the past several years, which has served to reduce the likelihood of a loss to banks when loans are foreclosed.

Delinquency rates on credit card loans, which averaged 4.87 percent in 2002, were little changed from the elevated level of a year earlier. By contrast, delinquency rates on consumer installment loans declined, reaching the lowest level since 1995. The high charge-off rates on both credit cards and consumer installment loans last year were perhaps partly a reflection of a jump in personal bankruptcies.

Securitized Loans

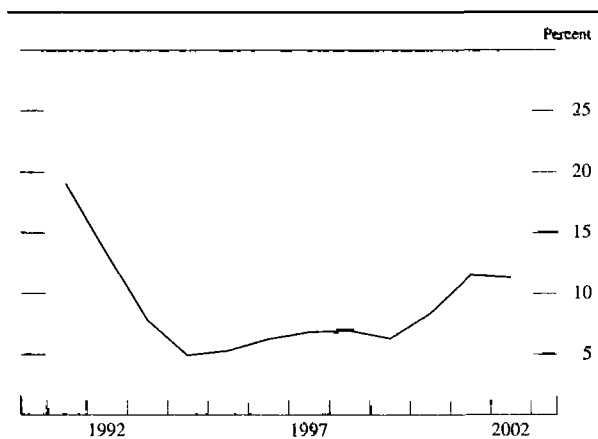
Delinquency rates on loans that had been securitized by banks and on which they retained servicing rights or provided credit enhancements, almost all of which are loans to households, also suggest a stabilization of credit quality: A year-end comparison shows that rates slipped from 4.9 percent in 2001 to 4.8 percent in 2002. For securitized residential real estate loans (both single-family mortgages and home equity loans), delinquency rates ticked up 9 basis points, to 5.0 percent, at the end of 2002. The rate on these securitized loans is more than twice the delinquency rate on loans that are held on banks' books, possibly because a greater proportion of the securitized loans are subprime. Like delinquencies on credit card loans held on banks' books, the delinquency rate on securitized credit card receivables was relatively flat during 2002 and averaged about 5 percent. Delinquency rates on securitized auto loans and some other small items declined.

Loss Provisioning

Loan charge-offs rose again last year, but the pace of the increase slowed markedly. Accordingly, after two years of growth at rates above 40 percent, loan-loss provisioning increased only 4.3 percent in 2002. As a share of loans and leases, loss provisioning edged up 2 basis points in 2002, to 1.16 percent, the highest level since 1992. However, banks' ability to absorb these losses improved slightly as the ratio of loss provisioning to total revenue moved down a touch, to 11.3 percent (chart 19).

The growth in loss provisioning occurred entirely at large banks, where charge-offs have been par-

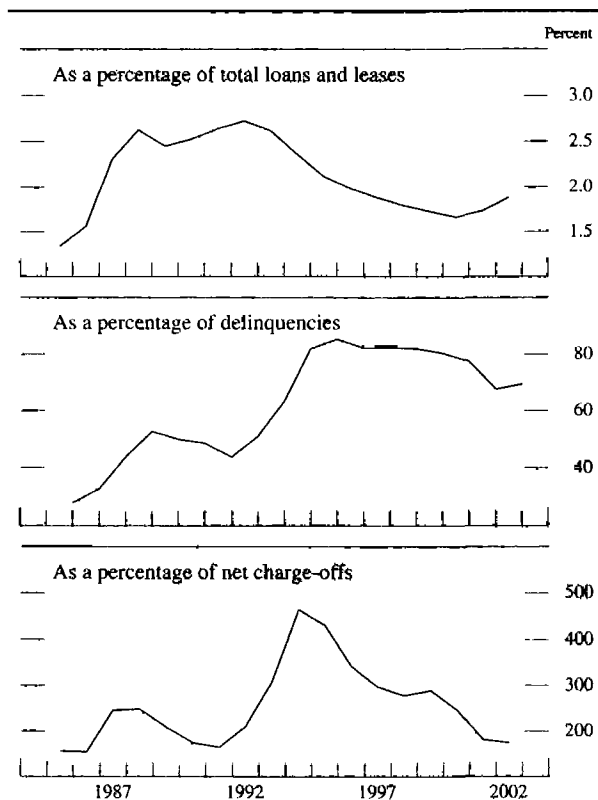
19. Provisioning for loan and lease losses as a percentage of total revenue, 1991–2002



ticularly high, consistent with the surge in large corporate bankruptcies. Loss provisioning decreased 11 percent at banks outside the 100 largest banks, where charge-offs have also diminished.

Additions to loan-loss reserves continued to bolster the ratio of loan-loss reserves both to total loans and leases and to delinquent loans (chart 20). How-

20. Reserves for loan and lease losses, 1985–2002



NOTE. For definitions of delinquencies and net charge-offs, see note to chart 17.

ever, as charge-offs grew faster than reserves, particularly at large banks, the ratio of loan-loss reserves to charge-offs again declined in 2002, moving down to 175 percent, the lowest level since 1991.

INTERNATIONAL OPERATIONS OF U.S. COMMERCIAL BANKS

With world economic growth remaining sluggish, banks curbed their foreign operations in 2002, and the share of bank assets booked in foreign offices fell for the fifth consecutive year, to 10.8 percent. The curtailment of operations abroad was particularly notable in Latin America, where U.S. banking activity declined 24 percent in 2002 (table 2). Argentina remained unstable following the crisis of late 2001, and apprehension regarding the future financial situation in Brazil was considerable. By contrast, lending in Eastern Europe, especially Russia, expanded by 36 percent, albeit from a small base. Exposure to Asia remained steady.

With the decline in exposure to foreign markets, the share of net income due to foreign operations fell to 6.5 percent, the lowest proportion during the past decade. Also contributing to the decline in earnings from international operations was the second consecutive yearly decrease in the return on foreign assets. Likely in response to continued credit problems in Argentina, loss provisioning for foreign loans increased significantly. Such loss provisioning as a ratio of foreign loans jumped to the highest level since 1989 and surpassed that associated with the Russian default of 1998.

RECENT DEVELOPMENTS

Bank profitability continued to be strong in the first quarter of 2003 as many trends of the previous year remained in place. On a seasonally adjusted basis, returns on equity and assets were at their averages for 2002. Robust mortgage refinancing and increased trading revenue provided support to non-interest income, while non-interest expense continued to decline as a share of assets. Although net interest income slipped, banks continued to book capital gains, and provisioning was noticeably below the average for last year on improving credit quality in both household and business sectors. Bank holding company stock prices moved roughly in line with the Wilshire 5000, ending the first quarter at about the same level as at the end of 2002. □

2. Exposure of banks to selected economies at year-end relative to tier 1 capital, by bank size, 1998–2002

Percent

Bank and year	Selected Asian countries ¹	Eastern Europe		Latin America				Total
		All	Russia	All	Mexico	Argentina	Brazil	
<i>All</i>								
1998	15.49	3.49	.43	42.93	9.88	9.66	11.27	61.90
1999	14.37	2.85	.37	39.00	9.50	9.40	10.49	56.22
2000	13.17	4.35	.49	37.88	9.08	8.41	11.15	55.40
2001	12.09	4.29	.60	54.06	25.97	6.61	12.99	70.44
2002	11.44	5.53	1.06	38.90	20.80	2.44	8.36	55.87
<i>Money center and other large banks</i>								
1998	24.02	5.61	.68	64.20	14.10	15.19	17.04	93.83
1999	20.73	4.25	.55	53.90	12.62	13.63	14.53	78.88
2000	19.98	6.83	.77	54.98	12.69	12.68	16.40	81.79
2001	17.88	6.47	.91	79.08	38.54	9.79	18.74	103.43
2002	16.96	8.17	1.63	57.32	31.14	3.65	12.38	82.45
<i>Other</i>								
1998	2.08	.16	.00	9.51	3.24	.97	.00	11.75
1999	1.75	.08	.01	9.41	3.31	1.01	2.47	11.24
2000	1.41	.08	.00	8.35	2.84	1.04	2.08	9.84
2001	1.07	.14	.00	6.45	2.04	.57	2.05	7.66
2002	1.03	.65	.00	5.00	4.86	.02	.96	6.68
MEMO								
Total exposure (billions of dollars)								
1998	37.87	8.53	1.05	104.96	24.15	23.62	27.55	151.36
1999	37.45	7.43	.95	101.63	24.77	24.51	27.34	146.51
2000	37.30	12.33	1.39	107.31	25.71	23.82	31.59	156.94
2001	36.32	12.88	1.80	162.39	78.00	19.87	39.01	211.59
2002	36.32	17.55	3.37	123.53	66.15	7.75	26.55	177.40

NOTE. For definition of tier 1 capital, see text note 5. Exposures consist of lending and derivatives exposures for cross-border and local-office operations. Respondents may file information on one bank or on the bank holding company as a whole.

At year-end 2002, "all reporting" banks consisted of 74 institutions with a total of \$318 billion in tier 1 capital; of these institutions, 10 were "large" banks

(5 money center banks and 5 other large banks) with \$206 billion in tier 1 capital, and the remaining 64 were "other" banks with \$112 billion in tier 1 capital. The average "other" bank at year-end 2002 had \$24 billion in assets.

1. Indonesia, Korea, Malaysia, Philippines, and Thailand.

SOURCE: Federal Financial Institutions Examination Council Statistical Release E.16, "Country Exposure Survey," available at www.ffiec.gov/E16.htm/

Appendix tables start on page 260.

A.1. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1993–2002

A. All banks

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Balance sheet items as a percentage of average net consolidated assets										
Interest-earning assets	89.06	87.11	86.97	87.38	87.15	86.77	87.05	87.17	86.53	86.46
Loans and leases, net	56.25	56.07	58.37	59.89	58.69	58.33	59.36	60.52	58.99	57.87
Commercial and industrial	14.88	14.51	15.20	15.60	15.78	16.37	17.07	17.17	16.09	14.08
U.S. addressees	12.72	12.35	12.87	13.07	13.18	13.62	14.43	14.67	13.70	12.05
Foreign addressees	2.16	2.16	2.33	2.53	2.60	2.75	2.64	2.49	2.39	2.04
Consumer	11.00	11.43	12.08	12.21	11.44	10.36	9.71	9.38	9.23	9.35
Credit card	3.88	4.21	4.69	4.87	4.55	3.96	3.51	3.52	3.63	3.78
Installment and other	7.11	7.22	7.39	7.34	6.89	6.39	6.20	5.87	5.61	5.57
Real estate	24.80	24.43	25.01	25.06	25.02	24.87	25.44	27.04	27.10	28.39
In domestic offices	24.18	23.80	24.36	24.43	24.41	24.30	24.87	26.50	26.60	27.91
Construction and land development	1.99	1.65	1.59	1.63	1.73	1.86	2.18	2.51	2.85	2.98
Farmland	.57	.56	.56	.56	.55	.55	.56	.56	.55	.56
One- to four-family residential	13.49	13.74	14.42	14.43	14.42	14.26	14.10	14.96	14.67	15.40
Home equity	2.07	1.91	1.88	1.85	1.94	1.89	1.76	1.96	2.18	2.79
Other	11.42	11.84	12.54	12.57	12.48	12.37	12.34	13.00	12.49	12.61
Multifamily residential	.79	.79	.81	.85	.83	.82	.88	.99	.97	1.02
Nonfarm nonresidential	7.33	7.07	6.97	6.96	6.88	6.81	7.15	7.48	7.56	7.95
In foreign offices	.62	.63	.65	.63	.61	.57	.57	.54	.50	.48
To depository institutions and acceptances of other banks	1.13	1.47	1.92	2.33	1.93	1.91	1.97	1.87	1.83	1.87
Foreign governments	.67	.41	.30	.26	.18	.15	.16	.12	.10	.09
Agricultural production	.99	1.00	.96	.92	.90	.89	.83	.78	.75	.70
Other loans	3.50	3.29	3.11	3.32	2.80	2.78	2.75	2.58	2.34	2.06
Lease-financing receivables	.99	1.03	1.19	1.51	1.87	2.14	2.53	2.65	2.62	2.47
LESS: Unearned income on loans	-.21	-.16	-.14	-.12	-.09	-.07	-.06	-.05	-.04	-.05
LESS: Loss reserves ¹	-1.51	-1.36	-1.26	-1.21	-1.13	-1.07	-1.04	-1.02	-1.04	-1.11
Securities	25.37	24.32	21.94	21.01	20.41	20.38	20.40	20.02	19.54	21.27
Investment account	22.50	21.60	19.39	18.20	17.25	17.49	18.34	17.59	16.82	18.30
Debt	22.50	21.21	18.98	17.75	16.75	16.94	17.73	16.93	16.49	17.99
U.S. Treasury	n.a.	6.71	5.25	4.20	3.38	2.71	2.14	1.66	.85	.79
U.S. government agency and corporation obligations	n.a.	10.26	9.81	9.75	9.74	10.28	10.85	10.31	10.08	11.46
Government-backed mortgage pools	n.a.	4.70	4.47	4.80	4.94	5.17	5.24	4.75	5.13	6.09
Collateralized mortgage obligations	n.a.	3.19	2.67	2.11	1.94	2.13	2.15	1.92	1.95	2.35
Other	n.a.	2.36	2.68	2.83	2.86	2.99	3.46	3.63	2.99	3.02
State and local government	n.a.	2.01	1.80	1.68	1.59	1.57	1.62	1.52	1.49	1.49
Private mortgage-backed securities	n.a.	.64	.62	.61	.50	.67	.88	.95	1.08	1.25
Other	n.a.	1.56	1.49	1.51	1.54	1.71	2.24	2.48	2.98	3.01
Equity ²	n.a.	.39	.41	.45	.50	.55	.61	.66	.34	.31
Trading account	2.87	2.71	2.55	2.81	3.16	2.90	2.06	2.43	2.72	2.97
Gross federal funds sold and reverse RPs	4.27	3.82	3.93	3.82	5.18	5.37	4.61	4.12	5.11	4.81
Interest-bearing balances at depositories	3.18	2.90	2.73	2.66	2.86	2.69	2.68	2.52	2.90	2.52
Non-interest-earning assets	10.94	12.89	13.03	12.62	12.85	13.23	12.95	12.83	13.47	13.54
Revaluation gains held in trading accounts ³	n.a.	2.95	2.90	2.25	2.59	2.95	2.57	2.29	2.37	2.42
Other	10.94	9.94	10.12	10.38	10.26	10.28	10.38	10.54	11.10	11.12
Liabilities	92.15	92.12	91.99	91.73	91.57	91.51	91.51	91.58	91.24	90.85
Interest-bearing liabilities	73.92	71.86	71.86	71.62	71.36	71.32	72.51	73.30	72.46	71.22
Deposits	60.26	57.34	56.31	55.87	55.01	54.66	54.79	54.67	54.60	53.90
In foreign offices	8.32	9.39	10.28	10.01	10.02	10.15	10.46	10.92	10.18	8.92
In domestic offices	51.94	47.96	46.03	45.86	44.99	44.51	44.33	43.75	44.43	44.98
Other checkable deposits	8.24	7.80	6.63	4.75	3.62	3.11	2.81	2.46	2.36	2.39
Savings (including MMDAs)	20.91	19.60	17.48	18.71	19.12	19.91	21.00	20.64	22.29	24.93
Small-denomination time deposits	16.98	15.33	16.15	15.97	15.17	14.15	13.10	12.49	11.59	10.13
Large-denomination time deposits	5.81	5.23	5.77	6.42	7.08	7.33	7.42	8.16	8.19	7.52
Gross federal funds purchased and RPs	7.47	7.60	7.71	7.18	8.13	7.99	7.97	7.83	7.95	7.77
Other	6.19	6.92	7.85	8.56	8.21	8.68	9.75	10.79	9.90	9.54
Non-interest-bearing liabilities	18.23	20.26	20.13	20.11	20.21	20.18	19.00	18.28	18.78	19.63
Demand deposits in domestic offices	13.86	13.49	12.68	12.82	12.16	11.00	9.78	8.62	8.00	7.66
Revaluation losses held in trading accounts ³	n.a.	2.69	2.88	2.14	2.64	2.97	2.52	2.29	2.21	2.09
Other	4.37	4.55	4.57	5.14	5.42	6.21	6.70	7.37	8.58	9.88
Capital account	7.85	7.88	8.01	8.27	8.43	8.49	8.49	8.42	8.76	9.15
MEMO										
Commercial real estate loans	10.63	9.94	9.83	9.92	9.99	10.12	10.87	11.58	12.08	12.56
Other real estate owned	.63	.36	.19	.14	.11	.08	.06	.05	.05	.06
Managed liabilities	28.28	29.61	32.08	32.73	34.09	34.94	36.58	38.82	37.41	35.05
Average net consolidated assets (billions of dollars)	3,566	3,863	4,148	4,376	4,733	5,144	5,439	5,905	6,333	6,633

A.1.—Continued

A. All banks

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Effective interest rate (percent) ⁴										
<i>Rates earned</i>										
Interest-earning assets	7.61	7.61	8.33	8.14	8.15	7.99	7.70	8.23	7.37	6.09
Taxable equivalent	7.71	7.70	8.40	8.22	8.22	8.06	7.76	8.27	7.45	6.18
Loans and leases, gross	8.69	8.62	9.25	9.00	9.01	8.84	8.48	9.01	8.17	6.92
Net of loss provisions	8.08	8.32	8.93	8.56	8.50	8.30	7.97	8.33	7.16	5.88
Securities	6.12	5.97	6.51	6.46	6.54	6.45	6.27	6.48	6.09	4.99
Taxable equivalent	6.36	6.20	6.73	6.66	6.73	6.63	6.46	6.65	6.27	5.15
Investment account	6.11	5.80	6.35	6.39	6.50	6.38	6.25	6.45	6.06	5.05
U.S. Treasury securities and U.S. government agency obligations (excluding MBS)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.76	4.43
Mortgage-backed securities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.47	5.45
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.59	4.74
Trading account	6.16	7.41	7.73	6.86	6.75	6.85	6.47	6.63	6.34	4.59
Gross federal funds sold and reverse RPs	3.04	4.26	5.63	5.21	5.45	5.29	4.78	5.56	3.87	1.93
Interest-bearing balances at depositories	6.61	5.71	6.84	6.20	6.23	6.32	5.95	6.48	4.01	2.79
<i>Rates paid</i>	4.01	4.01	4.99	4.82	4.92	4.88	4.47	5.17	4.16	2.55
Interest-bearing liabilities										
Interest-bearing deposits	3.65	3.53	4.47	4.34	4.39	4.31	3.87	4.45	3.62	2.12
In foreign offices	6.82	5.59	6.12	5.54	5.44	5.66	4.91	5.61	3.95	2.38
In domestic offices	3.14	3.14	4.11	4.07	4.16	4.01	3.63	4.18	3.55	2.07
Other checkable deposits	1.99	1.85	2.06	2.04	2.25	2.29	2.08	2.34	1.96	1.06
Savings (including MMDAs)	2.50	2.58	3.19	3.00	2.93	2.79	2.49	2.86	2.19	1.13
Large time deposits ⁵	4.00	4.09	5.47	5.39	5.45	5.22	4.92	5.78	5.05	3.38
Other time deposits ⁵	4.19	4.17	5.44	5.40	5.54	5.48	5.09	5.69	5.44	3.74
Gross federal funds purchased and RPs	3.07	4.18	5.65	5.12	5.17	5.19	4.73	5.77	3.84	1.88
Other interest-bearing liabilities	8.02	7.25	7.47	6.93	6.94	6.89	6.48	6.97	5.93	4.32
Income and expense as a percentage of average net consolidated assets										
Gross interest income	6.86	6.65	7.29	7.16	7.15	6.98	6.73	7.19	6.40	5.29
Taxable equivalent	6.94	6.73	7.35	7.21	7.20	7.03	6.78	7.23	6.44	5.33
Loans	5.00	4.91	5.48	5.47	5.40	5.27	5.12	5.54	4.93	4.08
Securities	1.37	1.25	1.23	1.16	1.11	1.10	1.14	1.15	1.00	.90
Gross federal funds sold and reverse RPs	.13	.17	.23	.21	.29	.29	.23	.23	.20	.09
Other	.36	.33	.35	.32	.35	.32	.24	.27	.24	.18
Gross interest expense	2.96	2.87	3.57	3.43	3.48	3.46	3.22	3.76	2.98	1.80
Deposits	2.23	2.05	2.54	2.46	2.48	2.43	2.20	2.56	2.09	1.24
Gross federal funds purchased and RPs	.24	.32	.44	.38	.43	.43	.39	.45	.31	.15
Other	.50	.50	.58	.59	.56	.59	.63	.75	.58	.41
Net interest income	3.90	3.78	3.72	3.73	3.67	3.52	3.52	3.43	3.42	3.50
Taxable equivalent	3.98	3.86	3.79	3.78	3.72	3.57	3.57	3.47	3.46	3.54
Loss provisioning ⁶	.47	.28	.30	.37	.41	.41	.39	.50	.68	.68
Non-interest income	2.13	2.00	2.02	2.18	2.23	2.40	2.65	2.58	2.51	2.53
Service charges on deposits	.42	.40	.39	.39	.39	.38	.40	.40	.42	.45
Fiduciary activities	.31	.31	.31	.33	.35	.37	.38	.38	.35	.33
Trading revenue	.26	.16	.15	.17	.17	.15	.19	.21	.20	.16
Interest rate exposures	n.a.	n.a.	n.a.	.09	.08	.05	.07	.08	.10	.08
Foreign exchange rate exposures	n.a.	n.a.	n.a.	.06	.08	.09	.09	.09	.07	.07
Other commodity and equity exposures	n.a.	n.a.	n.a.	.02	*	.01	.03	.04	.03	.01
Other	1.14	1.13	1.17	1.29	1.32	1.49	1.69	1.59	1.55	1.59
Non-interest expense	3.94	3.75	3.64	3.71	3.61	3.77	3.76	3.65	3.56	3.46
Salaries, wages, and employee benefits	1.64	1.58	1.54	1.55	1.53	1.55	1.58	1.51	1.49	1.52
Occupancy	.52	.49	.48	.48	.47	.47	.48	.45	.44	.44
Other	1.78	1.68	1.62	1.69	1.62	1.75	1.70	1.69	1.63	1.50
Net non-interest expense	1.81	1.75	1.62	1.53	1.38	1.37	1.11	1.07	1.04	.93
Gains on investment account securities	.09	.01	.01	.03	.04	.06	*	-.04	.07	.10
Income before taxes and extraordinary items	1.70	1.73	1.81	1.85	1.92	1.80	2.02	1.81	1.77	1.98
Taxes	.56	.58	.63	.65	.68	.62	.72	.63	.59	.65
Extraordinary items, net of income taxes	.06	*	*	*	*	.01	*	*	-.01	*
Net income	1.20	1.15	1.18	1.20	1.25	1.19	1.31	1.18	1.17	1.33
Cash dividends declared	.62	.73	.75	.90	.90	.80	.96	.89	.87	1.01
Retained income	.58	.42	.43	.30	.35	.39	.35	.29	.30	.31
MEMO: Return on equity	15.32	14.63	14.69	14.53	14.84	14.06	15.40	13.96	13.39	14.51

* In absolute value, less than 0.005 percent.

n.a. Not available. MMDA Money market deposit account. RP Repurchase agreement. CD Certificate of deposit.

1. Includes allocated transfer risk reserves.

2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.

3. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities" if a gain and "other non-interest-bearing liabilities" if a loss.

4. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.

5. Before 1997, large time open accounts included in other time deposits.

6. Includes provisions for allocated transfer risk.

A.1. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1993–2002

B. Ten largest banks by assets

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Balance sheet items as a percentage of average net consolidated assets										
Interest-earning assets	84.90	77.26	77.12	80.12	81.84	81.25	81.49	82.23	81.74	81.68
Loans and leases, net	55.57	49.91	50.05	53.51	50.91	50.76	53.37	55.22	53.86	53.60
Commercial and industrial	18.65	16.43	16.16	17.17	16.90	18.07	19.20	19.87	18.82	16.16
U.S. addressees	10.75	9.16	8.66	9.59	10.24	11.76	13.14	13.95	13.42	11.70
Foreign addressees	7.90	7.27	7.50	7.59	6.66	6.31	6.06	5.92	5.41	4.47
Consumer	7.33	6.59	6.60	6.22	6.40	6.04	5.94	5.43	6.17	7.82
Credit card	2.50	2.28	1.96	1.23	1.34	1.30	1.36	1.34	1.64	2.90
Installment and other	4.83	4.31	4.65	4.99	5.06	4.74	4.58	4.09	4.53	4.92
Real estate	18.54	16.21	15.82	16.53	17.42	16.51	16.96	19.82	19.23	20.78
In domestic offices	15.99	13.80	13.48	14.44	15.69	15.08	15.55	18.48	18.05	19.70
Construction and land development	1.59	.84	.58	.51	.68	.77	.90	.98	1.27	1.42
Farmland	.07	.06	.06	.06	.09	.09	.10	.11	.11	.12
One- to four-family residential	10.29	9.69	9.62	10.43	11.02	10.33	10.77	13.37	12.41	13.51
Home equity	1.60	1.40	1.40	1.53	1.70	1.72	1.54	1.61	1.78	2.35
Other	8.68	8.29	8.22	8.90	9.31	8.61	9.22	11.76	10.63	11.17
Multifamily residential	.53	.41	.38	.38	.39	.38	.43	.60	.51	.55
Nonfarm nonresidential	3.51	2.79	2.83	3.05	3.52	3.51	3.35	3.42	3.76	4.09
In foreign offices	2.55	2.41	2.35	2.09	1.73	1.43	1.41	1.34	1.18	1.08
To depository institutions and acceptances										
of other banks	2.47	3.49	5.04	6.14	4.20	4.05	4.34	3.78	3.23	3.20
Foreign governments	2.46	1.27	.90	.69	.45	.35	.38	.28	.20	.20
Agricultural production	.27	.25	.21	.23	.31	.28	.26	.23	.28	.23
Other loans	6.71	6.32	5.76	6.34	4.15	3.74	3.96	3.75	3.51	2.94
Lease-financing receivables	1.30	1.14	1.14	1.59	2.24	2.81	3.40	3.07	3.43	3.44
Less: Unearned income on loans	-.21	-.16	-.14	-.11	-.07	-.06	-.05	-.04	-.04	-.08
Less: Loss reserves ¹	-1.94	-1.63	-1.45	-1.30	-1.08	-1.01	-1.03	-.97	-.97	-1.12
Securities	22.74	20.61	19.53	19.83	20.00	19.72	18.34	18.98	17.81	20.54
Investment account	12.45	11.68	10.65	10.60	10.97	12.12	13.08	13.71	12.14	14.36
Debt	12.45	10.10	9.03	8.94	9.42	10.58	11.38	11.97	11.30	13.62
U.S. Treasury	n.a.	2.06	2.03	1.93	1.56	1.70	1.98	1.96	.68	.59
U.S. government agency and corporation obligations	n.a.	5.08	4.46	4.59	5.34	6.31	6.35	6.59	6.84	8.68
Government-backed mortgage pools	n.a.	2.79	2.89	3.58	4.26	5.13	5.03	4.88	4.99	6.38
Collateralized mortgage obligations	n.a.	2.22	1.50	.95	.93	.93	.79	.93	1.11	1.52
Other	n.a.	.06	.08	.06	.15	.26	.52	.78	.74	.79
State and local government	n.a.	.61	.49	.39	.51	.47	.45	.51	.55	.59
Private mortgage-backed securities	n.a.	.43	.32	.30	.32	.60	.57	.51	.58	.93
Other	n.a.	3.03	2.97	3.01	2.81	2.57	3.22	3.47	3.22	3.34
Equity ²	n.a.	.39	.38	.38	.42	.47	.51	.68	.26	.22
Trading account	10.30	8.93	8.88	9.23	9.03	7.60	5.25	5.26	5.67	6.18
Gross federal funds sold and reverse RPs	2.71	2.68	3.20	3.10	7.56	7.81	6.64	5.02	6.38	5.26
Interest-bearing balances at depositories	3.88	4.05	4.34	3.68	3.37	2.96	3.14	3.01	3.69	2.28
Non-interest-earning assets	15.10	22.74	22.88	19.88	18.16	18.75	18.51	17.77	18.26	18.32
Revaluation gains held in trading accounts ³	n.a.	11.23	10.77	7.63	7.36	7.62	6.66	5.66	5.47	5.40
Other	15.10	11.51	12.11	12.25	10.80	11.13	11.85	12.11	12.78	12.93
Liabilities	93.24	93.42	93.59	93.04	92.61	92.58	92.28	92.36	92.14	91.52
Interest-bearing liabilities	71.56	64.33	63.37	64.45	65.83	65.81	66.87	67.81	66.76	65.43
Deposits	52.91	48.20	47.49	47.87	47.36	47.65	48.79	49.27	49.09	48.97
In foreign offices	25.51	26.10	28.36	26.41	22.18	20.17	21.04	21.62	19.22	16.26
In domestic offices	27.41	22.10	19.12	21.46	25.18	27.48	27.76	27.66	29.88	32.71
Other checkable deposits	3.45	2.91	2.30	1.61	1.21	.99	.72	.74	.90	.95
Savings (including MMDAs)	15.33	12.70	10.56	12.31	14.26	15.83	16.84	16.73	19.24	22.82
Small-denomination time deposits	5.09	3.98	4.04	4.68	5.82	6.03	5.66	5.38	5.11	4.72
Large-denomination time deposits	3.53	2.51	2.23	2.86	3.89	4.62	4.54	4.80	4.63	4.22
Gross federal funds purchased and RPs	6.70	5.83	6.17	5.88	10.26	9.78	8.84	8.89	9.04	8.83
Other	11.94	10.29	9.71	10.69	8.20	8.37	9.24	9.65	8.62	7.63
Non-interest-bearing liabilities	21.68	29.09	30.22	28.59	26.78	26.77	25.41	24.56	25.38	26.09
Demand deposits in domestic offices	11.27	10.15	8.88	9.73	8.98	8.46	7.83	7.28	7.50	7.40
Revaluation losses held in trading accounts ³	n.a.	10.22	10.68	7.27	7.53	7.67	6.51	5.69	5.10	4.63
Other	10.41	10.51	10.66	11.59	10.27	10.65	11.06	11.59	12.78	14.07
Capital account	6.76	6.58	6.41	6.96	7.39	7.42	7.72	7.64	7.86	8.48
MEMO										
Commercial real estate loans	6.46	4.65	4.40	4.65	5.45	5.61	5.69	5.87	6.68	6.92
Other real estate owned	1.02	.58	.27	.18	.13	.09	.06	.04	.04	.03
Managed liabilities	49.23	46.21	47.94	47.39	46.02	44.42	45.49	46.84	43.41	38.89
Average net consolidated assets (billions of dollars)	818	949	1,051	1,189	1,514	1,820	1,935	2,234	2,527	2,785

A. I.—Continued

B. Ten largest banks by assets

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Effective interest rate (percent) ⁴										
<i>Rates earned</i>										
Interest-earning assets	8.16	8.15	8.20	7.72	7.55	7.54	7.35	7.77	6.83	5.81
Taxable equivalent	8.20	8.18	8.22	7.74	7.60	7.57	7.39	7.78	6.90	5.89
Loans and leases, gross	9.07	8.89	8.84	8.32	8.25	8.21	7.99	8.46	7.52	6.54
Net of loss provisions	8.23	8.66	8.88	8.31	8.10	7.77	7.65	7.92	6.56	5.32
Securities	6.68	7.09	7.40	6.80	6.78	6.83	6.58	6.48	6.36	5.14
Taxable equivalent	6.77	7.19	7.47	6.85	6.85	6.89	6.65	6.55	6.44	5.21
Investment account	6.88	6.57	7.04	6.70	6.76	6.78	6.59	6.40	6.23	5.30
U.S. Treasury securities and U.S. government agency obligations (excluding MBS)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.02	3.74
Mortgage-backed securities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.42	5.55
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.34	5.30
Trading account	6.45	7.79	7.83	6.90	6.81	6.92	6.56	6.70	6.66	4.75
Gross federal funds sold and reverse RPs	3.02	4.52	5.20	4.92	5.45	5.20	4.52	4.93	3.86	2.20
Interest-bearing balances at depositories	8.34	7.27	7.15	6.71	6.91	7.16	7.22	7.43	3.73	3.40
<i>Rates paid</i>										
Interest-bearing liabilities	5.60	5.43	5.88	5.44	5.41	5.29	4.79	5.37	4.09	2.55
Interest-bearing deposits	4.50	4.32	4.99	4.57	4.54	4.40	3.82	4.40	3.27	1.95
In foreign offices	6.87	6.04	6.07	5.62	5.52	5.83	4.99	5.67	4.02	2.59
In domestic offices	2.36	2.35	3.42	3.32	3.69	3.39	3.04	3.51	2.85	1.68
Other checkable deposits	1.28	1.10	1.29	1.32	1.97	1.67	1.44	1.61	1.67	.93
Savings (including MMDAs)	2.14	2.35	3.11	2.76	2.68	2.45	2.11	2.43	1.92	1.02
Large time deposits ⁵	3.55	3.12	3.73	4.62	5.17	4.53	4.36	5.32	4.40	3.26
Other time deposits ⁶	3.01	2.80	5.08	4.58	5.45	5.21	4.95	5.53	5.15	3.55
Gross federal funds purchased and RPs	3.26	4.05	5.22	4.93	5.02	5.18	4.53	5.47	3.81	2.02
Other interest-bearing liabilities	11.16	10.87	9.80	8.86	9.13	8.85	8.61	8.15	7.00	5.39
Income and expense as a percentage of average net consolidated assets										
Gross interest income	7.22	6.37	6.42	6.26	6.31	6.21	6.01	6.39	5.56	4.78
Taxable equivalent	7.25	6.40	6.43	6.27	6.33	6.22	6.03	6.41	5.58	4.80
Loans	5.22	4.49	4.44	4.48	4.31	4.27	4.35	4.74	4.14	3.58
Securities	.86	.77	.75	.71	.73	.81	.85	.88	.72	.73
Gross federal funds sold and reverse RPs	.11	.15	.21	.18	.45	.42	.30	.25	.25	.12
Other	1.04	.97	1.00	.88	.82	.70	.51	.51	.43	.34
Gross interest expense	4.06	3.52	3.74	3.52	3.55	3.48	3.16	3.60	2.69	1.65
Deposits	2.48	2.15	2.43	2.26	2.26	2.20	1.97	2.33	1.74	1.06
Gross federal funds purchased and RPs	.24	.24	.35	.31	.54	.54	.40	.49	.35	.18
Other	1.35	1.13	.95	.95	.75	.74	.79	.78	.59	.41
Net interest income	3.16	2.86	2.68	2.73	2.76	2.73	2.84	2.78	2.87	3.13
Taxable equivalent	3.19	2.88	2.70	2.75	2.79	2.75	2.86	2.80	2.89	3.15
Loss provisioning ⁶	.64	.26	.11	.11	.16	.31	.26	.38	.59	.73
Non-interest income	2.99	2.33	2.16	2.34	2.12	2.15	2.55	2.54	2.23	2.32
Service charges on deposits	.30	.26	.25	.28	.32	.33	.37	.40	.44	.48
Fiduciary activities	.39	.36	.30	.31	.34	.32	.31	.27	.29	.26
Trading revenue	.91	.53	.46	.52	.43	.33	.46	.48	.43	.32
Interest rate exposures	n.a.	n.a.	n.a.	.30	.23	.10	.17	.20	.21	.15
Foreign exchange rate exposures	n.a.	n.a.	n.a.	.17	.20	.20	.19	.18	.14	.14
Other commodity and equity exposures	n.a.	n.a.	n.a.	.05	*	.03	.09	.11	.08	.03
Other	1.38	1.18	1.15	1.23	1.04	1.17	1.41	1.39	1.07	1.26
Non-interest expense	4.13	3.56	3.32	3.57	3.24	3.47	3.45	3.31	3.13	3.15
Salaries, wages, and employee benefits	1.88	1.65	1.58	1.57	1.45	1.45	1.57	1.46	1.38	1.41
Occupancy	.66	.55	.50	.50	.47	.47	.50	.47	.45	.46
Other	1.59	1.36	1.24	1.50	1.33	1.54	1.38	1.39	1.30	1.28
Net non-interest expense	1.14	1.23	1.16	1.23	1.12	1.32	.90	.77	.90	.84
Gains on investment account securities	.13	.02	.03	.04	.08	.11	.03	-.03	.08	.13
Income before taxes and extraordinary items	1.50	1.39	1.44	1.44	1.56	1.22	1.71	1.60	1.46	1.69
Taxes	.53	.48	.55	.52	.58	.44	.66	.60	.48	.57
Extraordinary items, net of income taxes	.16	*	*	*	*	*	*	*	-.01	*
Net income	1.13	.91	.88	.92	.98	.78	1.05	1.00	.97	1.12
Cash dividends declared	.28	.58	.57	.70	.82	.53	.79	.86	.67	1.05
Retained income	.85	.33	.31	.21	.15	.25	.26	.13	.31	.07
MEMO: Return on equity	16.75	13.86	13.78	13.21	13.22	10.53	13.58	13.04	12.38	13.24

* In absolute value, less than 0.005 percent.

n.a. Not available. MMDA Money market deposit account. RP Repurchase agreement. CD Certificate of deposit.

1. Includes allocated transfer risk reserves.

2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.

3. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities" if a gain and "other non-interest-bearing liabilities" if a loss.

4. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.

5. Before 1997, large time open accounts included in other time deposits.

6. Includes provisions for allocated transfer risk.

A.1. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1993-2002

C. Banks ranked 11 through 100 by assets

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Balance sheet items as a percentage of average net consolidated assets										
Interest-earning assets	88.81	88.58	88.71	88.26	87.50	87.91	88.47	88.78	88.22	88.48
Loans and leases, net	57.33	58.56	62.68	64.24	63.89	64.42	64.28	64.97	62.27	60.13
Commercial and industrial	18.03	18.03	19.26	18.95	19.01	18.92	19.40	18.20	15.85	13.29
U.S. addressees	17.05	16.99	18.10	17.71	17.78	17.59	18.18	17.65	15.37	12.96
Foreign addressees	.98	1.04	1.16	1.24	1.22	1.33	1.22	.55	.48	.33
Consumer	11.47	12.62	14.23	15.67	15.62	14.53	13.57	13.80	13.20	12.79
Credit card	5.23	5.99	7.34	8.26	8.50	7.67	6.78	6.98	6.97	6.57
Installment and other	6.24	6.63	6.89	7.40	7.12	6.86	6.79	6.82	6.23	6.22
Real estate	22.11	22.26	23.25	23.26	22.99	24.60	24.81	26.23	27.31	28.96
In domestic offices	22.01	22.17	23.10	23.10	22.85	24.42	24.63	26.13	27.22	28.90
Construction and land development	2.08	1.63	1.50	1.55	1.69	2.03	2.43	3.00	3.31	3.36
Farmland	.13	.14	.13	.13	.14	.17	.19	.22	.23	.22
One- to four-family residential	12.30	12.98	14.16	14.15	13.88	14.86	14.15	14.52	15.52	17.06
Home equity	2.54	2.33	2.19	2.08	2.22	2.17	2.08	2.49	2.90	3.89
Other	9.76	10.65	11.97	12.07	11.65	12.69	12.07	12.03	12.61	13.17
Multifamily residential	.71	.71	.77	.89	.93	1.00	1.02	1.11	1.16	1.20
Nonfarm nonresidential	6.79	6.72	6.54	6.37	6.21	6.36	6.82	7.28	7.00	7.05
In foreign offices	.10	.09	.15	.16	.15	.18	.19	.09	.09	.06
To depository institutions and acceptances										
of other banks	1.34	1.52	1.61	1.53	1.30	1.09	.93	1.05	1.40	1.44
Foreign governments	.30	.28	.20	.20	.09	.06	.06	.03	.03	.02
Agricultural production	.29	.29	.26	.28	.29	.33	.33	.37	.32	.27
Other loans	4.01	3.45	3.29	3.27	3.18	3.35	2.99	2.57	2.03	1.79
Lease-financing receivables	1.47	1.60	1.96	2.41	2.70	2.75	3.32	3.87	3.28	2.75
Less: Unearned income on loans	-.11	-.07	-.07	-.06	-.05	-.04	-.04	-.03	-.02	-.02
Less: Loss reserves ¹	-1.60	-1.41	-1.32	-1.27	-1.24	-1.16	-1.11	-1.12	-1.13	-1.17
Securities	21.97	21.19	18.64	16.87	15.80	16.67	17.80	17.33	19.01	20.30
Investment account	20.60	19.82	17.88	16.06	15.07	16.13	17.29	16.11	17.71	19.16
Debt	20.60	18.57	16.60	14.70	13.61	14.52	15.53	14.19	16.72	18.20
U.S. Treasury	n.a.	6.86	4.82	3.34	2.81	2.25	1.70	1.12	.67	.74
U.S. government agency and corporation obligations	n.a.	9.38	9.40	9.12	8.98	9.93	10.58	9.71	10.09	11.45
Government-backed mortgage pools	n.a.	5.40	5.06	5.42	5.17	4.98	5.12	4.31	5.19	6.00
Collateralized mortgage obligations	n.a.	3.04	2.82	2.16	2.13	2.83	2.89	2.55	2.42	2.79
Other	n.a.	.94	1.51	1.54	1.68	2.12	2.56	2.84	2.48	2.65
State and local government	n.a.	1.20	1.11	.99	.88	.92	.99	.96	.99	.97
Private mortgage-backed securities	n.a.	.95	1.02	.96	.73	.96	1.35	1.66	2.01	2.13
Other	n.a.	1.22	1.16	1.21	1.18	1.53	2.02	2.06	3.56	3.53
Equity ²	n.a.	.32	.37	.44	.49	.55	.65	.60	.39	.34
Trading account	1.37	1.38	.76	.80	.73	.54	.51	1.22	1.30	1.14
Gross federal funds sold and reverse RPs	4.98	5.11	4.52	4.26	4.38	3.57	3.34	3.76	4.07	4.71
Interest-bearing balances at depositories	4.53	3.72	2.87	2.89	3.43	3.24	3.06	2.71	2.88	3.33
Non-interest-earning assets	11.19	11.42	11.29	11.74	12.50	12.09	11.53	11.22	11.78	11.52
Revaluation gains held in trading accounts ³	n.a.	.60	.50	.51	.69	.75	.57	.41	.55	.47
Other	11.19	10.81	10.78	11.23	11.81	11.34	10.96	10.81	11.23	11.05
Liabilities	92.56	92.47	92.23	92.02	91.85	91.63	91.65	91.56	91.14	90.77
Interest-bearing liabilities	73.38	72.86	74.05	73.14	72.60	73.40	74.95	76.44	75.96	74.75
Deposits	54.22	53.03	52.32	51.81	51.45	51.51	51.51	51.60	51.97	50.57
In foreign offices	6.78	8.05	8.12	7.52	7.85	8.15	7.97	7.35	6.86	6.10
In domestic offices	47.43	44.98	44.20	44.30	43.60	43.36	43.55	44.26	45.11	44.47
Other checkable deposits	7.21	6.91	5.62	3.06	1.95	1.75	1.60	1.32	1.20	1.17
Savings (including MMDAs)	20.60	20.13	18.78	20.76	21.08	21.41	22.47	22.35	24.37	26.50
Small-denomination time deposits	14.19	13.26	14.24	14.09	13.43	12.84	11.86	11.80	10.67	8.78
Large-denomination time deposits	5.44	4.68	5.55	6.39	7.15	7.36	7.62	8.78	8.87	8.02
Gross federal funds purchased and RPs	11.93	11.48	11.37	10.00	9.36	9.48	9.78	9.28	9.72	9.67
Other	7.23	8.34	10.36	11.32	11.79	12.41	13.67	15.56	14.27	14.51
Non-interest-bearing liabilities	19.18	19.62	18.18	18.89	19.24	18.23	16.70	15.12	15.18	16.02
Demand deposits in domestic offices	15.38	15.27	14.26	14.47	14.17	12.40	10.52	8.62	7.17	6.31
Revaluation losses held in trading accounts ⁴	n.a.	.57	.49	.49	.68	.76	.58	.41	.52	.44
Other	3.80	3.89	3.43	3.93	4.39	5.07	5.59	6.09	7.49	9.27
Capital account	7.44	7.53	7.77	7.98	8.15	8.37	8.35	8.44	8.86	9.23
MEMO										
Commercial real estate loans	10.29	9.69	9.42	9.38	9.44	10.11	11.00	12.07	12.06	12.23
Other real estate owned	.47	.25	.13	.08	.06	.04	.03	.03	.04	.05
Managed liabilities	31.76	32.89	35.68	35.60	36.60	38.09	39.81	41.94	40.78	39.48
Average net consolidated assets (billions of dollars)	1,082	1,204	1,338	1,450	1,604	1,745	1,880	2,030	2,129	2,123

A.1.—Continued

C. Banks ranked 11 through 100 by assets

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Effective interest rate (percent) ⁴										
<i>Rates earned</i>										
Interest-earning assets	7.35	7.29	8.31	8.16	8.31	8.10	7.84	8.47	7.54	6.01
Taxable equivalent	7.45	7.37	8.37	8.23	8.36	8.17	7.88	8.49	7.59	6.09
Loans and leases, gross	8.25	8.22	9.10	8.88	9.03	8.82	8.50	9.15	8.27	6.81
Net of loss provisions	7.66	7.87	8.67	8.21	8.27	8.15	7.81	8.27	6.97	5.61
Securities	6.13	5.75	6.38	6.49	6.55	6.31	6.32	6.64	5.94	4.78
Taxable equivalent	6.32	5.92	6.56	6.66	6.70	6.46	6.46	6.77	6.07	4.90
Investment account	6.22	5.75	6.35	6.49	6.57	6.33	6.34	6.66	6.02	4.85
U.S. Treasury securities and U.S. government agency obligations (excluding MBS)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.83	4.28
Mortgage-backed securities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.58	5.33
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.10	4.20
Trading account	4.74	5.75	7.27	6.53	6.05	5.86	5.58	6.25	4.83	3.59
Gross federal funds sold and reverse RPs	3.11	4.31	5.91	5.31	5.45	5.46	5.12	6.06	3.85	1.68
Interest-bearing balances at depositories	6.50	4.69	6.78	5.82	5.76	5.67	4.81	5.49	4.38	2.46
<i>Rates paid</i>										
Interest-bearing liabilities	3.76	3.72	4.94	4.70	4.79	4.76	4.38	5.22	4.15	2.40
Interest-bearing deposits	3.51	3.25	4.35	4.15	4.22	4.15	3.76	4.42	3.60	1.96
In foreign offices	7.37	4.60	6.30	5.29	5.23	5.22	4.70	5.38	3.67	1.70
In domestic offices	2.98	3.03	4.01	3.96	4.04	3.96	3.60	4.26	3.60	1.99
Other checkable deposits	1.70	1.62	1.89	1.78	2.01	2.41	2.03	2.57	2.32	.94
Savings (including MMDAs)	2.33	2.46	3.10	2.91	2.84	2.76	2.49	2.94	2.30	1.08
Large time deposits ⁵	4.30	4.21	5.70	5.50	5.47	5.32	4.96	5.88	5.14	3.37
Other time deposits ⁵	4.06	4.18	5.35	5.26	5.43	5.35	5.03	5.73	5.42	3.67
Gross federal funds purchased and RPs	3.04	4.28	5.86	5.19	5.29	5.22	4.87	6.02	3.86	1.73
Other interest-bearing liabilities	5.97	5.24	6.43	5.95	5.85	5.81	5.41	6.36	5.30	3.53
Income and expense as a percentage of average net consolidated assets										
Gross interest income	6.58	6.46	7.40	7.24	7.26	7.16	6.99	7.56	6.72	5.33
Taxable equivalent	6.64	6.51	7.45	7.28	7.30	7.20	7.02	7.59	6.75	5.36
Loans	4.84	4.91	5.79	5.80	5.87	5.79	5.57	6.07	5.30	4.17
Securities	1.26	1.13	1.13	1.03	.98	1.00	1.10	1.09	1.06	.90
Gross federal funds sold and reverse RPs	.15	.21	.27	.23	.22	.19	.18	.22	.15	.08
Other	.32	.21	.21	.18	.19	.18	.14	.18	.15	.11
Gross interest expense	2.74	2.67	3.62	3.39	3.41	3.45	3.26	3.96	3.14	1.77
Deposits	1.93	1.73	2.29	2.18	2.23	2.23	2.02	2.41	2.01	1.09
Gross federal funds purchased and RPs	.38	.51	.67	.55	.51	.51	.51	.56	.38	.17
Other	.43	.43	.66	.66	.68	.71	.73	.98	.75	.50
Net interest income	3.84	3.79	3.78	3.84	3.85	3.71	3.72	3.60	3.58	3.56
Taxable equivalent	3.91	3.85	3.84	3.89	3.89	3.75	3.76	3.63	3.61	3.60
Loss provisioning ⁶	.47	.32	.39	.54	.60	.53	.54	.68	.91	.80
Non-interest income	2.29	2.25	2.38	2.61	2.76	3.07	3.35	3.14	3.30	3.26
Service charges on deposits	.46	.45	.44	.44	.44	.42	.42	.42	.42	.42
Fiduciary activities	.38	.39	.40	.43	.44	.49	.48	.52	.42	.42
Trading income	.14	.08	.09	.08	.08	.09	.08	.08	.08	.08
Interest rate exposures	n.a.	n.a.	n.a.	.03	.02	.03	.02	.02	.04	.04
Foreign exchange rate exposures	n.a.	n.a.	n.a.	.04	.05	.06	.06	.05	.03	.04
Other commodity and equity exposures	n.a.	n.a.	n.a.	.01	*	*	*	*	*	*
Other	1.32	1.33	1.45	1.67	1.79	2.07	2.37	2.13	2.38	2.33
Non-interest expense	3.95	3.86	3.79	3.85	3.85	4.03	4.11	3.97	3.91	3.69
Salaries, wages, and employee benefits	1.52	1.50	1.47	1.51	1.51	1.53	1.53	1.44	1.47	1.49
Occupancy	.47	.47	.47	.48	.46	.46	.45	.43	.42	.40
Other	1.95	1.89	1.85	1.86	1.88	2.04	2.13	2.10	2.03	1.79
Net non-interest expense	1.65	1.61	1.41	1.24	1.10	.96	.76	.83	.61	.43
Gains on investment account securities	.09	-.01	.02	.02	.02	.03	-.01	-.05	.09	.10
Income before taxes and extraordinary items	1.81	1.85	2.01	2.09	2.18	2.24	2.41	2.04	2.15	2.43
Taxes	.56	.63	.70	.75	.77	.79	.87	.70	.74	.83
Extraordinary items, net of income taxes	*	*	*	*	*	*	*	*	*	*
Net income	1.25	1.22	1.31	1.34	1.42	1.46	1.54	1.33	1.40	1.60
Cash dividends declared	.76	.86	.85	1.07	.93	.96	1.16	.94	.96	.99
Retained income	.49	.36	.46	.26	.48	.50	.38	.39	.44	.61
MEMO: Return on equity	16.86	16.27	16.84	16.78	17.36	17.38	18.48	15.79	15.80	17.38

* In absolute value, less than 0.005 percent.

n.a. Not available. MMDA Money market deposit account. RP Repurchase agreement. CD Certificate of deposit.

1. Includes allocated transfer risk reserves.

2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.

3. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities" if a gain and "other non-interest-bearing liabilities" if a loss.

4. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.

5. Before 1997, large time open accounts included in other time deposits.

6. Includes provisions for allocated transfer risk.

A.1. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1993–2002

D. Banks ranked 101 through 1,000 by assets

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Balance sheet items as a percentage of average net consolidated assets										
Interest-earning assets	90.45	90.90	90.97	91.10	91.32	91.36	91.68	91.50	91.16	91.37
Loans and leases, net	57.93	59.75	62.19	62.63	62.22	61.13	61.49	62.15	62.48	61.48
Commercial and industrial	12.19	12.07	12.70	12.79	12.43	12.48	12.64	12.95	13.04	12.38
U.S. addressees	12.03	11.91	12.54	12.61	12.19	12.16	12.32	12.60	12.65	12.07
Foreign addressees	.16	.16	.16	.18	.23	.32	.32	.36	.39	.31
Consumer	14.82	15.84	16.27	15.88	14.03	12.28	10.79	10.19	9.76	8.14
Credit card	5.63	6.05	6.32	6.66	5.52	4.48	3.37	3.27	3.61	2.66
Installment and other	9.19	9.79	9.95	9.22	8.52	7.80	7.41	6.92	6.14	5.48
Real estate	28.61	29.42	30.81	31.37	33.23	33.94	35.90	36.93	37.65	38.92
In domestic offices	28.58	29.39	30.79	31.34	33.21	33.92	35.88	36.91	37.63	38.90
Construction and land development	2.26	2.08	2.21	2.38	2.69	2.88	3.49	4.15	4.90	5.40
Farmland	.34	.36	.40	.46	.53	.56	.58	.65	.67	.73
One- to four-family residential	15.16	16.25	17.49	17.34	18.14	18.19	18.26	17.17	16.19	15.39
Home equity	2.51	2.33	2.36	2.30	2.30	2.15	1.99	2.10	2.20	2.51
Other	12.66	13.92	15.13	15.03	15.84	16.05	16.27	15.06	13.98	12.88
Multifamily residential	1.07	1.13	1.21	1.29	1.29	1.26	1.44	1.58	1.69	1.83
Nonfarm nonresidential	9.75	9.57	9.48	9.87	10.56	11.03	12.12	13.36	14.18	15.55
In foreign offices	.02	.03	.02	.02	.02	.02	.02	.02	.02	.03
To depository institutions and acceptances										
of other banks	.47	.42	.36	.50	.59	.53	.46	.37	.38	.37
Foreign governments	.03	.02	.02	.02	.02	.03	.03	.03	.03	.02
Agricultural production	.56	.62	.69	.71	.74	.80	.78	.82	.85	.86
Other loans	2.13	1.98	1.78	1.68	1.47	1.30	1.25	1.22	1.22	1.18
Lease-financing receivables	.77	.83	.90	1.01	.99	.99	.78	.75	.74	.76
Less: Unearned income on loans	-.21	-.15	-.12	-.10	-.10	-.09	-.08	-.08	-.07	-.06
Less: Loss reserves ¹	-1.44	-1.30	-1.32	-1.22	-1.18	-1.13	-1.06	-1.04	-1.12	-1.10
Securities	25.92	25.72	23.08	22.67	23.45	24.26	25.17	24.34	22.80	23.86
Investment account	25.63	25.40	22.88	22.55	23.35	24.15	25.09	24.25	22.69	23.80
Debt	25.63	23.94	21.32	20.71	20.92	21.15	21.70	20.30	20.57	21.80
U.S. Treasury	n.a.	8.17	6.48	5.61	4.96	3.92	2.53	1.81	1.32	1.22
U.S. government agency and corporation obligations	n.a.	12.76	12.23	12.66	13.97	15.13	16.29	15.56	14.69	15.87
Government-backed mortgage pools	n.a.	5.64	5.42	5.69	6.22	6.46	6.72	6.22	6.26	6.57
Collateralized mortgage obligations	n.a.	4.34	3.56	3.12	3.01	3.22	3.52	3.04	3.08	3.70
Other	n.a.	2.79	3.25	3.85	4.73	5.44	6.05	6.30	5.35	5.60
State and local government	n.a.	2.29	2.13	2.24	2.44	2.70	2.91	2.91	2.90	2.89
Private mortgage-backed securities	n.a.	.73	.68	.76	.59	.65	1.00	.99	.93	.99
Other	n.a.	.99	.89	.76	.78	1.06	1.60	2.19	2.42	2.33
Equity ²	n.a.	.43	.47	.52	.61	.69	.77	.79	.43	.50
Trading account	.28	.31	.20	.12	.10	.11	.08	.09	.11	.06
Gross federal funds sold and reverse RPs	4.49	3.64	3.92	3.87	3.60	4.17	3.35	3.40	4.19	4.14
Interest-bearing balances at depositories	2.11	1.79	1.78	1.93	2.05	1.80	1.68	1.60	1.68	1.89
Non-interest-earning assets	9.55	9.10	9.03	8.90	8.68	8.64	8.32	8.50	8.84	8.63
Revaluation gains held in trading accounts ³	n.a.	.02	.05	.02	*	*	.01	.02	.01	.01
Other	9.55	9.08	8.99	8.88	8.68	8.63	8.31	8.49	8.84	8.63
Liabilities	91.85	91.62	91.36	91.06	90.78	90.55	90.90	90.95	90.32	89.94
Interest-bearing liabilities	74.42	74.77	75.00	75.06	75.19	75.42	76.76	77.43	77.01	76.35
Deposits	63.05	60.38	59.67	59.98	61.47	62.40	61.94	62.68	63.11	62.82
In foreign offices	1.43	1.69	1.71	1.33	1.23	1.31	1.20	1.28	1.24	.88
In domestic offices	61.62	58.69	57.96	58.65	60.25	61.09	60.74	61.40	61.87	61.94
Other checkable deposits	9.94	9.70	8.54	6.21	4.96	4.23	3.75	3.32	3.26	3.32
Savings (including MMDAs)	24.06	22.92	20.75	22.49	23.59	25.65	27.35	27.03	27.67	30.17
Small-denomination time deposits	20.78	19.29	21.11	21.61	22.03	21.22	19.61	19.44	18.80	16.83
Large-denomination time deposits	6.84	6.78	7.56	8.34	9.66	9.99	10.03	11.61	12.14	11.62
Gross federal funds purchased and RPs	7.43	8.45	8.31	8.19	7.09	6.16	6.90	6.30	5.76	5.28
Other	3.94	5.94	7.02	6.88	6.62	6.86	7.92	8.45	8.14	8.25
Non-interest-bearing liabilities	17.43	16.85	16.36	16.00	15.60	15.13	14.15	13.52	13.31	13.58
Demand deposits in domestic offices	15.07	14.58	14.07	13.84	13.15	11.90	10.19	8.97	8.23	8.05
Revaluation losses held in trading accounts ³	n.a.	.02	.05	.02	.01	.01	.01	*	.01	.01
Other	2.36	2.26	2.24	2.14	2.44	3.22	3.95	4.55	5.07	5.52
Capital account	8.15	8.38	8.64	8.94	9.22	9.45	9.10	9.05	9.68	10.06
MEMO										
Commercial real estate loans	13.37	13.05	13.19	13.83	14.77	15.38	17.28	19.32	21.03	23.06
Other real estate owned	.57	.28	.17	.13	.11	.09	.08	.07	.08	.10
Managed liabilities	19.68	22.89	24.62	24.78	24.66	24.46	26.32	28.01	27.75	26.57
Average net consolidated assets (billions of dollars)	978	1,031	1,092	1,075	968	935	972	987	1,002	1,022

A.1.—Continued

D. Banks ranked 101 through 1,000 by assets

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Effective interest rate (percent) ⁴										
<i>Rates earned</i>										
Interest-earning assets	7.43	7.58	8.44	8.41	8.49	8.32	7.83	8.51	7.83	6.43
Taxable equivalent	7.55	7.68	8.53	8.50	8.59	8.44	7.92	8.58	7.95	6.55
Loans and leases, gross	8.57	8.64	9.45	9.38	9.48	9.37	8.74	9.44	8.76	7.36
Net of loss provisions	7.96	8.28	8.95	8.76	8.76	8.76	8.26	8.74	7.88	6.61
Securities	5.83	5.68	6.24	6.34	6.43	6.31	6.03	6.46	5.97	4.98
Taxable equivalent	6.10	5.93	6.50	6.60	6.69	6.57	6.29	6.71	6.25	5.24
Investment account	5.84	5.68	6.24	6.34	6.43	6.30	6.03	6.45	5.97	4.98
U.S. Treasury securities and U.S. government agency obligations (excluding MBS)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.85	4.55
Mortgage-backed securities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.33	5.48
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.40	4.53
Trading account	4.74	5.29	5.55	5.94	6.37	6.84	7.33	9.30	6.60	3.79
Gross federal funds sold and reverse RPs	3.02	4.05	5.45	5.29	5.42	5.31	4.98	6.16	3.92	1.75
Interest-bearing balances at depositories	3.52	4.28	6.07	5.69	5.44	5.76	5.07	5.77	3.94	1.79
<i>Rates paid</i>										
Interest-bearing liabilities	3.33	3.57	4.65	4.58	4.66	4.60	4.19	4.93	4.11	2.56
Interest-bearing deposits	3.26	3.31	4.26	4.27	4.34	4.28	3.84	4.46	3.82	2.29
In foreign offices	3.35	4.31	5.94	5.72	5.42	5.55	5.07	6.13	4.45	2.14
In domestic offices	3.26	3.28	4.21	4.23	4.32	4.25	3.82	4.43	3.81	2.30
Other checkable deposits	2.02	1.86	2.02	1.96	2.16	2.15	1.99	2.27	1.81	1.06
Savings (including MMDAs)	2.58	2.64	3.24	3.11	3.08	2.97	2.65	3.07	2.22	1.18
Large time deposits ⁵	3.90	4.23	5.62	5.48	5.56	5.51	5.17	6.01	5.27	3.36
Other time deposits ⁵	4.40	4.40	5.53	5.57	5.57	5.64	5.11	5.74	5.52	3.80
Gross federal funds purchased and RPs	2.95	4.12	5.61	5.16	5.21	5.14	4.83	5.95	3.84	1.86
Other interest-bearing liabilities	4.44	4.93	6.32	5.90	6.09	6.00	5.36	6.45	5.41	4.21
Income and expense as a percentage of average net consolidated assets										
Gross interest income	6.74	6.90	7.69	7.68	7.75	7.63	7.19	7.80	7.16	5.88
Taxable equivalent	6.84	6.99	7.78	7.75	7.83	7.71	7.27	7.88	7.24	5.95
Loans	5.06	5.26	5.99	5.99	6.00	5.85	5.47	5.97	5.59	4.59
Securities	1.48	1.45	1.43	1.42	1.50	1.50	1.51	1.58	1.33	1.16
Gross federal funds sold and reverse RPs	.14	.14	.21	.20	.19	.22	.17	.21	.16	.07
Other	.06	.06	.07	.06	.06	.06	.04	.04	.04	.02
Gross interest expense	2.46	2.65	3.46	3.40	3.47	3.44	3.20	3.79	3.14	1.94
Deposits	2.07	2.01	2.56	2.57	2.70	2.71	2.44	2.87	2.48	1.50
Gross federal funds purchased and RPs	.22	.35	.46	.43	.37	.32	.34	.38	.22	.10
Other	.17	.29	.44	.40	.40	.41	.42	.54	.44	.34
Net interest income	4.28	4.25	4.24	4.27	4.28	4.19	3.99	4.01	4.02	3.94
Taxable equivalent	4.37	4.34	4.32	4.35	4.36	4.27	4.07	4.08	4.10	4.02
Loss provisioning ⁶	.47	.32	.43	.50	.56	.48	.39	.53	.65	.54
Non-interest income	1.84	1.86	1.84	1.88	2.08	2.25	2.31	2.36	2.35	2.38
Service charges on deposits	.45	.42	.42	.41	.40	.39	.38	.36	.39	.41
Fiduciary activities	.29	.28	.27	.29	.32	.37	.38	.44	.40	.35
Trading income	.03	.02	.03	.02	.01	.02	.02	.01	*	*
Interest rate exposures	n.a.	n.a.	n.a.	.01	.01	.01	.01	.01	-.01	*
Foreign exchange rate exposures	n.a.	n.a.	n.a.	.01	*	*	*	*	*	*
Other commodity and equity exposures	n.a.	n.a.	n.a.	*	*	*	*	*	*	*
Other	1.08	1.14	1.12	1.16	1.34	1.47	1.53	1.55	1.57	1.62
Non-interest expense	3.92	3.78	3.68	3.69	3.73	3.86	3.70	3.84	3.88	3.74
Salaries, wages, and employee benefits	1.51	1.49	1.44	1.44	1.50	1.57	1.56	1.59	1.61	1.65
Occupancy	.48	.46	.45	.45	.46	.47	.47	.47	.46	.45
Other	1.92	1.83	1.79	1.80	1.76	1.83	1.68	1.79	1.81	1.65
Net non-interest expense	2.08	1.92	1.84	1.81	1.65	1.61	1.39	1.49	1.53	1.36
Gains on investment account securities	.06	-.05	-.01	.02	.02	.04	-.01	-.04	.05	.04
Income before taxes and extraordinary items	1.78	1.96	1.96	1.98	2.10	2.14	2.19	1.95	1.89	2.08
Taxes	.61	.67	.67	.69	.73	.73	.74	.67	.65	.69
Extraordinary items, net of income taxes	.04	*	*	*	*	.06	.01	*	.01	*
Net income	1.21	1.29	1.28	1.29	1.37	1.46	1.46	1.28	1.25	1.40
Cash dividends declared	.79	.81	.87	1.04	1.09	1.01	1.06	.92	1.32	1.20
Retained income	.43	.48	.41	.25	.28	.45	.40	.36	-.08	.20
MEMO: Return on equity	14.91	15.40	14.82	14.45	14.90	15.49	16.11	14.11	12.87	13.88

* In absolute value, less than 0.005 percent.

n.a. Not available. MMDA Money market deposit account. RP Repurchase agreement. CD Certificate of deposit.

1. Includes allocated transfer risk reserves.

2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.

3. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities"

if a gain and "other non-interest-bearing liabilities" if a loss.

4. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.

5. Before 1997, large time open accounts included in other time deposits.

6. Includes provisions for allocated transfer risk.

A.1. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1993–2002

E. Banks not ranked among the 1,000 largest by assets

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Balance sheet items as a percentage of average net consolidated assets										
Interest-earning assets	92.43	92.48	92.48	92.45	92.44	92.64	92.55	92.52	92.26	92.22
Loans and leases, net	52.95	54.64	56.61	57.38	58.75	59.11	59.75	62.31	62.65	62.72
Commercial and industrial	9.24	9.31	9.65	9.98	10.16	10.33	10.64	11.09	11.09	10.71
U.S. addressees	9.20	9.26	9.59	9.91	10.08	10.25	10.55	11.02	11.01	10.65
Foreign addressees	.04	.05	.06	.07	.08	.08	.08	.07	.08	.06
Consumer	9.18	9.38	9.54	9.42	8.98	8.46	8.15	7.97	7.42	6.77
Credit card	.92	.96	1.01	1.04	.85	.70	.68	.58	.57	.49
Installment and other	8.26	8.42	8.53	8.38	8.14	7.76	7.47	7.39	6.85	6.28
Real estate	31.10	32.19	33.55	34.10	35.55	36.04	36.84	39.30	40.29	41.52
In domestic offices	31.09	32.19	33.55	34.10	35.54	36.04	36.84	39.30	40.29	41.51
Construction and land development	1.93	2.14	2.38	2.61	2.82	3.02	3.28	3.70	4.23	4.51
Farmland	2.20	2.34	2.48	2.55	2.69	2.83	2.95	3.06	3.04	3.08
One- to four-family residential	16.82	16.94	17.45	17.48	18.16	18.04	17.66	18.43	18.24	17.91
Home equity	1.27	1.21	1.20	1.20	1.24	1.21	1.17	1.28	1.38	1.62
Other	15.56	15.73	16.26	16.28	16.92	16.84	16.49	17.15	16.86	16.29
Multifamily residential	.84	.93	.95	.92	.95	.93	.98	1.04	1.06	1.16
Nonfarm nonresidential	9.30	9.83	10.28	10.54	10.92	11.21	11.97	13.06	13.71	14.86
In foreign offices										
To depository institutions and acceptances	*	*	*	*	*	*	*	*	*	*
of other banks	.16	.17	.19	.21	.20	.14	.14	.12	.12	.10
Foreign governments	.02	.01	*	*	*	*	.01	.01	*	*
Agricultural production	3.58	3.89	3.95	3.92	4.05	4.28	4.06	3.85	3.75	3.64
Other loans	.82	.77	.72	.69	.67	.67	.67	.69	.67	.65
Lease-financing receivables	.18	.20	.22	.23	.25	.24	.26	.27	.27	.30
Less: Unearned income on loans	-.36	-.31	-.30	-.27	-.24	-.20	-.15	-.11	-.09	-.07
Less: Loss reserves ¹	-.97	-.95	-.93	-.90	-.87	-.86	-.87	-.88	-.88	-.90
Securities	33.08	32.90	30.51	29.53	28.25	26.70	26.92	25.40	22.83	23.34
Investment account	33.01	32.86	30.48	29.50	28.21	26.66	26.88	25.38	22.82	23.33
Debt	33.01	30.64	27.92	26.51	24.58	22.30	21.82	19.43	19.67	20.41
U.S. Treasury	n.a.	10.75	9.19	7.86	6.70	5.05	3.34	2.12	1.33	1.04
U.S. government agency and corporation obligations	n.a.	15.24	15.13	15.67	15.58	15.43	16.89	16.95	15.29	16.07
Government-backed mortgage pools	n.a.	4.73	4.19	4.21	4.01	3.90	3.95	3.47	3.80	4.54
Collateralized mortgage obligations	n.a.	3.05	2.76	2.46	2.19	2.02	2.00	1.70	1.94	2.30
Other	n.a.	7.46	8.18	9.00	9.38	9.51	10.94	11.78	9.55	9.23
State and local government	n.a.	5.00	4.69	4.62	4.60	4.80	4.96	4.64	4.51	4.56
Private mortgage-backed securities	n.a.	.26	.20	.18	.19	.16	.26	.23	.28	.27
Other	n.a.	.96	.81	.68	.61	.68	.89	.88	1.12	1.12
Equity ²	n.a.	.43	.45	.49	.52	.54	.53	.56	.30	.27
Trading account	.07	.04	.03	.03	.03	.04	.03	.02	.01	.01
Gross federal funds sold and reverse RPs	4.67	3.42	3.91	4.03	3.95	5.13	4.17	3.22	5.00	4.26
Interest-bearing balances at depositories	1.74	1.52	1.45	1.51	1.49	1.72	1.71	1.59	1.77	1.90
Non-interest-earning assets	7.57	7.52	7.52	7.55	7.56	7.36	7.45	7.48	7.74	7.78
Revaluation gains held in trading accounts ³	n.a.	*	*	*	*	*	*	*	*	*
Other	7.57	7.52	7.52	7.55	7.56	7.36	7.45	7.48	7.74	7.78
Liabilities	90.63	90.43	90.04	89.82	89.63	89.54	89.75	89.89	89.60	89.71
Interest-bearing liabilities	76.88	76.19	75.74	75.59	75.47	75.35	75.90	76.05	76.01	76.00
Deposits	74.54	73.14	72.70	72.47	72.05	71.77	71.41	70.54	70.92	70.50
In foreign offices	.08	.09	.11	.10	.09	.07	.07	.05	.06	.05
In domestic offices	74.45	73.05	72.59	72.37	71.96	71.70	71.34	70.48	70.86	70.44
Other checkable deposits	13.16	13.31	12.37	11.75	11.39	11.18	11.07	10.57	10.18	10.42
Savings (including MMDAs)	23.55	23.23	20.41	19.58	18.98	19.01	19.69	19.03	19.15	20.99
Small-denomination time deposits	30.09	28.83	30.92	31.28	31.09	30.42	29.07	28.42	28.06	25.90
Large-denomination time deposits	7.66	7.68	8.89	9.76	10.50	11.10	11.50	12.47	13.47	13.13
Gross federal funds purchased and RPs	1.44	1.89	1.78	1.71	1.67	1.49	1.79	2.06	1.56	1.51
Other	.90	1.16	1.25	1.41	1.74	2.09	2.70	3.45	3.53	4.00
Non-interest-bearing liabilities	13.74	14.24	14.30	14.23	14.16	14.19	13.86	13.84	13.59	13.71
Demand deposits in domestic offices	12.82	13.34	13.23	13.12	13.09	13.08	12.80	12.64	12.15	12.24
Revaluation losses held in trading accounts ³	n.a.	*	*	*	*	*	*	*	*	*
Other	.93	.90	1.07	1.10	1.06	1.10	1.06	1.20	1.44	1.47
Capital account	9.37	9.57	9.96	10.18	10.37	10.46	10.25	10.11	10.40	10.28
MEMO										
Commercial real estate loans	12.21	13.02	13.72	14.18	14.80	15.26	16.33	17.92	19.15	20.67
Other real estate owned	.52	.35	.25	.20	.16	.13	.11	.11	.12	.14
Managed liabilities	10.09	10.83	12.05	12.99	14.02	14.76	16.08	18.07	18.68	18.79
Average net consolidated assets (billions of dollars)	687	679	666	661	647	644	651	655	675	704

A.1.—Continued

E. Banks not ranked among the 1,000 largest by assets

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Effective interest rate (percent) *										
<i>Rates earned</i>										
Interest-earning assets	7.62	7.57	8.38	8.36	8.49	8.33	8.05	8.49	7.97	6.83
Taxable equivalent	7.78	7.72	8.53	8.50	8.63	8.48	8.18	8.59	8.11	6.96
Loans and leases, gross	9.13	9.00	9.80	9.75	9.80	9.69	9.28	9.55	9.09	7.90
Net of loss provisions	8.78	8.80	9.54	9.47	9.49	9.34	8.89	9.13	8.64	7.47
Securities	5.94	5.61	6.10	6.15	6.26	6.04	5.88	6.15	5.93	5.04
Taxable equivalent	6.33	5.99	6.49	6.52	6.65	6.46	6.29	6.55	6.35	5.45
Investment account	5.95	5.61	6.10	6.14	6.26	6.04	5.89	6.15	5.93	5.04
U.S. Treasury securities and U.S. government agency obligations (excluding MBS)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.98	4.81
Mortgage-backed securities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.45	5.48
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.31	4.91
Trading account	4.83	6.03	6.12	6.47	6.33	5.26	3.60	4.01	6.43	4.80
Gross federal funds sold and reverse RPs	2.95	4.08	5.95	5.34	5.51	5.35	4.96	6.26	3.85	1.65
Interest-bearing balances at depositories	4.53	4.64	5.88	5.63	5.62	5.67	5.69	6.40	4.56	2.68
<i>Rates paid</i>										
Interest-bearing liabilities	3.54	3.49	4.46	4.49	4.60	4.60	4.28	4.80	4.43	2.93
Interest-bearing deposits	3.53	3.44	4.39	4.44	4.53	4.53	4.21	4.67	4.34	2.80
In foreign offices	2.91	3.92	5.73	5.34	4.77	5.08	4.34	5.13	3.82	1.49
In domestic offices	3.53	3.44	4.39	4.44	4.53	4.53	4.21	4.67	4.34	2.80
Other checkable deposits	2.42	2.29	2.50	2.41	2.46	2.45	2.28	2.47	1.97	1.16
Savings (including MMDAs)	2.91	2.83	3.32	3.26	3.36	3.39	3.21	3.56	2.84	1.73
Large time deposits ⁵	3.96	4.12	5.55	5.48	5.53	5.53	5.21	5.92	5.55	3.62
Other time deposits ⁵	4.39	4.28	5.51	5.61	5.66	5.63	5.24	5.70	5.62	3.90
Gross federal funds purchased and RPs	3.17	4.12	3.61	5.12	5.23	4.99	4.73	5.69	4.03	1.85
Other interest-bearing liabilities	4.68	4.98	6.45	5.77	6.31	6.45	5.63	6.22	5.86	5.34
Income and expense as a percentage of average net consolidated assets										
Gross interest income	7.06	7.01	7.78	7.77	7.90	7.75	7.48	7.86	7.40	6.35
Taxable equivalent	7.20	7.15	7.91	7.89	8.02	7.87	7.60	7.97	7.50	6.46
Loans	4.92	4.99	5.63	5.68	5.86	5.80	5.62	6.02	5.78	5.06
Securities	1.96	1.84	1.86	1.80	1.76	1.59	1.58	1.58	1.33	1.16
Gross federal funds sold and reverse RPs	.14	.15	.25	.24	.24	.29	.22	.21	.20	.08
Other	.05	.04	.04	.04	.04	.06	.06	.05	.05	.03
Gross interest expense	2.72	2.65	3.37	3.39	3.48	3.46	3.26	3.64	3.36	2.23
Deposits	2.64	2.52	3.19	3.22	3.28	3.25	3.03	3.31	3.09	1.99
Gross federal funds purchased and RPs	.04	.07	.10	.08	.08	.07	.08	.12	.06	.03
Other	.04	.06	.08	.08	.11	.13	.15	.21	.21	.21
Net interest income	4.34	4.36	4.41	4.38	4.42	4.28	4.22	4.22	4.04	4.12
Taxable equivalent	4.48	4.50	4.54	4.50	4.54	4.41	4.35	4.33	4.15	4.22
Loss provisioning ⁶	.27	.19	.24	.25	.27	.29	.31	.35	.36	.34
Non-interest income	1.25	1.30	1.38	1.42	1.42	1.52	1.44	1.32	1.34	1.40
Service charges on deposits	.45	.44	.44	.44	.44	.42	.42	.43	.44	.45
Fiduciary activities	.16	.17	.22	.19	.20	.23	.26	.21	.25	.27
Trading income	.01	*	.01	*	*	*	*	.01	*	*
Interest rate exposures	n.a.	n.a.	n.a.	*	*	*	*	*	*	*
Foreign exchange rate exposures	n.a.	n.a.	n.a.	*	*	*	*	*	*	*
Other commodity and equity exposures	n.a.	n.a.	n.a.	*	*	*	*	*	*	*
Other	.64	.69	.71	.79	.77	.86	.75	.68	.65	.68
Non-interest expense	3.74	3.78	3.80	3.70	3.69	3.74	3.73	3.59	3.56	3.54
Salaries, wages, and employee benefits	1.73	1.75	1.79	1.77	1.80	1.82	1.82	1.78	1.79	1.83
Occupancy	.49	.49	.50	.49	.49	.49	.49	.47	.47	.47
Other	1.53	1.55	1.51	1.44	1.40	1.43	1.42	1.33	1.30	1.24
Net non-interest expense	2.49	2.48	2.42	2.28	2.28	2.23	2.29	2.27	2.22	2.15
Gains on investment account securities	.07	-.03	*	.01	.01	.02	*	-.01	.04	.05
Income before taxes and extraordinary items	1.65	1.66	1.75	1.85	1.89	1.79	1.62	1.59	1.50	1.66
Taxes	.51	.51	.55	.59	.59	.53	.46	.45	.41	.43
Extraordinary items, net of income taxes	.05	*	*	*	*	*	*	*	*	-.01
Net income	1.19	1.15	1.20	1.26	1.30	1.26	1.15	1.15	1.09	1.21
Cash dividends declared	.56	.57	.62	.64	.74	.82	.68	.79	.66	.68
Retained income	.63	.58	.58	.62	.56	.44	.48	.36	.43	.53
MEMO: Return on equity	12.67	12.03	12.05	12.37	12.53	12.02	11.25	11.38	10.49	11.81

* In absolute value, less than 0.005 percent.

n.a. Not available. MMDA Money market deposit account. RP Repurchase agreement. CD Certificate of deposit.

1. Includes allocated transfer risk reserves.

2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.

3. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities"

if a gain and "other non-interest-bearing liabilities" if a loss.

4. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.

5. Before 1997, large time open accounts included in other time deposits.

6. Includes provisions for allocated transfer risk.

A.2. Report of income, all U.S. banks, 1993–2002

Millions of dollars

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Gross interest income	244,742	257,065	302,376	313,248	338,216	359,174	366,172	424,440	405,332	351,066
Taxable equivalent	247,620	259,822	305,012	315,708	340,648	361,638	368,799	427,076	408,016	353,822
Loans	178,425	189,764	227,220	239,401	255,492	270,940	278,573	327,385	312,484	270,732
Securities	48,678	48,299	51,030	50,634	52,659	56,596	62,115	67,676	63,128	59,416
Gross federal funds sold and reverse repurchase agreements	4,796	6,415	9,744	9,272	13,658	14,999	12,327	13,549	12,656	6,232
Other	12,843	12,587	14,382	13,944	16,406	16,637	13,155	15,831	17,065	14,686
Gross interest expense	105,615	110,850	147,960	150,101	164,511	177,999	174,901	222,112	188,898	149,084
Deposits	79,503	79,106	105,331	107,517	117,350	125,216	119,664	151,182	132,495	82,064
Gross federal funds purchased and repurchase agreements	8,442	12,476	18,424	16,780	20,439	22,182	21,130	26,860	19,602	9,934
Other	17,669	19,269	24,205	25,806	26,721	30,600	34,106	44,072	36,800	27,086
Net interest income	139,127	146,215	154,416	163,147	173,705	181,175	191,271	202,328	216,434	231,982
Taxable equivalent	142,005	148,972	157,052	165,607	176,137	183,639	193,898	204,964	219,118	234,738
Loss provisioning	16,841	10,991	12,632	16,211	19,176	21,220	21,121	29,788	43,313	45,180
Non-interest income	75,847	77,224	83,851	95,308	105,628	123,444	144,121	152,324	159,275	167,771
Service charges on deposits	14,898	15,281	16,057	17,051	18,558	19,769	21,497	23,719	26,892	29,658
Fiduciary activities	11,199	12,124	12,889	14,296	16,584	19,268	20,502	22,220	21,970	21,636
Trading revenue	9,238	6,249	6,337	7,525	8,018	7,705	10,478	12,446	12,547	10,709
Other	40,513	43,572	48,567	56,436	62,468	76,701	91,644	93,939	97,866	105,767
Non-interest expense	140,523	144,905	151,141	162,456	170,880	193,696	204,406	215,795	225,219	229,298
Salaries, wages, and employee benefits	58,507	60,904	64,014	67,800	72,310	79,503	86,150	89,030	94,275	100,574
Occupancy	18,578	18,978	19,760	20,889	22,074	24,160	25,864	26,764	27,959	29,394
Other	63,439	65,023	67,366	73,766	76,495	90,034	92,392	100,001	102,986	99,329
Net non-interest expense	64,676	67,681	67,290	67,148	65,252	70,252	60,285	63,471	65,944	61,527
Gains on investment account securities	3,054	-568	481	1,123	1,825	3,090	250	-2,290	4,627	6,475
Income before taxes	60,662	66,974	74,977	80,911	91,101	92,794	110,116	106,778	111,805	131,621
Taxes	19,861	22,429	26,222	28,448	31,973	31,878	39,233	37,333	37,236	43,430
Extraordinary items, net of income taxes	2,085	-17	28	88	56	506	169	-31	-324	-95
Net income	42,886	44,528	48,783	52,551	59,184	61,421	71,052	69,413	74,244	88,096
Cash dividends declared	22,068	28,165	31,106	39,419	42,752	41,205	51,955	52,547	54,944	67,292
Retained income	20,816	16,362	17,678	13,131	16,433	20,215	19,097	16,866	19,299	20,804

Announcements

CHAIRMAN GREENSPAN'S STATEMENT REGARDING ANOTHER TERM IN OFFICE

On April 23, 2003, Federal Reserve Chairman Alan Greenspan responded to the President's comments on his term in office:

The President and I have not discussed this but I greatly appreciate his confidence. I have been privileged to be appointed by five Presidents to various positions. If President Bush nominates me, and the Senate confirms his choice, I would have every intention of serving.

FEDERAL OPEN MARKET COMMITTEE DIRECTIVE

The Federal Open Market Committee, on May 6, 2003, decided to keep its target for the federal funds rate unchanged at 1¼ percent.

Recent readings on production and employment, though mostly reflecting decisions made before the conclusion of hostilities, have proven disappointing. However, the ebbing of geopolitical tensions has rolled back oil prices, bolstered consumer confidence, and strengthened debt and equity markets. These developments, along with the accommodative stance of monetary policy and ongoing growth in productivity, should foster an improving economic climate over time.

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

TREASURY AND FEDERAL FINANCIAL REGULATORS ISSUE FINAL RULES ON CUSTOMER IDENTIFICATION

The Department of the Treasury, the Financial Crimes Enforcement Network, and the seven federal financial regulators on April 30, 2003, issued final rules that require certain financial institutions to

establish procedures to verify the identity of new account holders.

The rules announced were developed jointly by the Treasury Department, Treasury's Financial Crimes Enforcement Network, and the seven federal functional regulators, including the Board of Governors of the Federal Reserve System, the Commodity Futures Trading Commission, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the Securities and Exchange Commission.

These regulations are part of the Administration's continuing work to implement the USA PATRIOT Act and prevent money laundering, terrorist financing, identity theft, and other forms of fraud while also providing financial institutions the flexibility they need to effectively implement the rules.

These final regulations implement section 326 of the USA PATRIOT Act, which directs that regulations be issued requiring that financial institutions implement reasonable procedures to (1) verify the identity of any person opening an account; (2) maintain records of the information used to verify the person's identity; and (3) determine whether the person appears on any list of known or suspected terrorists or terrorist organizations.

The regulations apply to banks and trust companies, savings associations, credit unions, securities brokers and dealers, mutual funds, futures commission merchants, and futures introducing brokers.

Institutions subject to the final rules will be required to establish a program for obtaining identifying information from customers opening new accounts. The regulations will require that institutions implement procedures for collecting standard information such as a customer's name, address, date of birth, and a taxpayer identification number (for U.S. persons, typically a social security number and for non-U.S. persons, a similar number from a government-issued document).

A financial institution's program is also required, among other things, to contain procedures to verify the identity of customers within a reasonable period of time. Many financial institutions may rely on examining standard identification such as a driver's license or passport. However, the final rule gives

financial institutions the flexibility to implement procedures to verify identity in other ways appropriate to their individual circumstances.

Financial institutions will have until October 1, 2003, to come into full compliance. Publication of the final rules are expected in the *Federal Register*.

BANKING AGENCIES PUBLISH BASEL ACCORD CONSULTATIVE PAPER

The Basel Committee on Banking Supervision, based in Basel, Switzerland, released its third consultative paper on the new Basel Capital Accord for comment on April 29, 2003. The paper seeks to continue the consultation process on revising the 1988 Capital Accord. Comments are invited by July 31, 2003.

The Basel Committee released the previous consultative paper on the new Accord in January 2001. The proposals have been substantially revised since that time to reflect the comments received on the 2001 document, as well as comments on several other documents released by the Basel Committee. Particular focus has been given to the Internal Ratings Based Approaches for commercial and retail credits, securitization, and the quantitative methodologies for operational risk. These changes reflect the continuing development of the new Accord and do not reflect a fundamental change to the overall framework, which established minimum capital for credit, market, and operational risks. The framework also encompasses supervisory review of capital adequacy and market discipline through enhanced disclosure.

The U.S. agencies plan to follow the release of this consultative paper with an Advance Notice of Proposed Rulemaking (ANPR) in the next few months. This ANPR will be based on the Committee's third consultative paper and will focus on how the U.S. agencies intend to implement domestic changes that reflect the specific nature of U.S. banks and banking. The ANPR will also provide a proposal on the scope of application of the new Accord (that is, the criteria in the U.S. rule governing the population of U.S. banks that will be required to comply with Basel II). Banks and other interested parties will be given the opportunity to comment on the ANPR proposals, as well as on the Notice of Proposed Rulemaking that will follow the ANPR.

The paper is available on the committee's web site at www.bis.org, on the Office of the Comptroller of the Currency's web site at www.occ.treas.gov, on the Federal Reserve Board's web site at www.federalreserve.gov, and on the Federal Deposit Insurance Corporation's web site at www.fdic.gov.

Comments on the committee's third consultative paper on the new Basel Capital Accord may be sent to both the Basel Committee and the regulatory agencies.

PUBLICATION OF THE ANNUAL REPORT AND BUDGET REVIEW

The *89th Annual Report, 2002*, of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 2002, is now available from Publications Fulfillment, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551, or phone 202-452-3244 or 3245. Also available from Publications Fulfillment is a separately printed companion document, *Annual Report, Budget Review, 2003*, which describes the budget expenses of the Federal Reserve Banks for 2003, the 2003 phase of the Board's current two-year (2003–04) budget, and income and expenses for 2001 and 2002. Both reports are also available on the Federal Reserve Board's web site: www.federalreserve.gov.

ENFORCEMENT ACTIONS

The Federal Reserve Board on April 21, 2003, announced the execution of a written agreement by and between the Premier Bank, Denver, Colorado, and the Federal Reserve Bank of Kansas City.

The Federal Reserve Board on April 22, 2003, announced the issuance of a consent order of assessment of a civil money penalty against the First Farmers Bank and Trust, Converse, Indiana, a state member bank. First Farmers Bank and Trust, without admitting to any allegations, consented to the issuance of the order in connection with its alleged violations of the Board's regulations implementing the National Flood Insurance Act.

The order requires First Farmers Bank and Trust to pay a civil money penalty of \$3,850, which will be remitted to the Federal Emergency Management Agency for deposit into the National Flood Mitigation Fund.

The Federal Reserve Board on April 29, 2003, announced the execution of a written agreement by and among BANKFIRST Corporation, Sioux Falls, South Dakota, a registered bank holding company, and its subsidiary bank, BANKFIRST, also of Sioux

Falls, South Dakota, and the Federal Reserve Bank of Minneapolis.

The Federal Reserve Board on April 30, 2003, announced the execution of a written agreement by and among the HSBC Bank USA, Buffalo, New York, the Federal Reserve Bank of New York, and the New York State Banking Department.

The Federal Reserve Board on May 1, 2003, announced the execution of a written agreement by and among The First State Bank of West Manchester, West Manchester, Ohio, the Federal Reserve Bank of Cleveland, and the Ohio Division of Financial Institutions.

TERMINATION OF ENFORCEMENT ORDERS

Federal and state banking regulators on May 5, 2003, announced the termination of two enforcement orders issued in 1995 against Daiwa Bank, Limited, of Osaka, Japan.

The first, the Order Issued upon Consent, was issued by the Federal Reserve Board on October 2, 1995, and amended on March 18, 1996.

The second, the Order to Terminate United States Banking Activities Issued upon Consent, was issued on November 1, 1995, and amended on February 2, 1996, by the Board, the Federal Deposit Insurance Corporation, the New York State Banking Department, and bank supervisory agencies in California, Florida, Georgia, Illinois, and Massachusetts.

The federal and state bank supervisory agencies issued enforcement orders to terminate Daiwa Bank's U.S. activities in 1995 due to the concealment from the regulators by the banking organization's senior management and some directors of losses of more than \$1 billion that were associated with unreported trading activities. Since the supervisors ordered

Daiwa Bank to terminate its U.S. activities, the bank has been operating in the United States under a liquidation plan.

CHAIRMAN GREENSPAN HAS SUCCESSFUL SURGERY

Chairman Greenspan, on April 22, 2003, spent a short time in a local hospital to be treated surgically for benign prostatic hypertrophy, an enlarged prostate. Tests were negative for prostate cancer.

Chairman Greenspan's surgery was routine and successful. He recuperated in the hospital overnight and expected to be back in his office later in the week.

BOARD STAFF CHANGES

The Board of Governors has approved the following change of assignments in the Division of Consumer and Community Affairs.

Sandra B. Braunstein, Senior Associate Director, will have direct oversight of the Consumer Policies program, in addition to her current oversight of the Community Affairs function and the Consumer Advisory Council.

Tonda E. Price, Assistant Director, will have direct oversight of the Consumer Complaint section, in addition to her current oversight of the Information Systems function and Division Administration.

William A. Ryback, Senior Associate Director, Division of Banking Supervision and Regulation, retired on June 3 after thirty-five years of combined service at the Board and the Office of the Comptroller of the Currency in international bank supervision. □

Legal Developments

FINAL RULE—AMENDMENT TO RULES REGARDING EQUAL OPPORTUNITY

The Board of Governors of the Federal Reserve System (the Board) has adopted a final rule that amends its “Rules Regarding Equal Opportunity,” which establishes programs and procedures to promote equal opportunity for Board employees. This rule was published on January 25, 2001, in the *Federal Register* as an immediately effective interim rule with opportunity for public comment. The Board received one public comment on this rule. The Board is now adopting the interim rule as a final rule with substantive changes to sections in the rule that address the Rehabilitation Act. These substantive changes are being made because after the Board adopted its interim rule, the Equal Employment Opportunity Commission (Commission), after public comment, adopted changes to the provisions in its parallel regulation entitled “Federal Sector Equal Employment Opportunity,” 29 C.F.R. Part 1614, that address the Rehabilitation Act. The substantive changes to the Board’s final rule, which incorporates changes to the Commission’s regulation on the Rehabilitation Act, also respond to the comment that the Board received on its rule.

This final rule is effective immediately and applies to all Board equal employment opportunity (EEO) complaints pending at any stage of the administrative process as of April 15, 2003.

For the reasons set out in the preamble, 12 C.F.R. Part 268 is amended as follows:

Part 268—Rules Regarding Equal Opportunity

Subpart A—General Provisions and Administration

- Section 268.1 Authority, purpose and scope.
- Section 268.2 Definitions.

Subpart B—Board Program To Promote Equal Opportunity

- Section 268.101 General policy for equal opportunity.
- Section 268.102 Board program for equal employment opportunity.
- Section 268.103 Complaints of discrimination covered by this part.
- Section 268.104 Pre-complaint processing.
- Section 268.105 Individual complaints.
- Section 268.106 Dismissals of complaints.
- Section 268.107 Investigation of complaints.
- Section 268.108 Hearings.
- Section 268.109 Final action by the Board.

Subpart C—Provisions Applicable to Particular Complaints

- Section 268.201 Age Discrimination in Employment Act.
- Section 268.202 Equal Pay Act.
- Section 268.203 Rehabilitation Act.
- Section 268.204 Class complaints.
- Section 268.205 Employment of noncitizens.

Subpart D—Related Processes

- Section 268.301 Negotiated grievance procedure.
- Section 268.302 Mixed case complaints.

Subpart E—Appeals to the Equal Employment Opportunity Commission

- Section 268.401 Appeals to the Equal Employment Opportunity Commission.
- Section 268.402 Time for appeals to the Equal Employment Opportunity Commission.
- Section 268.403 How to appeal.
- Section 268.404 Appellate Procedure.
- Section 268.405 Decisions on appeals.
- Section 268.406 Civil action: Title VII, Age Discrimination in Employment Act and Rehabilitation Act.
- Section 268.407 Civil action: Equal Pay Act.
- Section 268.408 Effect of filing a civil action.

Subpart F—Remedies and Enforcement

- Section 268.501 Remedies and relief.
- Section 268.502 Compliance with final Commission decisions.
- Section 268.503 Enforcement of final EEOC decisions.
- Section 268.504 Compliance with settlement agreements and final actions.
- Section 268.505 Interim relief.

Subpart G—Matters of General Applicability

- Section 268.601 EEO group statistics.
- Section 268.602 Reports to the Commission.
- Section 268.603 Voluntary settlement attempts.
- Section 268.604 Filing and computation of time.
- Section 268.605 Representation and official time.
- Section 268.606 Joint processing and consolidation of complaints.

Section 268.607—Delegation of Authority.

Subpart H—Prohibition Against Discrimination in Board Programs and Activities Because of a Physical or Mental Disability

- Section 268.701 Purpose and application.
- Section 268.702 Definitions
- Section 268.703 Notice.
- Section 268.704 General prohibition against discrimination.
- Section 268.705 Employment.
- Section 268.706 Program accessibility: Discrimination prohibited.
- Section 268.707 Program accessibility: Existing facilities.
- Section 268.708 Program accessibility: New construction and alterations.
- Section 268.709 Communications.
- Section 268.710 Compliance procedures.

Authority: 12 U.S.C. 244 and 248(i), (k) and (l).

Subpart A—General Provisions and Administration

Section 268.1—Authority, purpose and scope.

- (a) *Authority.* The regulations in this part (12 C.F.R. Part 268) are issued by the Board of Governors of the Federal Reserve System (Board) under the authority of sections 10(4) and 11(i), (k), and (l) of the Federal Reserve Act (partially codified in 12 U.S.C. §§ 244 and 248(i), (k) and (l)).
- (b) *Purpose and scope.* This part sets forth the Board's policy, program and procedures for providing equal opportunity to Board employees and applicants for employment without regard to race, color, religion, sex, national origin, age, or physical or mental disability. It also sets forth the Board's policy, program and procedures for prohibiting discrimination on the basis of physical or mental disability in programs and activities conducted by the Board. It also specifies the circumstances under which the Board will hire or decline to hire persons who are not citizens of the United States, consistent with the Board's operational needs and applicable law.

Section 268.2—Definitions.

The definitions contained in this section shall have the following meanings throughout this part unless otherwise stated.

- (a) *Commission or EEOC* means the Equal Employment Opportunity Commission.
- (b) *Title VII* means Title VII of the Civil Rights Act (42 U.S.C. 2000e *et seq.*).

Subpart B—Board Program to Promote Equal Opportunity

Section 268.101—General policy for equal opportunity.

- (a) It is the policy of the Board to provide equal opportunity in employment for all persons, to prohibit discrimination in employment because of race, color, religion, sex, national origin, age or disability, and to promote the full realization of equal opportunity in employment through a continuing affirmative program.
- (b) No person shall be subject to retaliation for opposing any practice made unlawful by Title VII of the Civil Rights Act (title VII) (42 U.S.C. 2000e *et seq.*), the Age Discrimination in Employment Act (ADEA) (29 U.S.C. 621 *et seq.*), the Equal Pay Act (29 U.S.C. 206(d)), or the Rehabilitation Act (29 U.S.C. 791 *et seq.*) or for participating in any stage of administrative or judicial proceedings under those statutes.

Section 268.102—Board program for equal employment opportunity.

- (a) The Board shall maintain a continuing affirmative program to promote equal opportunity and to identify and eliminate discriminatory practices and policies. In support of this program, the Board shall:
 - (1) Provide sufficient resources to its equal opportunity program to ensure efficient and successful operation;
 - (2) Provide for the prompt, fair and impartial processing of complaints in accordance with this part and the instructions contained in the Commission's Management Directives;
 - (3) Conduct a continuing campaign to eradicate every form of prejudice or discrimination from the Board's personnel policies, practices and working conditions;
 - (4) Communicate the Board's equal employment opportunity policy and program and its employment needs to all sources of job candidates without regard to race, color, religion, sex, national origin, age or disability, and solicit their recruitment assistance on a continuing basis;
 - (5) Review, evaluate and control managerial and supervisory performance in such a manner as to insure a continuing affirmative application and vigorous enforcement of the policy of equal opportunity, and provide orientation, training and advice to managers and supervisors to assure their understanding and implementation of the equal employment opportunity policy and program;
 - (6) Take appropriate disciplinary action against employees who engage in discriminatory practices;

- (7) Make reasonable accommodation to the religious needs of employees and applicants for employment when those accommodations can be made without undue hardship on the business of the Board;
 - (8) Make reasonable accommodation to the known physical or mental limitations of qualified applicants and employees with a disability unless the accommodation would impose an undue hardship on the operations of the Board's program;
 - (9) Provide recognition to employees, supervisors, managers and units demonstrating superior accomplishment in equal employment opportunity;
 - (10) Establish a system for periodically evaluating the effectiveness of the Board's overall equal employment opportunity effort;
 - (11) Provide the maximum feasible opportunity to employees to enhance their skills through on-the-job training, work-study programs and other training measures so that they may perform at their highest potential and advance in accordance with their abilities;
 - (12) Inform its employees and recognized labor organizations of the Board's affirmative equal opportunity policy and program and enlist their cooperation; and
 - (13) Participate at the community level with other employers, with schools and universities and with other public and private groups in cooperative action to improve employment opportunities and community conditions that affect employability.
- (b) In order to implement its program, the Board shall:
- (1) Develop the plans, procedures and regulations necessary to carry out its program;
 - (2) Establish or make available an alternative dispute resolution program. Such program must be available for both the precomplaint process and the formal complaint process.
 - (3) Appraise its personnel operations at regular intervals to assure their conformity with the Board's program, this part 268 and the instructions contained in the Commission's management directives;
 - (4) Designate a Director for Equal Employment Opportunity (EEO Programs Director), EEO Officer(s), and such Special Emphasis Program Managers/Coordinators (e.g., People with Disabilities Program, Federal Women's Program and Hispanic Employment Program), clerical and administrative support as may be necessary to carry out the functions described in this part in all organizational units of the Board and at all Board installations. The EEO Programs Director shall be under the immediate supervision of the Chairman.
 - (5) Make written materials available to all employees and applicants informing them of the variety of equal employment opportunity programs and administrative and judicial remedial procedures available to them and prominently post such written materials in all personnel and EEO offices and throughout the workplace;
 - (6) Ensure that full cooperation is provided by all Board employees to EEO Counselors and Board EEO personnel in the processing and resolution of pre-complaint matters and complaints within the Board and that full cooperation is provided to the Commission in the course of appeals, including, granting the Commission routine access to personnel records of the Board when required in connection with an investigation;
 - (7) Publicize to all employees and post at all times the names, business telephone numbers and business addresses of the EEO Counselors (unless the counseling function is centralized, in which case only the telephone number and address need be publicized and posted), a notice of the time limits and necessity of contacting a Counselor before filing a complaint and the telephone numbers and addresses of the EEO Programs Director, EEO Officer(s) and the Special Emphasis Program Managers/Coordinators.
- (c) The EEO Programs Director shall be responsible for:
- (1) Advising the Board of Governors with respect to the preparation of national and regional equal employment opportunity plans, procedures, regulations, reports and other matters pertaining to the policy in section 268.101 and the Board's program;
 - (2) Evaluating from time to time the sufficiency of the total Board program for equal employment opportunity and reporting to the Board of Governors with recommendations as to any improvement or correction needed, including remedial or disciplinary action with respect to managerial, supervisory or other employees who have failed in their responsibilities;
 - (3) When authorized by the Board of Governors, making changes in programs and procedures designed to eliminate discriminatory practices and to improve the Board's program for equal employment opportunity;
 - (4) Providing for counseling of aggrieved individuals and for the receipt and processing of individual and class complaints of discrimination; and
 - (5) Assuring that individual complaints are fairly and thoroughly investigated and that final action is taken in a timely manner in accordance with this part.
- (d) Directives, instructions, forms and other Commission materials referenced in this part may be obtained in accordance with the provisions of 29 C.F.R. 1610.7.
- Section 268.103—Complaints of discrimination covered by this part.*
- (a) Individual and class complaints of employment discrimination and retaliation prohibited by title VII (dis-

crimination on the basis of race, color, religion, sex and national origin), the ADEA (discrimination on the basis of age when the aggrieved person is at least 40 years of age), the Rehabilitation Act (discrimination on the basis of disability), or the Equal Pay Act (sex-based wage discrimination) shall be processed in accordance with this part. Complaints alleging retaliation prohibited by these statutes are considered to be complaints of discrimination for purposes of this part.

- (b) This part applies to all Board employees and applicants for employment at the Board, and to all employment policies or practices affecting Board employees or applicants for employment.
- (c) This part does not apply to Equal Pay Act complaints of employees whose services are performed within a foreign country or certain United States territories as provided in 29 U.S.C. § 213(f).

Section 268.104—Pre-complaint processing.

- (a) Aggrieved persons who believe they have been discriminated against on the basis of race, color, religion, sex, national origin, age or disability must consult a Counselor prior to filing a complaint in order to try to informally resolve the matter.
 - (1) An aggrieved person must initiate contact with a Counselor within 45 days of the date of the matter alleged to be discriminatory or, in the case of a personnel action, within 45 days of the effective date of the action.
 - (2) The Board or the Commission shall extend the 45-day time limit in paragraph (a)(1) of this section when the individual shows that he or she was not notified of the time limits and was not otherwise aware of them, that he or she did not know and reasonably should not have known that the discriminatory matter or personnel action occurred, that despite due diligence he or she was prevented by circumstances beyond his or her control from contacting the counselor within the time limits, or for other reasons considered sufficient by the Board or the Commission.
- (b) (1) At the initial counseling session, Counselors must advise individuals in writing of their rights and responsibilities, including the right to request a hearing or an immediate final decision after an investigation by the Board in accordance with section 268.107(f), election rights pursuant to section 268.302, the right to file a notice of intent to sue pursuant to section 268.201(a) and a lawsuit under the ADEA instead of an administrative complaint of age discrimination under this part, the duty to mitigate damages, administrative and court time frames, and that only the claims raised in precomplaint counseling (or issues or claims like or related to issues or claims raised in precomplaint counseling) may be alleged in a subsequent complaint filed with the Board. Counselors must advise individuals of their duty to keep the

Board and the Commission informed of their current address and to serve copies of appeal papers on the Board. The notice required by paragraphs (d) or (e) of this section shall include a notice of the right to file a class complaint. If the aggrieved person informs the Counselor that he or she wishes to file a class complaint, the Counselor shall explain the class complaint procedures and the responsibilities of a class agent.

- (2) Counselors shall advise aggrieved persons that, where the Board agrees to offer ADR in the particular case, they may choose between participation in the alternative dispute resolution program and the counseling activities provided for in paragraph (c) of this section.
- (c) Counselors shall conduct counseling activities in accordance with instructions contained in Commission Management Directives. When advised that a complaint has been filed by an aggrieved person, the Counselor shall submit a written report within 15 days to the EEO Programs Director and the aggrieved person concerning the issues discussed and actions taken during counseling.
- (d) Unless the aggrieved person agrees to a longer counseling period under paragraph (e) of this section, or the aggrieved person chooses an alternative dispute resolution procedure in accordance with paragraph (b)(2) of this section, the Counselor shall conduct the final interview with the aggrieved person within 30 days of the date the aggrieved person contacted the Board's EEO Programs Office to request counseling. If the matter has not been resolved, the aggrieved person shall be informed in writing by the Counselor, not later than the thirtieth day after contacting the Counselor, of the right to file a discrimination complaint with the Board. This notice shall inform the complainant of the right to file a discrimination complaint within 15 days of receipt of the notice, of the appropriate official with whom to file a complaint and of the complainant's duty to assure that the EEO Programs Director is informed immediately if the complainant retains counsel or a representative.
- (e) Prior to the end of the 30-day period, the aggrieved person may agree in writing with the Board to postpone the final interview and extend the counseling period for an additional period of no more than 60 days. If the matter has not been resolved before the conclusion of the agreed extension, the notice described in paragraph (d) of this section shall be issued.
- (f) Where the aggrieved person chooses to participate in an alternative dispute resolution procedure in accordance with paragraph (b)(2) of this section, the pre-complaint processing period shall be 90 days. If the claim has not been resolved before the 90th day, the notice described in paragraph (d) of this section shall be issued.
- (g) The Counselor shall not attempt in any way to restrain the aggrieved person from filing a complaint. The

Counselor shall not reveal the identity of an aggrieved person who consulted the Counselor, except when authorized to do so by the aggrieved person, or until the Board has received a discrimination complaint under this part from that person involving the same matter.

Section 268.105—Individual complaints.

- (a) A complaint must be filed with the agency that allegedly discriminated against the complainant.
- (b) A complaint must be filed within 15 days of receipt of the notice required by section 268.104 (d), (e) or (f).
- (c) A complaint must contain a signed statement from the person claiming to be aggrieved or that person's attorney. This statement must be sufficiently precise to identify the aggrieved individual and the Board and to describe generally the action(s) or practice(s) that form the basis of the complaint. The complaint must also contain a telephone number and address where the complainant or the representative can be contacted.
- (d) A complainant may amend a complaint at any time prior to the conclusion of the investigation to include issues or claims like or related to those raised in the complaint. After requesting a hearing, a complainant may file a motion with the administrative judge to amend a complaint to include issues or claims like or related to those raised in the complaint.
- (e) The Board shall acknowledge receipt of a complaint or an amendment to a complaint in writing and inform the complainant of the date on which the complaint or amendment was filed. The Board shall advise the complainant in the acknowledgment of the EEOC office and its address where a request for a hearing shall be sent. Such acknowledgment shall also advise the complainant that:
 - (1) The complainant has the right to appeal the final action on or dismissal of a complaint; and
 - (2) The Board is required to conduct an impartial and appropriate investigation of the complaint within 180 days of the filing of the complaint unless the parties agree in writing to extend the time period. When a complaint has been amended, the Board shall complete its investigation within the earlier of 180 days after the last amendment to the complaint or 360 days after the filing of the original complaint, except that the complainant may request a hearing from an administrative judge on the consolidated complaints any time after 180 days from the date of the first filed complaint.

Section 268.106—Dismissals of complaints.

- (a) Prior to a request for a hearing in a case, the Board shall dismiss an entire complaint:
 - (1) That fails to state a claim under section 268.103 or section 268.105(a), or states the same claim that is pending before or has been decided by the Board or the Commission;

- (2) That fails to comply with the applicable time limits contained in sections 268.104, 268.105 and 268.204(c), unless the Board extends the time limits in accordance with section 268.604(c), or that raises a matter that has not been brought to the attention of a Counselor and is not like or related to a matter that has been brought to the attention of a Counselor;
- (3) That is the basis of a pending civil action in a United States District Court in which the complainant is a party provided that at least 180 days have passed since the filing of the administrative complaint, or that was the basis of a civil action decided by a United States District Court in which the complainant was a party;
- (4) Where a complainant has raised the matter in an appeal to the Merit Systems Protection Board and section 268.302 indicates that the complainant has elected to pursue the non-EEO process;
- (5) That is moot or alleges that a proposal to take a personnel action, or other preliminary step to taking a personnel action, is discriminatory;
- (6) Where the complainant cannot be located, provided that reasonable efforts have been made to locate the complainant and the complainant has not responded within 15 days to a notice of proposed dismissal sent to his or her last known address;
- (7) Where the Board has provided the complainant with a written request to provide relevant information or otherwise proceed with the complaint, and the complainant has failed to respond to the request within 15 days of its receipt or the complainant's response does not address the Board's request, provided that the request included a notice of the proposed dismissal. Instead of dismissing for failure to cooperate, the complaint may be adjudicated if sufficient information for that purpose is available;
- (8) That alleges dissatisfaction with the processing of a previously filed complaint; or
- (9) Where the Board, strictly applying the criteria set forth in Commission decisions, finds that the complaint is part of a clear pattern of misuse of the EEO process for a purpose other than the prevention and elimination of employment discrimination. A clear pattern of misuse of the EEO process requires:
 - (i) Evidence of multiple complaint filings; and
 - (ii) Allegations that are similar or identical, lack specificity or involve matters previously resolved; or
 - (iii) Evidence of circumventing other administrative processes, retaliating against the Board's in-house administrative processes or overburdening the EEO complaint system.
- (b) Where the Board believes that some but not all of the claims in a complaint should be dismissed for the reasons contained in paragraphs (a)(1) through (9) of

this section, the Board shall notify the complainant in writing of its determination, the rationale for that determination and that those claims will not be investigated, and shall place a copy of the notice in the investigative file. A determination under this paragraph is reviewable by an administrative judge if a hearing is requested on the remainder of the complaint, but is not appealable until final action is taken on the remainder of the complaint.

Section 268.107—Investigation of complaints.

- (a) The investigation of complaints filed against the Board shall be conducted by the Board.
- (b) In accordance with instructions contained in Commission Management Directives, the Board shall develop an impartial and appropriate factual record upon which to make findings on the claims raised by the written complaint. An appropriate factual record is one that allows a reasonable fact finder to draw conclusions as to whether discrimination occurred. The Board may use an exchange of letters or memoranda, interrogatories, investigations, fact-finding conferences or any other fact-finding methods that efficiently and thoroughly address the matters at issue. The Board may incorporate alternative dispute resolution techniques into its investigative efforts in order to promote early resolution of complaints.
- (c) The procedures in paragraphs (c)(1) through (3) of this section apply to the investigation of complaints:
 - (1) The complainant, the Board, and any employee of the Board shall produce such documentary and testimonial evidence as the investigator deems necessary.
 - (2) Investigators are authorized to administer oaths. Statements of witnesses shall be made under oath or affirmation or, alternatively, by written statement under penalty of perjury.
 - (3) When the complainant, or the Board or its employees fail without good cause shown to respond fully and in timely fashion to requests for documents, records, comparative data, statistics, affidavits or the attendance of witness(es), the investigator may note in the investigative record that the decision-maker should, or the Commission on appeal may, in appropriate circumstances:
 - (i) Draw an adverse inference that the requested information, or the testimony of the requested witness, would have reflected unfavorably on the party refusing to provide the requested information;
 - (ii) Consider the matters to which the requested information or testimony pertains to be established in favor of the opposing party;
 - (iii) Exclude other evidence offered by the party failing to produce the requested information or witness;
 - (iv) Issue a decision fully or partially in favor of the opposing party; or
 - (v) Take such other actions as it deems appropriate.
- (d) Any investigation will be conducted by investigators with appropriate security clearances.
- (e) (1) The Board shall complete its investigation within 180 days of the date of filing of an individual complaint or within the time period contained in an order from the Office of Federal Operations on an appeal from a dismissal pursuant to section 268.106. By written agreement within those time periods, the complainant and the Board may voluntarily extend the time period for not more than an additional 90 days. The Board may unilaterally extend the time period or any period of extension for not more than 30 days where it must sanitize a complaint file that may contain information classified pursuant to Executive Order No. 12356, or successor orders, as secret in the interest of national defense or foreign policy, provided the Board notifies the complainant of the extension.
- (2) Confidential supervisory information, as defined in 12 C.F.R. 261.2(c), and other confidential information of the Board may be included in the investigative file by the investigator, the EEO Programs Director, or another appropriate officer of the Board, where such information is relevant to the complaint. Neither the complainant nor the complainant's personal representative may make further disclosure of such information, however, except in compliance with the Board's Rules Regarding Availability of Information, 12 C.F.R. Part 261, and where applicable, the Board's Rules Regarding Access to Personal Information under the Privacy Act of 1974, 12 C.F.R. Part 261a.
- (f) Within 180 days from the filing of the complaint, or where a complaint was amended, within the earlier of 180 days after the last amendment to the complaint or 360 days after the filing of the original complaint, within the time period contained in an order from the Office of Federal Operations on an appeal from a dismissal, or within any period of extension provided for in paragraph (e) of this section, the Board shall provide the complainant with a copy of the investigative file, and shall notify the complainant that, within 30 days of receipt of the investigative file, the complainant has the right to request a hearing and decision from an administrative judge or may request an immediate final decision pursuant to section 268.109(b) from the Board.
- (g) Where the complainant has received the notice required in paragraph (f) of this section or at any time after 180 days have elapsed from the filing of the complaint, the complainant may request a hearing by submitting a written request for a hearing directly to the EEOC office indicated in the Board's acknowledgment letter. The complainant shall send a copy of the request for a hearing to the Board's EEO Programs Office. Within 15 days of receipt of the request for a

hearing, the Board's EEO Programs Office shall provide a copy of the complaint file to EEOC and, if not previously provided, to the complainant.

Section 268.108—Hearings.

- (a) When a complainant requests a hearing, the Commission shall appoint an administrative judge to conduct a hearing in accordance with this section. Upon appointment, the administrative judge shall assume full responsibility for the adjudication of the complaint, including overseeing the development of the record. Any hearing will be conducted by an administrative judge or hearing examiner with appropriate security clearances.
- (b) *Dismissals.* Administrative judges may dismiss complaints pursuant to section 268.106, on their own initiative, after notice to the parties, or upon the Board's motion to dismiss a complaint.
- (c) *Offer of resolution.*
 - (1) Any time after the filing of the written complaint but not later than the date an administrative judge is appointed to conduct a hearing, the Board may make an offer of resolution to a complainant who is represented by an attorney.
 - (2) Any time after the parties have received notice that an administrative judge has been appointed to conduct a hearing, but not later than 30 days prior to the hearing, the Board may make an offer of resolution to the complainant, whether represented by an attorney or not.
 - (3) The offer of resolution shall be in writing and shall include a notice explaining the possible consequences of failing to accept the offer. The Board's offer, to be effective, must include attorney's fees and costs and must specify any non-monetary relief. With regard to monetary relief, the Board may make a lump sum offer covering all forms of monetary liability, or it may itemize the amounts and types of monetary relief being offered. The complainant shall have 30 days from receipt of the offer of resolution to accept it. If the complainant fails to accept an offer of resolution and the relief awarded in the administrative judge's decision, the Board's final decision, or the Commission's decision on appeal is not more favorable than the offer, then, except where the interest of justice would not be served, the complainant shall not receive payment from the Board of attorney's fees or costs incurred after the expiration of the 30-day acceptance period. An acceptance of an offer must be in writing and will be timely if postmarked or received within the 30-day period. Where a complainant fails to accept an offer of resolution, the Board may make other offers of resolution and either party may seek to negotiate a settlement of the complaint at any time.
- (d) *Discovery.* The administrative judge shall notify the parties of the right to seek discovery prior to the hearing and may issue such discovery orders as are appropriate. Unless the parties agree in writing concerning the methods and scope of discovery, the party seeking discovery shall request authorization from the administrative judge prior to commencing discovery. Both parties are entitled to reasonable development of evidence on matters relevant to the issues raised in the complaint, but the administrative judge may limit the quantity and timing of discovery. Evidence may be developed through interrogatories, depositions, and requests for admissions, stipulations or production of documents. It shall be grounds for objection to producing evidence that the information sought by either party is irrelevant, overburdensome, repetitious, or privileged.
- (e) *Conduct of hearing.* The Board shall provide for the attendance at a hearing of all employees approved as witnesses by an administrative judge. Attendance at hearings will be limited to persons determined by the administrative judge to have direct knowledge relating to the complaint. Hearings are part of the investigative process and are thus closed to the public. The administrative judge shall have the power to regulate the conduct of a hearing, limit the number of witnesses where testimony would be repetitious, and exclude any person from the hearing for contumacious conduct or misbehavior that obstructs the hearing. The administrative judge shall receive into evidence information or documents relevant to the complaint. Rules of evidence shall not be applied strictly, but the administrative judge shall exclude irrelevant or repetitious evidence. The administrative judge or the Commission may refer to the Disciplinary Committee of the appropriate Bar Association any attorney or, upon reasonable notice and an opportunity to be heard, suspend or disqualify from representing complainants or agencies in EEOC hearings any representative who refuses to follow the orders of an administrative judge, or who otherwise engages in improper conduct.
- (f) *Procedures.*
 - (1) The complainant, the Board and any employee of the Board shall produce such documentary and testimonial evidence as the administrative judge deems necessary. The administrative judge shall serve all orders to produce evidence on both parties.
 - (2) Administrative judges are authorized to administer oaths. Statements of witnesses shall be made under oath or affirmation or, alternatively, by written statement under penalty of perjury.
 - (3) When the complainant, or the Board, or its employees fail without good cause shown to respond fully and in timely fashion to an order of an administrative judge, or requests for the investigative file, for documents, records, comparative data, statistics, affidavits, or the attendance of witness(es), the administrative judge shall, in appropriate circumstances:
 - (i) Draw an adverse inference that the requested

information, or the testimony of the requested witness, would have reflected unfavorably on the party refusing to provide the requested information;

- (ii) Consider the matters to which the requested information or testimony pertains to be established in favor of the opposing party;
 - (iii) Exclude other evidence offered by the party failing to produce the requested information or witness;
 - (iv) Issue a decision fully or partially in favor of the opposing party; or
 - (v) Take such other actions as appropriate.
- (g) *Decisions without hearing.*
- (1) If a party believes that some or all material facts are not in genuine dispute and there is no genuine issue as to credibility, the party may, at least 15 days prior to the date of the hearing or at such earlier time as required by the administrative judge, file a statement with the administrative judge prior to the hearing setting forth the fact or facts and referring to the parts of the record relied on to support the statement. The statement must demonstrate that there is no genuine issue as to any such material fact. The party shall serve the statement on the opposing party.
 - (2) The opposing party may file an opposition within 15 days of receipt of the statement in paragraph (g)(1) of this section. The opposition may refer to the record in the case to rebut the statement that a fact is not in dispute or may file an affidavit stating that the party cannot, for reasons stated, present facts to oppose the request. After considering the submissions, the administrative judge may order that discovery be permitted on the fact or facts involved, limit the hearing to the issues remaining in dispute, issue a decision without a hearing or make such other ruling as is appropriate.
 - (3) If the administrative judge determines upon his or her own initiative that some or all facts are not in genuine dispute, he or she may, after giving notice to the parties and providing them an opportunity to respond in writing within 15 calendar days, issue an order limiting the scope of the hearing or issue a decision without holding a hearing.
- (h) *Record of hearing.* The hearing shall be recorded and the Board shall arrange and pay for verbatim transcripts. All documents submitted to, and accepted by, the administrative judge at the hearing shall be made part of the record of the hearing. If the Board submits a document that is accepted, it shall furnish a copy of the document to the complainant. If the complainant submits a document that is accepted, the administrative judge shall make the document available to the Board's representative for reproduction.
- (i) *Decisions by administrative judges.* Unless the administrative judge makes a written determination that good cause exists for extending the time for issuing a deci-

sion, an administrative judge shall issue a decision on the complaint, and shall order appropriate remedies and relief where discrimination is found, within 180 days of receipt by the administrative judge of the complaint file from the Board. The administrative judge shall send copies of the hearing record, including the transcript, and the decision to the parties. If the Board does not issue a final order within 40 days of receipt of the administrative judge's decision in accordance with section 268.109(a), then the decision of the administrative judge shall become the final action of the Board.

Section 268.109—Final action by the Board.

- (a) *Final action by the Board following a decision by an administrative judge.* When an EEOC administrative judge has issued a decision under sections 268.108(b), (g), or (i), the Board shall take final action on the complaint by issuing a final order within 40 days of receipt of the hearing file and the administrative judge's decision. The final order shall notify the complainant whether or not the Board will fully implement the decision of the administrative judge and shall contain notice of the complainant's right to appeal to the Equal Employment Opportunity Commission, the right to file a civil action in federal district court, the name of the proper defendant in any such lawsuit and the applicable time limits for appeals and lawsuits. If the final order does not fully implement the decision of the administrative judge, then the Board shall simultaneously file an appeal in accordance with section 268.403 and append a copy of its appeal to the final order. A copy of EEOC Form 573 shall be attached to the final order.
- (b) *Final action by the Board in all other circumstances.* When the Board dismisses an entire complaint under section 268.106, receives a request for an immediate final decision or does not receive a reply to the notice issued under section 268.107(f), the Board shall take final action by issuing a final decision. The final decision shall consist of findings by the Board on the merits of each issue in the complaint, or, as appropriate, the rationale for dismissing any claims in the complaint and, when discrimination is found, appropriate remedies and relief in accordance with subpart F of this part. The Board shall issue the final decision within 60 days of receiving notification that a complainant has requested an immediate decision from the Board, or within 60 days of the end of the 30-day period for the complainant to request a hearing or an immediate final decision where the complainant has not requested either a hearing or a decision. The final action shall contain notice of the right to appeal the final action to the Equal Employment Opportunity Commission, the right to file a civil action in federal district court, the name of the proper defendant in any such lawsuit and the applicable time limits for appeals and lawsuits. A copy of EEOC Form 573 shall be

attached to the final action. The Board may issue a final decision within 30 days after receiving a decision of the Commission pursuant to section 268.405(c) of this part.

Subpart C—Provisions Applicable to Particular Complaints

Section 268.201—Age Discrimination in Employment Act.

- (a) As an alternative to filing a complaint under this part, an aggrieved individual may file a civil action in a United States district court under the ADEA against the Chairman of the Board of Governors after giving the Commission not less than 30 days' notice of the intent to file such an action. Such notice must be filed in writing with EEOC, at P.O. Box 19848, Washington, D.C. 20036, or by personal delivery or facsimile within 180 days of the occurrence of the alleged unlawful practice.
- (b) The Commission may exempt a position from the provisions of the ADEA if the Commission establishes a maximum age requirement for the position on the basis of a determination that age is a bona fide occupational qualification necessary to the performance of the duties of the position.
- (c) When an individual has filed an administrative complaint alleging age discrimination that is not a mixed case, administrative remedies will be considered to be exhausted for purposes of filing a civil action:
 - (1) 180 days after the filing of an individual complaint if the Board has not taken final action and the individual has not filed an appeal or 180 days after the filing of a class complaint if the Board has not issued a final decision;
 - (2) After final action on an individual or class complaint if the individual has not filed an appeal; or
 - (3) After the issuance of a final decision by the Commission on an appeal or 180 days after the filing of an appeal, if the Commission has not issued a final decision.

Section 268.202—Equal Pay Act.

Complaints alleging violations of the Equal Pay Act shall be processed under this part.

Section 268.203—Rehabilitation Act.

- (a) *Model employer.* The Board shall be a model employer of individuals with disabilities. The Board shall give full consideration to the hiring, placement, and advancement of qualified individuals with disabilities.
- (b) *ADA standards.* The standards used to determine whether section 501 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 791), has been violated in a complaint alleging nonaffirmative action employment discrimination under this part shall be the standards

applied under Titles I and V (sections 501 through 504 and 510) of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. 12101, 12111, 12201), as such sections relate to employment. These standards are set forth in the Commission's ADA regulation at 29 C.F.R. Part 1630.

Section 268.204—Class complaints.

(a) *Definitions.*

- (1) *Class* is a group of Board employees, former employees or applicants for employment who, it is alleged, have been or are being adversely affected by a Board personnel management policy or practice that discriminates against the group on the basis of their race, color, religion, sex, national origin, age or disability.
- (2) *Class complaint* is a written complaint of discrimination filed on behalf of a class by the agent of the class alleging that:
 - (i) The class is so numerous that a consolidated complaint of the members of the class is impractical;
 - (ii) There are questions of fact common to the class;
 - (iii) The claims of the agent of the class are typical of the claims of the class;
 - (iv) The agent of the class, or, if represented, the representative, will fairly and adequately protect the interests of the class.
- (3) An *agent of the class* is a class member who acts for the class during the processing of the class complaint.

- (b) *Pre-complaint processing.* An employee or applicant who wishes to file a class complaint must seek counseling and be counseled in accordance with section 268.104. A complainant may move for class certification at any reasonable point in the process when it becomes apparent that there are class implications to the claim raised in an individual complaint. If a complainant moves for class certification after completing the counseling process contained in section 268.104, no additional counseling is required. The administrative judge shall deny class certification when the complainant has unduly delayed in moving for certification.

(c) *Filing and presentation of a class complaint.*

- (1) A class complaint must be signed by the agent or representative and must identify the policy or practice adversely affecting the class as well as the specific action or matter affecting the class agent.
- (2) The complaint must be filed with the Board not later than 15 days after the agent's receipt of the notice of right to file a class complaint.
- (3) The complaint shall be processed promptly; the parties shall cooperate and shall proceed at all times without undue delay.

(d) *Acceptance or dismissal.*

- (1) Within 30 days of the Board's receipt of a complaint, the Board shall: Designate an agency repre-

sentative who shall not be one of the individuals referenced in section 268.102(b)(4), and forward the complaint, along with a copy of the Counselor's report and any other information pertaining to timeliness or other relevant circumstances related to the complaint, to the Commission. The Commission shall assign the complaint to an administrative judge or complaints examiner with a proper security clearance when necessary. The administrative judge may require the complainant or the Board to submit additional information relevant to the complaint.

- (2) The administrative judge may dismiss the complaint, or any portion, for any of the reasons listed in section 268.106 or because it does not meet the prerequisites of a class complaint under section 268.204(a)(2).
- (3) If an allegation is not included in the Counselor's report, the administrative judge shall afford the agent 15 days to state whether the matter was discussed with the Counselor and, if not, explain why it was not discussed. If the explanation is not satisfactory, the administrative judge shall dismiss the allegation. If the explanation is satisfactory, the administrative judge shall refer the allegation to the Board for further counseling of the agent. After counseling, the allegation shall be consolidated with the class complaint.
- (4) If an allegation lacks specificity and detail, the administrative judge shall afford the agent 15 days to provide specific and detailed information. The administrative judge shall dismiss the complaint if the agent fails to provide such information within the specified time period. If the information provided contains new allegations outside the scope of the complaint, the administrative judge shall advise the agent how to proceed on an individual or class basis concerning these allegations.
- (5) The administrative judge shall extend the time limits for filing a complaint and for consulting with a Counselor in accordance with the time limit extension provisions contained in sections 268.104(a)(2) and 268.604.
- (6) When appropriate, the administrative judge may decide that a class be divided into subclasses and that each subclass be treated as a class, and the provisions of this section then shall be construed and applied accordingly.
- (7) The administrative judge shall transmit his or her decision to accept or dismiss a complaint to the Board and the agent. The Board shall take final action by issuing a final order within 40 days of receipt of the hearing record and administrative judge's decision. The final order shall notify the agent whether or not the Board will implement the decision of the administrative judge. If the final order does not implement the decision of the administrative judge, the Board shall simultaneously appeal the administrative judge's decision

in accordance with section 268.403 and append a copy of the appeal to the final order. A dismissal of a class complaint shall inform the agent either that the complaint is being filed on that date as an individual complaint of discrimination and will be processed under subpart B or that the complaint is also dismissed as an individual complaint in accordance with section 268.106. In addition, it shall inform the agent of the right to appeal the dismissal of the class complaint to the Equal Employment Opportunity Commission or to file a civil action and shall include EEOC Form 573, Notice of Appeal/Petition.

(e) *Notification.*

- (1) Within 15 days of receiving notice that the administrative judge has accepted a class complaint or a reasonable time frame specified by the administrative judge, the Board shall use reasonable means, such as delivery, mailing to last known address or distribution, to notify all class members of the acceptance of the class complaint.
- (2) Such notice shall contain:
 - (i) An identification of the Board as the named agency, its location, and the date of acceptance of the complaint;
 - (ii) A description of the issues accepted as part of the class complaint;
 - (iii) An explanation of the binding nature of the final decision or resolution of the class complaint on class members; and
 - (iv) The name, address and telephone number of the class representative.

(f) *Obtaining evidence concerning the complaint.*

- (1) The administrative judge shall notify the agent and the Board's representative of the time period that will be allowed both parties to prepare their cases. This time period will include at least 60 days and may be extended by the administrative judge upon the request of either party. Both parties are entitled to reasonable development of evidence on matters relevant to the issues raised in the complaint. Evidence may be developed through interrogatories, depositions, and requests for admissions, stipulations or production of documents. It shall be grounds for objection to producing evidence that the information sought by either party is irrelevant, overburdensome, repetitious, or privileged.
- (2) If mutual cooperation fails, either party may request the administrative judge to rule on a request to develop evidence. If a party fails without good cause shown to respond fully and in timely fashion to a request made or approved by the administrative judge for documents, records, comparative data, statistics or affidavits, and the information is solely in the control of one party, such failure may, in appropriate circumstances, cause the administrative judge:
 - (i) To draw an adverse inference that the requested information would have reflected

unfavorably on the party refusing to provide the requested information;

- (ii) To consider the matters to which the requested information pertains to be established in favor of the opposing party;
 - (iii) To exclude other evidence offered by the party failing to produce the requested information;
 - (iv) To recommend that a decision be entered in favor of the opposing party; or
 - (v) To take such other actions as the administrative judge deems appropriate.
- (3) During the period for development of evidence, the administrative judge may, in his or her discretion, direct that an investigation of facts relevant to the class complaint or any portion be conducted by an agency certified by the Commission.
- (4) Both parties shall furnish to the administrative judge copies of all materials that they wish to be examined and such other material as may be requested.
- (g) *Opportunity for resolution of the complaint.*
- (1) The administrative judge shall furnish the agent and the Board's representative a copy of all materials obtained concerning the complaint and provide opportunity for the agent to discuss the materials with the Board's representative and attempt resolution of the complaint.
 - (2) The complaint may be resolved by agreement of the Board and the agent at any time pursuant to the notice and approval procedure contained in paragraph (g)(4) of this section.
 - (3) If the complaint is resolved, the terms of the resolution shall be reduced to writing and signed by the agent and the Board.
 - (4) Notice of the resolution shall be given to all class members in the same manner as notification of the acceptance of the class complaint and to the administrative judge. It shall state the relief, if any, to be granted by the Board and the name and address of the EEOC administrative judge assigned to the case. It shall state that within 30 days of the date of the notice of resolution, any member of the class may petition the administrative judge to vacate the resolution because it benefits only the class agent, or is otherwise not fair, adequate and reasonable to the class as a whole. The administrative judge shall review the notice of resolution and consider any petitions to vacate filed. If the administrative judge finds that the proposed resolution is not fair, adequate and reasonable to the class as a whole, the administrative judge shall issue a decision vacating the agreement and may replace the original class agent with a petitioner or some other class member who is eligible to be the class agent during further processing of the class complaint. The decision shall inform the former class agent or the petitioner of the right to appeal the decision to the Equal Employment Opportunity Commission

and include EEOC Form 573, Notice of Appeal/Petition. If the administrative judge finds that the resolution is fair, adequate and reasonable to the class as a whole, the resolution shall bind all members of the class.

- (h) *Hearing.* On expiration of the period allowed for preparation of the case, the administrative judge shall set a date for hearing. The hearing shall be conducted in accordance with 12 C.F.R. §268.108(a) through (f).
- (i) *Report of findings and recommendations.*
 - (1) The administrative judge shall transmit to the Board a report of findings and recommendations on the complaint, including a recommended decision, systemic relief for the class and any individual relief, where appropriate, with regard to the personnel action or matter that gave rise to the complaint.
 - (2) If the administrative judge finds no class relief appropriate, he or she shall determine if a finding of individual discrimination is warranted and, if so, shall recommend appropriate relief.
 - (3) The administrative judge shall notify the agent of the date on which the report of findings and recommendations was forwarded to the Board.
- (j) *Board decision.*
 - (1) Within 60 days of receipt of the report of findings and recommendations issued under section 268.204(i), the Board shall issue a final decision, which shall accept, reject, or modify the findings and recommendations of the administrative judge.
 - (2) The final decision of the Board shall be in writing and shall be transmitted to the agent by certified mail, return receipt requested, along with a copy of the report of findings and recommendations of the administrative judge.
 - (3) When the Board's final decision is to reject or modify the findings and recommendations of the administrative judge, the decision shall contain specific reasons for the Board's action.
 - (4) If the Board has not issued a final decision within 60 days of its receipt of the administrative judge's report of findings and recommendations, those findings and recommendations shall become the final decision. The Board shall transmit the final decision to the agent within five days of the expiration of the 60-day period.
 - (5) The final decision of the Board shall require any relief authorized by law and determined to be necessary or desirable to resolve the issue of discrimination.
 - (6) The final decision on a class complaint shall, subject to subpart E of this part, be binding on all members of the class and the Board.
 - (7) The final decision shall inform the agent of the right to appeal or to file a civil action in accordance with subpart E of this part and of the applicable time limits.

(k) *Notification of decision.* The Board shall notify class members of the final decision and relief awarded, if any, through the same media employed to give notice of the existence of the class complaint. The notice, where appropriate, shall include information concerning the rights of class members to seek individual relief, and of the procedures to be followed. Notice shall be given by the Board within 10 days of the transmittal of its final decision to the agent.

(1) *Relief for individual class members.* When discrimination is found, the Board must eliminate or modify the employment policy or practice out of which the complaint arose and provide individual relief, including an award of attorney's fees and costs, to the agent in accordance with section 268.501.

(2) When class-wide discrimination is not found, but it is found that the class agent is a victim of discrimination, section 268.501 shall apply. The Board shall also, within 60 days of the issuance of the final decision finding no class-wide discrimination, issue the acknowledgment of receipt of an individual complaint as required by section 268.105(d) and process in accordance with the provisions of subpart B of this part, each individual complaint that was subsumed into the class complaint.

(3) When discrimination is found in the final decision and a class member believes that he or she is entitled to individual relief, the class member may file a written claim with the Board or the Board's EEO Programs Director within 30 days of receipt of notification by the Board of its final decision. Administrative judges shall retain jurisdiction over the complaint in order to resolve any disputed claims by class members. The claim must include a specific, detailed showing that the claimant is a class member who was affected by the discriminatory policy or practice, and that this discriminatory action took place within the period of time for which the Board found class-wide discrimination in its final decision. Where a finding of discrimination against a class has been made, there shall be a presumption of discrimination as to each member of the class. The Board must show by clear and convincing evidence that any class member is not entitled to relief. The administrative judge may hold a hearing or otherwise supplement the record on a claim filed by a class member. The Board or the Commission may find class-wide discrimination and order remedial action for any policy or practice in existence within 45 days of the agent's initial contact with the Counselor. Relief otherwise consistent with this Part may be ordered for the time the policy or practice was in effect. The Board shall issue a final decision on each such claim within 90 days of filing. Such decision must include a notice of the right to file an appeal or a

civil action in accordance with subpart E of this part and the applicable time limits.

Section 268.205—Employment of noncitizens.

(a) *Definitions.* The definitions contained in this paragraph (a) shall apply only to this section.

(1) *Intending citizen* means a citizen or national of the United States, or a noncitizen who:

- (i) Is a protected individual as defined in 8 U.S.C. 1324b(a)(3); and
- (ii) Has evidenced an intention to become a United States citizen.

(2) *Noncitizen* means any person who is not a citizen of the United States.

(3) *Sensitive information* means:

- (i) (A) Information that is classified for national security purposes under Executive Order No. 12356 (3 C.F.R. 1982 Comp., p. 166), including any amendments or superseding orders that the President of the United States may issue from time to time;
- (B) Information that consists of confidential supervisory information of the Board, as defined in 12 C.F.R. 261.2(c); or
- (C) Information the disclosure or premature disclosure of which to unauthorized persons may be reasonably likely to impair the formulation or implementation of monetary policy, or cause unnecessary or unwarranted disturbances in securities or other financial markets, such that access to such information must be limited to persons who are loyal to the United States.
- (ii) For purposes of paragraph (a)(3)(i)(C) of this section, information may not be deemed sensitive information merely because it would be exempt from disclosure under the Freedom of Information Act (5 U.S.C. 552) but sensitive information must be information the unauthorized disclosure or premature disclosure of which may be reasonably likely to impair important functions or operations of the Board.

(4) *Sensitive position* means any position of employment in which the employee will be required to have access to sensitive information.

(b) *Prohibitions.*

(1) *Unauthorized aliens.* The Board shall not hire any person unless that person is able to satisfy the requirements of Section 101 of the Immigration Reform and Control Act of 1986.

(2) *Employment in sensitive positions.* The Board shall not hire any person to a sensitive position unless such person is a citizen of the United States or, if a noncitizen, is an intending citizen.

(3) *Preference.* Consistent with the Immigration Reform and Control Act of 1986, and other appli-

cable law, applicants for employment at the Board who are citizens of the United States shall be preferred over equally qualified applicants who are not United States citizens.

- (c) *Exception.* The prohibition of paragraph (b)(2) of this section does not apply to hiring for positions for which a security clearance is required under Executive Order No. 10450, including any subsequent amendments or superseding orders that the President of the United States may issue from time to time, where the noncitizen either has or can obtain the necessary security clearance. Any offer of employment authorized by this paragraph (c) shall be contingent upon receipt of the required security clearance in the manner prescribed by law.
- (d) *Applicability.* This section applies to employment in all positions at the Board and to employment by Federal Reserve Banks of examiners who must be appointed, or selected and approved by the Board pursuant to 12 U.S.C. 325, 326, 338, or 625.

Subpart D—Related Processes

Section 268.301—Negotiated grievance procedure.

When an employee of the Board, which is not an agency subject to 5 U.S.C. 7121(d), is covered by a negotiated grievance procedure, allegations of discrimination shall be processed as complaints under this part, except that the time limits for processing the complaint contained in section 268.105 and for appeal to the Commission contained in section 268.402 may be held in abeyance during processing of a grievance covering the same matter as the complaint if the Board notifies the complainant in writing that the complaint will be held in abeyance pursuant to this section.

Section 268.302—Mixed case complaints.

A *mixed case complaint* is a complaint of employment discrimination filed with the Board based on race, color, religion, sex, national origin, age or disability related to or stemming from an action that can be appealed to the Merit System Protection Board (MSPB). The complaint may contain only an allegation of employment discrimination or it may contain additional allegations that the MSPB has jurisdiction to address. A *mixed case appeal* is an appeal filed with the MSPB that alleges that an appealable Board action was effected, in whole or in part, because of discrimination on the basis of race, color, religion, sex, national origin, disability or age. Only a Board employee who is a preference eligible employee as defined by the Veterans Preference Act can file a mixed case complaint with the Board or a mixed case appeal with the MSPB. A mixed case complaint or mixed case appeal may only be filed for action(s) over which the MSPB has jurisdiction. The Board will apply sections 1614.302 to 1614.310 of

29 C.F.R. to the processing of a mixed case complaint or mixed case appeal.

Subpart E—Appeals to the Equal Employment Opportunity Commission

Section 268.401—Appeals to the Equal Employment Opportunity Commission.

- (a) A complainant may appeal the Board's final action or dismissal of a complaint.
- (b) The Board may appeal as provided in section 268.109(a).
- (c) A class agent or the Board may appeal an administrative judge's decision accepting or dismissing all or part of a class complaint; a class agent may appeal a final decision on a class complaint; a class member may appeal a final decision on a claim for individual relief under a class complaint; and a class member, a class agent or the Board may appeal a final decision on a petition pursuant to section 268.204(g)(4).
- (d) A complainant, agent of the class or individual class claimant may appeal to the Commission the Board's alleged noncompliance with a settlement agreement or final decision in accordance with section 268.504.

Section 268.402—Time for appeals to the Equal Employment Opportunity Commission.

- (a) Appeals described in section 268.401 (a) and (c) must be filed within 30 days of receipt of the dismissal, final action or decision. Appeals described in section 268.401(b) must be filed within 40 days of receipt of the hearing file and decision. Where a complainant has notified the Board's EEO Programs Director of alleged noncompliance with a settlement agreement in accordance with section 268.504, the complainant may file an appeal 35 days after service of the allegations of noncompliance, but no later than 30 days after receipt of the Board's determination.
- (b) If the complainant is represented by an attorney of record, then the 30-day time period provided in paragraph (a) of this section within which to appeal shall be calculated from the receipt of the required document by the attorney. In all other instances, the time within which to appeal shall be calculated from the receipt of the required document by the complainant.

Section 268.403—How to appeal.

- (a) The complainant, the Board, agent or individual class claimant (hereinafter appellant) must file an appeal with the Director, Office of Federal Operations, Equal Employment Opportunity Commission, at P.O. Box 19848, Washington, DC 20036, or by personal delivery or facsimile. The appellant should use EEOC Form 573, Notice of Appeal/Petition, and should indicate what is being appealed.

- (b) The appellant shall furnish a copy of the appeal to the opposing party at the same time it is filed with the Commission. In or attached to the appeal to the Commission, the appellant must certify the date and method by which service was made on the opposing party.
- (c) If an appellant does not file an appeal within the time limits of this subpart, the appeal shall be dismissed by the Commission as untimely.
- (d) Any statement or brief on behalf of a complainant in support of the appeal must be submitted to the Office of Federal Operations within 30 days of filing the notice of appeal. Any statement or brief on behalf of the Board in support of its appeal must be submitted to the Office of Federal Operations within 20 days of filing the notice of appeal. The Office of Federal Operations will accept statements or briefs in support of an appeal by facsimile transmittal, provided they are no more than 10 pages long.
- (e) The Board must submit the complaint file to the Office of Federal Operations within 30 days of initial notification that the complainant has filed an appeal or within 30 days of submission of an appeal by the Board.
- (f) Any statement or brief in opposition to an appeal must be submitted to the Commission and served on the opposing party within 30 days of receipt of the statement or brief supporting the appeal, or, if no statement or brief supporting the appeal is filed, within 60 days of receipt of the appeal. The Office of Federal Operations will accept statements or briefs in opposition to an appeal by facsimile provided they are no more than 10 pages long.

Section 268.404—Appellate Procedure.

- (a) On behalf of the Commission, the Office of Federal Operations shall review the complaint file and all written statements and briefs from either party. The Commission may supplement the record by an exchange of letters or memoranda, investigation, remand to the Board or other procedures.
- (b) If the Office of Federal Operations requests information from one or both of the parties to supplement the record, each party providing information shall send a copy of the information to the other party.
- (c) When either party to an appeal fails without good cause shown to comply with the requirements of this section or to respond fully and in timely fashion to requests for information, the Office of Federal Operations shall, in appropriate circumstances:
 - (1) Draw an adverse inference that the requested information would have reflected unfavorably on the party refusing to provide the requested information;
 - (2) Consider the matters to which the requested information or testimony pertains to be established in favor of the opposing party;
 - (3) Issue a decision fully or partially in favor of the opposing party; or
 - (4) Take such other actions as appropriate.

Section 268.405—Decisions on appeals.

- (a) The Office of Federal Operations, on behalf of the Commission, shall issue a written decision setting forth its reasons for the decision. The Commission shall dismiss appeals in accordance with sections 268.106, 268.403(c) and 268.408. The decision on an appeal from the Board's final action shall be based on a de novo review, except that the review of the factual findings in a decision by an administrative judge issued pursuant to section 268.108(i) shall be based on a substantial evidence standard of review. If the decision contains a finding of discrimination, appropriate remedy(ies) shall be included and, where appropriate, the entitlement to interest, attorney's fees or costs shall be indicated. The decision shall reflect the date of its issuance, inform the complainant of his or her civil action rights, and be transmitted to the complainant and the Board by first class mail.
- (b) A decision issued under paragraph (a) of this section is final, subject to paragraph (c) of this section, within the meaning of section 268.406 unless the Commission reconsiders the case. A party may request reconsideration within 30 days of receipt of a decision of the Commission, which the Commission in its discretion may grant, if the party demonstrates that:
 - (1) The appellate decision involved a clearly erroneous interpretation of material fact or law; or
 - (2) The decision will have a substantial impact on the policies, practices or operations of the Board.
- (c) The Board, within 30 days of receiving the decision of the Commission, shall issue a final decision based upon that decision.

Section 268.406—Civil action: Title VII, Age Discrimination in Employment Act and Rehabilitation Act.

A complainant who has filed an individual complaint, an agent who has filed a class complaint or a claimant who has filed a claim for individual relief pursuant to a class complaint is authorized under title VII, the ADEA and the Rehabilitation Act to file a civil action in an appropriate United States District Court:

- (a) Within 90 days of receipt of the final action on an individual or class complaint if no appeal has been filed;
- (b) After 180 days from the date of filing an individual or class complaint if an appeal has not been filed and final action has not been taken;
- (c) Within 90 days of receipt of the Commission's final decision on an appeal; or
- (d) After 180 days from the date of filing an appeal with the Commission if there has been no final decision by the Commission.

Section 268.407—Civil action: Equal Pay Act.

A complainant is authorized under section 16(b) of the Fair

Labor Standards Act (29 U.S.C. 216(b)) to file a civil action in a court of competent jurisdiction within two years or, if the violation is willful, three years of the date of the alleged violation of the Equal Pay Act regardless of whether he or she pursued any administrative complaint processing. Recovery of back wages is limited to two years prior to the date of filing suit, or to three years if the violation is deemed willful; liquidated damages in an equal amount may also be awarded. The filing of a complaint or appeal under this part shall not toll the time for filing a civil action.

Section 268.408—Effect of filing a civil action.

Filing a civil action under sections 268.406 or 268.407 shall terminate Commission processing of the appeal. If private suit is filed subsequent to the filing of an appeal, the parties are requested to notify the Commission in writing.

Subpart F—Remedies and Enforcement

Section 268.501—Remedies and relief.

(a) When the Board, or the Commission, in an individual case of discrimination, finds that an applicant or an employee has been discriminated against, the Board shall provide full relief which shall include the following elements in appropriate circumstances:

- (1) Notification to all employees of the Board in the affected facility of their right to be free of unlawful discrimination and assurance that the particular types of discrimination found will not recur;
- (2) Commitment that corrective, curative or preventive action will be taken, or measures adopted, to ensure that violations of the law similar to those found unlawful will not recur;
- (3) An unconditional offer to each identified victim of discrimination of placement in the position the person would have occupied but for the discrimination suffered by that person, or a substantially equivalent position;
- (4) Payment to each identified victim of discrimination on a make whole basis for any loss of earnings the person may have suffered as a result of the discrimination; and
- (5) Commitment that the Board shall cease from engaging in the specific unlawful employment practice found in the case.

(b) *Relief for an applicant.*

- (1) (i) When the Board, or the Commission, finds that an applicant for employment has been discriminated against, the Board shall offer the applicant the position that the applicant would have occupied absent discrimination or, if justified by the circumstances, a substantially equivalent position unless clear and convincing evidence indicates that the applicant would not have been selected even absent the discrimination. The offer shall be

made in writing. The individual shall have 15 days from receipt of the offer within which to accept or decline the offer. Failure to accept the offer within the 15-day period will be considered a declination of the offer, unless the individual can show that circumstances beyond his or her control prevented a response within the time limit.

(ii) If the offer is accepted, appointment shall be retroactive to the date the applicant would have been hired. Back pay, computed in the manner prescribed in 5 C.F.R. 550.805, shall be awarded from the date the individual would have entered on duty until the date the individual actually enters on duty unless clear and convincing evidence indicates that the applicant would not have been selected even absent discrimination. Interest on back pay shall be included in the back pay computation where sovereign immunity has been waived. The individual shall be deemed to have performed service for the Board during this period for all purposes except for meeting service requirements for completion of a required probationary or trial period.

(iii) If the offer of employment is declined, the Board shall award the individual a sum equal to the back pay he or she would have received, computed in the manner prescribed in 5 C.F.R. 550.805, from the date he or she would have been appointed until the date the offer was declined, subject to the limitation of paragraph (b)(3) of this section. Interest on back pay shall be included in the back pay computation. The Board shall inform the applicant, in its offer of employment, of the right to this award in the event the offer is declined.

(2) When the Board, or the Commission, finds that discrimination existed at the time the applicant was considered for employment but also finds by clear and convincing evidence that the applicant would not have been hired even absent discrimination, the Board shall nevertheless take all steps necessary to eliminate the discriminatory practice and ensure it does not recur.

(3) Back pay under this paragraph (b) for complaints under title VII or the Rehabilitation Act may not extend from a date earlier than two years prior to the date on which the complaint was initially filed by the applicant.

(c) *Relief for an employee.* When the Board, or the Commission, finds that an employee of the Board was discriminated against, the Board shall provide relief, which shall include, but need not be limited to, one or more of the following actions:

- (1) Nondiscriminatory placement, with back pay computed in the manner prescribed in 5 C.F.R. 550.805, unless clear and convincing evidence

contained in the record demonstrates that the personnel action would have been taken even absent the discrimination. Interest on back pay shall be included in the back pay computation where sovereign immunity has been waived. The back pay liability under title VII or the Rehabilitation Act is limited to two years prior to the date the discrimination complaint was filed.

- (2) If clear and convincing evidence indicates that, although discrimination existed at the time the personnel action was taken, the personnel action would have been taken even absent discrimination, the Board shall nevertheless eliminate any discriminatory practice and ensure it does not recur.
- (3) Cancellation of an unwarranted personnel action and restoration of the employee.
- (4) Expunction from the Board's records of any adverse materials relating to the discriminatory employment practice.
- (5) Full opportunity to participate in the employee benefit denied (e.g., training, preferential work assignments, overtime scheduling).
- (d) The Board has the burden of proving by a preponderance of the evidence that the complainant has failed to mitigate his or her damages.
- (e) *Attorney's fees or costs*—
 - (1) *Awards of attorney's fees or costs.* The provisions of this paragraph relating to the award of attorney's fees or costs shall apply to allegations of discrimination prohibited by title VII and the Rehabilitation Act. In a decision or final action, the Board, administrative judge, or Commission may award the applicant or employee or reasonable attorney's fees (including expert witness fees) and other costs incurred in the processing of the complaint.
 - (i) A finding of discrimination raises a presumption of entitlement to an award of attorney's fees.
 - (ii) Any award of attorney's fees or costs shall be paid by the Board.
 - (iii) Attorney's fees are allowable only for the services of members of the Bar and law clerks, paralegals or law students under the supervision of members of the Bar, except that no award is allowable for the services of any employee of the Federal Government.
 - (iv) Attorney's fees shall be paid for services performed by an attorney after the filing of a written complaint, provided that the attorney provides reasonable notice of representation to the Board, administrative judge or Commission, except that fees are allowable for a reasonable period of time prior to the notification of representation for any services performed in reaching a determination to represent the complainant. The Board is not required to pay attorney's fees for services

performed during the pre-complaint process, except that fees are allowable when the Commission affirms on appeal an administrative judge's decision finding discrimination after the Board takes final action by not implementing an administrative judge's decision. Written submissions to the Board that are signed by the representative shall be deemed to constitute notice of representation.

(2) *Amount of awards.*

- (i) When the Board, administrative judge or the Commission determines an entitlement to attorney's fees or costs, the complainant's attorney shall submit a verified statement of attorney's fees (including expert witness fees) and other costs, as appropriate, to the Board or administrative judge within 30 days of receipt of the decision and shall submit a copy of the statement to the Board. A statement of attorney's fees and costs shall be accompanied by an affidavit executed by the attorney of record itemizing the attorney's charges for legal services. The Board may respond to a statement of attorney's fees and costs within 30 days of its receipt. The verified statement, accompanying affidavit and any Board response shall be made a part of the complaint file.
- (ii) (A) The Board or administrative judge shall issue a decision determining the amount of attorney's fees or costs due within 60 days of receipt of the statement and affidavit. The decision shall include a notice of right to appeal to the EEOC along with EEOC Form 573, Notice of Appeal/Petition and shall include the specific reasons for determining the amount of the award.
- (B) The amount of attorney's fees shall be calculated using the following standards: The starting point shall be the number of hours reasonably expended multiplied by a reasonable hourly rate. There is a strong presumption that this amount represents the reasonable fee. In limited circumstances, this amount may be reduced or increased in consideration of the degree of success, quality of representation, and long delay caused by the Board.
- (C) The costs that may be awarded are those authorized by 28 U.S.C. 1920 to include: Fees of the reporter for all or any of the stenographic transcript necessarily obtained for use in the case; fees and disbursements for printing and witnesses; and fees for exemplification and copies necessarily obtained for use in the case.

- (iii) Witness fees shall be awarded in accordance with the provisions of 28 U.S.C. 1821, except that no award shall be made for a Federal employee who is in a duty status when made available as a witness.

Section 268.502—Compliance with final Commission decisions.

- (a) Relief ordered in a final Commission decision, if accepted pursuant to section 268.405(c) as a final decision, or not acted upon by the Board within the time periods of section 268.405(c), is mandatory and binding on the Board except as provided in this section. Failure to implement ordered relief shall be subject to judicial enforcement as specified in section 268.503(f).
- (b) Notwithstanding paragraph (a) of this section, when the Board requests reconsideration and the case involves removal, separation, or a suspension continuing beyond the date of the request for reconsideration, and when the decision orders retroactive restoration, the Board shall comply with the decision to the extent of the temporary or conditional restoration of the employee to duty status in the position specified by the Commission, pending the outcome of the Board's request for reconsideration.
 - (1) Service under the temporary or conditional restoration provisions of this paragraph (b) shall be credited toward the completion of a probationary or trial period or the completion of the service requirement for career tenure, if the Commission upholds its decision after reconsideration.
 - (2) When the Board requests reconsideration, it may delay the payment of any amounts ordered to be paid to the complainant until after the request for reconsideration is resolved. If the Board delays payment of any amount pending the outcome of the request to reconsider and the resolution of the request requires the Board to make the payment, then the Board shall pay interest from the date of the original appellate decision until payment is made.
 - (3) The Board shall notify the Commission and the employee in writing at the same time it requests reconsideration that the relief it provides is temporary or conditional and, if applicable, that it will delay the payment of any amounts owed but will pay interest as specified in paragraph (b)(2) of this section. Failure of the Board to provide notification will result in the dismissal of the Board's request.
- (c) When no request for reconsideration is filed or when a request for reconsideration is denied, the Board shall provide the relief ordered and there is no further right to delay implementation of the ordered relief. The relief shall be provided in full not later than 60 days after receipt of the final decision unless otherwise ordered in the decision.

Section 268.503—Enforcement of final EEOC decisions.

- (a) *Petition for enforcement.* A complainant may petition the Commission for enforcement of a decision issued under the Commission's appellate jurisdiction. The petition shall be submitted to the Office of Federal Operations. The petition shall specifically set forth the reasons that lead the complainant to believe that the Board is not complying with the decision.
- (b) *Compliance.* On behalf of the Commission, the Office of Federal Operations shall take all necessary action to ascertain whether the Board is implementing the decision of the Commission. If the Board is found not to be in compliance with the decision, efforts shall be undertaken to obtain compliance.
- (c) *Clarification.* On behalf of the Commission, the Office of Federal Operations may, on its own motion or in response to a petition for enforcement or in connection with a timely request for reconsideration, issue a clarification of a prior decision. A clarification cannot change the result of a prior decision or enlarge or diminish the relief ordered but may further explain the meaning or intent of the prior decision.
- (d) *Referral to the Commission.* Where the Director, Office of Federal Operations, is unable to obtain satisfactory compliance with the final decision, the Director shall submit appropriate findings and recommendations for enforcement to the Commission, or, as directed by the Commission, refer the matter to another appropriate agency.
- (e) *Commission notice to show cause.* The Commission may issue a notice to the Chairman of the Board to show cause why there is noncompliance. Such notice may request the Chairman of the Board or a representative to appear before the Commission or to respond to the notice in writing with adequate evidence of compliance or with compelling reasons for noncompliance.
- (f) *Notification to complainant of completion of administrative efforts.* Where the Commission has determined that the Board is not complying with a prior decision, or where the Board has failed or refused to submit any required report of compliance, the Commission shall notify the complainant the right to file a civil action for enforcement of the decision pursuant to title VII, the ADEA, the Equal Pay Act or the Rehabilitation Act and to seek judicial review of the Board's refusal to implement the ordered relief pursuant to the Administrative Procedures Act, 5 U.S.C. 701 *et seq.*, and the mandamus statute, 28 U.S.C. 1361, or to commence *de novo* proceedings pursuant to the appropriate statutes.

Section 268.504—Compliance with settlement agreements and final actions.

- (a) Any settlement agreement knowingly and voluntarily agreed to by the parties, reached at any stage of the

complaint process, shall be binding on both parties. Final action that has not been the subject of an appeal or a civil action shall be binding on the Board. If the complainant believes that the Board has failed to comply with the terms of a settlement agreement or decision, the complainant shall notify the Board's EEO Programs Director, in writing, of the alleged noncompliance within 30 days of when the complainant knew or should have known of the alleged noncompliance. The complainant may request that the terms of the settlement agreement be specifically implemented or, alternatively, that the complaint be reinstated for further processing from the point processing ceased.

- (b) The Board shall resolve the matter and respond to the complainant, in writing. If the Board has not responded to the complainant, in writing, or if the complainant is not satisfied with the Board's attempt to resolve the matter, the complainant may appeal to the Commission for a determination as to whether the Board has complied with the terms of the settlement agreement or decision. The complainant may file such an appeal 35 days after he or she has served the Board with the allegations of noncompliance, but must file an appeal within 30 days of his or her receipt of the Board's determination. The complainant must serve a copy of the appeal on the Board and the Board may submit a response to the Commission within 30 days of receiving notice of the appeal.
- (c) Prior to rendering its determination, the Commission may request that the parties submit whatever additional information or documentation it deems necessary or may direct that an investigation or hearing on the matter be conducted. If the Commission determines that the Board is not in compliance and the noncompliance is not attributable to acts or conduct of the complainant, it may order such compliance or it may order that the complaint be reinstated for further processing from the point processing ceased. Allegations that subsequent acts of discrimination violate a settlement agreement shall be processed as separate complaints under sections 268.105 or 268.204, as appropriate, rather than under this section.

Section 268.505—Interim relief.

- (a) (1) When the Board appeals and the case involves removal, separation, or suspension continuing beyond the date of the appeal, and when the administrative judge orders retroactive restoration, the Board shall comply with the decision to the extent of the temporary or conditional restoration of the employee to duty status in the position specified in the decision, pending the outcome of the Board appeal. The employee may decline the offer of interim relief.
- (2) Service under the temporary or conditional restoration provisions of paragraph (a)(1) of this section shall be credited toward the completion of a probationary or trial period, eligibility for a within-grade

increase, or the completion of the service requirement for career tenure, if the Commission upholds the decision on appeal. Such service shall not be credited toward the completion of any applicable probationary or trial period or the completion of the service requirement for career tenure if the Commission reverses the decision on appeal.

- (3) When the Board appeals, it may delay the payment of any amount, other than prospective pay and benefits, ordered to be paid to the complainant until after the appeal is resolved. If the Board delays payment of any amount pending the outcome of the appeal and the resolution of the appeal requires the Board to make the payment, then the Board shall pay interest from the date of the original decision until payment is made.
- (4) The Board shall notify the Commission and the employee in writing at the same time it appeals that the relief it provides is temporary or conditional and, if applicable, that it will delay the payment of any interest as specified in paragraph (b)(2) of this section. Failure of the Board to provide notification will result in the dismissal of the Board's appeal.
- (5) The Board may, by notice to the complainant, decline to return the complainant to his or her place of employment if it determines that the return or presence of the complainant will be unduly disruptive to the work environment. However, prospective pay and benefits must be provided. The determination not to return the complainant to his or her place of employment is not reviewable. A grant of interim relief does not insulate a complainant from subsequent disciplinary or adverse action.
- (b) If the Board files an appeal and has not provided required interim relief, the complainant may request dismissal of the Board's appeal. Any such request must be filed with the Office of Federal Operations within 25 days of the date of service of the Board's appeal. A copy of the request must be served on the Board at the same time it is filed with EEOC. The Board may respond with evidence and argument to the complainant's request to dismiss within 15 days of the date of service of the request.

Subpart G—Matters of General Applicability

Section 268.601—EEO group statistics.

- (a) The Board shall establish a system to collect and maintain accurate employment information on the race, national origin, sex and disability(ies) of its employees.
- (b) Data on race, national origin and sex shall be collected by voluntary self-identification. If an employee does not voluntarily provide the requested information, the Board shall advise the employee of the importance of the data and of the Board's obligation to report it. If

the employee still refuses to provide the information, the Board must make a visual identification and inform the employee of the data it will be reporting. If the Board believes that information provided by an employee is inaccurate, the Board shall advise the employee about the solely statistical purpose for which the data is being collected, the need for accuracy, the Board's recognition of the sensitivity of the information and the existence of procedures to prevent its unauthorized disclosure. If, thereafter, the employee declines to change the apparently inaccurate self identification, the Board must accept it.

- (c) Subject to applicable law, the information collected under paragraph (b) of this section shall be disclosed only in the form of gross statistics. The Board shall not collect or maintain any information on the race, national origin or sex of individual employees except in accordance with applicable law and when an automated data processing system is used in accordance with standards and requirements prescribed by the Commission to insure individual privacy and the separation of that information from personnel records.
- (d) The Board's system is subject to the following controls:
 - (1) Only those categories of race and national origin prescribed by the Commission may be used;
 - (2) Only the specific procedures for the collection and maintenance of data that are prescribed or approved by the Commission may be used.
- (e) The Board may use the data only in studies and analyses which contribute affirmatively to achieving the objectives of the Board's equal employment opportunity program. The Board shall not establish a quota for the employment of persons on the basis of race, color, religion, sex, or national origin.
- (f) Data on disabilities shall also be collected by voluntary self-identification. If an employee does not voluntarily provide the requested information, the Board shall advise the employee of the importance of the data and of the Board's obligation to report it. If an employee who has been appointed pursuant to a special Board program for hiring individuals with a disability still refuses to provide the requested information, the Board must identify the employee's disability based upon the records supporting the appointment. If any other employee still refuses to provide the requested information or provides information that the Board believes to be inaccurate, the Board should report the employee's disability status as unknown.
- (g) The Board shall report to the Commission on employment by race, national origin, sex and disability in the form and at such times as the Board and Commission shall agree.

Section 268.602—Reports to the Commission.

- (a) The Board shall report to the Commission information concerning pre-complaint counseling and the status, processing, and disposition of complaints under this

part at such times and in such manner as the Board and Commission shall agree.

- (b) The Board shall advise the Commission whenever it is served with a Federal court complaint based upon a complaint that is pending on appeal at the Commission.
- (c) The Board shall submit annually for the review and approval of the Commission written equal employment opportunity plans of action. Plans shall be submitted in the format prescribed by the Commission and shall include, but not be limited to:
 - (1) Provision for the establishment of training and education programs designed to provide maximum opportunity for employees to advance so as to perform at their highest potential;
 - (2) Description of the qualifications, in terms of training and experience relating to equal employment opportunity, of the principal and operating officials concerned with administration of the Board's equal employment opportunity program; and
 - (3) Description of the allocation of personnel and resources proposed by the Board to carry out its equal employment opportunity program.

Section 268.603—Voluntary settlement attempts.

The Board shall make reasonable efforts to voluntarily settle complaints of discrimination as early as possible in, and throughout, the administrative processing of complaints, including the pre-complaint counseling stage. Any settlement reached shall be in writing and signed by both parties and shall identify the claims resolved.

Section 268.604—Filing and computation of time.

- (a) All time periods in this part that are stated in terms of days are calendar days unless otherwise stated.
- (b) A document shall be deemed timely if it is received or postmarked before the expiration of the applicable filing period, or, in the absence of a legible postmark, if it is received by mail within five days of the expiration of the applicable filing period.
- (c) The time limits in this part are subject to waiver, estoppel and equitable tolling.
- (d) The first day counted shall be the day after the event from which the time period begins to run and the last day of the period shall be included, unless it falls on a Saturday, Sunday or Federal holiday, in which case the period shall be extended to include the next business day.

Section 268.605—Representation and official time.

- (a) At any stage in the processing of a complaint, including the counseling stage under section 268.104, the complainant shall have the right to be accompanied, represented, and advised by a representative of complainant's choice.
- (b) If the complainant is an employee of the Board, he or she shall have a reasonable amount of official time, if

otherwise on duty, to prepare the complaint and to respond to Board and EEOC requests for information. If the complainant is an employee of the Board and he designates another employee of the Board as his or her representative, the representative shall have a reasonable amount of official time, if otherwise on duty, to prepare the complaint and respond to Board and EEOC requests for information. The Board is not obligated to change work schedules, incur overtime wages, or pay travel expenses to facilitate the choice of a specific representative or to allow the complainant and representative to confer. The complainant and the representative, if employed by the Board and otherwise in a pay status, shall be on official time, regardless of their tour of duty, when their presence is authorized or required by the Board or the Commission during the investigation, informal adjustment, or hearing on the complaint.

- (c) In cases where the representation of a complainant or the Board would conflict with the official or collateral duties of the representative, the Commission or the Board may, after giving the representative an opportunity to respond, disqualify the representative.
- (d) Unless the complainant states otherwise in writing, after the Board has received written notice of the name, address and telephone number of a representative for the complainant, all official correspondence shall be with the representative with copies to the complainant. When the complainant designates an attorney as representative, service of all official correspondence shall be made on the attorney and the complainant, but time frames for receipt of material shall be computed from the time of receipt by the attorney. The complainant must serve all official correspondence on the designated representative of the Board.
- (e) The complainant shall at all times be responsible for proceeding with the complaint whether or not he or she has designated a representative.
- (f) Witnesses who are Board employees shall be in a duty status when their presence is authorized or required by Commission or Board officials in connection with a complaint.

Section 268.606—Joint processing and consolidation of complaints.

Complaints of discrimination filed by two or more complainants consisting of substantially similar allegations of discrimination or relating to the same matter may be consolidated by the Board or the Commission for joint processing after appropriate notification to the parties. Two or more complaints of discrimination filed by the same complainant shall be consolidated by the Board for joint processing after appropriate notification to the complainant. When a complaint has been consolidated with one or more earlier filed complaints, the Board shall complete its investigation within the earlier of 180 days after the filing of the last complaint or 360 days after the filing of the original complaint, except that the complainant may request a hear-

ing from an administrative judge on the consolidated complaints any time after 180 days from the date of the first filed complaint. Administrative judges or the Commission may, in their discretion, consolidate two or more complaints of discrimination filed by the same complainant.

Section 268.607—Delegation of authority.

The Board of Governors may delegate authority under this part, to one or more designees.

Subpart H—Prohibition Against Discrimination in Board Programs and Activities Because of Physical or Mental Disability

Section 268.701—Purpose and application.

- (a) *Purpose.* The purpose of this subpart H is to prohibit discrimination on the basis of a disability in programs or activities conducted by the Board.
- (b) *Application.*
 - (1) This subpart H applies to all programs and activities conducted by the Board. Such programs and activities include:
 - (i) Holding open meetings of the Board or other meetings or public hearings at the Board's office in Washington, DC;
 - (ii) Responding to inquiries, filing complaints, or applying for employment at the Board's office;
 - (iii) Making available the Board's library facilities; and
 - (iv) Any other lawful interaction with the Board or its staff in any official matter with people who are not employees of the Board.
 - (2) This subpart H does not apply to Federal Reserve Banks or to financial institutions or other companies supervised or regulated by the Board.

Section 268.702—Definitions.

For purposes of this subpart, the following definitions apply:

- (a) *Auxiliary aids* means services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities conducted by the Board. For example, auxiliary aids useful for persons with impaired vision include readers, Brailled materials, audio recordings, telecommunications devices and other similar services and devices. Auxiliary aids useful for persons with impaired hearing include telephone handset amplifiers, telephones compatible with hearing aids, telecommunication devices for deaf persons (TDD's), interpreters, notetakers, written materials, and other similar services and devices.

- (b) *Complete complaint* means a written statement that contains the complainant's name and address and describes the Board's alleged discriminatory action in sufficient detail to inform the Board of the nature and date of the alleged violation. It shall be signed by the complainant or by someone authorized to do so on his or her behalf. Complaints filed on behalf of classes or third parties shall describe or identify (by name, if possible) the alleged victims of discrimination.
- (c) *Facility* means all or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other conveyances, or other real or personal property.
- (d) *Person with a disability* means any person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such an impairment, or is regarded as having such an impairment. As used in this definition, the phrase:
- (1) Physical or mental impairment includes—
 - (i) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or
 - (ii) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech, and hearing impairments, cerebral palsy, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, and drug addiction and alcoholism.
 - (2) Major life activities includes functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.
 - (3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.
 - (4) Is regarded as having an impairment means—
 - (i) Has a physical or mental impairment that does not substantially limit major life activities but is treated by the Board as constituting such a limitation;
 - (ii) Has a physical or mental impairment that substantially limits major life activities only as a result of the attitudes of others toward such impairment; or
 - (iii) Has none of the impairments defined in paragraph (d)(1) of this section but is treated by Board as having such an impairment.
- (e) *Qualified person with a disability* means—
- (1) With respect to any Board program or activity under which a person is required to perform services or to achieve a level of accomplishment, a person with a disability who meets the essential eligibility requirements and who can achieve the purpose of the program or activity without modifications in the program or activity that the Board can demonstrate would result in a fundamental alteration in its nature; or
 - (2) With respect to any other program or activity, a person with a disability who meets the essential eligibility requirements for participation in, or receipt of benefits from, that program or activity.
 - (3) Qualified individual with a disability is defined for purposes of employment in section 268.203 of this part, which is made applicable to this subpart by section 268.705.

Section 268.703—Notice.

The Board shall make available to employees, applicants for employment, participants, beneficiaries, and other interested persons information regarding the provisions of this subpart and its applicability to the programs and activities conducted by the Board, and make this information available to them in such manner as the Board finds necessary to apprise such persons of the protections against discrimination assured them by this subpart.

Section 268.704—General prohibitions against discrimination.

- (a) No qualified individual with a disability shall, on the basis of a disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination in any program or activity conducted by the Board.
- (b) (1) The Board, in providing any aid, benefit, or service, may not, directly or through contractual, licensing, or other arrangements, on the basis of a disability:
 - (i) Deny a qualified individual with a disability the opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that provided to others;
 - (ii) Afford a qualified individual with a disability an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others;
 - (iii) Provide a qualified individual with a disability with an aid, benefit, or service that is not as effective in affording equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as that provided to others;
 - (iv) Provide different or separate aid, benefits, or services to individuals with a disability or to any class of individuals with a disability than

is provided to others unless such action is necessary to provide qualified individuals with a disability with aid, benefits, or services that are as effective as those provided to others;

- (v) Deny a qualified individual with a disability the opportunity to participate as a member of planning or advisory boards; or
 - (vi) Otherwise limit a qualified individual with a disability in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving the aid, benefit, or service.
- (2) The Board may not deny a qualified individual with a disability the opportunity to participate in programs or activities that are not separate or different, despite the existence of permissibly separate or different programs or activities.
- (3) The Board may not, directly or through contractual or other arrangements, utilize criteria or methods of administration, the purpose or effect of which would:
- (i) Subject qualified individuals with a disability to discrimination on the basis of a disability; or
 - (ii) Defeat or substantially impair accomplishment of the objectives of a program or activity with respect to individuals with a disability.
- (4) The Board may not, in determining the site or location of a facility, make selections the purpose or effect of which would:
- (i) Exclude individuals with a disability from, deny them the benefits of, or otherwise subject them to discrimination under any program or activity conducted by the Board; or
 - (ii) Defeat or substantially impair the accomplishment of the objectives of a program or activity with respect to individuals with a disability.
- (5) The Board, in the selection of procurement contractors, may not use criteria that subject qualified individuals with a disability to discrimination on the basis of a disability.
- (6) The Board may not administer a licensing or certification program in a manner that subjects qualified individuals with a disability to discrimination on the basis of a disability, nor may the Board establish requirements for the programs and activities of licensees or certified entities that subject qualified individuals with a disability to discrimination on the basis of a disability. However, the programs and activities of entities that are licensed or certified by the Board are not, themselves, covered by this subpart.
- (c) The exclusion of individuals who do not have a disability from the benefits of a program limited by Federal statute or Board order to individuals with a disability or the exclusion of a specific class of individuals with a disability from a program limited by Federal statute or Board order to a different class of individuals with a disability is not prohibited by this subpart.

- (d) The Board shall administer programs and activities in the most integrated setting appropriate to the needs of qualified individuals with a disability.

Section 268.705—Employment.

No qualified individual with a disability shall, on the basis of a disability, be subjected to discrimination in employment under any program or activity conducted by the Board. The definitions, requirements and procedures of section 268.203 of this part shall apply to discrimination in employment in federally conducted programs or activities.

Section 268.706—Program accessibility: Discrimination prohibited.

Except as otherwise provided in section 268.707 of this subpart, no qualified individual with a disability shall, because the Board's facilities are inaccessible to or unusable by individuals with a disability, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity conducted by the Board.

Section 268.707—Program accessibility: Existing facilities.

- (a) *General.* The Board shall operate each program or activity so that the program or activity, when viewed in its entirety, is readily accessible to and usable by individuals with a disability. This paragraph (a) does not:
- (1) Necessarily require the Board to make each of its existing facilities accessible to and usable by individuals with a disability; or
 - (2) Require the Board to take any action that it can demonstrate would result in a fundamental alteration in the nature of a program or activity or in undue financial and administrative burdens. In those circumstances where the Board believes that the proposed action would fundamentally alter the program or activity or would result in undue financial and administrative burdens, the Board has the burden of proving that compliance with this paragraph (a) would result in such alterations or burdens. The decision that compliance would result in such alterations or burdens shall be made by the Board of Governors or their designee after considering all Board resources available for use in the funding and operation of the conducted program or activity, and must be accompanied by a written statement of the reasons for reaching that conclusion. If an action would result in such an alteration or such burdens, the Board shall take any other action that would not result in such an alteration or such burdens but would nevertheless ensure that individuals with a disability receive the benefits and services of the program or activity.

- (b) *Methods.* The Board may comply with the requirements of this subpart H through such means as redesign of equipment, reassignment of services to accessible buildings, assignment of aides to individuals with a disability, home visits, delivery of service at alternate accessible sites, alteration of existing facilities and construction of new facilities, use of accessible rolling stock, or any other methods that result in making its programs or activities readily accessible to and usable by individuals with a disability. The Board is not required to make structural changes in existing facilities where other methods are effective in achieving compliance with this section. In choosing among available methods for meeting the requirements of this section, the Board shall give priority to those methods that offer programs and activities to qualified individuals with a disability in the most integrated setting appropriate.
- (c) *Time period for compliance.* The Board shall comply with any obligations established under this section as expeditiously as possible.

Section 268.708—Program accessibility: New construction and alterations.

Each building or part of a building that is constructed or altered by, on behalf of, or for the use of the Board shall be designed, constructed, or altered so as to be readily accessible to and usable by individuals with a disability.

Section 268.709—Communications.

- (a) The Board shall take appropriate steps to ensure effective communication with applicants, participants, personnel of other Federal entities, and members of the public.
 - (1) The Board shall furnish appropriate auxiliary aids where necessary to afford an individual with a disability an equal opportunity to participate in, and enjoy the benefits of, a program or activity conducted by the Board.
 - (i) In determining what type of auxiliary aid is necessary, the Board shall give primary consideration to the requests of the individual with a disability.
 - (ii) The Board need not provide individually prescribed devices, readers for personal use or study, or other devices of a personal nature.
 - (2) Where the Board communicates with employees and others by telephone, telecommunication devices for deaf persons (TDD's) or equally effective telecommunication systems shall be used.
- (b) The Board shall ensure that interested persons, including persons with impaired vision or hearing, can obtain information as to the existence and location of accessible services, activities, and facilities.
- (c) The Board shall provide signage at a primary entrance to each of its inaccessible facilities, directing users to

a location at which they can obtain information about accessible facilities. The international symbol for accessibility shall be used at each primary entrance of an accessible facility.

- (d) This section does not require the Board to take any action that would result in a fundamental alteration in the nature of a program or activity or in undue financial and administrative burdens. In those circumstances where the Board believes that the proposed action would fundamentally alter the program or activity or would result in undue financial and administrative burdens, the Board has the burden of proving that compliance with section 268.709 would result in such alterations or burdens. The determination that compliance would result in such alteration or burdens must be made by the Board of Governors or their designee after considering all Board resources available for use in the funding and operation of the conducted program or activity, and must be accompanied by a written statement of the reasons for reaching that conclusion. If an action required to comply with this section would result in such an alteration or such burdens, the Board shall take any other action that would not result in such an alteration or such burdens but would nevertheless ensure that, to the maximum extent possible, individuals with a disability receive the benefits and services of the program or activity.

Section 268.710—Compliance procedures.

- (a) *Applicability.* Except as provided in paragraph (b) of this section, this section, rather than subpart B and section 268.203 of this part, applies to all allegations of discrimination on the basis of a disability in programs or activities conducted by the Board.
- (b) *Employment complaints.* The Board shall process complaints alleging discrimination in employment on the basis of a disability in accordance with subparts A through G of this part.
- (c) *Responsible official.* The EEO Programs Director shall be responsible for coordinating implementation of this section.
- (d) *Filing the complaint—*
 - (1) *Who may file.* Any person who believes that he or she has been subjected to discrimination prohibited by this subpart may, personally or by his or her authorized representative, file a complaint of discrimination with the EEO Programs Director.
 - (2) *Confidentiality.* The EEO Programs Director shall not reveal the identity of any person submitting a complaint, except when authorized to do so in writing by the complainant, and except to the extent necessary to carry out the purposes of this subpart, including the conduct of any investigation, hearing, or proceeding under this subpart.
 - (3) *When to file.* Complaints shall be filed within 180 days of the alleged act of discrimination. The EEO Programs Director may extend this time limit for good cause shown. For the purpose of deter-

mining when a complaint is timely filed under this paragraph (d), a complaint mailed to the Board shall be deemed filed on the date it is postmarked. Any other complaint shall be deemed filed on the date it is received by the Board.

- (4) *How to file.* Complaints may be delivered or mailed to the Administrative Governor, the Staff Director for Management, the EEO Programs Director, the Federal Women's Program Manager, the Hispanic Employment Program Coordinator, or the People with Disabilities Program Coordinator. Complaints should be sent to the EEO Programs Director, Board of Governors of the Federal Reserve System, 20th and C Street, NW, Washington, DC 20551. If any Board official other than the EEO Programs Director receives a complaint, he or she shall forward the complaint to the EEO Programs Director.
- (e) *Acceptance of complaint.*
 - (1) The EEO Programs Director shall accept a complete complaint that is filed in accordance with paragraph (d) of this section and over which the Board has jurisdiction. The EEO Programs Director shall notify the complainant of receipt and acceptance of the complaint.
 - (2) If the EEO Programs Director receives a complaint that is not complete, he or she shall notify the complainant, within 30 days of receipt of the incomplete complaint, that additional information is needed. If the complainant fails to complete the complaint within 30 days of receipt of this notice, the EEO Programs Director shall dismiss the complaint without prejudice.
 - (3) If the EEO Programs Director receives a complaint over which the Board does not have jurisdiction, the EEO Programs Director shall notify the complainant and shall make reasonable efforts to refer the complaint to the appropriate government entity.
- (f) *Investigation/conciliation.*
 - (1) Within 180 days of the receipt of a complete complaint, the EEO Programs Director shall complete the investigation of the complaint, attempt informal resolution of the complaint, and if no informal resolution is achieved, the EEO Programs Director shall forward the investigative report to the Staff Director for Management.
 - (2) The EEO Programs Director may request Board employees to cooperate in the investigation and attempted resolution of complaints. Employees who are requested by the EEO Programs Director to participate in any investigation under this section shall do so as part of their official duties and during the course of regular duty hours.
 - (3) The EEO Programs Director shall furnish the complainant with a copy of the investigative report promptly after completion of the investigation and provide the complainant with an opportunity for informal resolution of the complaint.

- (4) If a complaint is resolved informally, the terms of the agreement shall be reduced to writing and made a part of the complaint file, with a copy of the agreement provided to the complainant. The written agreement may include a finding on the issue of discrimination and shall describe any corrective action to which the complainant has agreed.

(g) *Letter of findings.*

- (1) If an informal resolution of the complaint is not reached, the EEO Programs Director shall transmit the complaint file to the Staff Director for Management. The Staff Director for Management shall, within 180 days of the receipt of the complete complaint by the EEO Programs Director, notify the complainant of the results of the investigation in a letter sent by certified mail, return receipt requested, containing:
 - (i) Findings of fact and conclusions of law;
 - (i) A description of a remedy for each violation found;
 - (iii) A notice of right of the complainant to appeal the letter of findings under paragraph (k) of this section; and
 - (iv) A notice of right of the complainant to request a hearing.
- (2) If the complainant does not file a notice of appeal or does not request a hearing within the times prescribed in paragraph (h)(1) and (j)(1) of this section, the EEO Programs Director shall certify that the letter of findings under this paragraph (g) is the final decision of the Board at the expiration of those times.

(h) *Filing an appeal.*

- (1) Notice of appeal, with or without a request for hearing, shall be filed by the complainant with the EEO Programs Director within 30 days of receipt from the Staff Director for Management of the letter of findings required by paragraph (g) of this section.
- (2) If the complainant does not request a hearing, the EEO Programs Director shall notify the Board of Governors of the appeal by the complainant and that a decision must be made under paragraph (k) of this section.

- (i) *Acceptance of appeal.* The EEO Programs Director shall accept and process any timely appeal. A complainant may appeal to the Administrative Governor from a decision by the EEO Programs Director that an appeal is untimely. This appeal shall be filed within 15 calendar days of receipt of the decision from the EEO Programs Director.

(j) *Hearing.*

- (1) Notice of a request for a hearing, with or without a request for an appeal, shall be filed by the complainant with the EEO Programs Director within 30 days of receipt from the Staff Director for Management of the letter of findings required by paragraph (g) of this section. Upon a timely request for a hearing, the EEO Programs Director

shall request that the Board of Governors, or its designee, appoint an administrative law judge to conduct the hearing. The administrative law judge shall issue a notice to the complainant and the Board specifying the date, time, and place of the scheduled hearing. The hearing shall be commenced no earlier than 15 calendar days after the notice is issued and no later than 60 days after the request for a hearing is filed, unless all parties agree to a different date.

- (2) The hearing, decision, and any administrative review thereof shall be conducted in conformity with 5 U.S.C. 554–557. The administrative law judge shall have the duty to conduct a fair hearing, to take all necessary actions to avoid delay, and to maintain order. He or she shall have all powers necessary to these ends, including (but not limited to) the power to:

- (i) Arrange and change the dates, times, and places of hearings and prehearing conferences and to issue notice thereof;
- (ii) Hold conferences to settle, simplify, or determine the issues in a hearing, or to consider other matters that may aid in the expeditious disposition of the hearing;
- (iii) Require parties to state their positions in writing with respect to the various issues in the hearing and to exchange such statements with all other parties;
- (iv) Examine witnesses and direct witnesses to testify;
- (v) Receive, rule on, exclude, or limit evidence;
- (vi) Rule on procedural items pending before him or her; and
- (vii) Take any action permitted to the administrative law judge as authorized by this subpart G or by the provisions of the Administrative Procedures Act (5 U.S.C. 554–557).

- (3) Technical rules of evidence shall not apply to hearings conducted pursuant to this paragraph (j), but rules or principles designed to assure production of credible evidence and to subject testimony to cross-examination shall be applied by the administrative law judge wherever reasonably necessary. The administrative law judge may exclude irrelevant, immaterial, or unduly repetitious evidence. All documents and other evidence offered or taken for the record shall be open to examination by the parties, and opportunity shall be given to refute facts and arguments advanced on either side of the issues. A transcript shall be made of the oral evidence except to the extent the substance thereof is stipulated for the record. All decisions shall be based upon the hearing record.

- (4) The costs and expenses for the conduct of a hearing shall be allocated as follows:

- (i) Employees of the Board shall, upon the request of the administrative law judge, be made available to participate in the hearing

and shall be on official duty status for this purpose. They shall not receive witness fees.

- (ii) Employees of other Federal agencies called to testify at a hearing, at the request of the administrative law judge and with the approval of the employing agency, shall be on official duty status during any absence from normal duties caused by their testimony, and shall not receive witness fees.
 - (iii) The fees and expenses of other persons called to testify at a hearing shall be paid by the party requesting their appearance.
 - (iv) The administrative law judge may require the Board to pay travel expenses necessary for the complainant to attend the hearing.
 - (v) The Board shall pay the required expenses and charges for the administrative law judge and court reporter.
 - (vi) All other expenses shall be paid by the parties incurring them.
- (5) The administrative law judge shall submit in writing recommended findings of fact, conclusions of law, and remedies to the complainant and the EEO Programs Director within 30 days, after the receipt of the hearing transcripts, or within 30 days after the conclusion of the hearing if no transcripts are made. This time limit may be extended with the permission of the EEO Programs Director.
- (6) Within 15 calendar days after receipt of the recommended decision of the administrative law judge, the complainant may file exceptions to the recommended decision with the EEO Programs Director. On behalf of the Board, the EEO Programs Director may, within 15 calendar days after receipt of the recommended decision of the administrative law judge, take exception to the recommended decision of the administrative law judge and shall notify the complainant in writing of the Board's exception. Thereafter, the complainant shall have 10 calendar days to file reply exceptions with the EEO Programs Director. The EEO Programs Director shall retain copies of the exceptions and replies to the Board's exception for consideration by the Board. After the expiration of the time to reply, the recommended decision shall be ripe for a decision under paragraph (k) of this section.
- (k) *Decision.*

- (1) The EEO Programs Director shall notify the Board of Governors when a complaint is ripe for decision under this paragraph (k). At the request of any member of the Board of Governors made within 3 business days of such notice, the Board of Governors shall make the decision on the complaint. If no such request is made, the Administrative Governor, or the Staff Director for Management if he or she is delegated the authority to do so, shall make the decision on the complaint. The decision shall be made based on information in the investigative record and, if a hearing is held, on the

hearing record. The decision shall be made within 60 days of the receipt by the EEO Programs Director of the notice of appeal and investigative record pursuant to paragraph (h)(1) of this section or 60 days following the end of the period for filing reply exceptions set forth in paragraph (j)(6) of this section, whichever is applicable. If the decision-maker under this paragraph (k) determines that additional information is needed from any party, the decision-maker shall request the information and provide the other party or parties an opportunity to respond to that information. The decision-maker shall have 60 days from receipt of the additional information to render the decision on the appeal. The decision-maker shall transmit the decision by letter to all parties. The decision shall set forth the findings, any remedial actions required, and the reasons for the decision. If the decision is based on a hearing record, the decision-maker shall consider the recommended decision of the administrative law judge and render a final decision based on the entire record. The decision-maker may also remand the hearing record to the administrative law judge for a fuller development of the record.

- (2) The Board shall take any action required under the terms of the decision promptly. The decision-maker may require periodic compliance reports specifying:
 - (i) The manner in which compliance with the provisions of the decision has been achieved;
 - (ii) The reasons any action required by the final Board decision has not been taken; and
 - (iii) The steps being taken to ensure full compliance.
- (3) The decision-maker may retain responsibility for resolving disputes that arise between parties over interpretation of the final Board decision, or for specific adjudicatory decisions arising out of implementation.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Charles Schwab Corporation
San Francisco, California

Order Approving Acquisition of a Bank

The Charles Schwab Corporation ("Schwab", a financial holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire all the voting shares of Charles Schwab

Bank, National Association, Reno, Nevada ("Bank"), a *de novo* bank.¹

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (68 *Federal Register* 7792 (2003)). The time for filing comments has expired, and the Board has considered the proposal in light of the factors set forth in section 3 of the BHC Act.

Schwab, with total consolidated assets of \$40 billion, is the 28th largest commercial banking organization in the United States.² Schwab controls \$4.2 billion in deposits in depository institutions nationwide, representing less than 1 percent of the total deposits in insured depository institutions in the United States.³ U.S. Trust Corporation, New York, New York ("U.S. Trust"), a wholly owned subsidiary of Schwab, operates depository institutions in California, Connecticut, Florida, New York, North Carolina, and Texas, as well as a nondepository trust company in Delaware.

Interstate Analysis

Section 3(d) of the BHC Act allows the Board to approve an application by a bank holding company to acquire control of a bank located in a state other than the home state of such bank holding company if certain conditions are met.⁴ For purposes of the BHC Act, the home state of Schwab is New York, and Schwab would acquire a bank in Nevada. All the conditions for an interstate acquisition enumerated in section 3(d) are met in this case.⁵ In light of all the facts of record, the Board is permitted to approve the proposal under section 3(d) of the BHC Act.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be

1. Schwab has received the following regulatory approvals to establish Bank:

(1) Office of the Comptroller of the Currency ("OCC") (February 4, 2003) (preliminary);
 (2) Federal Deposit Insurance Corporation ("FDIC") (February 10, 2003); and
 (3) State of Nevada Financial Institutions Division (March 13, 2003).

2. Asset and nationwide ranking data for Schwab are as of December 31, 2002.

3. Deposit data are as of June 30, 2002. In this context, depository institutions include commercial banks, savings banks, and savings associations.

4. See 12 U.S.C. § 1842(d). A bank holding company's home state is the state in which the total deposits of all banking subsidiaries of such company were the largest on July 1, 1966, or the date on which the company became a bank holding company, whichever is later. 12 U.S.C. § 1841(o)(4)(C).

5. 12 U.S.C. §§ 1842(d)(1)(A) and (B) and 1842(d)(2)(A) and (B). Schwab meets the capital and managerial requirements established under applicable law. The formation and acquisition of Bank is not subject to a minimum age requirement under Nevada law. See Nev. Rev. Stat. 666.405. On consummation, Schwab would control less than 10 percent of the total amount of deposits of insured depository institutions in the United States. All other requirements of section 3(d) of the BHC Act would be met on consummation of the proposal.

in furtherance of any attempt to monopolize the business of banking. The BHC Act also prohibits the Board from approving an acquisition that would substantially lessen competition in any relevant banking market, unless the Board finds that the anticompetitive effects are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.⁶

The proposal involves the formation and acquisition of a *de novo* bank in the Reno, Nevada, banking market ("Reno banking market"), a market in which Schwab does not have banking operations, and thereby would increase the number of alternative sources of banking products and services available to customers in that market.⁷ The Board previously has noted that the establishment of a *de novo* bank enhances competition in the relevant banking market and is a positive consideration in an application under section 3 of the BHC Act. There is no evidence that the proposal would create or further a monopoly or lessen competition in any relevant market. Accordingly, the Board concludes that consummation of the proposal would not result in any significantly adverse effects on competition or on the concentration of banking resources in any relevant banking market, and that competitive considerations are consistent with approval.

Financial, Managerial, and Supervisory Considerations

Section 3 of the BHC Act requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved in a proposal and certain other supervisory factors. The Board has reviewed these factors in light of all the facts of record, including supervisory reports of examination, other confidential supervisory information assessing the financial and managerial resources of Schwab and the proposed management of Bank, and information provided by Schwab. The Board notes that Schwab and its subsidiary depository institutions currently are well capitalized and are expected to remain so after consummation of the proposal. Bank also would be well capitalized at consummation. Based on all the facts of record, the Board concludes that the financial and managerial resources and the future prospects of Schwab, Bank, and Schwab's other subsidiary insured depository institutions are consistent with approval, as are the other supervisory factors the Board must consider under section 3 of the BHC Act.⁸

Convenience and Needs Factor

In acting on a proposal under section 3 of the BHC Act, the Board is required to consider the effect of the proposal on

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 Board has carefully considered the convenience and needs factor and the CRA performance records of Schwab's subsidiary insured depository institutions in light of all the facts of record, including public comments received on the proposal.

As provided in the CRA, the Board has evaluated the convenience and needs factor in light of examinations of the CRA performance records of Schwab's subsidiary insured depository institutions by the appropriate federal financial supervisory agencies.⁹ United States Trust Company of New York, New York, the lead insured depository institution of Schwab, received an "outstanding" rating at its most recent CRA performance examination by the Federal Reserve Bank of New York, as of April 3, 2000. The other subsidiary insured depository institutions of Schwab and U.S. Trust received "outstanding" or "satisfactory" ratings at their most recent performance examinations.¹⁰

The Board received comments from two community organizations that opposed the proposal or requested that the Board's order impose certain conditions on an approval. The commenters asserted that Bank's proposed CRA plan was inadequate and questioned whether Bank would adequately meet the needs of low- and moderate-income ("LMI") individuals and communities.¹¹ As previously noted, Bank is in formation and has not commenced operations. Schwab was required to submit a CRA plan in connection with its charter application to the OCC, Bank's appropriate federal financial supervisory agency, and the OCC took the CRA plan into account in granting preliminary charter approval for Bank.¹² The OCC will evaluate

9. The Interagency Questions and Answers Regarding Community Reinvestment provides that an institution's most recent CRA performance evaluation is an important and often controlling factor in the consideration of an institution's CRA record because it represents a detailed evaluation of the institution's overall record of performance under the CRA by its appropriate federal supervisory agency. 66 *Federal Register* 36,620 and 36,639 (2001).

10. U.S. Trust Company, N.A., Los Angeles, California, received an "outstanding" rating from the OCC, as of October 15, 2002. In addition, the following institutions received "satisfactory" ratings from the federal financial supervisory agencies indicated, as of the dates listed: U.S. Trust Company, Greenwich, Connecticut (FDIC; February 8, 2001); U.S. Trust Company of Florida Savings Bank, Palm Beach, Florida (Office of Thrift Supervision; November 12, 1997); U.S. Trust Company of North Carolina, Greensboro, North Carolina (FDIC; July 22, 2002); and U.S. Trust Company of Texas, N.A., Dallas, Texas (OCC; June 25, 1997).

11. One commenter expressed concern that Bank would not engage in small business lending. Although the Board has recognized that banks assist in meeting the banking needs of communities by making a variety of products and services available, the CRA does not require an institution to provide any specific types of products and services, such as small business loans, in its assessment area.

12. Schwab has designated Bank's CRA assessment area as the Reno, Nevada, Metropolitan Statistical Area "Reno, Nevada"), which consists of Washoe County, Nevada. One commenter questioned the appropriateness of this assessment area. In its decision granting preliminary charter approval, the OCC determined that Bank's designation of the Reno MSA as the assessment area was appropriate under the agency's CRA regulations. See Decision of the OCC on the

6. 12 U.S.C. § 1842(c)(1).

7. The Reno banking market is defined as the Reno Ranally Metropolitan Area and the town of Fernley, all in Nevada.

8. After consulting with the OCC and reviewing all the facts of record, the Board also has determined that, on consummation of the proposal, Bank would be well managed for purposes of section 4(l) of the BHC Act (12 U.S.C. § 1843(l)).

the adequacy and implementation of Bank's CRA plan in each CRA performance examination of Bank.

The CRA requires that, in considering an acquisition proposal, the Board carefully review the actual performance records of the relevant depository institutions in helping meet the credit needs of their communities.¹³ As noted above, Schwab has achieved and maintained strong CRA ratings at its insured depository institution subsidiaries and, therefore, has demonstrated the capability and willingness to implement the CRA plan for Bank that has been reviewed by the OCC.

In assessing the convenience and needs factor in this case, the Board has carefully considered all the facts of record, including review of the CRA performance examinations of Schwab's insured depository institution subsidiaries, information provided by Schwab, and public comments on the proposal.¹⁴ In addition, the Board has consulted with the OCC, the primary federal financial supervisory agency of Bank. Based on all the facts of record, the Board concludes that considerations relating to the convenience and needs factor are consistent with approval of the proposal.¹⁵

Application to Charter Charles Schwab Bank, National Association, Reno, Nevada, dated February 4, 2003; *see also* 12 C.F.R. 25.41(c)(2).

13. One commenter expressed concern that Bank's business focus would be on serving Schwab's existing customers and urged Bank to commit to specific goals or actions for providing products and services to LMI communities. In addition, a commenter urged Schwab to commit that Bank would seek "high satisfactory" ratings on the CRA lending, investment, and service tests by 2004, and an overall CRA rating of "outstanding" by 2006. Neither the CRA nor the federal banking agencies' regulations require depository institutions to make pledges concerning future performance under the CRA.

14. One commenter sought assurances that Schwab and its subsidiaries would not securitize "predatory" mortgage loans. Schwab stated that it does not originate, purchase, or securitize subprime mortgage loans for itself or other lenders. U.S. Trust, which offers mortgage loans to its high-net-worth private banking customers, has previously securitized one pool of mortgage loans, and it has no current plans to securitize additional mortgages. Schwab stated that Bank would adopt policies and procedures designed to ensure that no high-cost loans would be offered to customers of Bank, and that the mortgage loans originated by or on behalf of Bank would not contain fees or terms that could be characterized as predatory or abusive.

15. One commenter requested that the Board hold a public meeting or hearing on the proposal. Section 3(b) of the BHC Act does not require the Board to hold a public hearing on an application unless the appropriate supervisory authority for the bank to be acquired makes a timely written recommendation of denial of the application. The Board has not received such a recommendation from the appropriate supervisory authority. Under its rules, the Board also may, in its discretion, hold a public meeting or hearing on an application to acquire a bank if a meeting or hearing is necessary or appropriate to clarify factual issues related to the application and to provide an opportunity for testimony. 12 C.F.R. 225.16(e). The Board has considered carefully the commenter's request in light of all the facts of record. In the Board's view, the public has had ample opportunity to submit its views, and, in fact, the commenter has submitted written comments that have been considered carefully by the Board in acting on the proposal. The commenter's request fails to demonstrate why its written comments do not present its evidence adequately and fails to identify disputed issues of fact that are material to the Board's decision and would be clarified by a public meeting or hearing. For these reasons, and based on all the facts of record, the Board has determined that a public meeting or hearing is not required or

Conclusion

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

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

By order of the Board of Governors, effective April 7, 2003.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, Olson, and Bernanke. Absent and not voting: Governor Kohn.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

ORDERS ISSUED UNDER INTERNATIONAL BANKING ACT

Union Bank of Israel Ltd.
Tel Aviv, Israel

Order Approving Establishment of a Representative Office

Union Bank of Israel Ltd. ("Bank"), Tel Aviv, Israel, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 10(a) of the IBA (12 U.S.C. §3107(a)) to establish a representative office in New York, New York. The Foreign Bank Supervision Enhancement Act of 1991, which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish a representative office in the United States.

Notice of the application, affording interested persons an opportunity to submit comments, has been published in a newspaper of general circulation in New York, New York (*The New York Post*, August 2, 2002). The time for filing comments has expired, and all comments have been considered.

warranted in this case. Accordingly, the request for a public meeting or hearing on the proposal is denied.

Bank, with total consolidated assets of approximately \$4.6 billion,¹ is primarily engaged in capital market activities, foreign currency services, and financing the diamond industry.² Bank operates branches throughout Israel and one branch in the Cayman Islands. Bank also has several subsidiaries that engage in investment banking, portfolio and fund management, insurance, and mortgage lending.

The proposed representative office is intended to promote Bank's services to existing and potential customers in the United States. It would conduct research, act as a liaison with customers of Bank, solicit loans, execute loan documents, and solicit purchasers of loans and loan servicing contracts. All decisions on credit extended by Bank would be made at the head office.

In acting on an application to establish a representative office, the IBA and Regulation K provide that the Board shall take into account whether the foreign bank engages directly in the business of banking outside of the United States and has furnished to the Board the information it needs to assess the application adequately. The Board also shall take into account whether the foreign bank and any foreign bank parent is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor (12 U.S.C. § 3107(a)(2)).³ In the case of an application to establish a representative office, the standard with respect to home country supervision would be met if the applicant bank is subject to a supervisory framework that is consistent with the activities of the proposed office, taking into account the nature of the activities and the operating record of the applicant. (12 C.F.R. 211.24(d)(2)). The Board may take into account additional standards set forth in the IBA and Regulation K (12 U.S.C. § 3105(d)(3)–(4); 12 C.F.R. 211.24(c)(2)).

As noted above, Bank engages directly in the business of banking outside the United States. Bank also has provided the Board with information necessary to assess the application through submissions that address the relevant issues.

1. Unless otherwise indicated, data are as of December 31, 2002.

2. Shlomo Eliahu Holdings Ltd., Yeshayahu Landau Holdings (1993) Ltd., and David Lubinsky Assets (Holdings) 1993 Ltd. own 23, 23, and 18 percent of Bank, respectively. Bank Leumi le-Israel B.M., also in Tel Aviv, owns approximately 11.5 percent of Bank. The remaining shares of Bank are widely held.

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

- (i) Ensure that the bank has adequate procedures for monitoring and controlling its activities worldwide;
- (ii) Obtain information on the condition of the bank and its subsidiaries and offices through regular examination reports, audit reports, or otherwise;
- (iii) Obtain information on the dealings with and relationship between the bank and its affiliates, both foreign and domestic;
- (iv) Receive from the bank financial reports that are consolidated on a worldwide basis or comparable information that permits analysis of the bank's financial condition on a worldwide consolidated basis;
- (v) Evaluate prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis. These are indicia of comprehensive, consolidated supervision. No single factor is essential, and other elements may inform the Board's determination.

With respect to supervision by home country authorities, the Board previously has determined, in connection with an application involving another Israeli bank, that such bank was subject to home country supervision on a consolidated basis.⁴ Bank is supervised by the Bank of Israel on substantially the same terms and conditions as the other bank. Based on all the facts of record, it has been determined that Bank is subject to comprehensive supervision and regulation on a consolidated basis by its home country supervisor.

The additional standards set forth in section 7 of the IBA and Regulation K (*see* 12 U.S.C. § 3105(d)(3)–(4); 12 C.F.R. 211.24(c)(2)) have also been taken into account. The Bank of Israel has no objection to the establishment of the proposed representative office.

With respect to the financial and managerial resources of Bank, taking into consideration Bank's record of operations in its home country, its overall financial resources, and its standing with its home country supervisor, financial and managerial factors are consistent with approval of the proposed representative office. Bank appears to have the experience and capacity to support the proposed representative office and has established controls and procedures for the proposed representative office to ensure compliance with U.S. law.

Money laundering is a criminal offense in Israel and banks are required to establish internal policies and procedures for the detection and prevention of money laundering. Israeli legislation and regulations of the Bank of Israel require banks to adopt know-your-customer policies, report suspicious transactions, appoint a compliance officer, and maintain records. Accordingly, Bank has established anti-money laundering policies and procedures that have been adopted by all of Bank's offices and subsidiaries. Bank has implemented know-your-customer policies, suspicious activity reporting procedures, and related training programs.

With respect to access to information on Bank's operations, the restrictions on disclosure in relevant jurisdictions in which Bank operates have been reviewed and relevant government authorities have been communicated with regarding access to information. Bank and its parents have committed to make available to the Board such information on the operations of Bank and any of its affiliates as the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act of 1956, as amended, and other applicable federal law. To the extent that the provision of such information to the Board may be prohibited by law or otherwise, Bank and Bank's parents have committed to cooperate with the Board to obtain any necessary consents or waivers that might be required from third parties for disclosure of such information. In addition, subject to certain conditions, the Bank of Israel may share information on Bank's operations with other supervisors, including the Board. In light of these commitments and other facts of record, and subject to the

4. *See Bank Hapoalim, B.M.*, 87 *Federal Reserve Bulletin* 327 (2001).

condition described below, it has been determined that Bank has provided adequate assurances of access to any necessary information that the Board may request.

On the basis of all the facts of record, and subject to the commitments made by Bank and its parents and the terms and conditions set forth in this order, Bank's application to establish the representative office is hereby approved.⁵ Should any restrictions on access to information on the operations or activities of Bank or any of its affiliates subsequently interfere with the Board's ability to obtain information to determine and enforce compliance by Bank or its affiliates with applicable federal statutes, the Board may require or recommend termination of any of Bank's direct and indirect activities in the United States. Approval

of this application also is specifically conditioned on compliance by Bank and its parents with the commitments made in connection with this application and with the conditions in this order.⁶ The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with its decision and may be enforced in proceedings against Bank and its affiliates under 12 U.S.C. § 1818.

By order, approved pursuant to authority delegated by the Board, effective April 10, 2003.

ROBERT DE V. FRIERSON
Deputy Secretary of the Board

5. Approved by the Director of the Division of Banking Supervision and Regulation, with the concurrence of the General Counsel, pursuant to authority delegated by the Board. See 12 C.F.R. 265.7(d)(12).

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

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
Arvest Bank Group, Inc., Bentonville, Arkansas	Mountain Bancshares, Inc., Yellville, Arkansas	St. Louis	April 9, 2003
Arvest Holdings, Inc., Little Rock, Arkansas	The Bank of Yellville, Yellville, Arkansas		
Bancorp V, Inc., Olathe, Kansas	Bank of Leeton, Leeton, Missouri	Kansas City	April 15, 2003
Bank Capital Corporation, Phoenix, Arizona	The Biltmore Bank of Arizona, Phoenix, Arizona	Kansas City	April 23, 2003
Bethlehem Financial Corporation, Belen, New Mexico	Bank of Belen, Belen, New Mexico	Kansas City	April 3, 2003
BSA Bankshares, Inc., Abilene, Texas	Bevans State Bank, Menard, Texas	Dallas	April 24, 2003
BSA Delaware, Inc., Dover, Delaware			
Central Financial Corporation, Hutchinson, Kansas	Mid-America Bancorp, Inc., Jewell, Kansas	Kansas City	April 24, 2003
	Heartland Bank, Jewell, Kansas		
Community Bancshares of Mississippi, Inc., Brandon, Mississippi	First Lucedale Bancorp, Inc., Lucedale, Mississippi	Atlanta	April 19, 2003
	First National Bank of Lucedale, Lucedale, Mississippi		
CBS Banc Corp, Inc., Russellville, Alabama	Community Financial Services, Inc., Bolivar, Tennessee	Atlanta	April 2, 2003
	Bank of Bolivar, Bolivar, Tennessee		
Financial Investors of the South, Inc., Birmingham, Alabama	Consumer National Bank, Jackson, Mississippi	Atlanta	April 25, 2003
First American Bancshares, Inc., Iuka, Mississippi	First American National Bank, Iuka, Mississippi	St. Louis	April 24, 2003
Guaranty Corporation, Denver, Colorado	Bank Capital Corporation, Phoenix, Arizona	Kansas City	April 23, 2003
International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers, Kansas City, Kansas	Brotherhood Bancshares, Inc., Kansas City, Kansas	Kansas City	March 28, 2003
	The Brotherhood Bank & Trust Company, Kansas City, Kansas		
Iroquois Bancorp, Inc., Gilman, Illinois	JW Bancorp, Inc., Winchester, Illinois	Chicago	March 27, 2003
	John Warner Financial Corporation, Clinton, Illinois		
	The John Warner Bank, Clinton, Illinois		
JW Bancorp, Inc., Winchester, Illinois	John Warner Financial Corporation, Clinton, Illinois	Chicago	March 27, 2003
	The John Warner Bank, Clinton, Illinois		

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Main Street Financial Services Corp, Wheeling, West Virginia	To become a one-bank holding company	Cleveland	April 4, 2003
McCreary National Bancorp, Inc., Corbin, Kentucky	McCreary National Bank, Whitley City, Kentucky	Cleveland	April 8, 2003
Mountain Bancshares, Inc., Dawsonville, Georgia	Mountain State Bank, Dawsonville, Georgia	Atlanta	March 31, 2003
MountainBank Financial Corporation, Hendersonville, North Carolina	CNB Holdings, Inc., Pulaski, Virginia	Richmond	April 9, 2003
North Georgia Bancorp, Inc., Watkinsville, Georgia	North Georgia Bank, Watkinsville, Georgia	Atlanta	April 28, 2003
Premier Bancshares, Inc., Jefferson City, Missouri	Mid-America Bancorp, Inc., Jewell, Kansas	St. Louis	April 8, 2003
PSB Group, Inc., Madison Heights, Michigan	Heartland Bank, Jewell, Kansas		
Reliance Bancshares, Inc., Des Peres, Missouri	Peoples State Bank, Hamtramck, Michigan	Chicago	April 25, 2003
Scott County Bancorp, Inc., Winchester, Illinois	The Bank of Godfrey, Godfrey, Illinois	St. Louis	March 28, 2003
	JW Bancorp Inc., Winchester, Illinois	St. Louis	March 27, 2003
	John Warner Financial Corporation, Clinton, Illinois		
	The John Warner Bank, Clinton, Illinois		
Security First Bancshares, Inc., O'Fallon, Illinois	Bank of O'Fallon, O'Fallon, Illinois	St. Louis	April 14, 2003
TCF Financial Corporation, Wayzata, Minnesota	TransCommunity Bankshares, Incorporated, Richmond, Virginia	Minneapolis	April 2, 2003
	Bank of Powhatan, N.A., Powhatan, Virginia		
	Bank of Goochland, N.A., Goochland, Virginia		

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Bay View Capital Corporation, San Mateo, California	Bay View Acceptance Corporation, San Mateo, California	San Francisco	April 4, 2003
DnB Holding ASA, Oslo, Norway	DnB Asset Management (US) Inc., New York, New York	New York	April 16, 2003
Standard Bancshares, Inc., Hickory Hills, Illinois	Security Financial Bancorp, Inc., St. John, Indiana	Chicago	April 23, 2003
	Security Federal Bank & Trust, St. John, Indiana		

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Wayne Bancorp, Inc., Wooster, Ohio	Banc Services Corp., Orrville, Ohio	Cleveland	April 24, 2003

APPLICATIONS APPROVED UNDER BANK MERGER ACT
By Federal Reserve Banks

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

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Arvest Bank, Fayetteville, Arkansas	The Bank of Yellville, Yellville, Arkansas	St. Louis	April 8, 2003
Chippewa Valley Bank, Wadsworth, Ohio	The Savings Bank & Trust Company, Orrville, Ohio	Cleveland	April 24, 2003
First State Bank Southwest, Pipestone, Minnesota	Bremer Bank N.A., Marshall, Minnesota	Minneapolis	April 24, 2003
Security Bank Minnesota, Albert Lea, Minnesota	First State Bank of Emmons, Emmons, Minnesota	Minneapolis	April 23, 2003

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

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

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

Caesar v. United States, No. 02-0612 (EGS) (D.D.C.), removed on April 1, 2002 from No. 02-1502 (D.C. Superior Court, originally filed March 1, 2002). Action seeking damages for personal injury. On March 30, 2003, the district court granted the government's motion to dismiss the action.

Community Bank & Trust v. United States, No. 01-571C (Ct. Fed. Cl., filed October 3, 2001). Action challenging

on constitutional grounds the failure to pay interest on reserve accounts held at Federal Reserve Banks.

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

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

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SYMBOLS AND ABBREVIATIONS

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

GENERAL INFORMATION

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

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

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

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

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

1.10 RESERVES AND MONEY STOCK MEASURES

Percent annual rate of change, seasonally adjusted¹

Monetary or credit aggregate	2002			2003	2002		2003		
	Q2	Q3	Q4	Q1	Nov.	Dec.	Jan. ⁷	Feb. ⁷	Mar.
<i>Reserves of depository institutions²</i>									
1 Total	-13.5	-2.0	.3	11.2	15.4	13.0	14.7	4.4	5.5
2 Required	-12.4	-4.8	-2.1	11.6	13.9	1.6	26.0	-3.1	14.9
3 Nonborrowed	-14.0	-3.5	1.2	12.6	11.5	19.0	16.3	4.4	5.6
4 Monetary base ³	7.5	6.9	5.0	7.6	5.7	7.5	6.7	10.0	6.6
<i>Concepts of money⁴</i>									
5 M1	-6	3.1	4.5	7.1	-9	7.8	2.1	19.8	3.5
6 M2	4.1	9.1	7.1	6.7	8.1	3.2	6.4	11.6	3.2
7 M3	4.1	7.7	7.6 ⁵	5.4	17.3 ⁵	7.8 ⁵	-4	7.6	1.6
<i>Nontransaction components</i>									
8 In M2 ⁵	5.4	10.8	7.8	6.6	10.5	2.0 ⁵	7.5	9.4	3.1
9 In M3 only ⁶	4.3 ⁵	4.5	8.6 ⁵	2.6	37.4 ⁵	17.9 ⁵	-14.6	-1.1	-1.7
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
10 Savings, including MMDAs	15.1	20.1	16.9	13.5	20.9	3.6	18.7	16.0	4.5
11 Small time ⁷	-6.3	-6.3	-9.1	-7.5	-7.3	-9.0	-7.0	-7.2	-7.1
12 Large time ^{8,9}	12.4	3.7	-4.0	-1.7	-13.5 ⁵	-32.5 ⁵	14.8	14.4	-8.2
<i>Thrift institutions</i>									
13 Savings, including MMDAs	24.0	20.5	20.5	22.2	13.9	21.7	21.6	27.4	19.1
14 Small time ⁷	-16.6	-12.3	-6.4 ⁵	-4.3	-4.4	-2.4 ⁵	-4.8	-6.4	-2.0
15 Large time ⁸	-8.1	-3.2	11.1	9.3	16.9	15.6	13.4	1.0	-7.1
<i>Money market mutual funds</i>									
16 Retail	-9.2	4.7	-4.4	-7.8	1.9	-8.0	-14.6	-3.7	-5.2
17 Institution-only	3.9	-8	1.9	-5.1	68.7	25.0	-35.3	-20.1	-12.7
<i>Repurchase agreements and eurodollars</i>									
18 Repurchase agreements ¹⁰	-7	27.5	45.0	27.3	55.3	77.7	-23.8	34.0	41.2
19 Eurodollars ¹⁰	-4.4 ⁵	.3 ⁵	19.3 ⁵	5.4	14.7 ⁵	20.6 ⁵	15.3	-20.5	-11.5

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10. Includes both overnight and term.

1.11 RESERVE BALANCES OF DEPOSITORY INSTITUTIONS¹

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	2003			2003						
	Jan.	Feb.	Mar.	Feb. 12	Feb. 19	Feb. 26	Mar. 5	Mar. 12	Mar. 19	Mar. 26
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	694,979	696,613	701,365	691,400	701,766	696,923	701,969	696,336	704,865	698,981
2 Securities held outright	629,416	631,830	639,323	629,951	631,009	634,932	636,873	638,586	639,517	640,129
3 U.S. Treasury ²	629,406	631,820	639,313	629,941	630,999	634,922	636,863	638,576	639,507	640,119
4 Bills ³	226,682	228,026	231,580	226,941	227,294	230,030	230,889	231,172	231,481	231,892
5 Notes and bonds, nominal ³	389,219	390,305	394,110	389,504	390,217	391,412	392,496	393,911	394,519	394,621
6 Notes and bonds, inflation-indexed ³	12,242	12,242	12,353	12,242	12,242	12,242	12,242	12,242	12,242	12,324
7 Inflation compensation ⁴	1,263	1,247	1,270	1,253	1,245	1,238	1,236	1,251	1,264	1,282
8 Federal agency ⁵	10	10	10	10	10	10	10	10	10	10
9 Repurchase agreements ⁵	25,395	24,558	23,356	19,285	30,067	23,321	27,136	19,214	26,500	19,286
10 Loans to depository institutions	28	19	24	31	19	13	29	45	18	10
11 Primary credit ⁶	15	15	17	28	14	10	24	36	9	2
12 Secondary credit ⁶	0	0	0	0	0	0	0	0	0	0
13 Seasonal credit	11	4	7	3	5	4	6	9	8	8
14 Adjustment credit ⁶	2	0	0	0	0	0	0	0	0	0
15 Float	565	977	595	1,698	831	1,322	484	472	805	1,409
16 Other Federal Reserve assets	39,575	39,229	38,066	40,436	39,840	37,335	37,447	38,019	38,025	38,147
17 Gold stock	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043
18 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
19 Treasury currency outstanding	34,597	34,650	34,738	34,630	34,657	34,684	34,710	34,724	34,738	34,752
ABSORBING RESERVE FUNDS										
20 Currency in circulation	677,745	680,336	683,783	678,459	682,830	682,262	682,387	683,021	683,701	684,495
21 Reverse repurchase agreements ⁷	18,534	18,222	18,755	18,949	17,925	17,738	18,078	18,332	19,802	18,320
22 Foreign official and international accounts	18,534	17,954	18,715	17,878	17,925	17,738	18,078	18,332	19,623	18,320
23 Dealers	0	268	40	1,071	0	0	0	0	179	0
24 Treasury cash holdings	366	354	369	356	358	347	345	356	372	394
25 Deposits with Federal Reserve Banks, other than reserve balances	17,053	16,236	16,842	15,954	16,157	16,510	16,028	16,897	16,130	17,783
26 U.S. Treasury, general account	5,773	5,053	5,339	4,681	5,048	5,249	4,909	5,196	4,979	5,916
27 Foreign official	126	125	163	115	132	111	186	105	159	240
28 Service-related	10,907	10,819	11,118	10,918	10,730	10,904	10,721	11,363	10,760	11,412
29 Required clearing balances	10,484	10,330	10,601	10,317	10,315	10,337	10,336	10,372	10,373	10,977
30 Adjustments to compensate for float	423	489	517	601	415	567	385	991	387	435
31 Other liabilities and capital	247	239	221	239	247	245	212	233	231	215
32 Other liabilities and capital	19,651	19,664	19,732	19,450	19,659	19,964	19,805	20,015	19,538	19,412
33 Reserve balances with Federal Reserve Banks ⁸	9,469	9,693	9,865	6,104	12,738	8,029	13,279	5,682	13,304	6,571
End-of-month figures										
Wednesday figures										
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	697,826	701,055	710,555	691,731	706,863	700,685	700,069	695,705	708,944	704,126
2 Securities held outright	629,416	636,921	641,474	630,957	631,273	636,006	637,149	638,724	639,899	640,901
3 U.S. Treasury ²	629,406	636,911	641,464	630,947	631,263	635,996	637,139	638,714	639,889	640,891
4 Bills ³	226,682	230,843	232,706	227,238	227,561	230,606	231,061	231,305	231,756	232,143
5 Notes and bonds, nominal ³	389,219	392,593	394,621	390,217	390,217	391,913	392,593	393,911	394,621	394,621
6 Notes and bonds, inflation-indexed ³	12,242	12,242	12,814	12,242	12,242	12,242	12,242	12,242	12,242	12,814
7 Inflation compensation ⁴	1,263	1,233	1,322	1,250	1,242	1,235	1,242	1,256	1,269	1,312
8 Federal agency ⁵	10	10	10	10	10	10	10	10	10	10
9 Repurchase agreements ⁵	24,750	26,900	31,750	20,746	34,496	25,750	23,250	18,750	27,000	25,500
10 Loans to depository institutions	7	5	30	4	17	6	11	9	17	7
11 Primary credit ⁶	1	1	25	0	13	1	1	1	11	1
12 Secondary credit ⁶	0	0	0	0	0	0	0	0	0	0
13 Seasonal credit	6	4	4	4	4	5	10	8	6	6
14 Adjustment credit ⁶	0	0	0	0	0	0	0	0	0	0
15 Float	3,768	4	-1,197	-516	3,838	1,307	1,884	84	4,065	-732
16 Other Federal Reserve assets	39,884	37,225	38,499	40,541	37,239	37,616	37,775	38,139	37,964	38,450
17 Gold stock	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043
18 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
19 Treasury currency outstanding	34,597	34,710	34,766	34,630	34,657	34,684	34,710	34,724	34,738	34,752
ABSORBING RESERVE FUNDS										
20 Currency in circulation	674,736	681,634	685,759	681,216	684,226	682,915	683,678	684,415	685,222	686,233
21 Reverse repurchase agreements ⁷	18,370	18,018	19,418	17,604	17,850	17,421	17,959	17,912	18,430	18,231
22 Foreign official and international accounts	18,370	18,018	19,418	17,604	17,850	17,421	17,959	17,912	17,180	18,231
23 Dealers	0	0	0	0	0	0	0	0	1,250	0
24 Treasury cash holdings	361	343	373	360	348	343	354	367	398	373
25 Deposits with Federal Reserve Banks, other than reserve balances	16,558	15,406	18,474	14,777	15,553	16,246	16,565	16,487	14,778	17,676
26 U.S. Treasury, general account	5,509	4,268	6,746	3,527	4,407	4,950	5,501	4,775	3,607	5,927
27 Foreign official	102	224	254	103	134	154	105	116	150	162
28 Service-related	10,724	10,721	11,263	10,918	10,730	10,904	10,721	11,363	10,760	11,412
29 Required clearing balances	10,356	10,336	10,978	10,317	10,315	10,337	10,336	10,372	10,373	10,977
30 Adjustments to compensate for float	368	385	285	601	415	567	385	991	387	435
31 Other	223	193	211	228	281	238	238	233	261	175
32 Other liabilities and capital	19,478	19,739	20,230	19,265	19,665	19,699	19,693	19,725	19,147	19,601
33 Reserve balances with Federal Reserve Banks ⁸	16,163	13,868	14,312	6,383	17,121	11,988	9,772	18,951	10,008	

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

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

3. Face value of the securities.

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

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

6. The Federal Reserve Banks began offering primary credit and secondary credit on January 9, 2003. The adjustment credit program was discontinued.

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

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

A6 Domestic Financial Statistics □ June 2003

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	2000	2001	2002	2002				2003		
	Dec.	Dec.	Dec.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 Reserve balances with Reserve Banks ²	7,022	9,053	9,873	8,731	8,836	9,695	9,873	10,004	9,807	9,820
2 Total vault cash ³	45,245	43,919	43,334	42,231	42,933	42,144	43,334	46,210	45,939	43,086
3 Applied vault cash ⁴	31,451	32,024	30,300	30,176	29,849	29,446	30,300	32,738	32,067 ^r	30,747
4 Surplus vault cash ⁵	13,794	11,895	13,033	12,055	13,084	12,698	13,033	13,471	13,872 ^r	12,339
5 Total reserves ⁶	38,473	41,077	40,173	38,907	38,685	39,141	40,173	42,743	41,874 ^r	40,566
6 Required reserves	37,046	39,428	38,176	37,431	37,134	37,525	38,176	41,082	39,966	38,954
7 Excess reserve balances at Reserve Banks ⁷	1,427	1,649	1,997	1,476	1,550	1,616	1,997	1,660	1,908	1,612
8 Total borrowing at Reserve Banks	210	67	80	229	143	272	80	27	25	22
9 Primary	.	.	.	.	.	.	.	12	21	14
10 Secondary	.	.	.	.	.	.	.	0	0	0
11 Seasonal	111	33	45	169	120	60	45	13	5	8
12 Adjustment	99	34	35	60	23	211	35	2	.	.
Biweekly averages of daily figures for two-week periods ending on dates indicated										
	2002			2003						
	Nov. 27	Dec. 11	Dec. 25	Jan. 8	Jan. 22	Feb. 5	Feb. 19	Mar. 5	Mar. 19	Apr. 2
1 Reserve balances with Reserve Banks ²	10,497	9,559	10,408	9,200	10,894	9,336	9,431	10,654	9,500	9,846
2 Total vault cash ³	42,605	41,827	43,740	45,148	44,363	50,026	46,005	43,567	42,203	43,916
3 Applied vault cash ⁴	30,514	29,419	30,292	31,935	31,500	35,378	30,911	32,027 ^r	29,372	31,818
4 Surplus vault cash ⁵	12,092	12,408	13,448	13,213	12,863	14,648	15,095	11,540 ^r	12,831	12,099
5 Total reserves ⁶	41,010	38,978	40,700	41,135	42,394	44,714	40,342	42,681 ^r	38,872	41,663
6 Required reserves	39,441	37,394	38,225	39,495	40,631	43,196	38,009	41,217 ^r	37,211	40,046
7 Excess reserve balances at Reserve Banks ⁷	1,569	1,583	2,475	1,640	1,763	1,518	2,332	1,464 ^r	1,660	1,617
8 Total borrowing at Reserve Banks	214	133	57	36	18	34	25	21	32	11
9 Primary	.	.	.	.	9	28	21	17	23	3
10 Secondary	.	.	.	.	0	0	0	0	0	0
11 Seasonal	57	50	48	29	9	6	4	5	9	8
12 Adjustment	157	83	10	8	.	.	.	.	.	.

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

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

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

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

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

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

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Primary credit ¹			Secondary credit ²			Seasonal credit ³		
	On 5/16/03	Effective date	Previous rate	On 5/16/03	Effective date	Previous rate	On 5/16/03	Effective date	Previous rate
Boston	2.25	1/9/03	n/a	2.75	1/9/03	n/a	1.25	4/3/03	1.20
New York	↑	↑	↑	↑	↑	↑	↑	↑	↑
Philadelphia									
Cleveland									
Richmond									
Atlanta									
Chicago									
St. Louis									
Minneapolis									
Kansas City									
Dallas									
San Francisco	2.25	1/9/03	n/a	2.75	1/9/03	n/a	1.25	4/3/03	1.25
	↓	↓	↓	↓	↓	↓	↓	↓	↓

Range of rates for primary credit

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Jan. 9, 2003 (beginning of program)	2.25	2.25						

Range of rates for adjustment credit in recent years⁴

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

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

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

3. Available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of intrayear movements in their deposits and loans and that cannot be met through special industry lenders. The discount rate on seasonal credit takes

into account rates charged by market sources of funds and ordinarily is reestablished on the first business day of each two-week reserve maintenance period.

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Type of deposit	Requirement	
	Percentage of deposits	Effective date
<i>Net transaction accounts²</i>		
1 \$0 million–\$6 million ³	0	12/26/02
2 More than \$6 million–\$42.1 million ⁴	3	12/26/02
3 More than \$42.1 million ⁵	10	12/26/02
4 Nonpersonal time deposits ⁶	0	12/27/90
5 Eurocurrency liabilities ⁷	0	12/27/90

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

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

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

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

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

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

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

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction and maturity	2000	2001	2002	2002					2003	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
U.S. TREASURY SECURITIES ²										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	8,676	15,503	21,421	529	750	0	250	0	0	4,161
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	477,904	542,736	657,931	63,083	53,314	62,947	51,394	53,374	71,075	53,860
4 For new bills	477,904	542,736	657,931	63,083	53,314	62,947	51,394	53,374	71,075	53,860
5 Redemptions	24,522	10,095	0	0	0	0	0	0	0	0
Others within one year										
6 Gross purchases	8,809	15,663	12,720	445	1,286	0	0	0	0	478
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	62,025	70,336	89,108	8,987	11,174	6,143	3,688	13,448	6,216	3,214
9 Exchanges	-54,656	-72,004	-92,075	-5,040	-15,189	-5,435	-1,419	-12,059	-6,834	-13,313
10 Redemptions	3,779	16,802	0	0	0	0	0	0	0	0
One to five years										
11 Gross purchases	14,482	22,814	12,748	1,921	0	0	0	339	0	2,127
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	-52,068	-45,211	-73,093	-629	-11,174	-6,143	-2,380	-13,448	-6,216	2,160
14 Exchanges	46,177	64,519	88,276	3,396	15,189	5,435	1,308	12,059	6,834	11,817
Five to ten years										
15 Gross purchases	5,871	6,003	5,074	690	51	0	0	314	0	769
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	-6,801	-21,063	-11,588	-6,714	0	0	722	0	0	-3,877
18 Exchanges	6,585	6,063	3,800	1,645	0	0	111	0	0	1,497
More than ten years										
19 Gross purchases	5,833	8,531	2,280	80	0	0	0	0	0	0
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	-3,155	-4,062	-4,427	-1,645	0	0	-2,030	0	0	-1,497
22 Exchanges	1,894	1,423	0	0	0	0	0	0	0	0
All maturities										
23 Gross purchases	43,670	68,513	54,242	3,665	2,087	0	250	653	0	7,534
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	28,301	26,897	0	0	0	0	0	0	0	0
Matched transactions										
26 Gross purchases	4,415,905	4,722,667	4,981,624	495,729	449,250	429,029	378,381	195,565	0	0
27 Gross sales	4,397,835	4,724,743	4,958,437	497,031	449,986	425,399	377,535	175,820	0	0
Repurchase agreements										
28 Gross purchases	0	0	0	0	0	0	0	0	0	0
29 Gross sales	0	0	0	0	0	0	0	0	0	0
Reverse repurchase agreements										
30 Gross purchases	0	0	231,272 ²	0	0	0	0	231,272 ²	392,530 ²	343,748
31 Gross sales	0	0	252,363 ³	0	0	0	0	252,363 ³	389,810 ²	343,395
32 Net change in U.S. Treasury securities	33,439	39,540	56,339 ¹	2,363	1,351	3,630	1,096	-693 ³	2,721 ¹	7,887
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
33 Gross purchases	0	0	0	0	0	0	0	0	0	0
34 Gross sales	0	0	0	0	0	0	0	0	0	0
35 Redemptions	51	120	0	0	0	0	0	0	0	0
Repurchase agreements										
36 Gross purchases	0	0	0	0	0	0	0	0	0	0
37 Gross sales	0	0	0	0	0	0	0	0	0	0
38 Net change in federal agency obligations	-51	-120	0	0	0	0	0	0	0	0
TRIPARTY OBLIGATIONS										
Repurchase agreements										
39 Gross purchases	890,236	1,497,713	1,143,126	84,000	93,500	72,000	113,501	112,750	135,749	121,896
40 Gross sales	987,501	1,490,838	1,153,876	80,500	94,750	77,250	101,501	101,750	150,499	119,746
41 Net change in triparty obligations	-97,265	6,875	-10,750	3,500	-1,250	-5,250	12,000	11,000	-14,750	2,150
42 Total net change in System Open Market Account ..	-63,877	46,295	45,589 ²	5,863	101	-1,620	13,096	10,307 ²	-12,029 ²	10,037

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

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

A10 Domestic Financial Statistics □ June 2003

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	2003					2003		
	Feb. 26	Mar. 5	Mar. 12	Mar. 19	Mar. 26	Jan.	Feb.	Mar.
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,039	11,039	11,039	11,039	11,039	11,039	11,039	11,038
2 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
3 Coin	1,100	1,080	1,070	1,071	1,081	1,148	1,104	1,106
4 Securities, repurchase agreements, and loans	661,761	660,409	657,483	666,915	666,408	654,173	663,826	673,253
5 Securities held outright	636,006	637,149	638,724	639,899	640,901	629,416	636,921	641,474
6 U.S. Treasury ²	635,996	637,139	638,714	639,889	640,891	629,406	636,911	641,464
7 Bills ³	230,606	231,061	231,305	231,756	232,143	226,682	230,843	232,706
8 Notes and bonds, nominal ³	391,913	392,593	393,911	394,621	394,621	389,219	392,593	394,621
9 Notes and bonds, inflation-indexed ³	12,242	12,242	12,242	12,242	12,814	12,242	12,242	12,814
10 Inflation compensation ⁴	1,235	1,242	1,256	1,269	1,312	1,263	1,233	1,322
11 Federal agency ⁵	10	10	10	10	10	10	10	10
12 Repurchase agreements ⁵	25,750	23,250	18,750	27,000	25,500	24,750	26,900	31,750
13 Loans	6	11	9	17	7	7	5	30
14 Items in process of collection	9,197	10,984	7,890	11,532	6,565	9,038	6,051	2,129
15 Bank premises	1,557	1,555	1,557	1,557	1,558	1,540	1,554	1,557
16 Other assets	36,130	36,380	36,762	36,579	37,121	38,225	35,745	37,190
17 Denominated in foreign currencies ⁶	17,330	17,473	17,536	16,971	17,050	17,075	17,246	17,383
18 All other ⁷	18,800	18,908	19,226	19,609	20,070	21,151	18,499	19,807
19 Total assets	722,984	723,648	718,001	730,894	725,971	717,363	721,519	728,474
LIABILITIES								
20 Federal Reserve notes, net of F.R. Bank holdings	649,670	650,398	651,124	651,949	652,930	641,644	648,366	652,467
21 Reverse repurchase agreements ⁸	17,421	17,959	17,912	18,430	18,231	18,370	18,018	19,418
22 Deposits	28,898	26,825	21,343	33,960	28,079	31,982	29,446	33,998
23 Depository institutions	23,556	20,980	16,219	29,942	21,815	26,147	24,761	26,787
24 U.S. Treasury, general account	4,950	5,501	4,775	3,607	5,927	5,509	4,268	6,746
25 Foreign official	154	105	116	150	162	102	224	254
26 Other	238	238	233	261	175	223	193	211
27 Deferred availability cash items	7,296	8,773	7,897	7,409	7,130	5,890	5,950	2,362
28 Other liabilities and accrued dividends ⁹	2,276	2,250	2,265	2,224	2,248	2,267	2,277	2,232
29 Total liabilities	705,561	706,205	700,541	713,972	708,618	700,152	704,057	710,476
CAPITAL ACCOUNTS								
30 Capital paid in	8,440	8,478	8,491	8,494	8,493	8,400	8,456	8,505
31 Surplus	8,380	8,380	8,380	8,297	8,380	8,380	8,380	8,380
32 Other capital accounts	603	584	589	132	480	431	626	1,113
33 Total capital	17,423	17,442	17,460	16,923	17,352	17,211	17,462	17,998
MEMO								
34 Marketable securities held in custody for foreign official and international accounts ^{3,10}	880,187	896,617	898,979	894,699	894,732	863,815	888,946	901,060
35 U.S. Treasury	702,807	717,786	721,591	716,749	715,261	694,983	710,187	720,666
36 Federal agency	177,380	178,831	177,389	177,950	179,471	168,832	178,759	180,393
Federal Reserve note and collateral statement								
37 Federal Reserve notes, net of F.R. Bank holdings	649,670	650,398	651,124	651,949	652,930	641,644	648,366	652,467
38 Collateral held against Federal Reserve notes	649,670	650,398	651,124	651,949	652,930	641,644	648,366	652,467
39 Gold certificate account	11,039	11,039	11,039	11,039	11,039	11,039	11,039	11,038
40 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
41 U.S. Treasury and agency securities pledged ¹¹	636,432	637,159	637,886	638,710	639,691	628,405	635,128	639,229
42 Other eligible assets	0	0	0	0	0	0	0	0
MEMO								
43 Total U.S. Treasury and agency securities ¹¹	661,756	660,399	657,474	666,899	666,401	654,166	663,821	673,224
44 Less: face value of securities under reverse repurchase agreements ¹²	17,427	17,965	17,918	18,436	18,237	18,379	18,028	19,425
45 U.S. Treasury and agency securities eligible to be pledged	644,329	642,433	639,556	648,462	648,163	635,787	645,794	653,798

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

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

3. Face value of the securities.

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

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

6. Valued daily at market exchange rates.

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

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

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

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

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

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

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	2003					2003		
	Feb. 26	Mar. 5	Mar. 12	Mar. 19	Mar. 26	Jan.	Feb.	Mar.
1 Total loans	6	11	9	17	7	7	5	30
2 Within fifteen days ¹	6	1	4	17	7	6	5	30
3 Sixteen days to ninety days	0	10	5	0	0	1	0	0
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Total U.S. Treasury securities²	635,996	637,139	638,714	639,889	640,891	629,406	636,911	641,464
6 Within fifteen days ¹	45,075	35,519	35,307	44,050	44,763	32,974	23,882	24,647
7 Sixteen days to ninety days	133,699	140,723	141,821	133,419	133,717	147,674	146,519	146,179
8 Ninety-one days to one year	146,752	149,160	149,837	149,946	149,322	142,243	147,029	149,328
9 One year to five years	178,982	180,176	180,179	180,893	180,897	175,436	187,927	189,111
10 Five years to ten years	51,659	51,730	51,734	51,738	52,287	51,240	51,727	52,290
11 More than ten years	79,828	79,831	79,837	79,842	79,904	79,840	79,827	79,908
12 Total federal agency obligations	10	10	10	10	10	10	10	10
13 Within fifteen days ¹	0	0	0	0	0	0	0	0
14 Sixteen days to ninety days	0	0	0	0	0	0	0	0
15 Ninety-one days to one year	10	10	10	10	10	10	10	10
16 One year to five years	0	0	0	0	0	0	0	0
17 Five years to ten years	0	0	0	0	0	0	0	0
18 More than ten years	0	0	0	0	0	0	0	0

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

2. Includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1999 Dec.	2000 Dec.	2001 Dec.	2002 Dec.	2002					2003			
					Aug	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²	Seasonally adjusted												
	1 Total reserves ¹	41.81	38.54	41.24	40.12	39.98	39.25	39.18	39.69	40.12	40.61	40.76	40.94
	2 Nonborrowed reserves ⁴	41.49	38.33	41.18	40.04	39.64	39.02	39.04	39.41	40.04	40.58	40.73	40.92
	3 Required reserves	40.51	37.11	39.60	38.12	38.34	37.78	37.63	38.07	38.12	38.95	38.85	39.33
	4 Monetary base ⁵	593.14	584.72	635.56	681.77	669.93	671.45	674.30	677.52	681.77	685.59	691.31 ¹	695.13
	Not seasonally adjusted												
	5 Total reserves ⁶	41.89	38.53	41.20	40.03	39.74	38.78	38.54	38.98	40.03	42.73	41.87	40.56
	6 Nonborrowed reserves	41.57	38.32	41.13	39.95	39.41	38.55	38.40	38.71	39.95	42.70	41.85	40.54
7 Required reserves ⁷	40.59	37.10	39.55	38.03	38.10	37.31	36.99	37.37	38.03	41.07	39.97 ¹	38.95	
8 Monetary base ⁸	600.72	590.06	639.91	686.17	669.31	669.71	671.48	676.66	686.17	688.27	690.20 ¹	693.87	
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ⁹													
9 Total reserves ¹⁰	41.65	38.47	41.08	40.17	39.85	38.91	38.69	39.14	40.17	42.74	41.87	40.57	
10 Nonborrowed reserves	41.33	38.26	41.01	40.09	39.52	38.68	38.54	38.87	40.09	42.72	41.85	40.55	
11 Required reserves	40.36	37.05	39.43	38.18	38.22	37.43	37.13	37.53	38.18	41.08	39.97	38.95	
12 Monetary base ¹¹	608.02	596.98	648.74	697.09	679.55	679.96	681.83	687.23	697.09	699.18	700.99 ¹	705.00	
13 Excess reserves ¹²	1.30	1.43	1.65	2.00	1.64	1.48	1.55	1.62	2.00	1.66	1.91	1.61	
14 Borrowings from the Federal Reserve	.32	.21	.07	.08	.33	.23	.14	.27	.08	.03	.03	.02	

1. Latest monthly and biweekly figures are available from the Board's H.3 (502) weekly statistical release. Historical data starting in 1959 and estimates of the effect on required reserves of changes in reserve requirements are available from the Money and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

2. Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (See also table I.10.)

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

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

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

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

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

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

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

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

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

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

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

1.21 MONEY STOCK MEASURES¹

Billions of dollars, averages of daily figures

Item	1999 Dec.	2000 Dec.	2001 Dec.	2002 Dec	2002	2003		
					Dec.	Jan ^f	Feb. ^f	Mar.
	Seasonally adjusted							
<i>Measures²</i>								
1 M1	1,121.9	1,084.9	1,173.4	1,210.5	1,210.5	1,212.6	1,232.6	1,236.2
2 M2	4,648.0	4,926.9	5,440.6	5,796.6 ^f	5,796.6 ^f	5,827.3	5,883.5	5,899.0
3 M3	6,529.8 ^f	7,093.3 ^f	7,995.3 ^f	8,517.5 ^f	8,517.5 ^f	8,515.0	8,568.8	8,580.5
<i>M1 components</i>								
4 Currency ³	517.5	531.0	581.4	626.7	626.7	630.1	635.3	639.2
5 Travelers checks ⁴	8.3	8.0	7.8	7.5	7.5	7.6	7.6	7.5
6 Demand deposits ⁵	352.2	306.7	325.6	296.4	296.4	295.6	305.6	304.0
7 Other checkable deposits ⁶	244.0	239.2	258.8	279.9	279.9	279.3	284.1	285.4
<i>Nontransaction components</i>								
8 In M2 ⁷	3,526.0	3,842.0	4,267.1	4,586.1 ^f	4,586.1 ^f	4,614.7	4,650.9	4,662.8
9 In M3 only ⁸	1,881.8 ^f	2,166.4 ^f	2,554.8 ^f	2,720.9 ^f	2,720.9 ^f	2,687.7	2,685.3	2,681.5
<i>Commercial banks</i>								
10 Savings deposits, including MMDAs	1,288.8	1,422.3	1,734.5	2,047.5 ^f	2,047.5 ^f	2,079.4	2,107.1	2,115.0
11 Small time deposits ⁹	634.7	698.8	634.2	583.6	583.6	580.2	576.7	573.3
12 Large time deposits ^{10,11}	650.2	717.4	670.8	683.3 ^f	683.3 ^f	691.7	700.0	695.2
<i>Thrift institutions</i>								
13 Savings deposits, including MMDAs	449.6	451.7	569.0	710.3	710.3	723.1	739.6	751.4
14 Small time deposits ⁹	320.3	344.4	338.7	300.4 ^f	300.4 ^f	299.2	297.6	297.1
15 Large time deposits ¹⁰	91.0	102.9	114.9	116.7	116.7	118.0	118.1	117.4
<i>Money market mutual funds</i>								
16 Retail	832.7	924.8	990.7	944.3	944.3	932.8	929.9	925.9
17 Institution-only	634.4	788.2	1,189.7	1,233.0	1,233.0	1,196.7	1,176.7	1,164.2
<i>Repurchase agreements and eurodollars</i>								
18 Repurchase agreements ¹²	335.7	363.5	375.0	468.6	468.6	459.3	472.3	488.5
19 Eurodollars ¹²	170.5 ^f	194.3 ^f	204.3 ^f	219.2 ^f	219.2 ^f	222.0	218.2	216.1
	Not seasonally adjusted							
<i>Measures²</i>								
20 M1	1,148.3	1,112.3	1,203.5	1,240.4	1,240.4	1,219.7	1,218.4	1,237.6
21 M2	4,673.0	4,962.3	5,483.5	5,845.9 ^f	5,845.9 ^f	5,836.4	5,865.8	5,931.8
22 M3	6,572.4 ^f	7,147.8 ^f	8,067.0 ^f	8,595.0 ^f	8,595.0 ^f	8,559.1	8,598.6	8,642.2
<i>M1 components</i>								
23 Currency ³	521.5	535.2	584.9	629.9	629.9	628.0	634.3	638.9
24 Travelers checks ⁴	8.4	8.1	7.9	7.7	7.7	7.7	7.7	7.7
25 Demand deposits ⁵	371.8	326.5	347.6	316.8	316.8	300.3	297.1	302.9
26 Other checkable deposits ⁶	246.6	242.5	263.2	286.0	286.0	283.7	279.3	288.2
<i>Nontransaction components</i>								
27 In M2 ⁷	3,526.7	3,849.9	4,280.0	4,605.5 ^f	4,605.5 ^f	4,616.6	4,647.3	4,694.2
28 In M3 only ⁸	1,897.4 ^f	2,185.6 ^f	2,583.5 ^f	2,749.1 ^f	2,749.1 ^f	2,722.7	2,732.8	2,710.4
<i>Commercial banks</i>								
29 Savings deposits, including MMDAs	1,288.8	1,426.9	1,742.3	2,060.0	2,060.0	2,074.8	2,096.2	2,126.1
30 Small time deposits ⁹	635.7	700.0	635.2	584.3	584.3	580.4	576.6	572.5
31 Large time deposits ^{10,11}	651.7	717.6	669.7	681.6	681.6	686.0	696.1	693.1
<i>Thrift institutions</i>								
32 Savings deposits, including MMDAs	449.6	453.1	571.5	714.7	714.7	721.5	735.7	755.4
33 Small time deposits ⁹	320.8	345.0	339.2	300.7	300.7	299.3	297.5	296.7
34 Large time deposits ¹⁰	91.2	103.0	114.7	116.4	116.4	117.0	117.5	117.1
<i>Money market mutual funds</i>								
35 Retail	832.0	925.0	991.8	945.8	945.8	940.8	941.3	943.4
36 Institution-only	648.2	805.6	1,217.7	1,260.8	1,260.8	1,234.0	1,214.1	1,185.9
<i>Repurchase agreements and eurodollars</i>								
37 Repurchase agreements ¹²	334.7	364.2	376.5	470.4	470.4	462.8	483.4	494.5
38 Eurodollars ¹²	171.7 ^f	195.2 ^f	204.9 ^f	219.8 ^f	219.8 ^f	222.9	221.6	219.9

Footnotes appear on following page

NOTES TO TABLE 1.21

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. Includes both overnight and term.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹

A. All commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002				2003			2003			
	Mar. [†]	Sept. [†]	Oct. [†]	Nov. [†]	Dec. [†]	Jan. [†]	Feb. [†]	Mar.	Mar. 5	Mar. 12	Mar. 19	Mar. 26
Seasonally adjusted												
Assets												
1 Bank credit	5,418.5	5,729.3	5,759.4	5,838.2	5,894.8	5,889.3	5,964.3	5,994.3	6,011.1	6,023.5	5,974.8	5,972.9
2 Securities in bank credit	1,479.4	1,639.5	1,637.3	1,679.4	1,708.7	1,702.1	1,744.4	1,755.0	1,780.3	1,773.2	1,734.8	1,740.8
3 U.S. government securities	846.1	959.4	973.8	1,004.3	1,020.0	1,021.5	1,047.3	1,057.2	1,066.6	1,056.4	1,047.5	1,054.1
4 Other securities	633.3	680.1	663.5	675.2	688.7	680.6	697.1	697.8	713.6	716.7	687.3	686.7
5 Loans and leases in bank credit ²	3,939.1	4,089.8	4,122.2	4,158.8	4,186.0	4,187.2	4,219.9	4,239.4	4,230.8	4,250.3	4,240.0	4,232.0
6 Commercial and industrial	1,017.1	973.8	969.1	968.2	966.2	961.0	953.2	946.4	949.1	949.0	945.6	944.6
7 Real estate	1,790.9	1,939.5	1,972.8	2,007.7	2,029.7	2,046.1	2,076.6	2,091.7	2,090.6	2,105.7	2,086.6	2,078.8
8 Revolving home equity	167.3	201.2	205.1	209.2	213.8	217.7	222.3	229.4	226.2	228.1	230.1	230.4
9 Other	1,623.6	1,738.4	1,767.7	1,798.6	1,815.9	1,828.4	1,854.4	1,862.3	1,864.4	1,877.6	1,856.5	1,848.4
10 Consumer	560.7	583.1	584.9	585.7	588.3	592.8	593.9	590.9	590.7	588.3	593.8	591.6
11 Security ³	161.7	180.9	183.0	185.8	189.5	176.5	185.9	202.0	192.9	196.1	203.3	211.0
12 Other loans and leases	408.7	412.4	412.3	411.3	412.4	410.9	410.3	408.3	407.5	411.3	410.8	406.0
13 Interbank loans	269.7	317.7	328.1	325.5	328.4	307.7	305.7	316.0	311.9	315.2	317.7	316.2
14 Cash assets ⁴	299.9	318.1	317.8	315.4	316.9	312.9	316.0	322.1	325.2	312.9	330.3	318.2
15 Other assets ⁵	463.9	496.6	507.5	509.9	507.5	508.8	534.9	528.3	529.3	539.8	520.6	525.4
16 Total assets ⁶	6,376.6	6,786.0	6,836.5	6,912.2	6,971.0	6,941.3	7,043.4	7,082.8	7,099.3	7,113.3	7,065.6	7,054.8
Liabilities												
17 Deposits	4,293.0	4,478.4	4,486.7	4,509.3	4,488.3	4,510.5	4,537.4	4,586.4	4,584.8	4,580.5	4,582.7	4,575.9
18 Transaction	623.5	582.7	609.7	605.9	611.3	607.6	612.9	618.2	604.2	597.1	628.5	633.5
19 Nontransaction	3,669.5	3,895.7	3,876.9	3,903.4	3,877.1	3,902.9	3,924.5	3,968.2	3,980.6	3,983.4	3,954.1	3,922.4
20 Large time	1,022.2	1,044.2	1,024.8	1,006.0	979.7	984.0	999.6	1,005.5	1,007.9	1,014.1	1,007.5	997.6
21 Other	2,647.2	2,851.4	2,852.1	2,897.4	2,897.4	2,918.9	2,925.0	2,962.7	2,972.7	2,969.3	2,946.6	2,924.8
22 Borrowings	1,206.2	1,322.8	1,332.0	1,366.1	1,396.9	1,333.6	1,369.2	1,395.3	1,389.1	1,413.5	1,385.4	1,398.0
23 From banks in the U.S.	383.0	415.9	414.9	421.9	417.5	380.5	386.9	395.6	394.4	410.6	389.3	385.7
24 From others	823.2	906.9	917.1	944.2	979.5	953.1	982.4	999.6	994.7	1,002.9	996.2	1,012.4
25 Net due to related foreign offices	102.3	99.1	117.5	122.9	152.0	156.7	145.8	139.7	126.2	149.4	150.8	125.5
26 Other liabilities	316.2	432.7	427.8	431.4	441.6	443.3	452.8	444.2	470.8	451.3	432.2	432.8
27 Total liabilities	5,917.7	6,332.9	6,364.0	6,429.7	6,478.9	6,444.0	6,505.3	6,565.5	6,570.9	6,594.7	6,551.0	6,532.3
28 Residual (assets less liabilities) ⁷	458.9	453.1	472.5	482.5	492.1	497.3	538.0	517.3	528.5	518.6	514.6	522.5
Not seasonally adjusted												
Assets												
29 Bank credit	5,409.2	5,725.9	5,761.3	5,853.6	5,928.8	5,906.6	5,967.9	5,982.7	6,018.3	6,018.2	5,962.2	5,945.9
30 Securities in bank credit	1,483.4	1,638.3	1,635.1	1,682.7	1,715.3	1,712.5	1,753.5	1,760.0	1,791.6	1,783.9	1,737.3	1,739.7
31 U.S. government securities	850.1	959.3	969.8	1,006.0	1,024.3	1,026.3	1,053.6	1,062.1	1,076.2	1,063.7	1,051.1	1,055.2
32 Other securities	633.3	679.0	665.3	676.7	691.1	686.2	699.9	697.9	715.4	720.2	686.2	684.4
33 Loans and leases in bank credit ²	3,925.9	4,087.6	4,126.1	4,170.8	4,213.4	4,194.1	4,214.3	4,222.7	4,226.6	4,234.3	4,224.9	4,206.2
34 Commercial and industrial	1,018.7	972.2	969.5	968.2	964.9	955.1	951.2	947.8	950.3	947.7	948.2	945.8
35 Real estate	1,783.5	1,941.2	1,974.4	2,012.3	2,034.3	2,046.5	2,072.4	2,082.7	2,083.8	2,098.5	2,076.5	2,067.4
36 Revolving home equity	165.9	201.8	205.6	209.0	213.4	217.1	222.6	227.4	225.5	226.4	227.7	227.7
37 Other	1,617.6	1,739.3	1,768.8	1,803.2	1,820.9	1,829.4	1,849.8	1,855.4	1,858.3	1,872.1	1,848.7	1,839.6
38 Consumer	558.1	582.1	583.3	588.1	597.1	600.5	597.1	588.6	590.3	586.5	591.7	588.7
39 Credit cards and related plans	219.9	230.9	232.0	231.6	238.6	234.8	228.0	223.7	225.8	222.2	226.9	223.4
40 Other	338.3	351.2	353.2	356.5	358.6	365.6	369.1	364.9	364.5	364.4	364.8	365.3
41 Security ³	158.4	179.4	185.2	190.2	200.1	182.8	187.6	197.2	195.4	193.9	200.1	201.8
42 Other loans and leases	407.1	412.8	411.7	412.1	417.0	409.3	405.9	406.4	406.8	407.7	408.4	402.5
43 Interbank loans	274.7	310.1	320.9	330.6	335.4	304.5	302.9	322.5	324.2	322.2	321.6	311.8
44 Cash assets ⁴	289.8	314.3	320.9	325.2	339.1	328.8	316.5	311.4	316.7	302.0	317.8	300.3
45 Other assets ⁵	463.2	500.1	507.4	513.4	512.4	512.6	532.5	527.6	531.7	538.7	520.3	519.0
46 Total assets ⁶	6,361.3	6,774.7	6,834.7	6,946.1	7,039.1	6,975.3	7,041.9	7,065.9	7,112.2	7,102.6	7,043.8	6,999.1
Liabilities												
47 Deposits	4,299.5	4,441.7	4,470.1	4,524.3	4,539.1	4,533.8	4,558.3	4,593.6	4,614.5	4,593.0	4,577.8	4,553.0
48 Transaction	615.0	577.8	606.8	613.5	644.1	621.6	605.2	609.9	599.4	587.4	616.3	633.6
49 Nontransaction	3,684.5	3,863.9	3,863.3	3,910.8	3,895.0	3,912.2	3,953.1	3,983.7	4,015.0	4,005.6	3,961.5	3,919.4
50 Large time	1,025.7	1,023.7	1,014.0	1,009.8	992.4	1,000.6	1,010.2	1,008.2	1,013.4	1,016.8	1,008.3	1,000.2
51 Other	2,658.8	2,840.2	2,849.3	2,900.9	2,902.6	2,911.6	2,942.9	2,975.5	3,001.6	2,988.9	2,953.2	2,919.2
52 Borrowings	1,202.9	1,320.5	1,334.6	1,367.4	1,396.1	1,346.7	1,371.4	1,391.6	1,391.1	1,408.7	1,388.3	1,388.6
53 From banks in the U.S.	386.2	409.1	413.4	418.6	419.2	385.1	390.4	399.1	399.5	413.9	397.7	387.2
54 From others	816.7	911.4	921.1	948.8	976.8	961.6	981.1	992.6	991.6	994.8	994.6	1,001.3
55 Net due to related foreign offices	101.7	101.4	119.5	126.8	158.2	151.3	137.7	126.5	126.5	147.2	147.2	126.6
56 Other liabilities	314.1	435.0	431.5	437.5	448.6	447.0	459.1	440.4	470.9	448.2	426.6	431.1
57 Total liabilities	5,918.1	6,298.6	6,355.6	6,456.0	6,541.9	6,488.2	6,540.2	6,563.3	6,602.9	6,597.2	6,539.9	6,499.2
58 Residual (assets less liabilities) ⁷	443.2	476.0	479.1	490.1	497.2	487.1	501.6	502.6	509.3	505.5	503.9	499.9

Footnotes appear on p. A21.

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

B. Domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002		2002			2003			2003			
	Mar. [†]	Sept. [†]	Oct. [†]	Nov. [†]	Dec. [†]	Jan. [†]	Feb. [†]	Mar.	Mar. 5	Mar. 12	Mar. 19	Mar. 26
	Seasonally adjusted											
Assets												
1 Bank credit	4,827.4	5,109.4	5,144.9	5,218.0	5,258.6	5,261.7	5,323.8	5,335.9	5,352.3	5,360.3	5,320.1	5,316.5
2 Securities in bank credit	1,250.9	1,391.9	1,392.4	1,431.5	1,446.9	1,439.3	1,471.5	1,477.9	1,497.8	1,489.8	1,461.0	1,469.7
3 U.S. government securities	775.2	872.4	884.8	910.8	918.1	918.8	939.7	945.6	955.7	945.2	937.1	943.5
4 Other securities	475.6	519.6	507.6	520.7	528.8	520.5	531.8	532.3	542.1	544.6	523.9	526.2
5 Loans and leases in bank credit ²	3,576.6	3,717.5	3,752.5	3,786.5	3,811.7	3,822.4	3,852.3	3,857.9	3,854.6	3,870.5	3,859.1	3,846.8
6 Commercial and industrial	821.7	788.8	788.0	789.2	787.8	784.6	781.0	777.4	778.2	778.2	777.4	776.5
7 Real estate	1,772.9	1,920.5	1,953.2	1,987.8	2,010.2	2,027.2	2,058.6	2,073.9	2,072.6	2,087.6	2,068.7	2,060.8
8 Revolving home equity	167.3	201.2	205.1	209.2	213.8	217.7	222.3	229.4	226.2	228.1	230.1	230.4
9 Other	1,605.5	1,719.3	1,748.1	1,778.6	1,796.4	1,809.5	1,836.3	1,844.5	1,846.3	1,859.5	1,838.6	1,830.4
10 Consumer	560.7	583.1	584.9	585.7	588.3	592.8	593.9	590.9	590.7	588.3	593.8	591.6
11 Security ³	81.8	85.7	85.6	81.1	79.4	71.4	73.0	71.9	71.1	69.7	73.5	75.3
12 Other loans and leases	339.6	339.4	340.8	342.7	346.0	346.5	345.9	343.8	342.0	346.7	345.7	342.6
13 Interbank loans	249.0	296.5	303.6	300.0	298.3	279.0	276.8	285.5	281.2	284.0	285.3	285.6
14 Cash assets ⁴	255.5	271.5	272.2	273.0	272.3	272.9	277.7	279.7	286.8	272.3	286.0	273.7
15 Other assets ⁵	439.0	467.6	473.7	475.3	471.6	468.8	493.3	490.1	488.6	501.0	484.2	489.3
16 Total assets ⁶	5,695.9	6,069.8	6,118.5	6,190.0	6,224.7	6,205.4	6,294.4	6,313.6	6,331.2	6,339.9	6,298.2	6,287.5
Liabilities												
17 Deposits	3,810.6	3,986.1	4,015.2	4,056.7	4,062.7	4,083.7	4,094.1	4,137.2	4,130.9	4,125.4	4,122.7	4,137.6
18 Transaction	613.4	572.6	600.1	596.7	602.1	598.0	603.2	607.6	593.2	586.3	618.0	643.2
19 Nontransaction	3,197.3	3,413.4	3,415.1	3,460.0	3,460.6	3,485.7	3,490.9	3,529.6	3,537.8	3,539.1	3,504.8	3,494.4
20 Large time	552.0	568.3	571.2	571.6	571.0	582.2	587.8	587.5	588.9	591.1	583.2	584.8
21 Other	2,645.3	2,845.1	2,843.9	2,888.4	2,889.6	2,903.5	2,903.1	2,942.0	2,948.9	2,947.9	2,921.6	2,909.6
22 Borrowings	1,018.7	1,097.7	1,099.4	1,114.9	1,119.1	1,061.9	1,092.4	1,095.8	1,095.1	1,115.8	1,093.6	1,086.5
23 From banks in the U.S.	362.2	393.3	391.9	396.7	387.6	349.5	355.5	361.3	357.1	373.6	357.5	352.7
24 From others	656.6	704.4	707.4	718.1	731.5	712.4	737.0	734.5	738.0	742.2	736.1	733.8
25 Net due to related foreign offices	174.8	182.8	189.1	196.3	211.2	226.6	224.5	225.3	212.2	236.0	235.1	219.8
26 Other liabilities	242.8	338.9	328.1	332.1	339.5	344.4	351.7	348.9	366.5	349.1	340.4	342.5
27 Total liabilities	5,246.9	5,605.5	5,631.8	5,700.0	5,732.5	5,716.7	5,762.7	5,807.2	5,804.8	5,826.3	5,791.8	5,786.4
28 Residual (assets less liabilities) ⁷	449.0	464.3	486.7	490.0	492.2	488.7	531.8	506.4	526.4	513.6	506.5	501.1
	Not seasonally adjusted											
Assets												
29 Bank credit	4,818.3	5,109.6	5,147.2	5,229.8	5,282.6	5,271.1	5,322.9	5,326.4	5,357.3	5,356.5	5,307.9	5,293.8
30 Securities in bank credit	1,254.8	1,390.8	1,390.2	1,434.8	1,453.5	1,449.7	1,480.6	1,482.9	1,509.1	1,500.6	1,463.5	1,468.6
31 U.S. government securities	779.2	872.2	880.8	912.5	922.3	923.6	946.0	950.6	965.3	952.5	940.7	944.6
32 Other securities	475.6	518.6	509.4	522.3	531.2	526.1	534.6	532.3	543.9	548.0	522.8	524.0
33 Loans and leases in bank credit ²	3,563.4	3,718.9	3,757.0	3,795.0	3,829.1	3,821.4	3,842.2	3,843.5	3,848.2	3,855.9	3,844.4	3,825.2
34 Commercial and industrial	821.5	787.3	788.3	787.9	785.1	778.6	777.5	777.2	777.5	775.8	778.0	776.3
35 Real estate	1,765.5	1,922.1	1,954.9	1,992.3	2,014.8	2,027.6	2,054.4	2,064.9	2,065.8	2,080.4	2,058.6	2,049.4
36 Revolving home equity	165.9	201.8	205.6	209.0	213.4	217.1	222.6	227.4	225.5	226.4	227.7	227.7
37 Other	1,599.6	1,720.3	1,749.3	1,783.3	1,801.4	1,810.5	1,831.8	1,837.6	1,840.3	1,854.0	1,830.9	1,821.6
38 Consumer	558.1	582.1	585.3	588.1	597.1	600.5	597.1	588.6	590.3	586.5	591.7	588.7
39 Credit cards and related plans	219.9	230.9	232.0	231.6	238.6	234.8	228.0	223.7	225.8	222.2	226.9	223.4
40 Other	338.3	351.2	353.2	356.5	358.6	365.6	369.1	364.9	364.5	364.4	364.8	365.3
41 Security ³	81.3	87.1	87.8	83.4	83.4	70.6	71.8	71.6	74.3	70.7	73.6	72.7
42 Other loans and leases	337.0	340.3	340.8	343.3	348.7	344.2	341.4	341.0	340.3	342.5	342.4	338.1
43 Interbank loans	254.1	288.9	296.4	305.0	305.4	275.8	274.0	291.9	293.4	291.0	289.2	281.2
44 Cash assets ⁴	246.6	268.0	274.3	280.4	291.3	285.8	277.2	270.1	278.7	262.5	275.0	257.1
45 Other assets ⁴	437.7	471.1	474.1	478.9	475.4	471.3	490.2	488.5	489.6	498.1	483.1	482.6
46 Total assets ⁶	5,681.3	6,062.3	6,116.7	6,218.0	6,278.6	6,227.2	6,286.8	6,299.1	6,340.8	6,330.0	6,277.4	6,237.1
Liabilities												
47 Deposits	3,812.6	3,967.6	4,011.0	4,071.6	4,102.6	4,090.9	4,104.8	4,140.3	4,156.8	4,135.6	4,115.7	4,108.0
48 Transaction	605.2	567.5	596.9	604.0	634.1	611.8	595.5	599.6	588.7	577.0	606.1	623.6
49 Nontransaction	3,207.4	3,400.1	3,414.0	3,467.6	3,468.5	3,479.1	3,509.3	3,540.7	3,568.1	3,558.5	3,509.6	3,484.4
50 Large time	550.6	565.9	572.7	575.7	573.8	583.5	588.8	586.0	590.6	591.1	581.6	580.7
51 Other	2,656.9	2,834.1	2,841.4	2,892.0	2,894.7	2,895.6	2,920.5	2,954.6	2,977.6	2,967.4	2,928.0	2,903.7
52 Borrowings	1,015.4	1,095.4	1,101.9	1,116.2	1,118.2	1,075.0	1,094.6	1,092.2	1,097.1	1,111.0	1,096.5	1,077.0
53 From banks in the U.S.	365.4	386.5	390.4	393.5	389.3	354.0	359.0	364.7	362.2	377.0	361.9	354.3
54 From others	650.0	708.9	711.5	722.7	728.9	721.0	735.6	727.5	734.8	734.0	734.5	722.8
55 Net due to related foreign offices	171.3	183.6	192.5	201.5	215.6	228.1	228.8	221.0	211.9	232.9	228.7	215.9
56 Other liabilities	239.4	340.2	332.6	339.1	345.3	346.4	357.2	343.6	366.1	345.4	332.9	337.4
57 Total liabilities	5,238.7	5,586.9	5,638.1	5,728.4	5,781.8	5,740.4	5,785.4	5,797.1	5,831.9	5,824.8	5,773.8	5,738.3
58 Residual (assets less liabilities) ⁷	442.7	475.4	478.6	489.6	496.8	486.7	501.4	502.0	508.9	505.2	503.7	498.8

Footnotes appear on p. A21.

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

C. Large domestically chartered commercial banks

Billions of dollars

Account		Monthly averages							Wednesday figures				
		2002	2002				2003			2003			
		Mar. [†]	Sept. [†]	Oct. [†]	Nov. [†]	Dec. [†]	Jan. [†]	Feb. [†]	Mar.	Mar. 5	Mar. 12	Mar. 19	Mar. 26
		Seasonally adjusted											
Assets													
1	Bank credit	2,624.7	2,769.7	2,778.5	2,829.2	2,858.2	2,857.2	2,904.0	2,901.2	2,925.7	2,932.9	2,885.1	2,877.1
2	Securities in bank credit	633.7	744.3	737.5	770.1	779.5	773.8	804.9	802.4	824.8	819.8	787.1	791.0
3	U.S. government securities	373.9	431.5	436.2	455.4	457.7	460.8	479.5	475.9	490.3	480.2	468.6	471.5
4	Trading account	32.9	42.4	37.7	47.9	44.5	41.5	54.8	42.1	53.3	46.7	37.1	37.5
5	Investment account	340.9	389.1	398.5	407.5	413.1	419.2	424.7	433.8	437.0	433.6	431.6	434.0
6	Other securities	259.8	312.8	301.3	314.7	321.8	313.0	325.3	326.4	334.5	339.5	318.5	319.5
7	Trading account	122.2	171.3	153.8	161.0	164.9	159.7	172.2	171.3	180.5	185.2	162.9	164.1
8	Investment account	137.6	141.5	147.5	153.7	157.0	153.3	153.1	155.1	154.0	154.3	155.6	155.4
9	State and local government ..	27.6	28.4	28.8	29.3	29.5	29.4	29.6	30.1	29.7	29.7	30.2	30.4
10	Other	110.0	113.1	118.7	124.4	127.5	123.9	123.5	125.0	124.3	124.6	125.4	125.1
11	Loans and leases in bank credit ² ..	1,991.0	2,025.4	2,041.0	2,059.1	2,078.7	2,083.4	2,099.2	2,098.8	2,100.8	2,113.2	2,098.0	2,086.0
12	Commercial and industrial	527.3	487.8	485.4	484.0	481.9	479.2	474.2	470.4	471.0	471.8	470.4	469.7
13	Bankers acceptances	0	0	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
14	Other	527.3	487.8	485.4	484.0	481.9	479.2	474.2	470.4	471.0	471.8	470.4	469.7
15	Real estate	854.9	926.2	944.6	969.2	989.6	1,005.6	1,027.2	1,036.6	1,038.9	1,049.3	1,031.2	1,023.9
16	Revolving home equity	106.3	127.5	129.9	132.8	136.8	139.9	142.3	147.8	145.5	147.0	148.4	148.2
17	Other	748.6	798.6	814.7	836.4	852.8	865.7	884.9	888.8	893.4	902.3	882.8	875.7
18	Consumer	291.5	297.5	297.9	296.3	296.4	296.6	294.5	291.0	292.1	290.2	292.0	290.7
19	Security ³	74.4	77.8	77.3	72.9	71.1	62.9	64.4	63.5	62.7	61.2	65.1	66.6
20	Federal funds sold to and repurchase agreements with broker-dealers	61.8	67.8	67.0	62.1	60.8	52.3	53.7	52.1	52.4	49.9	53.2	54.5
21	Other	12.5	9.9	10.3	10.8	10.4	10.6	10.7	11.4	10.3	11.3	11.8	12.1
22	State and local government	13.4	13.1	13.0	12.1	11.8	12.0	12.2	12.4	12.4	12.3	12.4	12.5
23	Agricultural	9.4	8.2	8.1	8.1	8.2	8.1	7.8	7.8	7.8	7.8	7.8	7.8
24	Federal funds sold to and repurchase agreements with others	21.6	19.9	19.3	18.7	22.6	23.0	23.4	23.0	21.6	24.7	25.7	21.2
25	All other loans	67.2	68.5	70.5	73.8	74.4	75.4	75.0	74.0	73.7	75.4	73.4	73.8
26	Lease-financing receivables	131.3	126.5	124.9	124.0	122.7	120.8	120.5	120.1	120.6	120.4	120.0	119.9
27	Interbank loans	153.1	184.0	184.1	181.6	179.4	153.5	150.3	159.1	157.6	157.8	159.1	152.6
28	Federal funds sold to and repurchase agreements with commercial banks	81.6	90.6	85.6	88.5	86.2	85.7	81.1	89.5	88.7	89.0	88.1	81.6
29	Other	71.5	93.3	98.5	93.1	93.2	67.8	69.2	69.7	68.9	68.8	71.0	71.0
30	Cash assets ⁴	144.0	145.7	144.6	146.0	147.1	146.8	148.2	148.5	156.2	143.3	154.8	141.7
31	Other assets ⁵	298.5	322.7	333.2	332.9	328.8	324.5	345.1	339.3	337.2	346.3	337.3	343.3
32	Total assets ⁶	3,175.6	3,378.4	3,396.5	3,445.5	3,469.7	3,437.5	3,503.0	3,503.3	3,531.4	3,535.4	3,491.7	3,469.8
Liabilities													
33	Deposits	1,827.1	1,893.2	1,910.2	1,937.7	1,947.5	1,960.8	1,961.3	1,979.9	1,981.3	1,975.0	1,970.6	1,974.0
34	Transaction	311.1	270.9	288.7	284.5	287.6	285.0	287.2	287.5	281.7	275.0	296.1	304.6
35	Nontransaction	1,516.1	1,622.3	1,621.5	1,653.2	1,659.9	1,675.8	1,674.2	1,692.5	1,699.6	1,700.0	1,674.5	1,669.4
36	Large time	252.1	266.9	267.1	265.7	262.6	274.5	277.2	272.6	275.1	275.9	269.0	269.4
37	Other	1,264.0	1,355.4	1,354.4	1,387.5	1,397.2	1,401.3	1,397.0	1,419.9	1,424.4	1,424.1	1,405.5	1,400.0
38	Borrowings	697.6	730.7	727.6	740.9	729.7	654.8	681.9	688.0	694.4	706.3	681.7	679.2
39	From banks in the U.S.	249.0	263.5	262.7	268.8	248.9	193.5	196.1	204.5	202.8	214.5	200.2	195.7
40	From others	448.6	467.2	464.9	472.1	480.9	461.3	485.7	483.5	491.6	491.7	481.5	483.5
41	Net due to related foreign offices	165.7	174.2	176.8	185.0	198.8	211.4	211.5	213.8	200.9	225.2	224.6	207.8
42	Other liabilities	181.4	271.3	261.0	264.9	274.5	273.7	278.8	274.9	291.9	275.1	266.8	268.0
43	Total liabilities	2,871.8	3,069.3	3,075.5	3,128.5	3,150.5	3,100.7	3,133.5	3,156.7	3,168.5	3,181.7	3,143.7	3,129.0
44	Residual (assets less liabilities) ⁷	303.7	309.1	321.0	316.9	319.2	336.8	369.5	346.6	363.0	353.8	348.1	340.8

Footnotes appear on p. A21.

A18 Domestic Financial Statistics □ June 2003

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

C. Large domestically chartered commercial banks—Continued

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002				2003			2003			
	Mar. [†]	Sept. [†]	Oct. [†]	Nov. [†]	Dec. [†]	Jan. [†]	Feb. [†]	Mar.	Mar. 5	Mar. 12	Mar. 19	Mar. 26
	Not seasonally adjusted											
Assets												
45 Bank credit	2,619.2	2,767.5	2,778.4	2,837.5	2,870.7	2,864.6	2,906.2	2,895.0	2,933.9	2,931.8	2,877.0	2,858.2
46 Securities in bank credit	635.4	743.0	737.5	774.5	784.6	782.4	813.2	804.7	835.3	827.8	786.9	786.2
47 U.S. government securities	375.6	431.3	434.4	458.3	460.4	463.8	485.0	478.2	499.0	484.8	469.5	468.9
48 Trading account	33.1	42.4	37.6	48.2	44.8	41.8	55.5	42.4	54.3	47.1	37.1	37.3
49 Investment account	342.5	388.9	396.9	410.1	415.6	422.0	429.6	435.8	444.8	437.7	432.4	431.6
50 Mortgage-backed securities	263.5	308.3	313.2	324.8	317.2	323.3	329.5	332.8	340.7	332.4	329.9	328.2
51 Other	78.9	80.5	83.7	85.3	98.4	98.7	100.1	103.0	104.1	105.3	102.5	103.4
52 One year or less	20.2	20.2	22.1	23.5	24.5	21.6	23.1	24.6	25.1	25.1	25.0	24.8
53 One to five years	46.2	47.2	51.0	48.0	57.4	59.3	58.1	57.9	56.1	56.9	57.3	60.6
54 More than five years	12.5	13.1	10.6	13.8	16.6	17.8	18.9	20.5	22.9	23.3	20.1	18.1
55 Other securities	259.8	311.7	303.0	316.2	324.2	318.6	328.2	326.5	336.3	343.0	317.4	317.2
56 Trading account	122.2	170.7	154.7	161.8	166.1	162.5	173.7	171.4	181.5	187.1	162.3	162.9
57 Investment account	137.6	141.0	148.4	154.5	158.1	156.0	154.4	155.1	154.8	155.9	155.1	154.3
58 State and local government	27.6	28.4	29.0	29.4	29.7	30.0	29.8	30.1	29.9	30.0	30.1	30.1
59 Other	110.0	112.7	119.4	125.0	128.4	126.1	124.6	125.0	124.9	125.9	124.9	124.2
60 Loans and leases in bank credit ²	1,983.9	2,024.5	2,040.9	2,063.0	2,086.1	2,082.2	2,093.0	2,090.4	2,098.6	2,104.0	2,090.1	2,072.0
61 Commercial and industrial	527.2	487.9	485.9	484.2	479.3	474.7	472.2	470.4	471.2	470.2	470.9	469.1
62 Bankers' acceptances	.0	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
63 Other	527.2	487.9	485.9	484.2	479.3	474.7	472.2	470.4	471.2	470.2	470.9	469.1
64 Real estate	849.4	927.2	945.2	971.9	990.9	1,004.5	1,023.0	1,029.7	1,033.3	1,043.5	1,024.0	1,015.2
65 Revolving home equity	105.1	127.9	130.2	132.5	135.9	139.0	142.6	146.1	144.8	145.5	146.4	146.1
66 Other	430.3	483.9	496.4	520.5	536.5	546.2	561.0	564.1	568.7	578.0	558.1	549.1
67 Commercial	314.0	315.4	318.6	318.9	318.4	319.4	319.4	319.6	319.7	320.1	319.5	320.0
68 Consumer	291.9	294.6	294.6	294.9	298.9	301.4	297.7	291.6	293.9	290.9	292.6	290.9
69 Credit cards and related plans	119.4	118.5	117.1	114.6	117.3	115.3	109.7	105.9	108.9	105.5	106.8	104.8
70 Other	172.6	176.1	177.5	180.3	181.6	186.1	188.0	185.8	185.4	185.8	185.8	186.1
71 Security ³	73.6	79.1	79.6	74.9	75.0	62.4	63.3	62.9	65.4	61.9	65.1	64.1
72 Federal funds sold to and repurchase agreements with broker-dealers	61.2	69.1	69.0	63.8	64.1	51.9	52.8	51.6	54.6	50.5	53.2	52.5
73 Other	12.4	10.1	10.6	11.1	10.9	10.5	10.5	11.3	10.8	11.4	11.8	11.6
74 State and local government	13.4	13.1	13.0	12.1	11.8	12.0	12.2	12.4	12.4	12.3	12.4	12.5
75 Agricultural	9.3	8.2	8.0	8.0	8.1	8.1	7.7	7.7	7.7	7.7	7.7	7.7
76 Federal funds sold to and repurchase agreements with others	21.6	19.9	19.3	18.7	22.6	23.0	23.4	23.0	21.6	24.7	25.7	21.2
77 All other loans	65.1	69.6	70.8	74.7	76.4	73.5	71.7	71.8	71.6	71.5	71.1	71.0
78 Lease-financing receivables	132.1	124.8	124.3	123.5	123.0	122.6	121.9	120.9	121.6	121.2	120.7	120.4
79 Interbank loans	153.1	178.1	178.3	183.1	183.9	156.7	148.5	159.2	158.9	156.7	159.4	149.1
80 Federal funds sold to and repurchase agreements with commercial banks	81.6	87.8	83.0	89.2	88.4	87.5	80.2	89.5	89.4	88.3	88.3	79.7
81 Other	71.4	90.2	95.3	93.9	95.5	69.2	68.3	69.6	69.5	68.3	71.2	69.4
82 Cash assets ⁴	139.1	142.7	146.2	149.1	158.7	155.6	148.2	143.5	150.2	137.9	150.1	132.7
83 Other assets ⁵	297.2	326.3	333.5	336.5	332.6	326.9	342.0	337.7	338.2	343.4	336.2	336.6
84 Total assets⁶	3,163.5	3,370.8	3,393.1	3,462.3	3,502.1	3,459.4	3,499.9	3,490.3	3,535.6	3,524.4	3,477.8	3,431.7
Liabilities												
85 Deposits	1,824.6	1,885.6	1,907.8	1,944.5	1,964.0	1,961.7	1,965.4	1,978.0	1,993.9	1,977.5	1,964.8	1,951.0
86 Transaction	306.4	266.5	285.7	288.3	308.0	293.8	282.8	283.1	277.8	268.9	290.5	293.7
87 Nontransaction	1,518.2	1,619.0	1,622.1	1,656.2	1,656.0	1,667.9	1,682.5	1,694.9	1,716.1	1,708.5	1,674.3	1,657.2
88 Large time	250.7	264.5	268.6	269.8	265.5	275.8	278.2	271.1	276.8	275.9	267.3	265.2
89 Other	1,267.5	1,354.5	1,353.4	1,386.5	1,390.5	1,392.1	1,404.4	1,423.8	1,439.3	1,432.7	1,407.0	1,392.0
90 Borrowings	694.2	728.4	730.1	742.3	728.9	667.9	684.0	684.4	696.4	701.5	684.6	669.7
91 From banks in the U.S.	252.2	256.7	261.2	265.6	250.6	198.1	199.6	208.0	207.9	217.9	204.7	197.3
92 From nonbanks in the U.S.	442.1	471.6	468.9	476.7	478.2	469.8	484.4	476.5	488.5	483.6	479.9	472.5
93 Net due to related foreign offices	162.2	175.0	180.2	190.2	203.2	212.9	215.8	209.5	200.6	222.1	218.2	203.9
94 Other liabilities	178.1	272.7	265.5	271.8	280.3	275.7	284.2	269.6	291.4	271.4	259.3	262.9
95 Total liabilities	2,859.1	3,061.6	3,083.6	3,148.9	3,176.4	3,118.2	3,149.4	3,141.6	3,182.4	3,172.5	3,127.0	3,087.5
96 Residual (assets less liabilities) ⁷	304.4	309.2	309.5	313.4	325.8	341.3	350.5	348.7	353.3	351.9	350.8	344.2

Footnotes appear on p. A21.

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

D. Small domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002				2003			2003			
	Mar. [†]	Sept. [†]	Oct. [†]	Nov. [†]	Dec. [†]	Jan. [†]	Feb. [†]	Mar.	Mar. 5	Mar. 12	Mar. 19	Mar. 26
Seasonally adjusted												
Assets												
1 Bank credit	2,202.7	2,339.7	2,366.3	2,388.8	2,400.4	2,404.5	2,419.8	2,434.7	2,426.7	2,427.3	2,435.0	2,439.4
2 Securities in bank credit	617.2	647.6	654.9	661.4	667.4	665.5	666.6	675.6	673.0	670.0	673.9	678.7
3 U.S. government securities	401.4	440.8	448.5	455.4	460.4	458.0	460.2	469.7	465.3	465.0	468.5	472.0
4 Other securities	215.8	206.8	206.4	206.0	207.0	207.5	206.4	205.9	207.6	205.0	205.4	206.7
5 Loans and leases in bank credit ²	1,585.6	1,692.1	1,711.4	1,727.4	1,733.0	1,739.0	1,753.2	1,759.1	1,753.7	1,757.3	1,761.1	1,760.7
6 Commercial and industrial	294.4	301.0	302.6	305.2	305.9	305.4	306.7	307.0	307.2	306.4	307.0	306.7
7 Real estate	917.9	994.4	1,008.6	1,018.5	1,020.7	1,021.6	1,031.3	1,037.4	1,033.6	1,038.3	1,037.5	1,036.9
8 Revolving home equity	61.0	73.7	75.2	76.3	77.1	77.8	79.9	81.7	80.7	81.0	81.7	82.2
9 Other	856.9	920.7	933.4	942.2	943.6	943.7	951.4	955.7	952.9	957.2	955.8	954.6
10 Consumer	269.2	285.5	287.0	289.4	291.8	296.2	299.5	299.9	298.6	298.1	301.8	301.0
11 Security ³	7.4	8.0	8.2	8.2	8.2	8.5	8.6	8.5	8.4	8.5	8.4	8.7
12 Other loans and leases	96.6	103.2	104.9	106.0	106.3	107.3	107.0	106.5	105.9	106.1	106.4	107.4
13 Interbank loans	95.9	112.6	119.4	118.4	119.0	125.4	126.5	126.4	126.2	126.3	126.3	133.0
14 Cash assets ⁴	111.5	125.8	127.6	127.1	125.3	126.1	129.5	131.1	130.6	129.0	131.2	132.0
15 Other assets ⁵	140.5	144.8	140.5	142.4	142.8	144.4	148.2	150.8	151.4	154.7	146.9	146.0
16 Total assets⁶	2,520.4	2,691.3	2,722.0	2,744.5	2,755.0	2,768.0	2,791.4	2,810.3	2,799.7	2,804.5	2,806.5	2,817.7
Liabilities												
17 Deposits	1,983.5	2,092.9	2,105.1	2,119.0	2,115.2	2,123.0	2,132.7	2,157.3	2,149.7	2,150.4	2,152.2	2,163.6
18 Transaction	302.3	301.8	311.5	312.2	314.5	313.0	316.0	320.2	311.5	311.4	321.9	338.5
19 Nontransaction	1,681.2	1,791.1	1,793.6	1,806.8	1,800.8	1,809.9	1,816.7	1,837.1	1,838.2	1,839.0	1,830.3	1,825.0
20 Large time	299.9	301.4	304.1	305.9	308.4	307.7	310.6	314.9	313.7	315.2	314.3	315.5
21 Other	1,381.3	1,489.7	1,489.6	1,500.9	1,492.4	1,502.3	1,506.1	1,522.2	1,524.5	1,523.8	1,516.0	1,509.6
22 Borrowings	321.2	367.0	371.8	373.9	389.3	407.2	410.6	407.8	400.7	409.5	411.9	407.3
23 From banks in the U.S.	113.2	129.8	129.3	127.9	138.7	156.0	159.3	156.8	154.3	159.1	157.3	157.0
24 From others	208.0	237.3	242.5	246.0	250.6	251.2	251.3	251.0	246.4	250.5	254.6	250.3
25 Net due to related foreign offices	9.0	8.6	12.3	11.3	12.4	15.2	13.0	11.5	11.3	10.7	10.5	12.0
26 Other liabilities	61.4	67.6	67.1	67.2	65.0	70.7	72.9	74.0	74.7	74.0	73.6	74.5
27 Total liabilities	2,375.1	2,536.1	2,556.3	2,571.4	2,581.9	2,616.0	2,629.2	2,650.5	2,636.3	2,644.7	2,648.1	2,657.4
28 Residual (assets less liabilities) ⁷	145.3	155.2	165.7	173.1	173.1	151.9	162.2	159.8	163.4	159.8	158.4	160.3
Not seasonally adjusted												
Assets												
29 Bank credit	2,199.0	2,342.1	2,368.8	2,392.3	2,412.0	2,406.5	2,416.6	2,431.4	2,423.4	2,424.7	2,430.9	2,435.6
30 Securities in bank credit	619.5	647.8	652.8	660.3	668.9	667.3	667.4	678.3	673.8	672.7	676.6	682.4
31 U.S. government securities	403.6	440.9	446.4	454.2	461.9	459.8	461.0	472.4	466.2	467.7	471.2	475.7
32 Other securities	215.8	206.8	206.4	206.0	207.0	207.5	206.4	205.9	207.6	205.0	205.4	206.7
33 Loans and leases in bank credit ²	1,579.6	1,694.3	1,716.1	1,732.0	1,743.0	1,739.2	1,749.2	1,753.1	1,749.5	1,751.9	1,754.3	1,753.2
34 Commercial and industrial	294.3	299.3	302.3	303.7	305.8	303.9	305.3	306.9	306.3	305.7	307.2	307.2
35 Real estate	916.1	994.9	1,009.6	1,020.4	1,023.9	1,023.0	1,031.4	1,035.2	1,032.5	1,036.9	1,034.6	1,034.2
36 Revolving home equity	60.7	73.9	75.5	76.5	77.5	78.1	80.0	81.3	80.7	80.9	81.3	81.7
37 Other	855.3	921.0	934.2	943.9	946.4	945.0	951.4	953.9	951.8	956.0	953.3	952.5
38 Consumer	266.2	287.5	290.7	293.2	298.2	299.1	299.4	297.0	296.5	295.6	299.2	297.8
39 Credit cards and related plans	100.5	112.4	115.0	116.9	121.3	119.6	118.3	117.8	116.9	116.6	120.1	118.6
40 Other	165.7	175.1	175.7	176.2	176.9	179.5	181.1	179.2	179.5	178.9	179.0	179.2
41 Security ³	7.6	7.9	8.2	8.5	8.4	8.2	8.5	8.7	8.9	8.8	8.6	8.6
42 Other loans and leases	95.3	104.7	105.2	106.3	106.7	105.0	104.6	105.3	105.3	105.0	104.9	105.3
43 Interbank loans	101.0	110.8	118.1	121.9	121.5	119.0	125.5	132.8	134.5	134.4	129.8	132.2
44 Cash assets ⁴	107.6	125.3	128.1	131.3	132.6	130.3	129.1	126.6	128.4	124.6	124.9	124.4
45 Other assets ⁵	140.5	144.8	140.5	142.4	142.8	144.4	148.2	150.8	151.4	154.7	146.9	146.0
46 Total assets⁶	2,517.8	2,691.5	2,723.6	2,755.7	2,776.4	2,767.7	2,786.8	2,808.8	2,805.2	2,805.6	2,799.6	2,805.4
Liabilities												
47 Deposits	1,988.0	2,082.0	2,103.2	2,127.1	2,138.7	2,129.2	2,139.4	2,162.2	2,162.9	2,158.1	2,150.9	2,157.0
48 Transaction	298.8	301.0	311.2	315.7	326.1	318.0	312.7	316.5	310.8	308.1	315.5	329.8
49 Nontransaction	1,689.2	1,781.0	1,792.0	1,811.4	1,812.6	1,811.2	1,826.8	1,845.7	1,852.0	1,850.0	1,835.3	1,827.2
50 Large time	299.9	301.4	304.1	305.9	308.4	307.7	310.6	314.9	313.7	315.2	314.3	315.5
51 Other	1,389.3	1,479.6	1,487.9	1,505.5	1,504.2	1,503.5	1,516.2	1,530.8	1,538.3	1,534.7	1,521.1	1,511.7
52 Borrowings	321.2	367.0	371.8	373.9	389.3	407.2	410.6	407.8	400.7	409.5	411.9	407.3
53 From banks in the U.S.	113.2	129.8	129.3	127.9	138.7	156.0	159.3	156.8	154.3	159.1	157.3	157.0
54 From others	208.0	237.3	242.5	246.0	250.6	251.2	251.3	251.0	246.4	250.5	254.6	250.3
55 Net due to related foreign offices	9.0	8.6	12.3	11.3	12.4	15.2	13.0	11.5	11.3	10.7	10.5	12.0
56 Other liabilities	61.4	67.6	67.1	67.2	65.0	70.7	72.9	74.0	74.7	74.0	73.6	74.5
57 Total liabilities	2,379.6	2,525.3	2,554.5	2,579.5	2,605.4	2,622.3	2,635.9	2,655.5	2,649.5	2,652.3	2,646.8	2,650.8
58 Residual (assets less liabilities) ⁷	138.2	166.2	169.1	176.2	171.0	145.5	150.9	153.3	155.7	153.3	152.8	154.6

Footnotes appear on p. A21.

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

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002				2003			2003			
	Mar. [†]	Sept. [†]	Oct. [†]	Nov. [†]	Dec. [†]	Jan. [†]	Feb. [†]	Mar.	Mar. 5	Mar. 12	Mar. 19	Mar. 26
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	591.1	619.8	614.6	620.2	636.1	627.6	640.5	658.5	658.7	663.2	654.7	656.4
2 Securities in bank credit	228.6	247.6	244.9	248.0	261.8	262.8	272.9	277.1	282.5	283.3	273.8	271.1
3 U.S. government securities	70.9	87.1	89.0	93.5	101.9	102.7	107.6	111.5	110.9	111.2	110.4	110.6
4 Other securities	157.7	160.5	155.9	154.5	159.9	160.1	165.3	165.5	171.5	172.2	163.5	160.5
5 Loans and leases in bank credit ²	362.5	372.2	369.7	372.2	374.3	364.8	367.6	381.4	376.3	379.9	380.9	385.3
6 Commercial and industrial	195.5	185.0	181.1	178.9	178.4	176.4	172.3	169.0	170.9	170.8	168.2	168.2
7 Real estate	18.0	19.0	19.6	20.0	19.5	18.9	18.1	17.8	18.0	18.1	17.8	18.0
8 Security ³	79.9	95.2	97.5	104.7	110.1	105.1	112.9	130.0	121.8	126.5	129.8	135.7
9 Other loans and leases	69.1	73.0	71.5	68.6	66.4	64.4	64.4	64.5	65.6	64.6	65.1	63.4
10 Interbank loans	20.7	21.2	24.5	25.5	30.0	28.8	28.8	30.5	30.7	31.2	32.4	30.6
11 Cash assets ⁴	44.4	46.6	45.5	42.3	44.6	40.0	38.3	42.5	38.4	40.5	44.2	44.6
12 Other assets ⁵	24.9	29.0	33.8	34.6	35.9	39.9	41.7	38.1	40.7	38.8	36.5	36.1
13 Total assets⁶	680.7	716.2	718.0	722.2	746.3	735.9	749.0	769.2	768.2	773.4	767.4	767.3
<i>Liabilities</i>												
14 Deposits	482.4	492.3	471.4	452.6	425.6	426.8	443.4	449.2	453.9	455.1	459.9	438.4
15 Transaction	10.2	10.1	9.6	9.2	9.2	9.5	9.7	10.6	11.1	10.7	10.6	10.4
16 Nontransaction	472.2	482.2	461.8	443.3	416.4	417.2	433.6	438.6	442.8	444.3	449.3	428.0
17 Borrowings	187.5	225.1	232.7	251.2	277.9	271.7	276.8	299.4	294.0	297.7	291.9	311.6
18 From banks in the U.S.	20.8	22.6	23.0	25.2	29.9	31.0	31.4	34.3	37.3	37.0	31.8	33.0
19 From others	166.6	202.5	209.7	226.0	248.0	240.6	245.4	265.1	256.7	260.7	260.1	278.6
20 Net due to related foreign offices	-72.5	-83.7	-71.6	-73.3	-59.2	-70.0	-78.6	-85.6	-86.0	-86.6	-84.3	-94.3
21 Other liabilities	73.4	93.8	99.7	99.3	102.1	98.9	101.1	95.3	104.2	102.1	91.8	90.3
22 Total liabilities	670.8	727.4	732.2	729.7	746.4	727.3	742.7	758.3	766.1	768.3	759.2	746.0
23 Residual (assets less liabilities) ⁷	9.9	-11.2	-14.2	-7.5	-2	8.6	6.3	10.9	2.1	5.0	8.1	21.3
	Not seasonally adjusted											
<i>Assets</i>												
24 Bank credit	591.0	616.3	614.1	623.8	646.2	635.5	645.0	656.3	660.9	661.7	654.3	652.1
25 Securities in bank credit	228.6	247.6	244.9	248.0	261.8	262.8	272.9	277.1	282.5	283.3	273.8	271.1
26 U.S. government securities	70.9	87.1	89.0	93.5	101.9	102.7	107.6	111.5	110.9	111.2	110.4	110.6
27 Trading account	9.3	16.1	18.6	20.3	30.6	32.1	34.9	34.6	36.1	34.2	32.3	33.8
28 Investment account	61.6	71.0	70.4	73.2	71.3	70.6	72.7	76.9	74.8	77.0	78.1	76.8
29 Other securities	157.7	160.5	155.9	154.5	159.9	160.1	165.3	165.5	171.5	172.2	163.5	160.5
30 Trading account	100.3	105.1	101.5	100.4	101.3	101.2	100.3	98.9	105.4	104.3	95.9	94.4
31 Investment account	57.4	55.4	54.4	54.0	58.6	58.9	65.0	66.6	66.1	67.8	67.6	66.1
32 Loans and leases in bank credit ²	362.4	368.7	369.2	375.8	384.3	372.7	372.1	379.2	378.5	378.4	380.5	381.0
33 Commercial and industrial	197.2	184.9	181.2	180.3	179.8	176.5	173.7	170.5	172.8	171.9	170.2	169.6
34 Real estate	18.0	19.0	19.6	20.0	19.5	18.9	18.1	17.8	18.0	18.1	17.8	18.0
35 Security ³	77.1	92.3	97.5	106.8	116.7	112.2	115.8	125.5	121.1	123.2	126.5	129.1
36 Other loans and leases	70.1	72.4	70.9	68.8	68.3	65.1	64.5	65.4	66.5	65.2	66.0	64.4
37 Interbank loans	20.7	21.2	24.5	25.5	30.0	28.8	28.8	30.5	30.7	31.2	32.4	30.6
38 Cash assets ⁴	43.2	46.3	46.6	44.7	47.8	42.9	39.3	41.3	38.1	39.5	42.8	43.2
39 Other assets ⁵	25.5	29.0	33.3	34.5	37.0	41.3	42.3	39.1	42.0	40.6	37.2	36.4
40 Total assets⁶	680.0	712.4	718.1	728.1	760.5	748.1	755.1	766.8	771.4	772.6	766.3	762.0
<i>Liabilities</i>												
41 Deposits	486.9	474.1	459.1	452.7	436.4	442.9	453.5	453.3	457.7	457.4	462.1	445.0
42 Transaction	9.9	10.3	9.8	9.5	10.0	9.8	9.7	10.3	10.7	10.3	10.2	10.0
43 Nontransaction	477.0	463.9	449.3	443.1	426.5	433.1	443.8	443.1	446.9	447.1	451.9	435.0
44 Borrowings	187.5	225.1	232.7	251.2	277.9	271.7	276.8	299.4	294.0	297.7	291.9	311.6
45 From banks in the U.S.	20.8	22.6	23.0	25.2	29.9	31.0	31.4	34.3	37.3	37.0	31.8	33.0
46 From others	166.6	202.5	209.7	226.0	248.0	240.6	245.4	265.1	256.7	260.7	260.1	278.6
47 Net due to related foreign offices	-69.6	-82.2	-73.1	-74.7	-57.4	-67.4	-77.5	-83.3	-85.4	-85.6	-81.5	-89.3
48 Other liabilities	74.6	94.8	98.8	98.4	103.3	100.6	102.0	96.8	104.8	102.8	93.7	93.6
49 Total liabilities	679.4	711.8	717.6	727.6	760.1	747.8	754.9	766.2	771.0	772.3	766.1	760.9
50 Residual (assets less liabilities) ⁷	.5	.6	.5	.5	.4	.4	.2	.6	.3	.2	.2	1.1

Footnotes appear on p. A21.

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

F. Memo items

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002				2003			2003			
	Mar.	Sept.	Oct.	Nov. ¹	Dec. ¹	Jan.	Feb. ¹	Mar.	Mar. 5	Mar. 12	Mar. 19	Mar. 26
	Not seasonally adjusted											
MEMO												
Large domestically chartered banks, adjusted for mergers												
1 Revaluation gains on off-balance-sheet items ⁸	73.2	117.2 ^r	102.4 ^r	105.2	112.6	107.9 ^r	117.0	115.5	128.1	128.5	106.4	108.7
2 Revaluation losses on off-balance- sheet items ⁸	53.0	98.6 ^r	85.7 ^r	89.0	93.8	86.2 ^r	94.9	91.3	105.0	104.9	82.4	82.7
3 Mortgage-backed securities ⁹	299.8 ^r	344.0 ^r	355.3 ^r	370.5	363.2	368.9 ^r	374.9	379.4	386.7	378.9	376.9	374.3
4 Pass-through	201.6	255.0	261.7	274.6	265.6	271.2	276.5	275.8	284.8	277.0	276.4	271.2
5 CMO, REMIC, and other	98.2 ^r	89.0 ^r	93.6 ^r	95.9	97.6	97.7 ^r	98.4	103.6	101.9	101.9	100.5	103.1
6 Net unrealized gains (losses) on available-for-sale securities ¹⁰	3.2	11.5	11.9 ^r	11.3	10.7	12.1 ^r	12.0	12.1	14.3	13.1	11.2	11.4
7 Off-shore credit to U.S. residents ¹¹	19.8	19.0	18.4	18.5	18.7	18.3	18.2	18.2	17.8	18.3	18.3	18.5
8 Securitized consumer loans ¹²	133.8	141.9	144.3	148.5	150.1	149.7	150.6	152.5	150.6	151.9	151.9	153.6
9 Credit cards and related plans	120.4	125.0	127.5	131.4	133.2	132.2	134.8	136.7	135.1	136.4	136.0	137.6
10 Other	13.4	16.9	16.9	17.0	16.9	17.5	15.8	15.8	15.6	15.5	16.0	15.9
11 Securitized business loans ¹²	18.1	17.8	17.8	17.4	17.2	16.9	17.2	16.8	17.0	16.9	16.8	16.7
Small domestically chartered commercial banks, adjusted for mergers												
12 Mortgage-backed securities ⁹	276.1 ^r	303.8 ^r	304.1 ^r	307.7	311.1	310.9 ^r	316.8	327.9	324.2	325.5	327.3	328.7
13 Securitized consumer loans ¹²	203.2 ^r	199.9	198.3	198.7	201.3	205.6	204.5	203.2	203.1	204.4	201.6	203.3
14 Credit cards and related plans	195.5 ^r	195.9	189.3	189.8	192.5	197.1	196.0	194.8	194.7	195.9	193.1	194.9
15 Other	7.7	3.9	8.9	8.9	8.7	8.5	8.4	8.5	8.4	8.5	8.5	8.5
Foreign-related institutions												
16 Revaluation gains on off-balance- sheet items ⁸	47.2 ^r	63.0 ^r	61.9	63.3	64.1	66.8 ^r	66.8	64.6	69.7	69.1	62.2	60.8
17 Revaluation losses on off-balance- sheet items ⁸	40.6	61.7 ^r	60.2	60.3	60.0	63.0	65.0	63.5	68.8	68.4	61.1	59.7
18 Securitized business loans ¹²	12.4	8.1	7.6	7.2	6.8	5.6 ^r	4.7	4.1	4.6	4.6	4.5	3.5

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. Total amount outstanding.

A22 Domestic Financial Statistics □ June 2003

1.32 COMMERCIAL PAPER OUTSTANDING

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2002				2003	
	1998	1999	2000	2001	2002	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 All issuers	1,163,303	1,403,023	1,615,341	1,438,764	1,321,517	1,338,119	1,350,182	1,351,428	1,321,517	1,345,460	1,318,803
Financial companies ¹											
2 Dealer-placed paper, total ²	614,142	786,643	973,060	989,364	949,683	856,037	973,150	982,239	949,683	955,386	924,890
3 Directly placed paper, total ³	322,030	337,240	298,848	224,553	217,787	322,729	219,581	211,574	217,787	236,820	239,037
4 Nonfinancial companies ⁴	227,132	279,140	343,433	224,847	154,047	159,353	157,451	157,615	154,047	153,254	154,876

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

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

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

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

1.33 PRIME RATE CHARGED BY BANKS Short-Term Business Loans¹

Percent per year

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

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

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

1.35 INTEREST RATES Money and Capital Markets

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

Item	2000	2001	2002	2002	2003			2003, week ending				
				Dec.	Jan.	Feb.	Mar.	Feb. 28	Mar. 7	Mar. 14	Mar. 21	Mar. 28
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	6.24	3.88	1.67	1.24	1.24	1.26	1.25	1.24	1.29	1.21	1.27	1.22
2 Discount window primary credit ^{2,4}	n.a.	n.a.	n.a.	n.a.	n.a.	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Commercial paper ^{3,5,6}												
Nonfinancial												
3 1-month	6.27	3.78	1.67	1.31	1.25	1.24	1.21	1.25	1.23	1.19	1.21	1.23
4 2-month	6.29	3.68	1.67	1.32	1.26	1.25	1.20	1.25	1.24	1.16	1.20	1.22
5 3-month	6.31	3.65	1.69	1.31	1.26	1.26	1.19	1.25	1.23	1.15	1.18	1.20
Financial												
6 1-month	6.28	3.80	1.68	1.31	1.26	1.25	1.23	1.25	1.24	1.21	1.23	1.24
7 2-month	6.30	3.71	1.69	1.32	1.27	1.25	1.22	1.25	1.25	1.18	1.21	1.23
8 3-month	6.33	3.65	1.70	1.32	1.27	1.25	1.21	1.25	1.24	1.17	1.19	1.23
Certificates of deposit, secondary market ^{3,7}												
9 1-month	6.35	3.84	1.72	1.37	1.29	1.27	1.25	1.27	1.27	1.23	1.25	1.26
10 3-month	6.46	3.71	1.73	1.34	1.29	1.27	1.23	1.27	1.26	1.18	1.22	1.25
11 6-month	6.59	3.66	1.81	1.36	1.30	1.27	1.20	1.27	1.25	1.15	1.20	1.22
12 Eurodollar deposits, 3-month ^{3,8}	6.45	3.70	1.73	1.35	1.29	1.26	1.21	1.26	1.24	1.18	1.21	1.23
U.S. Treasury bills												
Secondary market ^{1,5}												
13 4-week	n.a.	2.43	1.60	1.18	1.15	1.18	1.16	1.21	1.18	1.13	1.16	1.16
14 3-month	5.82	3.40	1.61	1.19	1.17	1.17	1.13	1.19	1.15	1.09	1.14	1.15
15 6-month	5.90	3.34	1.68	1.24	1.20	1.18	1.13	1.18	1.15	1.07	1.15	1.15
U.S. TREASURY NOTES AND BONDS												
Constant maturities ⁹												
16 1-year	6.11	3.49	2.00	1.45	1.36	1.30	1.24	1.27	1.22	1.16	1.32	1.27
17 2-year	6.26	3.83	2.64	1.84	1.74	1.63	1.57	1.57	1.47	1.47	1.72	1.65
18 3-year	6.22	4.09	3.10	2.23	2.18	2.05	1.98	1.96	1.84	1.85	2.14	2.08
19 5-year	6.16	4.56	3.82	3.03	3.05	2.90	2.78	2.76	2.61	2.62	2.97	2.93
20 7-year	6.20	4.88	4.30	3.63	3.60	3.45	3.34	3.31	3.17	3.18	3.52	3.51
21 10-year	6.03	5.02	4.61	4.03	4.05	3.90	3.81	3.78	3.65	3.65	3.97	3.96
22 20-year	6.23	5.63	5.43	5.01	5.02	4.87	4.82	4.78	4.68	4.68	4.94	4.96
23 Treasury long-term average ^{10,11} 25 years and above	n.a.	n.a.	5.41	5.06	5.07	4.93	4.90	4.86	4.77	4.77	5.01	5.04
STATE AND LOCAL NOTES AND BONDS												
Moody's series ¹²												
24 Aaa	5.58	5.01	4.87	4.70	4.72	4.57	4.51	4.48	4.40	4.39	4.55	4.69
25 Baa	6.19	5.75	5.64	5.57	5.61	5.48	5.32	5.38	5.28	5.21	5.38	5.40
26 Bond Buyer series ¹³	5.71	5.15	5.04	4.85	4.90	4.81	4.76	4.74	4.69	4.67	4.83	4.84
CORPORATE BONDS												
27 Seasoned issues, all industries ¹⁴	7.98	7.49	7.10	6.77	6.72	6.50	6.42	6.43	6.35	6.36	6.51	6.46
Rating group												
28 Aaa ¹⁵	7.62	7.08	6.49	6.21	6.17	5.95	5.89	5.89	5.82	5.82	5.99	5.94
29 Aa	7.83	7.26	6.93	6.63	6.59	6.34	6.28	6.28	6.22	6.22	6.38	6.33
30 A	8.11	7.67	7.18	6.80	6.77	6.63	6.54	6.57	6.48	6.49	6.65	6.58
31 Baa	8.37	7.95	7.80	7.45	7.35	7.06	6.95	6.97	6.90	6.90	7.04	6.97
MEMO												
32 Dividend-price ratio ¹⁶ Common stocks	1.15	1.32	1.61	1.77	1.81	1.91	1.92	1.89	1.94	1.93	1.93	1.87

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

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

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

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

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

5. Quoted on a discount basis.

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

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

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

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

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

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

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

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

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

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

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

SOURCE: U.S. Department of the Treasury.

1.36 STOCK MARKET Selected Statistics

Indicator	2000	2001	2002	2002						2003		
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Common stock prices (indexes) 1 New York Stock Exchange (Dec. 31, 1965 = 50) 2 Industrial 3 Transportation 4 Utility 5 Finance 6 Standard & Poor's Corporation (1941-43 = 10) ¹ 7 American Stock Exchange (Aug. 31, 1973 = 50) ² Volume of trading (thousands of shares) 8 New York Stock Exchange 9 American Stock Exchange 10 Margin credit at broker-dealers ³ Free credit balances at brokers ⁴ 11 Margin accounts ⁵ 12 Cash accounts 13 Margin stocks 14 Convertible bonds 15 Short sales	Prices and trading volume (averages of daily figures)											
	6,806.46	6,407.95	5,571.46	5,139.94	5,200.62	4,980.65	4,862.70	5,104.89	5,075.76	5,055.78	4,738.56	4,724.22
	809.40	749.46	656.44	603.04	611.34	589.14	574.45	597.75	593.15	587.78	553.90	558.10
	414.73	444.45	430.63	416.07	409.96	388.19	383.41	405.03	401.39	394.60	367.55	366.90
	478.99	377.72	260.50	230.21	225.52	210.76	207.83	229.41	236.71	236.42	214.64	211.45
	552.48	596.61	554.88	524.01	533.60	506.05	494.06	523.50	519.72	522.51	485.72	486.71
	1,427.22	1,194.18	993.94	903.59	912.55	867.81	854.63	909.93	899.18	895.84	837.62	846.62
	922.22	879.08	860.11	840.76	843.89	852.03	807.38	820.62	823.77	824.64	818.84	822.34
	1,026,867	1,216,529	1,411,689	1,848,962	1,317,105	1,370,143	1,619,896	1,427,254	1,210,332	1,441,846	1,302,011	1,403,742
	51,437	68,074	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Customer financing (millions of dollars, end-of-period balances)											
	198,790	150,450	134,380	136,160	132,800	130,210	130,570	133,060	134,380	134,910	134,030	135,910
	100,680	101,640	95,690	98,080	95,400	98,630	96,620	91,240	95,690	96,430	95,400	90,830
	84,400	78,040	73,340	68,860	63,700	67,550	66,780	67,380	73,340	66,200	67,260	68,860
	Margin requirements (percent of market value and effective date) ⁶											
	Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974	
	70		80		65		55		65		50	
50		60		50		50		50		50		
70		80		65		55		65		50		

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

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

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

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

5. Series initiated in June 1984.

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

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

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	2001				2002				2003
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31
1 Federal debt outstanding	5,800.6	5,753.9	5,834.5	5,970.3	6,032.4	6,153.3	6,255.4	6,433.0	6,487.7
2 Public debt securities	5,773.7	5,726.8	5,807.5	5,943.4	6,006.0	6,126.5	6,228.2	6,405.7	6,460.8
3 Held by public	3,434.4	3,274.2	3,338.7	3,393.8	3,443.7	3,463.5	3,552.6	3,647.4	3,710.8
4 Held by agencies	2,339.4	2,452.6	2,468.8	2,549.7	2,562.4	2,662.9	2,675.6	2,758.3	2,750.0
5 Agency securities	26.8	27.1	27.0	26.8	26.4	26.8	27.2	27.3	26.9
6 Held by public	26.8	27.1	27.0	26.8	26.4	26.8	27.2	27.3	26.9
7 Held by agencies	.1	.0	.0	.0	.0	.0	.0	.0	.0
8 Debt subject to statutory limit	5,692.5	5,645.0	5,732.6	5,871.4	5,935.1	6,058.3	6,161.4	6,359.4	6,399.9
9 Public debt securities	5,692.3	5,644.8	5,732.4	5,871.2	5,935.0	6,058.1	6,161.1	6,359.1	6,399.8
10 Other debt ¹	.2	.2	.2	.3	.2	.2	.3	.3	.2
MEMO									
11 Statutory debt limit	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	6,400.0	6,400.0	6,400.0	6,400.0

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

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

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

Billions of dollars, end of period

Type and holder	1999	2000	2001	2002	2002			2003
					Q2	Q3	Q4	Q1
1 Total gross public debt	5,776.1	5,662.2	5,943.4	6,405.7	6,126.5	6,228.2	6,405.7	6,460.8
<i>By type</i>								
2 Interest-bearing	5,766.1	5,618.1	5,930.8	6,391.4	6,087.0	6,216.3	6,391.4	6,474.0
3 Marketable	3,281.0	2,966.9	2,982.9	3,205.1	3,024.8	3,136.6	3,205.1	3,331.8
4 Bills	737.1	646.9	811.3	888.8	822.5	868.3	888.8	955.0
5 Notes	1,784.5	1,557.3	1,413.9	1,580.8	1,446.9	1,521.5	1,580.8	1,622.9
6 Bonds	643.7	626.5	602.7	588.7	592.9	592.9	588.7	585.7
7 Inflation-indexed notes and bonds ¹	100.7	121.2	140.1	146.9	147.5	138.9	146.9	153.2
8 Nonmarketable ²	2,485.1	2,651.2	2,947.9	3,186.3	3,062.2	3,079.6	3,186.3	3,142.2
9 State and local government series	165.7	151.0	146.3	153.4	142.8	144.3	153.4	148.8
10 Foreign issues ³	31.3	27.2	15.4	11.2	13.3	12.5	11.2	12.2
11 Government	31.3	27.2	15.4	11.2	13.3	12.5	11.2	12.2
12 Public	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	179.4	176.9	181.5	184.8	184.8	185.6	184.8	187.3
14 Government account series ⁴	2,078.7	2,266.1	2,574.8	2,806.9	2,691.4	2,707.3	2,806.9	2,763.8
15 Non-interest-bearing	10.0	44.2	12.7	14.3	39.5	12.0	14.3	13.8
<i>By holder⁵</i>								
16 U.S. Treasury and other federal agencies and trust funds	2,064.2	2,270.1	2,572.2	2,757.8	2,686.0	2,701.3	2,757.8	n.a.
17 Federal Reserve Banks ⁶	478.0	511.7	551.7	629.4	590.7	604.2	629.4	641.5
18 Private investors	3,233.9	2,880.4	2,819.5	3,018.5	2,849.8	2,924.8	3,018.5	n.a.
19 Depository institutions	248.7	201.5	181.5	223.2	204.4	210.4	223.2	n.a.
20 Mutual funds	228.6	220.8	257.5	278.1	250.0	253.6	278.1	n.a.
21 Insurance companies	123.4	110.2	105.7	117.4	110.3	116.0	117.4	n.a.
22 State and local treasuries ⁷	266.8	236.2	256.5	274.2	271.7	269.4	274.2	n.a.
Individuals								
23 Savings bonds	186.4	184.8	190.3	194.9	192.7	193.3	194.9	n.a.
24 Pension funds	321.0	304.1	281.6	284.2	286.0	284.9	284.2	n.a.
25 Private	109.8	108.4	104.2	111.4	108.8	110.9	111.4	n.a.
26 State and Local	211.2	195.7	177.4	172.8	177.2	174.1	172.8	n.a.
27 Foreign and international ⁸	1,268.7	1,034.2	1,053.1	1,174.2	1,068.1	1,128.6	1,174.2	n.a.
28 Other miscellaneous investors ^{7,9}	590.3	588.7	493.3	n.a.	466.5	471.1	n.a.	n.a.

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

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

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

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

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

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

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

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

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

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

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

Item	2002	2003		2003, week ending								
	Dec.	Jan.	Feb.	Jan. 29	Feb. 5	Feb. 12	Feb. 19	Feb. 26	Mar. 5	Mar. 12	Mar. 19	Mar. 26
<i>By type of security</i>												
1 U.S. Treasury bills	44,252	39,484	42,383	38,052	44,310	37,510	38,707	44,677	53,289	49,336	45,219	46,463
Treasury coupon securities by maturity												
2 Three years or less	98,091	122,814	116,714	124,329	122,494	114,312	95,291	126,063	133,520	118,555	131,671	125,796
3 More than three but less than or equal to six years	78,534	119,127	111,100	98,307	110,023	128,243	97,747	104,503	113,057	113,654	140,634	106,269
4 More than six but less than or equal to eleven years	61,252	75,346	85,141	73,479	73,820	88,227	90,878	83,004	88,275	86,129	110,120	93,821
5 More than eleven years	15,748	16,002	20,817	16,642	15,594	22,002	17,694	23,597	24,985	24,991	23,348	17,570
6 Inflation-indexed ²	2,380	3,969	2,995	2,451	3,316	3,248	2,185	3,477	2,294	2,563	3,823	3,176
Federal agency and government-sponsored enterprises												
7 Discount notes	54,947	56,755	56,333	51,741	57,810	54,206	61,150	51,402	62,131	48,025	52,359	51,092
Coupon securities by maturity												
8 Three years or less	8,787	12,752	11,391	11,844	16,818	10,336	8,791	10,657	12,920	14,808	18,005	12,158
9 More than three years but less than or equal to six years	6,270	10,444	10,878	9,738	11,206	11,438	7,708	10,259	16,878	12,099	10,144	10,521
10 More than six years but less than or equal to eleven years	5,976	6,839	5,875	6,852	5,337	4,550	7,782	5,445	7,257	6,421	6,523	8,810
11 More than eleven years	897	988	1,071	941	761	585	2,009	936	1,209	1,682	2,080	1,562
12 Mortgage-backed	153,693	201,113	204,993	152,512	165,350	254,910	181,176	177,764	255,368	331,055	244,537	178,466
Corporate securities												
13 One year or less	101,904	109,068	111,264	103,376	105,468	104,604	118,895	115,302	111,252	114,411	134,411	131,158
14 More than one year	15,482	22,404	22,114	26,287	23,318	24,000	18,873	20,942	25,006	22,763	22,755	24,629
<i>By type of counterparty</i>												
With interdealer broker												
15 U.S. Treasury	137,745	170,999	176,738	164,015	183,940	189,323	156,672	170,636	189,860	180,503	216,547	186,003
Federal agency and government-sponsored enterprises												
16 U.S. Treasury	7,381	10,127	8,572	10,233	8,541	8,885	7,844	7,883	11,012	11,927	10,722	9,462
17 Mortgage-backed	36,156	54,576	61,573	50,663	52,743	75,820	54,089	52,611	76,573	95,373	66,280	50,576
18 Corporate	433	616	518	661	714	553	368	466	571	491	508	438
With other												
19 U.S. Treasury	162,512	205,741	202,410	189,245	185,617	204,218	185,828	214,685	225,560	214,724	238,269	207,092
Federal agency and government-sponsored enterprises												
20 U.S. Treasury	69,496	77,652	76,975	70,884	83,390	72,229	79,595	70,814	89,383	71,108	78,389	74,680
21 Mortgage-backed	117,537	146,537	143,420	101,849	112,607	179,089	127,088	125,153	178,795	235,682	178,257	127,890
22 Corporate	116,953	130,855	132,860	129,002	128,072	128,051	137,400	135,779	135,686	136,683	156,659	155,349

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

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

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

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

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item, by type of security	2002	2003		2003, week ending							
	Dec.	Jan.	Feb.	Jan. 29	Feb. 5	Feb. 12	Feb. 19	Feb. 26	Mar. 5	Mar. 12	Mar. 19
Net outright positions ²											
1 U.S. Treasury bills	27,911	23,749	33,405	15,946	24,171	31,778	40,149	33,634	37,774	32,292	33,102
Treasury coupon securities by maturity											
2 Three years or less	-22,860	-19,950	-13,349	-9,703	-16,436	-18,025	-15,372	-6,260	-6,990	-8,469	-10,028
3 More than three years but less than or equal to six years	-33,784	-33,546	-30,605	-38,614	-34,042	-27,510	-29,391	-32,269	-31,268	-39,565	-39,506
4 More than six but less than or equal to eleven years	-19,587	-18,697	-13,246	-19,813	-18,197	-13,268	-13,100	-10,904	-9,498	-10,332	-13,214
5 More than eleven	1,813	4,522	4,742	4,250	3,759	3,220	5,155	6,311	5,590	5,516	5,149
6 Inflation-indexed	4,312	1,268	2,051	2,028	1,038	2,222	2,071	2,579	2,061	2,129	4,311
Federal agency and government-sponsored enterprises											
7 Discount notes	51,664	55,562	56,067	61,236	63,066	57,514	54,573	52,802	50,166	58,724	55,307
Coupon securities, by maturity											
8 Three years or less	18,834	15,969	18,206	15,243	15,827	19,734	16,576	18,996	21,747	22,456	17,704
9 More than three years but less than or equal to six years	587	4,501	7,076	5,459	7,812	9,268	6,025	5,693	6,077	5,260	3,534
10 More than six but less than or equal to eleven years	2,333	1,521	1,050	1,107	1,236	207	822	2,067	772	2,603	1,929
11 More than eleven	2,757	2,200	2,261	1,982	1,958	2,095	2,203	2,764	2,047	2,155	2,312
12 Mortgage-backed	12,650	23,387	27,290	33,740	32,996	28,681	21,290	27,640	27,936	42,411	56,549
Corporate securities											
13 One year or less	25,588	25,810	26,844	26,498	30,987	25,718	30,300	22,472	23,636	29,370	29,121
14 More than one year	55,865	53,119	49,821	50,787	48,978	48,276	53,681	48,618	48,034	49,194	47,979
Financing ³											
Securities in, U.S. Treasury											
15 Overnight and continuing	605,390	629,534	649,602	618,617	631,268	641,428	673,773	640,907	669,879	654,221	652,287
16 Term	918,379	716,731	711,711	770,564	773,324	798,446	622,685	674,260	696,777	764,308	820,208
Federal agency and government-sponsored enterprises											
17 Overnight and continuing	143,451	153,105	156,551	154,502	156,371	159,292	162,395	145,606	165,262	160,000	153,089
18 Term	294,633	228,176	225,453	232,573	230,380	231,468	216,628	224,279	227,073	241,547	243,799
Mortgage-backed securities											
19 Overnight and continuing	35,872	37,003	41,472	29,138	33,821	37,946	51,364	41,305	38,898	40,349	42,962
20 Term	274,185	250,974	245,796	257,452	243,508	248,270	242,632	247,302	248,663	254,179	247,333
Corporate securities											
21 Overnight and continuing	49,163	58,162	61,227	58,759	60,079	60,680	61,367	61,624	64,131	64,944	65,444
22 Term	24,654	24,045	24,535	23,645	24,887	24,964	24,702	23,828	24,050	25,734	26,348
MEMO											
Reverse repurchase agreements											
23 Overnight and continuing	440,006	425,659	462,703	415,652	427,199	446,710	492,350	464,148	498,615	471,861	474,899
24 Term	1,352,627	1,058,223	1,044,314	1,119,107	1,109,413	1,140,885	943,789	1,003,613	1,037,862	1,116,675	1,159,906
Securities out, U.S. Treasury											
25 Overnight and continuing	585,423	586,166	613,713	582,617	577,312	593,721	633,936	629,509	648,614	645,755	638,807
26 Term	842,700	656,962	651,391	702,113	714,152	742,013	564,162	607,052	637,794	699,428	749,705
Federal agency and government-sponsored enterprises											
27 Overnight and continuing	271,376	293,172	302,426	308,888	313,538	310,052	301,736	288,437	299,330	299,162	286,430
28 Term	232,535	153,444	156,795	150,466	155,138	160,989	149,215	160,068	161,331	178,431	178,090
Mortgage-backed securities											
29 Overnight and continuing	300,834	334,095	336,090	367,868	316,794	307,924	363,780	355,400	318,414	304,619	352,761
30 Term	170,735	153,932	149,392	149,285	147,341	152,537	146,900	150,735	147,537	154,136	152,773
Corporate securities											
31 Overnight and continuing	135,776	135,890	138,581	135,480	142,755	137,209	143,942	133,079	133,442	143,199	145,255
32 Term	17,694	19,581	22,083	20,537	21,002	22,395	22,240	22,244	22,575	22,434	22,146
MEMO											
Repurchase agreements											
33 Overnight and continuing	1,127,804	1,159,110	1,190,429	1,200,763	1,156,305	1,149,294	1,238,659	1,207,695	1,190,472	1,193,494	1,229,711
34 Term	1,233,261	951,521	944,456	986,973	1,003,848	1,043,656	846,904	902,992	935,330	1,013,969	1,050,480

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

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

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

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

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1999	2000	2001	2002	2002				2003
					Sept.	Oct.	Nov.	Dec.	
1 Federal and federally sponsored agencies	1,616,492	1,851,632	2,121,057	2,351,039	2,269,256	2,289,622	2,305,945	2,351,039	n.a.
2 Federal agencies	26,376	25,666	276	2	304	318	342	2	n.a.
3 Defense Department ¹	6	6	6	6	6	6	6	6	n.a.
4 Export-Import Bank ^{2,3}	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration ⁴	126	255	26,828	26,828	27,170	26,725	26,863	26,828	n.a.
6 Government National Mortgage Association certificates of participation ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7 Postal Service ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Tennessee Valley Authority	26,370	25,660	270	270	298	312	336	270	n.a.
9 United States Railway Association ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 Federally sponsored agencies ⁷	1,590,116	1,825,966	2,120,781	2,351,037	2,268,952	2,289,304	2,305,607	2,351,037	n.a.
11 Federal Home Loan Banks	529,005	594,404	623,740	674,841	668,703	679,209	674,847	674,841	n.a.
12 Federal Home Loan Mortgage Corporation	360,711	426,899	565,071	648,894	623,267	625,328	643,201	648,894	n.a.
13 Federal National Mortgage Association	547,619	642,700	763,500	851,000	800,300	804,800	811,700	851,000	n.a.
14 Farm Credit Banks ⁸	68,883	74,181	76,673	85,088	82,741	83,145	83,884	85,088	n.a.
15 Student Loan Marketing Association ⁹	41,988	45,375	48,350	47,900	50,800	54,200	48,700	47,900	n.a.
16 Financing Corporation ¹⁰	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170	n.a.
17 Farm Credit Financial Assistance Corporation ¹¹	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	n.a.
18 Resolution Funding Corporation ¹²	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996	n.a.
MEMO									
19 Federal Financing Bank debt¹³	42,152	40,575	39,096	37,017	39,604	37,084	37,418	37,017	n.a.
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Postal Service ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
22 Student Loan Marketing Association	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
23 Tennessee Valley Authority	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 United States Railway Association ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Other lending¹⁴</i>									
25 Farmers Home Administration	6,665	5,275	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26 Rural Electrification Administration	14,085	13,126	13,876	14,489	14,029	14,058	14,209	14,489	n.a.
27 Other	21,402	22,174	25,220	22,528	25,575	23,026	23,209	22,528	n.a.

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

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

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

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

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

6. Off-budget.

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

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

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

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

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

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

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

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

1.45 NEW SECURITY ISSUES State and Local Governments

Millions of dollars

Type of issue or issuer, or use	2000	2001	2002	2002					2003		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^f	Mar.
1 All issues, new and refunding¹	180,403	291,958^r	364,044^r	31,690^r	27,423^r	44,574	37,150^r	27,593^r	26,798^r	30,009	28,327
<i>By type of issue</i>											
2 General obligation	64,475	118,554	145,323	13,187	9,628	18,595	11,023	8,431	8,112	12,718	10,027
3 Revenue	115,928	170,047	214,788	18,692	17,751	24,074	24,942	18,961	17,049	17,291	18,300
<i>By type of issuer</i>											
4 State	19,944	30,099	33,931	3,472	2,442	4,199	2,109	1,670	1,927	3,654	1,277
5 Special district or statutory authority ²	121,185	197,462	259,070	23,104	19,171	31,793	28,296	20,151	17,979	20,738	20,061
6 Municipality, county, or township	39,273	61,040	67,121	5,302	5,767	6,678	5,570	5,570	5,290	5,617	6,989
7 Issues for new capital	154,257	200,343^r	243,437^r	20,632	15,139^r	30,230	26,513^r	19,944^r	18,671^r	20,252	16,647
<i>By use of proceeds</i>											
8 Education	38,665	50,054	57,894	3,968	3,529	5,209	3,743	5,292	4,823	6,830	5,442
9 Transportation	19,730	21,411	22,093	4,413	1,398	1,476	1,250	1,060	1,417	1,618	1,208
10 Utilities and conservation	11,917	21,917	33,404	2,806	2,038	6,922	8,379	2,031	2,196	173	557
11 Social welfare	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Industrial aid	7,122	6,607	7,227	283	574	1,225	821	796	422	1,075	1,681
13 Other purposes	47,309	55,733	73,033	6,537	5,597	6,996	7,189	4,992	7,400	7,421	4,378

1. Par amounts of long-term issues based on date of sale.

2. Includes school districts.

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

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	2000	2001 ^r	2002	2002						2003	
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^r	Feb.
1 All issues¹	943,340^r	1,382,534	1,262,684^r	59,058^r	88,222^r	118,947^r	82,729^r	105,754^r	107,916^r	109,628	113,772
2 Bonds²	808,423^r	1,253,980	1,152,249^r	54,544^r	84,216^r	111,652^r	74,896^r	95,821^r	101,038^r	102,501	106,633
<i>By type of offering</i>											
3 Sold in the United States	685,626 ^r	1,197,591	1,066,003 ^r	51,182 ^r	80,772 ^r	107,219 ^r	70,699 ^r	90,207 ^r	95,187 ^r	96,275	97,383
4 Sold abroad	122,798	56,389	86,246	3,362	3,444	4,432	4,197	5,614	5,851	6,226	9,250
MEMO											
5 Private placements, domestic	18,370	16,385	16,224	0	0	65	0	3,525	5,060	200	0
<i>By industry group</i>											
6 Nonfinancial	243,099 ^r	446,456	267,258 ^r	7,432 ^r	14,407 ^r	17,121 ^r	14,560 ^r	20,500 ^r	19,614 ^r	27,119	26,222
7 Financial	565,324 ^r	807,524	884,991 ^r	47,112 ^r	69,809 ^r	94,531 ^r	60,336 ^r	75,321 ^r	81,424 ^r	75,382	80,411
8 Stocks³	311,941	230,632	170,673	4,514	4,006	7,295	7,833	9,933	6,878	7,127	7,139
<i>By type of offering</i>											
9 Public	134,917	128,554	110,435	4,514	4,006	7,295	7,833	9,933	6,878	7,127	7,139
10 Private placement ⁴	177,024	102,078	60,238	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
11 Nonfinancial	118,369	77,577	62,115	1,833	539	2,754	3,731	4,533	4,154	3,793	2,679
12 Financial	16,548	50,977	48,320	2,681	3,467	4,541	4,102	5,400	2,724	3,334	4,460

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

2. Monthly data include 144(a) offerings.

3. Monthly data cover only public offerings.

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

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

A30 Domestic Financial Statistics □ June 2003

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	2001	2002	2002					2003		
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ¹	Mar.
1 Sales of own shares ²	1,806,474	1,826,045	151,136	125,408	164,959	137,914	134,383	152,647	122,321	141,679
2 Redemptions of own shares	1,677,266	1,702,671	136,210	126,760	167,039	122,125	135,213	138,951	113,643	129,798
3 Net sales ³	129,208	123,374	14,926	-1,352	-2,080	15,789	-830	13,696	8,678	11,881
4 Assets ⁴	4,689,624	4,119,322	4,170,641	3,899,858	4,059,765	4,249,351	4,119,322	4,060,568	4,031,818	4,060,954
5 Cash ⁵	219,620	208,479	220,425	199,778	204,019	219,213	208,479	212,792	199,546	209,838
6 Other	4,470,004	3,910,843	3,950,216	3,700,080	3,855,746	4,030,138	3,910,843	3,847,776	3,832,272	3,851,116

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

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

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

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

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

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

Account	2000 ^r	2001 ^r	2002 ^r	2001		2002				2003
				Q3 ^r	Q4 ^r	Q1 ^r	Q2 ^r	Q3 ^r	Q4 ^r	Q1
ASSETS										
1 Accounts receivable, gross ²	958.7	948.3	945.4	967.8	948.3	930.0	941.9	945.6	945.4	934.8
2 Consumer	328.0	340.1	315.6	329.3	340.1	329.8	332.0	334.5	315.6	307.0
3 Business	458.4	447.0	455.3	451.1	447.0	443.0	449.4	445.5	455.3	453.9
4 Real estate	172.3	161.3	174.5	187.4	161.3	157.2	160.5	165.5	174.5	174.0
5 Less: Reserves for unearned income	69.7	60.6	57.0	60.8	60.6	59.5	58.5	58.0	57.0	54.2
6 Reserves for losses	16.7	21.0	23.8	18.0	21.0	21.5	21.6	22.0	23.8	24.0
7 Accounts receivable, net	872.3	866.7	864.5	889.0	866.7	849.0	861.9	865.6	864.5	856.7
8 All other	461.5	523.4	584.7	478.7	523.4	515.2	530.6	558.0	584.7	610.9
9 Total assets	1,333.7	1,390.1	1,449.3	1,367.7	1,390.1	1,364.2	1,392.5	1,423.6	1,449.3	1,467.6
LIABILITIES AND CAPITAL										
10 Bank loans	35.9	50.8	48.0	44.5	50.8	49.4	56.9	74.9	48.0	47.3
11 Commercial paper	238.8	158.6	141.5	171.0	158.6	137.0	130.8	143.1	141.5	127.3
Debt										
12 Owed to parent	102.5	99.2	88.2	91.7	99.2	82.6	83.3	82.9	88.2	87.7
13 Not elsewhere classified	502.2	567.4	624.9	555.8	567.4	574.4	597.2	584.9	624.9	639.1
14 All other liabilities	301.8	325.5	339.0	327.6	325.5	329.1	331.5	343.4	339.0	344.4
15 Capital, surplus, and undivided profits	152.5	188.6	207.6	177.2	188.6	191.7	192.9	194.5	207.6	221.8
16 Total liabilities and capital	1,333.7	1,390.1	1,449.3	1,367.7	1,390.1	1,364.2	1,392.5	1,423.6	1,449.3	1,467.6

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

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

1.52 DOMESTIC FINANCE COMPANIES Owned and Managed Receivables¹

Billions of dollars, amounts outstanding

Type of credit		2000	2001	2002	2002				2003	
					Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
		Seasonally adjusted								
1	Total	1,185.5 ^r	1,246.6 ^r	1,270.2 ^r	1,267.0 ^r	1,266.3 ^r	1,270.2 ^r	1,270.2 ^r	1,274.9 ^r	1,274.1
2	Consumer	464.4 ^r	513.3 ^r	513.1 ^r	522.9 ^r	517.5 ^r	513.7 ^r	513.1 ^r	518.0 ^r	512.0
3	Real estate	198.9	207.7	216.5	207.9	211.7	214.2	216.5	215.2 ^r	215.3
4	Business	522.3	525.6	540.6	536.2	537.0	542.3	540.6	541.7 ^r	546.9
		Not seasonally adjusted								
5	Total	1,192.1 ^r	1,253.7 ^r	1,277.6 ^r	1,260.7 ^r	1,263.4 ^r	1,267.9 ^r	1,277.6 ^r	1,277.5 ^r	1,274.4
6	Consumer	468.3 ^r	518.1 ^r	518.4 ^r	522.8 ^r	518.8 ^r	517.6 ^r	518.4 ^r	519.3 ^r	512.2
7	Motor vehicle loans	141.6	173.9	160.2	176.5	169.9	159.8	160.2	160.2 ^r	162.3
8	Motor vehicle leases	108.2	103.5	83.3	88.5	86.7	85.2	83.3	81.9	80.3
9	Revolving ²	37.6 ^r	31.5 ^r	38.9 ^r	37.3 ^r	37.4 ^r	37.0 ^r	38.9 ^r	39.5 ^r	38.8
10	Other ³	40.7	31.1	33.1	32.3	31.3	31.4	33.1	33.1 ^r	32.6
	Securitized assets ⁴									
11	Motor vehicle loans	97.1	131.9	151.9	138.9	144.1	153.9	151.9	154.3	148.7
12	Motor vehicle leases	6.6	6.8	5.7	6.0	5.9	5.8	5.7	5.7	5.6
13	Revolving	19.6	25.0	31.1	29.1	29.2	30.2	31.1	30.4	30.1
14	Other	17.1	14.3	14.0	14.4	14.4	14.2	14.0	14.2	13.8
15	Real estate	198.9	207.7	216.5	207.9	211.7	214.2	216.5	215.2 ^r	215.3
16	One- to four-family	130.6	120.1	135.0	126.5	130.5	132.8	135.0	134.1 ^r	134.3
17	Other	41.7	41.2	39.5	39.0	39.0	39.3	39.5	39.4	39.6
	Securitized real estate assets ⁴									
18	One- to four-family	24.7	40.7	39.7	40.1	40.1	39.9	39.7	39.4	39.1
19	Other	1.9	5.7	2.2	2.2	2.2	2.2	2.2	2.2	2.2
20	Business	525.0	527.9	542.7	530.0	532.9	536.1	542.7	543.0 ^r	546.9
21	Motor vehicles	75.5	54.0	60.7	56.9	57.3	58.2	60.7	58.6	62.6
22	Retail loans	18.3	16.1	15.4	17.6	18.0	15.7	15.4	15.2	16.2
23	Wholesale loans ⁵	39.7	20.3	29.3	23.3	23.5	26.7	29.3	27.5	30.6
24	Leases	17.6	17.6	16.0	15.9	15.9	15.8	16.0	15.9	15.8
25	Equipment	283.5	289.4	292.1	289.2	288.4	288.4	292.1	293.4 ^r	294.5
26	Loans	70.2	77.8	83.3	82.8	81.9	82.2	83.3	81.0 ^r	82.0
27	Leases	213.3	211.6	208.8	206.4	206.5	206.2	208.8	212.5 ^r	212.5
28	Other business receivables ⁶	99.4	103.5	102.5	99.4	97.0	95.7	102.5	103.4 ^r	102.2
	Securitized assets ⁴									
29	Motor vehicles	37.8	50.1	50.2	43.8	47.0	50.4	50.2	50.3	50.9
30	Retail loans	3.2	5.1	2.4	2.2	1.9	2.5	2.4	2.4	2.3
31	Wholesale loans	32.5	42.5	45.9	39.3	42.8	45.6	45.9	46.1	46.8
32	Leases	2.2	2.5	1.9	2.3	2.3	2.3	1.9	1.8	1.8
33	Equipment	23.1	23.2	20.2	21.6	23.9	24.3	20.2	20.1	19.4
34	Loans	15.5	16.4	13.0	14.8	17.2	17.6	13.0	12.9	12.3
35	Leases	7.6	6.8	7.2	6.7	6.7	6.7	7.2	7.2	7.1
36	Other business receivables ⁶	5.6	7.7	17.1	19.1	19.2	19.2	17.1	17.1	17.3

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

¹ Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data in this table also appear in the Board's G.20 (422) monthly statistical release. For ordering address, see inside front cover.

² Owned receivables are those carried on the balance sheet of the institution. Managed receivables are outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator. Data are shown

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

³ Excludes revolving credit reported as held by depository institutions that are subsidiaries of finance companies.

⁴ Includes personal cash loans, mobile home loans, and loans to purchase other types of consumer goods, such as appliances, apparel, boats, and recreation vehicles.

⁵ Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.

⁶ Credit arising from transactions between manufacturers and dealers, that is, floor plan financing.

⁷ Includes loans on commercial accounts receivable, factored commercial accounts, and receivable dealer capital; small loans used primarily for business or farm purposes; and wholesale and lease paper for mobile homes, campers, and travel trailers.

1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	2000	2001	2002	2002				2003		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms ¹										
1 Purchase price (thousands of dollars)	234.5	245.0	261.1	266.7	258.7	256.7	266.9	278.9	235.1	252.9
2 Amount of loan (thousands of dollars)	177.0	184.2	197.0	201.1	195.0	193.3	205.1	214.0	179.3	184.2
3 Loan-to-price ratio (percent)	77.4	77.3	77.8	77.6	77.7	77.4	79.0	79.3	78.0	76.2
4 Maturity (years)	29.2	28.8	28.9	29.1	28.8	28.4	28.7	28.9	28.3	28.2
5 Fees and charges (percent of loan amount) ² . . . . .	.70	.67	.62	.60	.63	.61	.64	.79	.37	.40
Yield (percent per year)										
6 Contract rate ¹	7.41	6.90	6.35	6.09	6.00	5.99	5.95	6.00	5.76	5.69
7 Effective rate ^{1,3}	7.52	7.00	6.44	6.17	6.09	6.08	6.04	6.12	5.82	5.75
8 Contract rate (HUD series) ⁴	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (section 203) ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 GNMA securities ⁶	7.57	6.36	5.81	5.15	5.31	5.29	5.17	5.18	5.03	4.94
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	610,122	707,015	790,800	751,423	751,347	760,759	790,800	810,609	816,747	815,964
12 FHA/VA insured	61,539	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Conventional	548,583	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Mortgage transactions purchased (during period)	154,231	270,384	370,641	33,518	32,853	47,807	67,891	57,281	40,420	34,304
Mortgage commitments (during period)										
15 Issued ⁷	163,689	304,084	400,327	58,055	68,463	53,286	30,769	n.a.	n.a.	n.a.
16 To sell ⁸	11,786	7,586	12,268	1,016	1,121	520	1,555	n.a.	n.a.	n.a.
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period) ⁸										
17 Total	385,693	491,719	568,173	530,694	536,389	549,380	568,173	568,494	561,534	569,522
18 FHA/VA insured	3,332	3,506	4,573	4,634	4,724	4,019	4,573	n.a.	n.a.	n.a.
19 Conventional	382,361	488,213	563,600	526,060	531,665	545,361	563,600	n.a.	n.a.	n.a.
Mortgage transactions (during period)										
20 Purchases	174,043	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Sales	166,901	389,611	547,046	46,369	60,516	62,354	73,184	48,169	41,831	59,065
22 Mortgage commitments contracted (during period) ⁹	169,231	417,434	620,981	57,793	73,639	74,340	91,223	n.a.	n.a.	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups for purchase of newly built homes; compiled by the Federal Housing Finance Board in cooperation with the Federal Deposit Insurance Corporation.

2. Includes all fees, commissions, discounts, and "points" paid by the borrower or the seller) to obtain a loan.

3. Average effective interest rate on loans closed for purchase of newly built homes, assuming prepayment at the end of ten years.

4. Average contract rate on new commitments for conventional first mortgages; from U.S. Department of Housing and Urban Development (HUD). Based on transactions on the first day of the subsequent month.

5. Average gross yield on thirty-year, minimum-downpayment first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month.

6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.

7. Does not include standby commitments issued, but includes standby commitments converted.

8. Includes participation loans as well as whole loans.

9. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, whereas the corresponding data for the Federal National Mortgage Association exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder and property	1999	2000	2001	2001	2002			
				Q4	Q1	Q2	Q3	Q4 ^P
1 All holders	6,320,135	6,894,097	7,597,732	7,597,732	7,763,084	7,978,272	8,209,225	8,476,304
<i>By type of property</i>								
2 One- to four-family residences	4,790,601	5,208,604	5,738,228	5,738,228	5,876,695	6,048,445	6,245,941	6,459,659
3 Multifamily residences	369,003	405,430	453,100	453,100	461,198	472,262	479,919	496,733
4 Nonfarm, nonresidential	1,057,568	1,171,205	1,290,069	1,290,069	1,307,076	1,337,136	1,359,812	1,394,692
5 Farm	102,964	108,858	116,336	116,336	118,116	120,428	123,553	125,220
<i>By type of holder</i>								
6 Major financial institutions	2,394,271	2,618,969	2,791,076	2,791,076	2,789,654	2,860,853	2,981,236	3,087,646
7 Commercial banks ²	1,495,420	1,660,054	1,789,819	1,789,819	1,800,362	1,873,203	1,961,908	2,059,079
8 One- to four-family	879,576	965,635	1,023,851	1,023,851	1,018,478	1,070,522	1,143,938	1,222,461
9 Multifamily	67,665	77,803	84,851	84,851	86,719	90,743	90,929	94,169
10 Nonfarm, nonresidential	516,333	582,577	645,619	645,619	659,187	674,972	689,288	704,454
11 Farm	31,846	34,039	35,498	35,498	35,978	36,966	37,753	37,995
12 Savings institutions ³	668,064	722,974	758,236	758,236	745,998	742,732	773,689	781,255
13 One- to four-family	548,222	594,221	620,579	620,579	605,171	599,402	625,424	631,399
14 Multifamily	59,309	61,258	64,592	64,592	65,199	66,009	68,668	67,840
15 Nonfarm, nonresidential	60,063	66,965	72,534	72,534	75,077	76,768	79,036	81,435
16 Farm	470	529	531	531	551	552	560	581
17 Life insurance companies	230,787	235,941	243,021	243,021	243,918	244,918	245,639	247,312
18 One- to four-family	5,934	4,903	4,931	4,931	4,938	5,162	5,176	5,210
19 Multifamily	32,818	33,681	35,631	35,631	35,671	35,818	35,921	36,161
20 Nonfarm, nonresidential	179,048	183,757	188,376	188,376	188,599	189,850	190,398	191,666
21 Farm	12,987	13,600	14,083	14,083	14,085	14,088	14,144	14,275
22 Federal and related agencies	320,054	344,225	376,999	376,999	385,027	396,091	412,014	437,100
23 Government National Mortgage Association	7	6	8	8	8	8	8	5
24 One- to four-family	7	6	8	8	8	8	8	5
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration ⁴	73,871	73,323	72,452	72,452	72,362	71,970	72,030	72,377
27 One- to four-family	16,506	16,372	15,824	15,824	15,665	15,273	15,139	14,908
28 Multifamily	11,741	11,733	11,712	11,712	11,707	11,692	11,686	11,669
29 Nonfarm, nonresidential	41,355	41,070	40,965	40,965	41,134	41,188	41,439	42,101
30 Farm	4,268	4,148	3,952	3,952	3,855	3,817	3,766	3,700
31 Federal Housing Admin. and Dept. of Veterans Affairs	3,712	3,507	3,290	3,290	3,361	3,473	2,973	3,854
32 One- to four-family	1,851	1,308	1,260	1,260	1,255	1,254	1,252	1,261
33 Multifamily	1,861	2,199	2,031	2,031	2,105	2,218	1,721	2,592
34 Resolution Trust Corporation	0	0	0	0	0	0	0	0
35 One- to four-family	0	0	0	0	0	0	0	0
36 Multifamily	0	0	0	0	0	0	0	0
37 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
38 Farm	0	0	0	0	0	0	0	0
39 Federal Deposit Insurance Corporation	152	45	13	13	7	22	13	46
40 One- to four-family	25	7	2	2	1	4	2	7
41 Multifamily	29	9	3	3	1	4	2	9
42 Nonfarm, nonresidential	98	29	8	8	4	14	8	30
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	149,422	155,626	169,908	169,908	176,051	180,491	184,191	190,501
45 One- to four-family	141,195	144,150	155,060	155,060	160,300	164,038	167,006	171,490
46 Multifamily	8,227	11,476	14,848	14,848	15,751	16,453	17,185	19,011
47 Federal Land Banks	34,187	36,326	40,885	40,885	41,981	42,951	44,782	45,863
48 One- to four-family	2,012	2,137	2,406	2,406	2,470	2,527	2,635	2,699
49 Farm	32,175	34,189	38,479	38,479	39,511	40,424	42,147	43,164
50 Federal Home Loan Mortgage Corporation	56,676	59,240	62,792	62,792	59,624	58,872	60,934	63,887
51 One- to four-family	44,321	42,871	40,309	40,309	35,955	34,062	34,616	35,851
52 Multifamily	12,355	16,369	22,483	22,483	23,669	24,810	26,318	28,036
53 Mortgage pools or trusts ⁵	2,947,690	3,231,401	3,714,706	3,714,706	3,869,374	3,986,827	4,065,965	4,182,833
54 Government National Mortgage Association	582,263	611,553	591,368	591,368	587,204	583,745	567,428	537,927
55 One- to four-family	565,189	592,624	569,460	569,460	564,108	559,549	542,250	512,137
56 Multifamily	17,074	18,929	21,908	21,908	23,096	24,196	25,178	25,790
57 Federal Home Loan Mortgage Corporation	749,081	822,310	948,409	948,409	1,012,478	1,053,261	1,058,176	1,082,062
58 One- to four-family	744,619	816,602	940,933	940,933	1,005,136	1,045,981	1,050,899	1,072,990
59 Multifamily	4,462	5,708	7,476	7,476	7,342	7,280	7,277	9,072
60 Federal National Mortgage Association	960,883	1,057,750	1,290,351	1,290,351	1,355,404	1,404,594	1,458,945	1,538,287
61 One- to four-family	924,941	1,016,398	1,238,125	1,238,125	1,301,374	1,349,442	1,402,929	1,478,610
62 Multifamily	35,942	41,352	52,226	52,226	54,030	55,152	56,016	59,677
63 Farmers Home Administration ⁴	0	0	0	0	0	0	0	0
64 One- to four-family	0	0	0	0	0	0	0	0
65 Multifamily	0	0	0	0	0	0	0	0
66 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
67 Farm	0	0	0	0	0	0	0	0
68 Private mortgage conduits	655,463	739,788	884,578	884,578	914,288	945,227	981,416	1,024,557
69 One- to four-family ⁶	455,021	499,834	591,200	591,200	616,300	638,300	669,300	694,800
70 Multifamily	42,045	48,894	56,591	56,591	57,339	58,783	59,446	62,987
71 Nonfarm, nonresidential	158,398	191,060	236,787	236,787	240,649	248,144	252,669	266,770
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others ⁷	658,120	699,503	714,950	714,950	719,029	734,502	750,010	768,724
74 One- to four-family	459,385	495,605	506,786	506,786	514,043	524,741	538,393	555,356
75 Multifamily	75,244	75,799	78,593	78,593	78,426	78,979	79,462	79,627
76 Nonfarm, nonresidential	102,274	105,747	105,780	105,780	102,425	106,201	106,973	108,237
77 Farm	21,217	22,352	23,792	23,792	24,135	24,581	25,183	25,504

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

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

3. Includes savings banks and savings and loan associations.

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

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

6. Includes securitized home equity loans.

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

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

1.55 CONSUMER CREDIT¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	2000	2001	2002	2002				2003	
				Sept.	Oct.	Nov.	Dec.	Jan. ²	Feb.
	Seasonally adjusted								
1 Total	1,559,532 ²	1,666,816	1,726,420 ²	1,726,912	1,727,992	1,725,125	1,726,420 ²	1,740,694	1,742,280
2 Revolving	667,395 ²	701,285	712,418 ²	717,653	717,279	716,376	712,418 ²	716,322	720,486
3 Nonrevolving ³	892,137	965,531	1,014,002	1,009,260	1,010,713	1,008,749	1,014,002	1,024,372	1,021,794
	Not seasonally adjusted								
4 Total	1,593,116 ²	1,701,856	1,762,282 ²	1,721,809	1,727,420	1,735,697	1,762,282 ²	1,755,691	1,741,278
By major holder									
5 Commercial banks	541,470	558,421	587,355	575,730	577,428	580,385	587,355	581,900	581,175
6 Finance companies	219,848 ²	236,559	232,269	246,072	238,571	228,241	232,269	232,827	233,677
7 Credit unions	184,434	189,570	195,744	195,884	197,072	196,807	195,744	195,164	194,183
8 Savings institutions	64,557	69,070	68,591	65,094	66,272	67,413	68,591	67,635	66,678
9 Nonfinancial business	82,662	67,955	56,912	49,170	49,075	49,812	56,912	52,892	49,629
10 Pools of securitized assets ³	500,145	580,281	621,411 ²	589,859	599,003	613,040	621,411 ²	625,274	615,935
By major type of credit ⁴									
11 Revolving	693,020 ²	727,297	738,425 ²	711,670	710,701	717,668	738,425 ²	727,791	720,706
12 Commercial banks	218,063	224,878	231,449	226,193	224,897	226,237	231,449	221,401	219,977
13 Finance companies	37,627 ²	31,538	38,948	37,280	37,351	37,015 ²	38,948	39,477	38,764
14 Credit unions	22,226	22,265	22,228	21,304	21,119	21,260	22,228	21,645	21,157
15 Savings institutions	16,560	17,767	16,193	14,758	15,242	15,710	16,193	15,811	15,429
16 Nonfinancial business	42,430	29,790	19,221	14,129	14,100	14,315	19,221	16,547	14,203
17 Pools of securitized assets ³	356,114	401,059	410,385 ²	398,005	397,992	403,132	410,385 ²	412,911	411,177
18 Nonrevolving	900,095	974,559	1,023,858	1,010,139	1,016,719	1,018,029	1,023,858	1,027,900	1,020,572
19 Commercial banks	323,407	333,543	355,906	349,537	352,531	354,148	355,906	360,499	361,199
20 Finance companies	182,221	205,021	193,321	208,792	201,219	191,226	193,321	193,350	194,913
21 Credit unions	162,208	167,305	173,516	174,580	175,953	175,547	173,516	173,519	173,026
22 Savings institutions	47,997	51,303	52,398	50,335	51,031	51,703	52,398	51,824	51,249
23 Nonfinancial business	40,232	38,165	37,691	35,041	34,975	35,497	37,691	36,346	35,425
24 Pools of securitized assets ³	144,031	179,222	211,026	191,854	201,011	209,908	211,026	212,363	204,759

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

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

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

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

1.56 TERMS OF CONSUMER CREDIT¹

Percent per year except as noted

Item	2000	2001	2002	2002					2003	
				Aug	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	9.34	8.50	6.71	5.95	n.a.	n.a.	5.67	n.a.	n.a.	7.11
2 24-month personal	13.90	13.22	11.59	11.28	n.a.	n.a.	10.78	n.a.	n.a.	11.62
Credit card plan										
3 All accounts	15.71	14.89	13.42	13.37	n.a.	n.a.	13.13	n.a.	n.a.	13.20
4 Accounts assessed interest	14.91	14.44	13.09	13.26	n.a.	n.a.	12.78	n.a.	n.a.	12.85
<i>Auto finance companies</i>										
5 New car	6.61	5.65	4.29	2.17	2.29	2.62	3.41	3.50	3.13	3.99
6 Used car	13.55	12.18	10.74	10.46	10.44	10.59	10.70	10.48	10.37	10.43
OTHER TERMS ³										
<i>Maturity (months)</i>										
7 New car	54.9	55.1	56.8	59.2	58.4	57.4	57.2	57.5	58.5	59.2
8 Used car	57.0	57.5	57.5	57.6	57.5	57.4	56.9	56.7	57.5	57.7
<i>Loan-to-value ratio</i>										
9 New car	92	91	94	97	97	96	95	96	96	97
10 Used car	99	100	100	100	100	101	100	100	100	99
<i>Amount financed (dollars)</i>										
11 New car	20,923	22,822	24,747	26,455	26,331	26,099	26,104	26,647	26,443	24,864
12 Used car	14,058	14,416	14,532	14,679	14,801	14,702	14,610	14,639	14,499	14,231

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

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

3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1997	1998	1999	2000	2001	2001			2002			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors	789.9	1,046.2	1,031.6	840.9	1,125.9	1,082.6	1,285.8	1,193.0	966.2	1,627.6	1,298.0	1,563.2
By sector and instrument												
2 Federal government	23.1	-52.6	-71.2	-295.9	-5.6	-215.8	209.3	43.4	39.8	526.0	265.7	198.5
3 Treasury securities	23.2	-54.6	-71.0	-294.9	-5.0	-216.9	209.7	44.2	41.6	524.2	264.2	198.5
4 Budget agency securities and mortgages	-1	2.0	-2	-1.0	-5	1.1	-4	-7	-1.8	1.8	1.6	.4
5 Nonfederal	766.8	1,098.8	1,102.8	1,136.8	1,131.5	1,298.4	1,076.4	1,149.5	926.4	1,101.6	1,032.3	1,364.7
By instrument												
6 Commercial paper	13.7	24.4	37.4	48.1	-88.3	-133.4	-66.1	45.5	-144.4	-81.7	-17.4	-13.2
7 Municipal securities and loans	56.9	84.2	54.4	23.6	119.2	132.4	80.4	170.0	74.6	195.4	156.9	224.9
8 Corporate bonds	150.5	235.2	217.8	161.3	340.5	444.5	191.4	325.0	253.7	191.4	-29.1	116.8
9 Bank loans n.e.c.	106.4	108.2	82.8	101.7	-82.7	-125.1	-24.3	-166.0	-17.2	-192.8	-125.0	-33.6
10 Other loans and advances	59.5	82.1	46.0	95.0	29.3	132.3	59.4	-107.3	-19.2	77.2	77.6	4.0
11 Mortgages	322.3	489.8	564.9	568.2	704.7	767.5	770.2	733.0	696.6	831.3	911.3	1,064.8
12 Home	258.3	387.7	424.6	418.4	530.9	608.3	560.0	531.1	601.3	657.3	778.7	854.7
13 Multifamily residential	7.3	23.4	35.7	34.0	47.9	40.8	56.5	56.5	29.3	44.4	29.5	63.3
14 Commercial	53.5	72.2	98.8	109.2	118.4	106.5	146.7	138.6	59.2	120.6	90.1	140.2
15 Farm	3.1	6.5	5.8	6.5	7.5	11.9	7.0	6.8	6.9	9.1	13.1	6.5
16 Consumer credit	57.5	75.0	99.5	139.0	108.8	80.2	65.4	149.4	82.3	80.8	57.9	1.0
By borrowing sector												
17 Household	332.7	454.8	498.0	546.0	611.8	661.4	656.9	621.7	704.9	684.1	755.7	883.1
18 Nonfinancial business	392.5	576.3	566.3	575.4	417.6	520.6	352.6	390.2	154.9	234.8	132.6	285.0
19 Corporate	291.6	408.6	378.5	380.4	253.3	339.1	194.4	240.8	39.3	93.6	-10.5	125.8
20 Nonfarm noncorporate	94.7	159.7	182.4	184.1	156.8	170.1	153.8	141.1	110.3	132.7	128.8	155.2
21 Farm	6.2	8.0	5.5	10.9	7.5	11.5	4.4	8.3	5.3	8.5	14.2	4.0
22 State and local government	41.5	67.7	38.5	15.5	102.2	116.5	67.0	137.6	66.6	182.7	144.0	196.5
23 Foreign net borrowing in United States	71.8	43.2	25.2	65.7	-37.4	-50.5	-106.7	16.0	77.3	15.1	-32.1	29.6
24 Commercial paper	3.7	7.8	16.3	31.7	-14.2	-3.8	-25.2	5.9	66.8	36.5	3.9	37.3
25 Bonds	61.4	34.9	14.1	23.9	-12.1	-15.8	-83.9	29.7	-2.3	-41.0	-22.5	-1.0
26 Bank loans n.e.c.	8.5	6.6	.5	11.4	-7.3	-31.4	4.2	-16.3	13.9	22.0	-11.7	-2.8
27 Other loans and advances	-1.8	-6.0	-5.7	-1.3	-3.7	.5	-1.8	-3.3	-1.2	-2.4	-1.8	-3.9
28 Total domestic plus foreign	861.7	1,089.4	1,056.7	906.6	1,088.5	1,032.2	1,179.1	1,208.9	1,043.4	1,642.7	1,265.9	1,592.8
Financial sectors												
29 Total net borrowing by financial sectors	662.2	1,087.2	1,073.3	809.0	958.5	828.2	1,113.5	976.5	869.8	870.0	852.1	1,097.7
By instrument												
30 Federal government-related	212.9	470.9	592.0	433.5	629.3	674.6	818.4	591.8	691.1	487.8	420.9	642.5
31 Government-sponsored enterprise securities	98.4	278.3	318.2	234.1	290.8	268.3	326.2	306.5	191.3	141.7	249.1	347.6
32 Mortgage pool securities	114.6	192.6	273.8	199.4	338.5	406.2	492.2	285.3	499.8	346.1	171.8	294.9
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	449.3	616.3	481.3	375.5	329.2	153.7	295.1	384.7	178.7	382.2	431.2	455.2
35 Open market paper	166.7	161.0	176.2	127.7	-61.9	-77.9	-72.2	-13.6	-178.3	-109.1	84.3	-76.5
36 Corporate bonds	218.9	310.2	207.1	199.3	341.1	223.2	308.8	372.7	354.1	435.8	188.6	617.6
37 Bank loans n.e.c.	13.3	30.1	-14.2	-2	13.8	10.8	1.6	18.3	.2	31.9	82.3	-70.6
38 Other loans and advances	35.6	90.2	107.1	42.5	34.9	-18.7	58.8	8.9	-3.9	16.7	71.9	-17.2
39 Mortgages	14.9	24.8	5.1	6.2	1.3	16.2	-1.9	-1.6	6.6	7.0	4.1	1.9
By borrowing sector												
40 Commercial banking	46.1	72.9	67.2	60.0	52.9	-10.5	39.7	44.1	24.3	13.3	62.2	93.5
41 Savings institutions	19.7	52.2	48.0	27.3	7.4	3.4	39.4	-68.6	-33.1	-12.1	37.1	-47.1
42 Credit unions	.1	.6	2.2	.0	1.5	.8	1.5	4.4	2.4	2.0	3.1	.4
43 Life insurance companies	.2	.7	.7	-7	.6	.1	3.5	1.4	2.4	1.2	2.0	2.5
44 Government-sponsored enterprises	98.4	278.3	318.2	234.1	290.8	268.3	326.2	306.5	191.3	141.7	249.1	347.6
45 Federally related mortgage pools	114.6	192.6	273.8	199.4	338.5	406.2	492.2	285.3	499.8	346.1	171.8	294.9
46 Issuers of asset-backed securities (ABSs)	202.2	321.4	212.3	189.7	317.6	205.9	313.9	430.0	263.6	241.6	194.1	356.3
47 Finance companies	57.8	57.1	70.3	81.2	-2	36.8	41.8	-25.3	-31.2	80.2	106.4	19.2
48 Mortgage companies	-4.6	1.6	.2	.1	.7	.6	.8	.6	.8	.7	.7	.7
49 Real estate investment trusts (REITs)	39.6	62.7	6.3	2.7	2.5	10.5	-2.4	7.8	7.4	25.3	26.6	15.1
50 Brokers and dealers	8.1	7.2	-17.2	15.6	1.4	35.6	12.6	-18.9	-15.7	17.5	15.2	-24.1
51 Funding corporations	79.9	40.0	91.5	-4	-55.2	-129.6	-155.7	9.1	-42.2	12.4	-16.4	38.7

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

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1997	1998	1999	2000	2001	2001			2002			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
	All sectors											
52 Total net borrowing, all sectors	1,523.9	2,176.7	2,130.0	1,715.6	2,047.1	1,860.4	2,292.6	2,185.4	1,913.3	2,512.7	2,118.0	2,690.5
53 Open market paper	184.1	193.1	229.9	207.6	-164.4	-215.1	-163.5	37.8	-255.9	-154.3	70.8	-52.4
54 U.S. government securities	236.0	418.3	520.7	137.6	623.8	458.8	1,027.8	635.2	730.9	1,013.8	686.7	841.0
55 Municipal securities	56.9	84.2	54.4	23.6	119.2	132.4	80.4	170.0	74.6	195.4	156.9	224.9
56 Corporate and foreign bonds	430.8	580.2	439.1	384.4	669.5	651.9	416.3	727.4	605.5	586.2	136.9	733.4
57 Bank loans n.e.c.	128.2	145.0	69.0	112.8	-76.2	-145.7	-18.5	-164.0	-3.0	-139.0	-54.3	-107.0
58 Other loans and advances	93.2	166.3	147.4	136.2	60.4	114.2	116.5	-101.8	-24.2	91.5	147.6	-17.2
59 Mortgages	337.2	514.6	570.0	574.4	706.0	783.8	768.2	731.4	703.1	838.3	915.4	1,066.7
60 Consumer credit	57.5	75.0	99.5	139.0	108.8	80.2	65.4	149.4	82.3	80.8	57.9	1.0
	Funds raised through mutual funds and corporate equities											
61 Total net issues	218.7	165.9	191.2	236.1	301.9	419.9	151.8	397.9	437.6	282.4	-77.1	271.6
62 Corporate equities	-46.4	-113.7	.0	1.1	100.5	146.4	-8.6	142.0	50.7	182.4	-114.2	66.7
63 Nonfinancial corporations	-77.4	-215.5	-110.4	-118.2	-47.4	-57.9	-108.6	-4.2	-8.0	17.9	-130.8	-39.9
64 Foreign shares purchased by U.S. residents	57.6	101.3	114.3	103.6	106.8	222.9	43.5	74.7	-5.9	79.7	-50.6	52.7
65 Financial corporations	-26.6	.6	-4.0	15.7	41.1	-18.6	56.5	71.5	64.6	84.8	67.3	54.0
66 Mutual fund shares	265.1	279.5	191.2	235.0	201.4	273.5	160.4	255.9	386.9	100.0	37.1	204.9

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

1.58 SUMMARY OF FINANCIAL TRANSACTIONS¹

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

Transaction category or sector	1997	1998	1999	2000	2001	2001			2002			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
NET LENDING IN CREDIT MARKETS ²												
1 Total net lending in credit markets	1,523.9	2,176.7	2,130.0	1,715.6	2,047.1	1,860.4	2,292.6	2,185.4	1,913.3	2,512.7	2,118.0	2,690.5
2 Domestic nonfederal nonfinancial sectors	15.4	259.1	227.3	-116.6	-24.1	-117.2	70.5	92.5	155.9	272.5	-240.2	150.2
3 Household	25.3	127.3	217.3	-140.6	-52.7	-101.2	53.8	18.2	101.3	223.4	-250.4	148.6
4 Nonfinancial corporate business	-12.7	-16.0	-15.6	23.4	-11.5	-29.5	-44.5	29.9	52.3	3.2	-5.5	-41.3
5 Nonfarm noncorporate business	2.6	13.3	-2.9	1.3	2.0	.3	3.3	2.0	3.3	3.3	-2.2	-1.0
6 State and local governments	.1	134.5	28.4	-8	38.1	13.1	57.9	42.4	-1.1	42.5	17.8	43.8
7 Federal government	5.1	13.5	5.8	7.3	6.0	9.4	3.3	7.0	4.7	8.8	6.8	10.3
8 Rest of the world	259.6	172.5	139.7	225.9	320.6	254.9	269.2	432.5	171.8	542.6	450.0	503.0
9 Financial sectors	1,243.9	1,731.6	1,757.2	1,599.0	1,744.6	1,713.4	1,949.6	1,653.4	1,580.9	1,688.8	1,901.4	2,027.0
10 Monetary authority	38.3	21.1	25.7	33.7	39.9	26.9	8.4	85.1	81.6	43.4	67.3	118.7
11 Commercial banking	324.3	305.6	312.2	357.9	205.2	107.8	267.9	314.6	188.9	384.3	624.0	442.6
12 U.S.-chartered banks	274.9	312.1	318.6	339.5	191.6	156.5	242.5	275.0	168.2	343.8	599.9	462.8
13 Foreign banking offices in United States	40.2	-11.6	-17.0	23.9	-6	-50.1	21.1	-7.8	2.1	33.7	21.8	-31.3
14 Bank holding companies	5.4	-9	6.2	-12.2	4.2	-2.8	-1.4	13.6	12.0	1.9	-1.6	.2
15 Banks in U.S.-affiliated areas	3.7	6.0	4.4	6.7	10.0	4.2	5.7	33.9	6.6	4.9	4.0	10.9
16 Savings institutions	-4.7	36.2	67.7	56.2	42.8	55.8	-4.7	73.1	12.3	-23.5	79.7	73.4
17 Credit unions	16.8	18.9	27.5	28.0	41.5	9.6	61.1	60.5	58.3	41.1	39.9	37.3
18 Bank personal trusts and estates	-25.0	-12.8	27.8	8	-28.1	-28.1	-28.0	-28.1	1.0	.9	.8	.8
19 Life insurance companies	104.8	76.9	53.5	57.9	130.9	143.6	186.9	81.3	260.6	175.1	267.6	156.1
20 Other insurance companies	25.2	5.8	-3.0	-8.7	9.0	.1	5.1	28.5	36.7	35.4	21.7	28.2
21 Private pension funds	47.6	-23.4	17.0	33.4	20.3	44.7	10.4	5.3	27.4	46.2	35.9	14.4
22 State and local government retirement funds	67.1	72.1	46.9	54.6	-17.7	77.0	-74.2	-2.7	70.5	-54.5	-10.4	9.4
23 Money market mutual funds	87.5	244.0	182.0	143.0	246.0	245.3	311.8	49.1	-241.3	-86.7	-74.4	301.2
24 Mutual funds	80.9	127.3	48.4	21.0	126.0	169.1	102.7	139.3	243.3	41.9	162.7	128.9
25 Closed-end funds	-2.9	5.2	8.2	-6.3	7.1	-4.9	23.9	16.6	21.6	-4	-3.3	-1.8
26 Government-sponsored enterprises	106.3	314.0	291.3	256.4	309.0	297.2	274.3	335.3	236.7	129.0	204.4	319.5
27 Federally related mortgage pools	114.6	192.6	273.8	199.4	338.5	406.2	492.2	285.3	499.8	346.1	171.8	294.9
28 Asset-backed securities issuers (ABSs)	163.8	281.7	194.1	159.9	291.4	177.6	288.3	407.3	239.4	219.4	171.5	334.5
29 Finance companies	23.1	77.3	97.0	108.0	-5.7	112.1	-43.3	-100.5	-28.2	39.6	80.0	-21.2
30 Mortgage companies	-9.1	3.2	.3	.2	1.4	1.1	1.7	1.2	1.6	1.4	1.5	1.5
31 Real estate investment trusts (REITs)	20.2	-5.1	-2.6	-6.3	6.7	1.1	7.8	14.0	26.3	31.8	27.6	8.1
32 Brokers and dealers	14.9	6.8	-34.7	68.9	92.4	53.4	184.5	-110.5	-219.5	402.8	-208.6	147.5
33 Funding corporations	50.4	-15.8	124.0	41.0	-112.2	-182.3	-127.4	-1.2	63.7	-84.5	226.6	-366.9
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 Net flows through credit markets	1,523.9	2,176.7	2,130.0	1,715.6	2,047.1	1,860.4	2,292.6	2,185.4	1,913.3	2,512.7	2,118.0	2,690.5
Other financial sources												
35 Official foreign exchange	.7	6.6	-8.7	-4	4.3	4.7	13.7	.2	-3.0	12.9	24.6	4.9
36 Special drawing rights certificates	-5	.0	-3.0	-4.0	.0	.0	.0	.0	.0	.0	.0	.0
37 Treasury currency	.5	.6	1.0	2.4	1.3	1.3	2.2	.0	.9	.6	2.4	.0
38 Foreign deposits	107.7	6.5	61.0	135.1	28.0	-175.9	41.5	17.9	-59.1	53.3	68.7	122.1
39 Net interbank transactions	-19.7	-31.8	15.0	15.1	-31.7	-25.4	-1.1	41.5	12.9	-164.6	59.0	118.2
40 Checkable deposits and currency	41.2	47.3	151.2	-71.4	204.3	151.4	215.0	278.1	-171.9	178.0	211.5	-36.1
41 Small time and savings deposits	97.1	152.4	45.1	188.8	267.2	242.1	230.3	329.7	259.7	249.0	327.6	272.9
42 Large time deposits	122.5	91.8	131.1	116.2	68.6	43.0	19.5	77.8	270.0	34.9	27.8	-110.1
43 Money market fund shares	155.9	287.2	249.1	233.3	428.6	370.0	386.1	379.8	-315.7	103.4	-192.6	337.6
44 Security repurchase agreements	120.9	91.3	169.8	113.2	22.3	117.8	212.7	-138.3	119.4	362.4	-91.1	-17.1
45 Corporate equities	-46.4	-113.7	.0	1.1	100.5	146.4	-8.6	142.0	50.7	182.4	-114.2	66.7
46 Mutual fund shares	265.1	279.5	191.2	235.0	201.4	273.5	160.4	255.9	386.9	100.0	37.1	204.9
47 Trade payables	139.8	106.4	268.6	425.4	-67.3	-69.6	-185.8	-160.9	182.1	27.2	160.2	89.8
48 Security credit	111.0	103.2	104.4	146.1	3.1	-73.9	561.3	-383.7	-190.7	-131.9	-69.6	-13.1
49 Life insurance reserves	59.3	48.0	50.8	50.2	77.2	52.2	74.7	119.6	93.9	92.2	119.7	97.5
50 Pension fund reserves	201.4	217.4	181.8	209.0	208.4	209.1	180.3	148.2	137.0	145.5	317.2	236.7
51 Taxes payable	22.3	19.6	30.7	32.8	17.5	14.8	104.9	-54.8	3.6	40.4	48.5	23.4
52 Investment in bank personal trusts	-53.0	-46.1	-8.1	56.6	-59.9	-62.2	-57.3	-57.7	-3.7	-2.4	-2.1	-1.3
53 Noncorporate proprietors' equity	-40.7	-57.8	-62.4	-11.5	-18.6	-26.4	-34.3	8.4	1.5	-32.9	-86.2	-33.7
54 Miscellaneous	456.7	889.0	1,036.3	1,413.5	774.6	974.1	935.6	317.6	207.1	640.1	942.1	528.1
55 Total financial sources	3,265.9	4,274.0	4,734.9	5,002.2	4,277.0	4,027.4	5,143.8	3,506.7	2,895.0	4,403.2	3,908.4	4,582.1
Liabilities not identified as assets (-)												
56 Treasury currency	-2	-1	-7	-1.2	-1	-3	.9	.0	-1.5	-9	1.1	-1.1
57 Foreign deposits	106.2	-8.5	42.6	55.9	11.1	-166.8	55.3	-27.5	-33.6	94.8	50.8	115.0
58 Net interbank liabilities	-19.9	3.8	.1	20.4	17.2	17.0	7.4	22.6	39.8	-9.5	13.2	-17.0
59 Security repurchase agreements	63.2	57.7	35.7	122.6	-53.9	129.8	106.3	-166.2	157.9	224.3	-285.7	-24.7
60 Taxes payable	28.0	19.7	11.7	26.2	22.1	3.1	25.4	35.0	14.3	-52.3	16.2	-47.6
61 Miscellaneous	-285.4	-226.9	-291.4	-370.5	-252.3	-480.5	37.0	-314.4	-300.9	33.8	98.3	53.1
Floats not included in assets (-)												
62 Federal government checkable deposits	-2.7	2.6	-7.4	9.0	5.7	60.9	-20.1	-91.8	15.1	77.1	-40.3	-51.7
63 Other checkable deposits	-3.9	-3.1	-8	1.7	4.5	3.9	5.0	5.7	6.1	7.1	7.6	8.4
64 Trade credit	-25.5	-43.3	6.8	32.4	12.5	6.3	-28.3	50.5	-36.3	-92.8	-27.0	-39.5
65 Total identified to sectors as assets	3,406.0	4,472.0	4,938.4	5,105.8	4,510.2	4,453.8	4,955.0	3,992.9	3,033.9	4,121.7	4,074.1	4,587.3

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

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING¹

Billions of dollars, end of period

Transaction category or sector	1998	1999	2000	2001	2001			2002			
					Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Nonfinancial sectors										
1 Total credit market debt owed by domestic nonfinancial sectors	16,240.5	17,306.8	18,166.8	19,293.3	18,600.5	18,918.3	19,293.3	19,533.3	19,848.3	20,179.3	20,657.1
By sector and instrument											
2 Federal government	3,752.2	3,681.0	3,385.1	3,379.5	3,251.4	3,320.0	3,379.5	3,430.3	3,451.4	3,540.8	3,637.0
3 Treasury securities	3,723.7	3,652.7	3,357.8	3,352.7	3,224.3	3,293.0	3,352.7	3,404.0	3,424.6	3,513.6	3,609.8
4 Budget agency securities and mortgages	28.5	28.3	27.3	26.8	27.0	27.0	26.8	26.3	26.8	27.2	27.7
5 Nonfederal	12,488.4	13,625.8	14,781.7	15,913.8	15,349.1	15,598.3	15,913.8	16,103.0	16,396.9	16,638.5	17,020.0
By instrument											
6 Commercial paper	193.0	230.3	278.4	190.1	223.3	201.3	190.1	167.5	148.4	142.2	126.0
7 Municipal securities and loans	1,402.9	1,457.2	1,480.9	1,600.1	1,547.0	1,555.1	1,600.1	1,623.3	1,677.6	1,704.2	1,763.1
8 Corporate bonds	1,846.0	2,063.9	2,225.1	2,565.6	2,436.5	2,484.4	2,565.6	2,629.0	2,676.9	2,669.6	2,698.8
9 Bank loans n.e.c.	1,148.6	1,231.4	1,333.1	1,251.0	1,293.6	1,285.1	1,251.0	1,237.3	1,192.1	1,159.1	1,158.8
10 Other loans and advances	907.2	953.5	1,059.6	1,088.8	1,103.6	1,110.1	1,088.8	1,089.6	1,106.0	1,116.9	1,123.7
11 Mortgages	5,644.1	6,243.4	6,811.6	7,516.3	7,136.9	7,333.1	7,516.3	7,679.1	7,894.6	8,125.5	8,392.3
12 Home	4,366.0	4,790.6	5,209.0	5,739.9	5,463.4	5,607.3	5,739.9	5,878.8	6,050.8	6,248.7	6,462.9
13 Multifamily residential	308.0	343.9	378.0	425.8	397.6	411.7	425.8	433.2	444.3	451.6	467.5
14 Commercial	873.6	1,006.5	1,115.8	1,234.2	1,162.9	1,199.6	1,234.2	1,249.0	1,279.1	1,301.6	1,336.7
15 Farm	96.6	102.3	108.9	116.3	113.0	114.6	116.3	118.1	120.4	123.6	125.2
16 Consumer credit	1,346.6	1,446.1	1,593.1	1,701.9	1,608.2	1,629.3	1,701.9	1,677.2	1,701.3	1,720.9	1,757.4
By borrowing sector											
17 Households	6,011.8	6,510.0	7,075.1	7,686.8	7,322.8	7,493.5	7,686.8	7,802.1	7,987.8	8,183.3	8,443.8
18 Nonfinancial business	5,338.2	5,938.9	6,514.3	6,932.5	6,774.1	6,847.3	6,932.5	6,985.1	7,042.8	7,064.9	7,134.3
19 Corporate	3,790.6	4,203.5	4,583.9	4,837.8	4,755.4	4,790.5	4,837.8	4,863.2	4,883.0	4,871.0	4,899.8
20 Nonfarm noncorporate	1,383.7	1,566.1	1,750.2	1,907.0	1,833.5	1,870.8	1,907.0	1,934.7	1,968.0	1,999.0	2,038.7
21 Farm	163.9	169.4	180.2	187.7	185.2	185.9	187.7	187.1	191.8	194.9	195.7
22 State and local government	1,138.3	1,176.9	1,192.3	1,294.5	1,252.2	1,257.6	1,294.5	1,315.8	1,366.2	1,390.3	1,442.0
23 Foreign credit market debt held in United States	651.3	676.7	742.3	704.9	726.1	701.7	704.9	724.2	725.6	720.2	727.4
24 Commercial paper	72.9	89.2	120.9	106.7	110.1	106.3	106.7	123.6	130.2	134.0	142.8
25 Bonds	462.6	476.7	500.6	488.4	502.0	481.0	488.4	487.9	477.6	472.0	471.7
26 Bank loans n.e.c.	58.7	59.2	70.5	63.2	66.2	67.3	63.2	66.7	72.2	69.3	68.6
27 Other loans and advances	57.1	51.6	50.3	46.6	47.7	47.0	46.6	46.0	45.5	44.9	44.2
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	16,891.8	17,983.5	18,909.1	19,998.2	19,326.6	19,620.0	19,998.2	20,257.5	20,573.8	20,899.5	21,384.4
	Financial sectors										
29 Total credit market debt owed by financial sectors	6,545.2	7,618.5	8,439.5	9,395.3	8,851.0	9,120.1	9,395.3	9,591.8	9,804.7	10,007.6	10,317.7
By instrument											
30 Federal government-related	3,292.0	3,884.0	4,317.4	4,944.1	4,591.6	4,796.2	4,944.1	5,116.9	5,238.8	5,344.1	5,504.7
31 Government-sponsored enterprise securities	1,273.6	1,591.7	1,825.8	2,114.0	1,955.8	2,037.4	2,114.0	2,161.8	2,197.2	2,259.5	2,346.4
32 Mortgage pool securities	2,018.4	2,292.2	2,491.6	2,830.1	2,635.7	2,758.8	2,830.1	2,955.1	3,041.6	3,084.5	3,158.3
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	3,253.2	3,734.6	4,122.0	4,451.2	4,259.4	4,323.9	4,451.2	4,474.9	4,565.9	4,663.6	4,813.1
35 Open market paper	906.7	1,082.9	1,210.7	1,148.8	1,144.5	1,110.2	1,148.8	1,090.9	1,046.9	1,049.5	1,078.9
36 Corporate bonds	1,878.7	2,085.9	2,297.2	2,638.3	2,478.8	2,561.6	2,638.3	2,730.6	2,847.1	2,901.0	3,037.3
37 Bank loans n.e.c.	107.5	93.2	93.0	106.8	100.4	100.2	106.8	105.1	113.5	133.3	117.7
38 Other loans and advances	288.7	395.8	438.3	473.2	450.7	467.2	473.2	462.4	470.8	491.2	490.0
39 Mortgages	71.6	76.7	82.9	84.2	85.1	84.6	84.2	85.9	87.6	88.6	89.1
By borrowing sector											
40 Commercial banks	188.6	230.0	266.7	296.0	274.7	281.4	296.0	295.8	310.4	318.9	326.1
41 Bank holding companies	193.5	219.3	242.5	266.1	269.0	272.7	266.1	269.0	264.2	271.8	284.3
42 Savings institutions	212.4	260.4	287.7	295.1	294.4	305.6	295.1	280.5	275.3	286.4	281.3
43 Credit unions	1.1	3.4	3.4	4.9	3.5	3.8	4.9	5.5	6.0	6.8	6.9
44 Life insurance companies	2.5	3.2	2.5	3.1	1.9	2.8	3.1	3.7	4.0	4.5	5.1
45 Government-sponsored enterprises	1,273.6	1,591.7	1,825.8	2,114.0	1,955.8	2,037.4	2,114.0	2,161.8	2,197.2	2,259.5	2,346.4
46 Federally related mortgage pools	2,018.4	2,292.2	2,491.6	2,830.1	2,635.7	2,758.8	2,830.1	2,955.1	3,041.6	3,084.5	3,158.3
47 Issuers of asset-backed securities (ABSs)	1,398.0	1,610.3	1,812.0	2,129.5	1,937.3	2,019.1	2,129.5	2,187.7	2,249.6	2,301.5	2,393.5
48 Brokers and dealers	42.5	25.3	40.9	42.3	43.9	47.1	42.3	38.4	42.8	46.6	40.6
49 Finance companies	625.5	695.7	776.9	776.7	769.0	771.2	776.7	760.8	784.9	802.9	820.4
50 Mortgage companies	17.7	17.8	17.9	18.6	18.2	18.5	18.6	18.8	19.0	19.2	19.3
51 Real estate investment trusts (REITs)	158.8	165.1	167.8	170.2	168.9	168.3	170.2	172.1	178.4	185.1	188.8
52 Funding corporations	412.6	504.0	503.7	448.4	478.6	433.6	448.4	442.6	431.3	420.0	446.6
	All sectors										
53 Total credit market debt, domestic and foreign	23,437.1	25,602.0	27,348.6	29,393.6	28,177.5	28,740.1	29,393.6	29,849.3	30,378.5	30,907.1	31,702.2
54 Open market paper	1,172.6	1,402.4	1,610.0	1,445.6	1,477.9	1,417.8	1,445.6	1,382.0	1,325.5	1,325.7	1,347.7
55 U.S. government securities	7,044.2	7,564.9	7,702.5	8,323.6	7,842.9	8,116.2	8,323.6	8,547.2	8,690.2	8,884.9	9,141.7
56 Municipal securities	1,402.9	1,457.2	1,480.9	1,600.1	1,547.0	1,555.1	1,600.1	1,623.3	1,677.6	1,704.2	1,763.1
57 Corporate and foreign bonds	4,187.4	4,626.4	5,022.9	5,692.3	5,417.3	5,527.0	5,692.3	5,847.5	6,001.6	6,042.6	6,207.8
58 Bank loans n.e.c.	1,314.8	1,383.8	1,496.6	1,421.0	1,460.2	1,452.6	1,421.0	1,409.1	1,377.8	1,361.7	1,345.1
59 Other loans and advances	1,253.0	1,400.9	1,548.2	1,608.6	1,602.0	1,624.4	1,608.6	1,598.0	1,622.3	1,653.0	1,658.0
60 Mortgages	5,715.7	6,320.1	6,894.5	7,600.5	7,222.0	7,417.8	7,600.5	7,764.9	7,982.2	8,214.2	8,481.4
61 Consumer credit	1,346.6	1,446.1	1,593.1	1,701.9	1,608.2	1,629.3	1,701.9	1,677.2	1,701.3	1,720.9	1,757.4

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

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES¹

Billions of dollars except as noted, end of period

Transaction category or sector	1998	1999	2000	2001	2001			2002			
					Q2	Q3	Q4	Q1	Q2	Q3	Q4
CREDIT MARKET DEBT OUTSTANDING ²											
1 Total credit market assets	23,437.1	25,602.0	27,348.6	29,393.6	28,177.5	28,740.1	29,393.6	29,849.3	30,378.5	30,907.1	31,702.2
2 Domestic nonfederal nonfinancial sectors	3,312.6	3,600.8	3,455.5	3,417.8	3,366.5	3,359.6	3,417.8	3,442.6	3,498.9	3,417.2	3,502.3
3 Household	2,264.1	2,542.4	2,373.1	2,306.9	2,290.6	2,282.7	2,306.9	2,337.9	2,374.6	2,292.7	2,362.6
4 Nonfinancial corporate business	241.5	226.0	249.4	237.9	225.4	214.8	237.9	230.4	235.0	235.4	240.1
5 Nonfarm noncorporate business	67.5	64.6	65.9	67.9	66.6	67.4	67.9	68.7	69.6	69.0	68.8
6 State and local governments	739.4	767.8	767.0	805.1	784.0	794.6	805.1	805.6	819.7	820.1	830.9
7 Federal government	219.0	258.0	265.3	271.3	268.7	269.6	271.3	272.5	274.7	276.4	279.0
8 Rest of the world	2,278.2	2,354.6	2,621.1	2,954.4	2,766.8	2,837.5	2,954.4	3,000.6	3,133.2	3,249.5	3,371.3
9 Financial sectors	17,627.3	19,388.7	21,006.7	22,750.1	21,775.4	22,273.4	22,750.1	23,133.5	23,471.8	23,964.0	24,549.6
10 Monetary authority	452.5	478.1	511.8	551.7	535.1	534.1	551.7	575.4	590.7	604.2	629.4
11 Commercial banking	4,336.1	4,648.3	5,006.3	5,210.5	5,041.5	5,100.6	5,210.5	5,231.3	5,328.3	5,476.2	5,620.5
12 U.S.-chartered banks	3,761.4	4,080.0	4,419.5	4,610.1	4,463.5	4,513.5	4,610.1	4,629.3	4,719.7	4,858.4	5,003.8
13 Foreign banking offices in United States	504.5	487.4	511.3	510.7	501.3	509.3	510.7	507.7	512.6	521.2	517.3
14 Bank holding companies	26.5	32.7	20.5	24.7	21.6	21.3	24.7	27.7	28.1	27.7	27.8
15 Banks in U.S.-affiliated areas	43.8	48.3	55.0	65.0	55.1	56.5	65.0	66.6	67.9	68.8	71.6
16 Savings institutions	964.7	1,032.4	1,088.6	1,131.4	1,116.1	1,118.1	1,131.4	1,134.7	1,130.9	1,153.7	1,166.9
17 Credit unions	324.2	351.7	379.7	421.2	392.4	408.4	421.2	434.3	447.7	458.5	465.3
18 Bank personal trusts and estates	194.1	222.0	222.8	194.7	208.8	201.8	194.7	195.0	195.2	195.4	195.6
19 Life insurance companies	1,828.0	1,886.0	1,943.9	2,074.8	2,004.8	2,054.8	2,074.8	2,136.9	2,180.1	2,250.7	2,289.6
20 Other insurance companies	521.1	518.2	509.4	518.4	510.0	511.3	518.4	527.6	536.4	541.9	548.9
21 Private pension funds	651.2	668.2	701.6	721.9	718.0	720.6	721.9	728.7	740.3	749.3	752.9
22 State and local government retirement funds	704.6	751.4	806.0	788.4	807.6	789.0	788.4	806.0	792.4	789.8	792.1
23 Money market mutual funds	965.9	1,147.8	1,290.9	1,536.9	1,414.3	1,494.9	1,536.9	1,496.4	1,419.3	1,405.7	1,511.6
24 Mutual funds	1,028.4	1,076.8	1,097.8	1,223.8	1,160.3	1,188.2	1,223.8	1,276.8	1,291.6	1,334.5	1,368.0
25 Closed-end funds	98.4	106.6	100.3	107.4	97.3	103.3	107.4	112.8	112.8	111.9	111.5
26 Government-sponsored enterprises	1,252.3	1,543.5	1,807.1	2,114.3	1,956.1	2,026.1	2,114.3	2,163.8	2,199.9	2,252.9	2,336.7
27 Federally related mortgage pools	2,018.4	2,292.2	2,491.6	2,830.1	2,635.7	2,758.8	2,830.1	2,955.1	3,041.6	3,084.5	3,158.3
28 Asset-backed securities (ABSs) issuers	1,219.4	1,413.6	1,585.4	1,876.8	1,696.6	1,772.1	1,876.8	1,928.9	1,985.3	2,031.5	2,118.1
29 Finance companies	645.5	742.5	850.5	844.8	878.5	859.5	844.8	832.4	845.6	857.1	862.4
30 Mortgage companies	35.3	35.6	35.9	37.2	36.5	36.9	37.2	37.6	38.0	38.3	38.7
31 Real estate investment trusts (REITs)	45.5	42.9	36.6	43.3	37.9	39.8	43.3	49.9	57.9	64.8	66.8
32 Brokers and dealers	189.4	154.7	223.6	316.0	288.4	366.4	316.0	299.6	352.6	335.2	346.6
33 Funding corporations	152.3	276.0	317.0	206.3	239.5	188.8	206.3	210.3	185.4	224.1	166.1
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 Total credit market debt	23,437.1	25,602.0	27,348.6	29,393.6	28,177.5	28,740.1	29,393.6	29,849.3	30,378.5	30,907.1	31,702.2
Other liabilities											
35 Official foreign exchange	60.1	50.1	46.1	46.8	43.4	49.0	46.8	45.7	47.2	53.1	55.8
36 Special drawing rights certificates	9.2	6.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
37 Treasury currency	19.9	20.9	23.2	24.5	23.9	24.5	24.5	24.7	24.8	25.5	25.5
38 Foreign deposits	642.3	703.6	824.5	908.9	837.6	848.0	908.9	894.1	907.4	924.6	955.2
39 Net interbank liabilities	189.4	202.4	221.2	187.7	158.7	166.5	187.7	161.1	130.6	149.0	191.3
40 Checkable deposits and currency	1,333.3	1,484.5	1,413.1	1,603.2	1,449.6	1,487.1	1,603.2	1,525.2	1,571.0	1,610.7	1,648.6
41 Small time and savings deposits	2,626.5	2,671.6	2,860.4	3,127.6	2,992.4	3,047.6	3,127.6	3,229.6	3,257.6	3,339.0	3,404.9
42 Large time deposits	805.3	936.4	1,052.6	1,121.1	1,087.3	1,094.2	1,121.1	1,178.9	1,188.7	1,197.7	1,176.8
43 Money market fund shares	1,329.7	1,578.8	1,812.1	2,240.7	2,014.7	2,115.4	2,240.7	2,202.6	2,150.3	2,105.9	2,223.9
44 Security repurchase agreements	913.8	1,083.6	1,196.8	1,231.8	1,205.4	1,251.9	1,231.8	1,262.4	1,343.1	1,313.7	1,325.2
45 Mutual fund shares	3,613.1	4,538.5	4,434.6	4,135.5	4,259.5	3,753.1	4,135.5	4,247.0	3,926.6	3,452.3	3,634.6
46 Security credit	572.2	676.6	822.7	825.9	781.5	919.9	825.9	778.0	745.6	726.3	724.5
47 Life insurance reserves	718.3	783.9	819.1	880.0	840.3	844.0	880.0	904.2	915.2	927.9	958.4
48 Pension fund reserves	8,208.4	9,065.3	9,069.0	8,693.4	8,862.6	8,281.0	8,693.4	8,822.2	8,328.1	7,732.4	8,053.3
49 Trade payables	2,073.8	2,342.4	2,767.9	2,700.6	2,756.4	2,725.7	2,700.6	2,724.3	2,721.6	2,779.2	2,815.4
50 Taxes payable	170.7	201.4	234.2	251.7	241.2	270.1	251.7	258.9	265.0	279.6	280.7
51 Investment in bank personal trusts	1,001.0	1,130.4	1,095.8	960.7	1,024.6	916.5	960.7	963.2	893.5	811.6	840.9
52 Miscellaneous	7,617.2	8,499.5	9,717.2	10,505.4	10,491.8	10,919.8	10,505.4	10,539.1	10,829.7	11,304.4	11,394.1
53 Total liabilities	55,341.1	61,578.0	65,761.2	68,841.3	67,250.6	67,456.6	68,841.3	69,612.6	69,626.9	69,642.2	71,413.3
Financial assets not included in liabilities (+)											
54 Gold and special drawing rights	21.6	21.4	21.6	21.8	21.5	22.0	21.8	21.9	22.3	22.8	23.2
55 Corporate equities	15,577.3	19,581.2	17,611.9	15,245.5	16,281.6	13,673.4	15,245.5	15,264.1	13,363.0	10,960.1	11,734.5
56 Household equity in noncorporate business	4,285.7	4,523.1	4,753.2	4,837.2	4,817.0	4,865.2	4,837.2	4,864.4	4,933.7	4,983.6	5,021.8
Liabilities not identified as assets (-)											
57 Treasury currency	-6.4	-7.1	-8.5	-8.6	-8.8	-8.6	-8.6	-8.9	-9.1	-8.9	-9.1
58 Foreign deposits	542.8	585.7	627.4	694.9	631.6	645.4	694.9	686.5	710.2	722.9	751.7
59 Net interbank transactions	-26.5	-28.5	-4.3	11.1	3.8	4.5	11.1	21.9	18.4	16.5	14.9
60 Security repurchase agreements	230.6	266.4	388.9	348.5	379.4	398.7	348.5	401.6	463.3	381.6	366.5
61 Taxes payable	121.2	129.4	146.3	121.8	150.5	167.3	121.8	109.9	162.8	152.8	156.8
62 Miscellaneous	-1,972.7	-2,427.9	-2,902.8	-3,147.0	-2,806.3	-2,643.0	-3,147.0	-3,105.7	-3,140.6	-3,033.6	-3,036.1
Floats not included in assets (-)											
63 Federal government checkable deposits	-3.9	-9.8	-2.3	-12.3	-3.6	-4.0	-12.3	-9.6	-9.3	-14.8	-11.7
64 Other checkable deposits	23.1	22.3	24.0	28.6	25.5	19.2	28.6	26.3	31.4	25.8	35.9
65 Trade credit	84.8	95.6	128.0	140.5	61.8	52.0	140.5	85.7	33.0	25.5	91.6
66 Totals identified to sectors as assets	76,232.7	87,077.5	89,751.1	90,768.3	89,936.9	87,385.5	90,768.3	91,555.1	89,685.8	87,340.6	89,832.3

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

2. Excludes corporate equities and mutual fund shares.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	2002			2003	2002			2003	2002			2003
	Q2	Q3	Q4 ²	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ²	Q1
	Output (1997=100)				Capacity (percent of 1997 output)				Capacity utilization rate (percent) ³			
1 Total industry	110.5	111.4	110.4	110.5	145.9	146.2	146.6	147.1	75.7	76.2	75.3	75.2
2 Manufacturing	111.4	112.3	111.2	111.0	150.9	151.1	151.4	151.7	73.9	74.3	73.5	73.2
3 Manufacturing (NAICS)	111.8	112.6	111.5	111.2	152.2	152.5	152.8	153.3	73.5	73.8	73.0	72.6
4 Durable manufacturing	121.2	122.3	121.4	121.5	172.5	173.4	174.2	175.1	70.2	70.5	69.7	69.4
5 Primary metal	85.6	85.9	86.0	84.4	112.0	111.4	110.8	110.7	76.4	77.1	77.6	76.2
6 Fabricated metal products	99.1	99.5	98.9	98.0	139.3	139.4	139.6	139.8	71.2	71.3	70.8	70.1
7 Machinery	88.6	88.7	86.7	86.7	129.9	129.9	129.9	129.8	68.2	68.3	66.7	66.8
8 Computer and electronic products	219.6	222.6	224.4	226.9	350.1	355.4	360.3	366.2	62.7	62.6	62.3	61.9
9 Electrical equipment, appliances, and components	98.3	97.7	96.8	96.3	129.1	128.6	128.2	128.1	76.1	75.9	75.5	75.2
10 Motor vehicles and parts	116.8	121.7	120.0	120.3	145.9	147.1	148.4	149.9	80.0	82.7	80.8	80.2
11 Aerospace and miscellaneous transportation equipment	87.6	85.9	85.1	86.0	145.5	145.3	145.1	145.1	60.2	59.1	58.7	59.3
12 Nondurable manufacturing	99.7	100.1	98.8	98.2	127.7	127.5	127.3	127.3	78.1	78.5	77.6	77.2
13 Food, beverage, and tobacco products	100.8	100.1	98.8	97.8	125.8	125.7	125.6	125.5	80.2	79.7	78.7	78.0
14 Textile and product mills	83.3	82.9	81.2	79.4	112.3	111.7	111.1	110.6	74.2	74.2	73.1	71.8
15 Paper	94.2	95.7	95.8	93.6	114.2	114.0	113.8	113.6	82.5	84.0	84.2	82.4
16 Petroleum and coal products	103.3	102.3	102.8	102.7	114.9	115.2	115.7	116.1	89.9	88.7	88.9	88.4
17 Chemical	105.3	106.4	104.1	104.4	141.2	141.2	141.3	141.5	74.6	75.3	73.7	73.8
18 Plastics and rubber products	106.6	107.3	105.6	105.0	134.2	133.6	132.9	132.5	79.4	80.4	79.4	79.2
19 Other manufacturing (non-NAICS)	104.6	106.0	106.0	106.5	130.3	129.5	128.7	128.3	80.3	81.8	82.3	83.0
20 Mining	93.4	93.5	93.7	94.2	110.2	110.1	110.2	110.3	84.8	84.9	85.1	85.4
21 Electric and gas utilities	110.2	112.5	111.5	114.3	125.5	127.6	129.7	131.5	87.8	88.2	86.0	86.9
MEMOS												
22 Computers, communications equipment, and semiconductors	290.3	295.5	300.4	305.5	466.7	475.3	483.3	493.9	62.2	62.2	62.2	61.8
23 Total excluding computers, communications equipment, and semiconductors	100.6	101.3	100.3	100.3	130.4	130.5	130.6	130.9	77.1	77.6	76.8	76.6
24 Manufacturing excluding computers, communications equipment, and semiconductors	99.9	100.5	99.4	99.1	132.6	132.6	132.6	132.7	75.3	75.8	75.0	74.7

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹—Continued

Seasonally adjusted

Series	1973	1975	Previous cycle ³		Latest cycle ⁴		2002	2002			2003		
	High	Low	High	Low	High	Low	Mar.	Oct.	Nov.	Dec. ^f	Jan. ^f	Feb. ^f	Mar. ^g
Capacity utilization rate (percent) ²													
1 Total industry	88.8	74.0	86.6	70.8	85.1	78.6	75.3	75.5	75.6	74.9	75.4	75.3	74.8
2 Manufacturing	88.0	71.6	86.3	68.6	85.5	77.2	73.5	73.7	73.7	73.0	73.4	73.1	72.9
3 Manufacturing (NAICS)	88.1	71.4	86.3	67.9	85.5	77.0	73.1	73.1	73.3	72.5	72.9	72.5	72.3
4 Durable manufacturing	88.9	69.6	87.0	63.1	84.5	73.4	69.7	69.9	70.2	69.1	69.9	69.3	68.9
5 Primary metal	100.9	68.9	91.3	47.2	95.3	75.2	75.7	78.9	77.8	76.1	76.9	76.3	75.5
6 Fabricated metal products	91.8	69.6	83.1	61.7	80.1	71.0	70.5	71.5	70.7	70.4	70.6	70.0	69.7
7 Machinery	94.2	74.2	92.8	58.3	84.7	72.9	67.7	66.8	67.3	66.0	66.8	67.0	66.6
8 Computer and electronic products	87.0	66.9	89.8	77.3	81.5	76.4	62.7	62.5	62.3	62.0	62.2	61.8	61.8
9 Electrical equipment, appliances, and components	99.3	68.5	91.9	64.4	87.5	75.0	74.8	75.3	75.6	75.6	75.0	75.6	74.9
10 Motor vehicles and parts	95.3	55.3	96.2	45.2	90.0	56.6	78.0	80.0	83.5	79.1	82.3	80.1	78.3
11 Aerospace and miscellaneous transportation equipment	75.0	66.3	84.6	69.8	88.9	81.9	61.4	58.9	58.4	58.7	59.4	59.1	59.4
12 Nondurable manufacturing	87.5	72.5	85.7	75.6	86.9	81.8	77.8	77.8	77.7	77.2	77.2	77.1	77.1
13 Food, beverage, and tobacco products	85.9	78.0	84.3	80.2	85.5	81.3	80.6	79.2	78.5	78.3	78.4	77.7	77.7
14 Textile and product mills	89.8	62.8	90.1	72.3	91.1	77.1	73.7	73.0	73.5	72.8	71.7	71.9	71.8
15 Paper	97.4	74.7	95.6	81.3	94.0	85.4	80.0	84.1	85.1	83.5	82.5	82.2	82.4
16 Petroleum and coal products	93.2	81.0	92.3	71.1	88.9	82.5	90.2	86.1	89.8	90.7	88.1	88.4	88.7
17 Chemical	85.0	68.9	83.0	67.9	85.6	80.8	74.6	74.1	73.8	73.2	73.4	73.8	74.1
18 Plastics and rubber products	96.3	61.6	90.5	70.5	91.2	77.1	78.1	79.9	79.6	78.8	79.3	79.3	79.1
19 Other manufacturing (non-NAICS)	85.7	75.7	88.1	85.7	90.2	79.1	80.2	82.7	81.9	82.4	82.0	83.4	83.7
20 Mining	93.6	87.6	94.2	78.6	85.6	83.3	84.8	83.9	85.0	86.4	85.1	85.3	85.8
21 Electric and gas utilities	96.2	82.7	87.9	77.2	92.6	84.2	86.9	86.9	86.4	84.8	87.8	88.5	84.5
MEMOS													
22 Computers, communications equipment, and semiconductors	84.5	63.1	89.9	75.6	80.4	74.6	61.7	62.3	62.4	61.7	61.7	61.7	62.1
23 Total excluding computers, communications equipment, and semiconductors	89.1	74.3	86.6	70.5	85.5	78.8	76.7	76.9	77.0	76.4	76.9	76.8	76.2
24 Manufacturing excluding computers, communications equipment, and semiconductors	88.3	71.9	86.3	68.1	86.1	77.3	74.9	75.2	75.3	74.5	75.0	74.7	74.4

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

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

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

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

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

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data seasonally adjusted

Group	1992 pro- por- tion	2002 avg.	2002										2003		
			Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec. ^f	Jan. ^f	Feb. ¹	Mar. ²
Index (1997=100)															
MAJOR MARKETS															
1 Total IP	100.0	110.5	109.6	110.1	110.4	110.8	111.6	111.3	111.2	110.6	110.8	109.9	110.8	110.7	110.1
Market groups															
2 Final products and nonindustrial supplies	60.8	109.3	108.9	109.1	109.3	109.6	110.1	109.8	109.8	109.1	109.3	108.2	109.2	109.1	108.6
3 Consumer goods	29.0	107.5	107.4	107.5	107.3	107.8	108.5	107.8	107.9	107.0	107.8	106.6	107.7	107.4	106.8
4 Durable	5.8	117.3	115.7	116.5	117.2	118.6	120.0	119.3	118.7	117.0	121.0	117.8	120.7	118.6	117.7
5 Automotive products	2.5	125.4	121.7	123.8	124.2	127.4	130.6	130.6	129.3	125.9	132.4	125.9	131.3	128.2	126.5
6 Home electronics	0.4	142.9	150.2	139.9	143.8	135.3	137.0	135.4	142.6	140.1	142.1	145.3	151.4	148.5	148.3
7 Appliances, furniture, carpeting	1.3	106.9	108.1	108.2	109.1	107.5	106.9	104.5	104.6	104.9	107.1	107.7	106.2	107.0	106.4
8 Miscellaneous goods	1.6	98.5	98.2	98.1	98.9	100.2	99.2	98.3	97.8	98.2	98.3	98.7	98.8	97.2	97.4
9 Nondurable	23.2	104.1	104.4	104.4	103.9	104.1	104.6	103.8	104.2	103.6	103.3	102.8	103.4	103.5	103.1
10 Non-energy	20.2	102.6	103.5	102.8	102.2	102.8	102.8	102.4	102.6	102.0	101.3	100.8	101.0	100.9	101.1
11 Foods and tobacco	10.4	99.5	100.8	100.4	100.0	100.2	99.8	99.2	99.1	98.7	97.9	97.4	97.6	96.6	96.6
12 Clothing	2.4	72.4	74.4	72.7	72.9	72.9	73.2	71.3	72.1	70.2	70.6	69.9	69.7	69.7	68.6
13 Chemical products	4.6	119.1	120.1	118.5	116.8	118.3	119.5	119.0	119.5	118.3	118.0	116.9	117.5	118.8	119.4
14 Paper products	2.9	108.1	107.2	106.0	106.2	107.2	107.1	108.4	109.8	110.0	108.8	109.0	108.7	109.9	110.5
15 Energy	3.0	112.0	109.4	112.8	112.5	110.9	114.0	111.6	112.8	111.8	114.0	113.3	115.7	117.0	113.6
16 Business equipment	13.2	107.3	107.8	107.7	108.0	108.0	107.3	108.1	106.9	106.0	106.1	104.6	105.7	105.4	105.1
17 Transit	2.5	81.2	84.8	83.2	82.0	81.1	80.2	81.1	79.7	77.3	77.9	75.4	75.9	74.5	73.6
18 Information processing	5.4	153.8	155.5	154.7	154.9	154.9	153.5	153.7	152.1	153.1	152.8	152.7	155.1	154.4	156.1
19 Industrial and other	5.3	91.5	90.3	91.1	91.9	92.2	92.0	92.9	92.0	91.2	91.1	89.7	90.4	90.8	90.1
20 Defense and space equipment	3.4	101.2	99.8	99.9	100.6	101.2	101.2	101.9	102.0	102.5	101.7	102.3	104.1	104.1	104.5
21 Construction supplies	5.4	104.0	104.0	104.0	104.6	104.5	104.4	104.8	104.5	104.2	103.8	102.4	102.6	102.2	102.0
22 Business supplies	9.1	121.9	119.7	120.7	121.5	121.8	123.2	122.6	123.6	123.1	122.5	121.9	123.1	123.9	122.8
23 Materials	39.2	112.2	110.7	111.6	112.2	112.6	113.8	113.6	113.4	112.8	113.1	112.4	113.1	113.1	112.5
24 Non-energy	29.6	115.8	114.0	115.0	115.8	116.4	117.2	117.4	117.2	116.7	116.7	115.6	116.3	116.0	115.7
25 Durable	20.7	128.0	125.8	127.1	127.8	128.6	129.4	130.0	129.5	129.5	129.7	128.1	129.6	129.1	128.5
26 Consumer parts	4.0	110.8	109.2	110.8	110.1	110.4	113.4	112.3	112.4	111.7	114.6	111.1	114.4	112.4	110.6
27 Equipment parts	7.5	182.6	177.6	179.8	182.3	183.6	184.2	186.3	185.7	185.7	185.3	184.4	185.9	186.5	187.0
28 Other	9.2	97.1	96.0	96.7	97.2	97.9	97.7	98.3	97.7	98.0	97.2	96.4	96.8	96.7	96.3
29 Nondurable	8.9	97.0	95.9	96.5	97.3	97.6	98.4	98.2	98.3	97.1	97.0	96.5	96.2	96.1	96.2
30 Textile	1.1	77.6	77.7	77.8	78.2	78.5	79.6	77.8	78.4	77.2	77.0	75.3	75.7	74.8	74.4
31 Paper	1.8	94.8	91.9	93.3	94.8	93.6	95.8	96.1	96.7	96.8	96.9	95.8	95.0	94.7	94.6
32 Chemical	4.0	99.1	98.8	99.6	100.4	100.6	101.3	100.7	100.2	98.2	97.9	97.3	97.3	97.2	97.9
33 Energy	9.6	98.7	97.9	98.6	98.5	98.6	101.0	99.3	99.1	98.4	99.4	99.7	100.8	101.6	100.1
SPECIAL AGGREGATES															
34 Total excluding computers, communication equipment, and semiconductors	94.7	100.5	99.9	100.3	100.5	100.8	101.5	101.2	101.2	100.5	100.6	99.8	100.6	100.5	99.9
35 Total excluding motor vehicles and parts	94.3	110.0	109.4	109.7	110.1	110.3	110.8	110.5	110.5	110.0	109.8	109.3	109.9	110.0	109.6
Gross value (billions of 1996 dollars, annual rates)															
36 Final products and nonindustrial supplies	100.0	2,793.1	2,787.1	2,796.7	2,802.2	2,809.9	2,828.0	2,821.5	2,817.8	2,793.6	2,817.8	2,783.5	2,810.7	2,803.1	2,785.8
37 Final products	77.2	2,018.6	2,013.9	2,020.7	2,021.4	2,028.7	2,042.2	2,038.1	2,031.4	2,010.8	2,037.3	2,010.7	2,031.9	2,022.3	2,011.9
38 Consumer goods	51.9	1,384.6	1,380.1	1,386.3	1,384.8	1,390.2	1,404.1	1,395.9	1,394.3	1,379.1	1,402.0	1,384.1	1,399.6	1,391.6	1,383.5
39 Equipment total	25.3	624.9	625.4	625.3	628.1	629.9	627.9	633.6	627.7	622.6	624.4	615.8	621.1	620.1	618.1
40 Nonindustrial supplies	22.8	774.4	773.2	776.1	780.9	781.3	785.9	783.5	786.6	783.2	780.5	772.8	778.7	780.9	774.0

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

Monthly data seasonally adjusted

Group	NAICS code ²	1992 proportion	2002 avg.	2002											2003		
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec. ⁷	Jan. ⁸	Feb. ⁹	Mar. ⁸	
Index (1997=100)																	
INDUSTRY GROUPS																	
41 Manufacturing		85.4	111.4	110.7	111.0	111.4	111.9	112.3	112.4	112.1	111.4	111.6	110.6	111.3	111.0	110.8	
42 Manufacturing (NAICS)		79.1	111.7	111.0	111.4	111.9	112.2	112.7	112.8	112.4	111.7	112.0	110.8	111.6	111.2	111.0	
43 Durable manufacturing		43.0	121.1	119.8	120.5	121.2	121.8	122.2	122.7	122.0	121.5	122.2	120.5	122.1	121.4	120.9	
44 Wood products	321	1.5	100.5	101.7	100.8	101.0	102.2	101.9	102.5	100.7	99.2	98.3	96.9	99.1	97.6	96.2	
45 Nonmetallic mineral products	327	2.0	107.9	106.6	107.4	107.7	106.6	107.7	108.5	109.8	109.3	110.2	108.0	109.2	108.8	109.4	
46 Primary metal	331	2.7	85.6	85.1	84.6	85.9	86.2	85.0	87.6	85.0	87.6	86.2	84.1	85.0	84.5	83.6	
47 Fabricated metal products	332	5.3	99.0	98.2	98.4	99.7	99.3	99.7	99.3	99.4	99.8	98.7	98.3	98.6	97.9	97.6	
48 Machinery	333	5.7	87.9	88.0	88.3	88.5	88.9	88.4	89.4	88.2	86.8	87.4	85.8	86.8	87.0	86.4	
49 Computer and electronic products	334	8.8	220.4	216.9	217.9	220.0	220.8	221.5	223.0	223.2	224.2	224.5	224.5	226.5	226.2	227.9	
50 Electrical equipment, appliances, and components	335	2.5	97.7	96.8	97.2	98.9	98.7	98.4	98.0	96.5	96.6	97.0	96.9	96.1	96.9	95.9	
51 Motor vehicles and parts	3361-3	5.7	117.3	113.3	115.9	115.8	118.6	122.1	122.0	121.1	118.3	123.9	117.8	123.0	120.1	117.8	
52 Aerospace and miscellaneous transportation equipment	3364-9	4.5	87.6	89.5	88.3	87.6	86.9	85.7	86.3	85.7	85.5	84.8	85.2	86.1	85.8	86.1	
53 Furniture and related products	337	1.5	101.3	101.7	101.8	101.5	101.6	101.4	100.5	101.4	100.7	100.6	98.9	99.4	100.3	99.2	
54 Miscellaneous	339	2.8	109.5	107.4	109.6	110.2	110.7	110.6	110.2	109.1	109.3	108.6	110.0	109.4	109.3	109.9	
55 Nondurable manufacturing		36.1	99.5	99.5	99.5	99.7	99.9	100.4	100.0	100.0	99.1	98.9	98.3	98.3	98.1	98.2	
56 Food, beverage, and tobacco products	311,2	10.9	100.2	101.4	101.0	100.6	100.9	100.5	100.0	99.9	99.5	98.6	98.3	98.5	97.5	97.5	
57 Textile and product mills	313,4	1.8	82.5	83.0	82.9	83.6	83.4	83.9	82.5	82.3	81.3	81.7	80.8	79.4	79.5	79.3	
58 Apparel and leather	315,6	2.2	72.2	74.1	72.5	72.7	72.6	73.0	71.2	71.8	70.2	70.5	69.7	69.6	69.5	68.5	
59 Paper	322	3.3	94.4	91.6	93.0	95.0	94.7	95.2	95.8	96.1	95.7	96.8	95.0	93.8	93.4	93.5	
60 Printing and support	323	2.8	97.8	95.2	95.5	96.2	95.5	98.4	98.6	99.9	99.5	98.4	98.9	99.9	99.9	99.0	
61 Petroleum and coal products	324	1.4	102.9	103.5	104.2	103.4	102.4	103.0	102.7	101.0	99.4	103.9	105.0	102.2	102.6	103.2	
62 Chemical	325	10.3	105.1	105.2	105.1	105.0	105.7	106.9	106.2	106.1	104.6	104.2	103.4	103.8	104.4	104.9	
63 Plastics and rubber products	326	3.4	106.0	105.1	105.7	106.7	107.4	107.5	107.3	107.2	106.4	105.8	104.6	105.1	105.0	104.7	
64 Other manufacturing (non-NAICS)	1133,5111	4.3	105.5	105.0	104.1	104.2	105.5	105.0	105.8	107.1	106.7	105.4	105.9	105.3	107.0	107.3	
65 Mining	21	6.6	93.8	93.6	93.4	93.4	93.5	94.4	93.9	92.2	92.3	93.6	95.2	93.8	94.2	94.7	
66 Utilities	2211,2	10.1	110.2	108.0	110.6	110.1	110.1	113.7	110.4	113.3	112.1	112.1	110.5	114.9	116.4	111.6	
67 Electric	2211	8.6	111.8	110.1	112.5	111.2	111.4	115.7	112.2	115.8	113.7	113.3	112.2	116.8	118.1	113.6	
68 Natural gas	2212	1.6	97.5	96.9	100.2	104.4	103.2	102.7	100.8	99.9	103.6	105.8	101.6	105.4	107.4	101.1	
69 Manufacturing excluding computers, communications equipment, and semiconductors		78.0	99.8	99.4	99.5	99.9	100.2	100.6	100.6	100.4	99.7	99.8	98.8	99.4	99.1	98.8	
70 Manufacturing excluding motor vehicles and parts		77.6	110.9	110.5	110.5	111.0	111.3	111.4	111.5	111.3	110.8	110.5	109.9	110.2	110.2	110.2	

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

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

2. North American Industry Classification System

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted¹

Item credits or debits	2000	2001	2002	2001	2002			
				Q4	Q1	Q2	Q3	Q4 ²
1 Balance on current account	-410,341	-393,371	-503,427	-95,086	-112,542	-127,697	-126,337	-136,854
2 Balance on goods and services	-378,681	-358,290	-435,542	-88,028	-95,629	-109,446	-110,257	-120,213
3 Exports	1,064,239	998,022	971,864	232,930	232,959	244,251	248,917	245,740
4 Imports	-1,442,920	-1,356,312	-1,407,406	-320,958	-328,588	-353,697	-359,174	-365,953
5 Income, net	21,782	14,382	-11,862	6,521	-982	-5,324	-3,007	-2,553
6 Investment, net	27,651	20,539	-5,424	8,102	636	-3,675	-1,462	-927
7 Direct	88,862	102,595	77,947	28,602	22,023	18,749	18,626	18,548
8 Portfolio	-61,211	-82,056	-83,371	-20,500	-21,387	-22,424	-20,088	-19,475
9 Compensation of employees	-5,869	-6,157	-6,438	-1,581	-1,618	-1,649	-1,545	-1,626
10 Unilateral current transfers, net	-53,442	-49,463	-56,023	-13,579	-15,931	-12,927	-13,073	-14,088
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	-941	-486	379	143	133	42	-27	231
12 Change in U.S. official reserve assets (increase, -)	-290	-4,911	-3,681	-199	390	-1,843	-1,416	-812
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-722	-630	-475	-140	-109	-107	-132	-127
15 Reserve position in International Monetary Fund	2,308	-3,600	-2,632	83	652	-1,607	-1,136	-541
16 Foreign currencies	-1,876	-681	-574	-142	-153	-129	-148	-144
17 Change in U.S. private assets abroad (increase, -)	-605,258	-365,565	-152,867	-100,032	-26,707	-129,544	41,714	-38,334
18 Bank-reported claims ³	-148,657	-128,705	-3,072	-83,682	727	-68,655	53,815	11,041
19 Nonbank-reported claims	-150,805	-14,358	-28,489	37,210	65	-16,693	-4,226	-7,635
20 U.S. purchase of foreign securities, net	-127,502	-94,662	2,222	-26,090	2,047	-9,675	18,543	-8,693
21 U.S. direct investments abroad, net	-178,294	-127,840	-123,528	-27,470	-29,546	-34,521	-26,418	-33,047
22 Change in foreign official assets in United States (increase, +)	37,640	5,224	96,630	5,086	7,641	47,252	9,534	32,203
23 U.S. Treasury securities	-10,233	10,745	43,656	16,760	582	15,193	1,415	27,630
24 Other U.S. government obligations	40,909	20,920	30,357	7,630	7,296	6,548	10,885	5,628
25 Other U.S. government liabilities ⁴	-1,909	-1,882	158	-504	-790	54	1,001	-107
26 Other U.S. liabilities reported by U.S. banks ⁵	5,746	-30,278	18,831	-20,507	991	24,531	-4,602	-2,089
27 Other foreign official assets ⁵	3,127	5,719	3,628	1,707	726	926	835	1,141
28 Change in foreign private assets in United States (increase, +)	978,346	747,582	533,734	245,711	105,959	157,159	119,786	150,827
29 U.S. bank-reported liabilities ⁴	116,971	110,667	94,605	85,598	-11,051	32,240	18,793	54,623
30 U.S. nonbank-reported liabilities	174,251	82,353	49,736	1,170	32,345	21,056	-3,804	139
31 Foreign private purchases of U.S. Treasury securities, net	-76,965	-7,670	53,155	27,229	-7,282	-5,124	52,856	12,705
32 U.S. currency flows	1,129	23,783	21,513	10,497	4,525	7,183	2,556	7,249
33 Foreign purchases of other U.S. securities, net	455,213	407,653	284,611	99,320	71,095	104,404	46,494	62,618
34 Foreign direct investments in United States, net	307,747	130,796	30,114	21,897	16,327	-2,600	2,891	13,493
35 Capital account transactions, net ⁵	837	826	708	205	208	200	156	144
36 Discrepancy	7	10,701	28,524	-55,828	24,918	54,431	-43,410	-7,405
37 Due to seasonal adjustment				1,721	10,269	1,504	-13,991	2,228
38 Before seasonal adjustment	7	10,701	28,524	-57,549	14,649	52,927	-29,419	-9,633
MEMO								
Changes in official assets								
39 U.S. official reserve assets (increase, -)	-290	-4,911	-3,681	-199	390	-1,843	-1,416	-812
40 Foreign official assets in United States, excluding line 25 (increase, +)	39,549	7,106	96,472	5,590	8,431	47,198	8,533	32,310
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	12,000	-1,725	-8,132	3,382	-8,532	838	-1,289	851

1. Seasonal factors are not calculated for lines 11-16, 18-20, 22-35, and 38-41.
2. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.
3. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.
4. Reporting banks included all types of depository institutions as well as some brokers and dealers.

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

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1999	2000	2001	2002				2003			
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^P
1 Total	71,516	67,647	68,654	75,860	75,499	75,690	79,006	78,434	78,579	80,049	80,405
2 Gold stock ¹	11,048	11,046	11,045	11,042	11,042	11,043	11,043	11,043	11,043	11,043	11,043
3 Special drawing rights ^{2,3}	10,336	10,539	10,774	11,710	11,700	11,855	12,166	11,298	11,368	11,392	11,476
4 Reserve position in International Monetary Fund ²	17,950	14,824	17,854	20,857	20,586	20,480	21,979	21,953	21,686	22,858	22,738
5 Foreign currencies ⁴	32,182	31,238	28,981	32,251	32,171	32,312	33,818	34,140	34,482	34,756	35,148

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

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

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

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

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS¹

Millions of dollars, end of period

Asset	1999	2000	2001	2002				2003			
				Sept. ^T	Oct. ^T	Nov. ^T	Dec. ^T	Jan. ^T	Feb. ^T	Mar. ^T	Apr. ^P
1 Deposits	71	215	61	86	150	89	78	136	102	224	254
<i>Held in custody</i>											
2 U.S. Treasury securities ²	632,482	594,094	592,630	638,003	644,381	647,165	669,092	678,106	683,837	700,341	710,955
3 Earmarked gold ³	9,933	9,451	9,099	9,064	9,057	9,050	9,045	9,045	9,045	9,045	9,045

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

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

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

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	2000	2001	2002					2003	
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ²
1 Total ¹	975,303	987,567	1,048,756 ^r	1,049,985 ^r	1,047,933 ^r	1,069,536 ^r	1,082,291 ^r	1,087,008 ^r	1,108,545
By type									
2 Liabilities reported by banks in the United States ²	144,593	123,425	138,203 ^r	143,113 ^r	136,721 ^r	138,496 ^r	141,019 ^r	137,045 ^r	148,585
3 U.S. Treasury bills and certificates ³	153,010	161,719	188,805 ^r	185,187 ^r	188,474 ^r	190,111 ^r	190,375 ^r	194,762 ^r	196,345
U.S. Treasury bonds and notes									
4 Marketable	450,832	454,306	450,216 ^r	446,705 ^r	446,152 ^r	462,729 ^r	469,437 ^r	468,682 ^r	471,223
5 Nonmarketable ⁴	5,348	3,411	3,040 ^r	3,058 ^r	3,078 ^r	3,097 ^r	2,769 ^r	2,786 ^r	2,803
6 U.S. securities other than U.S. Treasury securities ⁵	221,520	244,706	268,492 ^r	271,922 ^r	273,508 ^r	275,103 ^r	278,691 ^r	283,733 ^r	289,589
By area									
7 Europe ¹	240,325	243,448	255,321 ^r	260,506 ^r	254,425 ^r	265,831 ^r	273,136 ^r	270,148 ^r	279,816
8 Canada	13,727	13,440	10,720 ^r	10,097 ^r	10,300 ^r	10,975 ^r	11,079 ^r	10,455 ^r	9,796
9 Latin America and Caribbean	70,442	71,103	62,026 ^r	62,227 ^r	64,289 ^r	63,002 ^r	63,244 ^r	62,016 ^r	63,228
10 Asia	626,016	635,179	693,596 ^r	690,746 ^r	692,195 ^r	701,016 ^r	706,131 ^r	718,000 ^r	727,144
11 Africa	14,690	15,167	15,257 ^r	14,514 ^r	15,524 ^r	15,602 ^r	15,338 ^r	14,589 ^r	15,939
12 Other countries	10,101	9,228	11,834 ^r	11,893 ^r	11,198 ^r	13,108 ^r	13,361 ^r	11,798 ^r	12,620

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.

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

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

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

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

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

Payable in Foreign Currencies

Millions of dollars, end of period

Item	1999	2000	2001	2002			
				Mar.	June	Sept.	Dec.
1 Banks' liabilities	88,537	77,779	79,363	74,955	89,823	81,719	80,541
2 Banks' claims	67,365	56,912	74,840	77,746	90,622	85,165	76,618
3 Deposits	34,426	23,315	44,094	46,778	51,860	44,511	33,085
4 Other claims	32,939	33,597	30,746	30,968	38,762	40,654	43,533
5 Claims of banks' domestic customers ²	20,826	24,411	17,631	16,642	15,848	20,475	33,632

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

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

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Item	2000 ²	2001 ²	2002 ²	2002					2003	
				Aug. ²	Sept. ²	Oct. ²	Nov. ²	Dec. ²	Jan. ²	Feb. ²
BY HOLDER AND TYPE OF LIABILITY										
1 Total, all foreigners	1,511,410	1,636,538	1,818,517	1,763,242	1,748,122	1,834,715	1,776,362	1,818,517	1,767,406	1,910,159
2 Banks' own liabilities	1,077,636	1,181,097	1,274,227	1,225,373	1,218,134	1,305,674	1,242,279	1,274,227	1,224,486	1,349,499
By type of liability										
3 Deposits ²	221,248	191,742	171,802	161,203	156,758	164,057	165,306	171,802	164,940	709,413
4 Other	171,401	197,064	249,954	257,916	273,178	263,717	256,726	249,954	272,155	640,077
5 Of which: repurchase agreements ³	0	151,143	190,134	200,141	213,172	200,313	190,283	190,134	210,349	272,790
6 Banks' custody liabilities ⁴	433,774	455,441	544,290	537,869	529,988	529,041	534,083	544,290	542,920	560,669
By type of liability										
7 U.S. Treasury bills and certificates ⁵	177,846	186,115	229,511	227,338	224,733	223,569	226,302	229,511	231,363	233,848
8 Other negotiable and readily transferable instruments ⁶	145,840	139,807	163,751	163,246	161,710	160,122	156,558	163,751	160,825	177,849
9 Of which: negotiable time certificates of deposit held in custody for foreigners	34,217	20,440	26,084	29,847	29,700	29,198	26,435	26,084	25,596	27,921
10 Of which: short-term agency securities ⁷	0	59,781	73,078	72,549	70,724	68,834	66,226	73,078	67,933	74,851
11 Other	110,088	129,519	151,028	147,285	143,545	145,350	151,223	151,028	150,732	148,972
12 Nonmonetary international and regional organizations ⁸	12,543	10,830	13,469	10,454	11,712	13,069	12,221	13,469	14,625	12,086
13 Banks' own liabilities	12,140	10,169	12,362	9,898	10,923	12,454	11,443	12,362	13,921	11,433
14 Deposits ²	6,287	3,791	5,769	6,240	5,669	6,178	5,245	5,769	5,298	5,802
15 Other	5,853	6,378	6,593	3,658	5,254	6,276	6,198	6,593	8,623	5,631
16 Banks' custody liabilities ⁴	403	661	1,107	556	789	615	778	1,107	704	653
17 U.S. Treasury bills and certificates ⁵	252	600	1,089	534	765	597	760	1,089	687	621
18 Other negotiable and readily transferable instruments ⁶	149	61	18	22	18	18	18	18	17	32
19 Other	2	0	0	0	6	0	0	0	0	0
20 Official institutions ⁹	297,603	285,144	331,394	327,008	328,300	325,195	328,607	331,394	331,807	344,930
21 Banks' own liabilities	96,989	83,824	90,822	89,262	96,598	91,550	93,558	90,822	90,764	97,299
22 Deposits ²	39,525	22,668	20,629	17,085	15,912	17,736	17,525	20,629	17,162	22,494
23 Other	57,464	61,156	70,193	72,177	80,686	73,814	76,033	70,193	73,602	74,805
24 Banks' custody liabilities ⁴	200,614	201,320	240,572	237,746	231,702	233,645	235,049	240,572	241,043	247,631
25 U.S. Treasury bills and certificates ⁵	153,010	161,719	190,375	188,805	185,187	188,474	190,111	190,375	194,762	196,345
26 Other negotiable and readily transferable instruments ⁶	47,366	38,531	50,133	47,746	45,571	44,391	44,137	50,133	45,285	50,764
27 Other	238	1,070	64	1,195	944	780	801	64	996	522
28 Banks ¹⁰	972,932	1,053,084	1,164,864	1,097,630	1,083,250	1,184,129	1,127,288	1,164,864	1,104,475	1,105,952
29 Banks' own liabilities	821,306	914,492	969,975	908,871	898,626	996,584	934,125	969,975	909,724	912,432
30 Deposits ²	82,426	68,656	52,738	46,124	43,109	48,053	51,088	52,738	48,842	566,088
31 Other	53,893	53,545	64,766	56,493	67,319	70,631	62,790	64,766	73,491	346,344
32 Banks' custody liabilities ⁴	151,626	138,592	194,889	188,759	184,624	187,545	193,163	194,889	194,751	193,520
33 U.S. Treasury bills and certificates ⁵	16,023	11,541	21,308	20,463	20,079	19,253	18,887	21,308	20,240	18,166
34 Other negotiable and readily transferable instruments ⁶	36,036	24,059	46,773	46,911	46,990	48,250	47,836	46,773	48,618	52,120
35 Other	110,088	129,519	151,028	147,285	143,545	145,350	151,223	151,028	150,732	148,972
36 Other foreigners ¹¹	228,332	287,480	308,790	328,150	324,860	312,322	308,246	308,790	316,499	447,191
37 Banks' own liabilities	147,201	172,612	201,068	217,342	211,987	205,086	203,153	201,068	210,077	328,326
38 Deposits ²	93,010	96,627	92,666	91,754	92,068	92,090	91,448	92,666	93,638	115,029
39 Other	54,191	75,985	108,402	125,588	119,919	112,996	111,705	108,402	116,439	213,297
40 Banks' custodial liabilities	81,131	114,868	107,722	110,808	112,873	107,236	105,093	107,722	106,422	118,865
41 U.S. Treasury bills and certificates ⁵	8,561	12,255	16,739	17,536	18,702	15,245	16,544	16,739	15,674	18,716
42 Other negotiable and readily transferable instruments ⁶	62,289	77,156	66,827	68,567	69,131	67,463	64,567	66,827	66,905	74,933
43 Other	10,281	25,457	24,156	24,705	25,040	24,528	23,982	24,156	23,843	25,216
MEMO										
44 Own foreign offices ¹²	684,987	792,291	852,471	806,254	788,198	877,900	820,247	852,471	787,391	851,295

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

2. Non-negotiable deposits and brokerage balances.

3. Data available beginning January 2001.

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

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

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

7. Data available beginning January 2001.

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

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

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

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

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

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

Payable in U.S. dollars

Millions of dollars, end of period

Item	2000	2001	2002	2002					2003	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ²
AREA OR COUNTRY										
45 Total, all foreigners	1,511,410	1,636,538	1,818,517 ¹	1,763,242 ¹	1,748,122 ¹	1,834,715 ¹	1,776,362 ¹	1,818,517 ¹	1,767,406 ¹	1,910,159
46 Foreign countries	1,498,867	1,625,708	1,805,048 ¹	1,752,788 ¹	1,736,410 ¹	1,821,646 ¹	1,764,141 ¹	1,805,048 ¹	1,752,781 ¹	3,796,146
47 Europe	446,788	521,331	627,641 ¹	557,184 ¹	578,027 ¹	658,742 ¹	615,473 ¹	627,641 ¹	566,332 ¹	684,572
48 Austria	2,692	2,922	2,473	3,537	3,081	3,053	2,442	2,473	2,186	2,326
49 Belgium ¹³	33,399	6,557	8,611	6,270	8,389	7,420	8,032	8,611	8,858 ¹	9,635
50 Denmark	3,000	3,626	4,880	4,061	3,112	3,004	3,339	4,880	6,407	6,601
51 Finland	1,411	1,446	1,693	1,498	1,259	5,170	2,646	1,693	2,583	1,861
52 France	37,833	49,056	39,640	35,447	37,915	38,515	40,752	39,640	36,731	39,570
53 Germany	35,519	22,375	34,398	27,081	31,334	31,558	32,025	34,398	31,940	38,804
54 Greece	2,011	2,307	2,975	2,677	2,612	3,358	3,348	2,975	3,205	2,906
55 Italy	5,072	6,354	4,828 ¹	3,512 ¹	3,522 ¹	5,111 ¹	5,644 ¹	4,828 ¹	4,421 ¹	4,807
56 Luxembourg ¹³	0	16,894	28,626	25,436	25,750	25,680	27,747	28,626	30,538	36,000
57 Netherlands	7,047	12,411	10,722	8,207 ¹	7,649 ¹	7,974	7,922	10,722	12,104 ¹	16,280
58 Norway	2,305	3,727	18,867	10,049	17,747	18,895	14,677	18,867	17,723	10,937
59 Portugal	2,403	4,033	3,575	3,055	3,695	3,220	3,092	3,575	3,448	2,878
60 Russia	19,018	20,800	23,147	24,196	25,252	24,407	25,444	23,147	24,378	27,644
61 Spain	7,787	8,811	14,032 ¹	12,429	12,596	12,824 ¹	15,576	14,032 ¹	14,850 ¹	16,037
62 Sweden	6,497	3,375	4,656	5,709	4,137	4,857	3,859	4,656	3,767	4,006
63 Switzerland	74,635	66,403	131,506	102,088	105,384 ¹	182,150 ¹	141,208	131,506	105,352	119,422
64 Turkey	7,548	7,474	12,131	12,393	12,790	11,226	11,749	12,131	12,754	11,972
65 United Kingdom	167,757	204,396	181,890	184,152	183,756	184,483	182,109	181,890	168,426 ¹	251,918
66 Channel Islands and Isle of Man ¹⁴	0	36,059	45,728	38,215	38,982	40,070	38,935	45,728	26,327	23,011
67 Yugoslavia ¹⁵	276	309	301	276	280	316	332	301	353	337
68 Other Europe and other former U.S.S.R. ¹⁶	30,578	41,996	52,962	46,896	48,785	45,451	44,595	52,962	49,891	57,620
69 Canada	30,982	27,251	24,959	24,887	24,946	26,570	24,278	24,959	27,885 ¹	28,601
70 Latin America	120,041	118,025	107,129 ¹	106,950 ¹	104,134 ¹	106,883 ¹	103,991 ¹	107,129 ¹	106,092 ¹	103,915
71 Argentina	19,451	10,704	11,218	11,686	11,223	12,091	11,644	11,218	11,252	10,555
72 Brazil	10,852	14,169	10,037	12,070	11,586	11,587	10,275	10,037	10,586	10,991
73 Chile	5,892	4,939	6,064 ¹	5,829 ¹	5,493 ¹	5,826 ¹	5,360 ¹	6,064 ¹	5,591 ¹	5,801
74 Colombia	4,542	4,695	4,158	3,719	4,509	3,847	4,644	4,158	4,147	4,883
75 Ecuador	2,112	2,390	2,299	2,260 ¹	2,368 ¹	2,149	2,252 ¹	2,299 ¹	2,397 ¹	2,237
76 Guatemala	1,601	1,882	1,381	1,384	1,535	1,500	1,386	1,381	1,436	1,478
77 Mexico	32,166	39,871	36,152	35,071	32,486	34,665	32,615	36,152	36,878	34,751
78 Panama	4,240	3,610	3,924	3,161	3,210	3,564	3,668	3,924	3,969	4,156
79 Peru	1,427	1,359	1,363	1,366	1,369	1,300	1,360	1,363	1,364	1,360
80 Uruguay	3,003	3,172	2,807	2,648	2,613	2,583	2,604	2,807	2,681	2,457
81 Venezuela	24,730	24,974	21,884 ¹	21,568 ¹	21,350 ¹	21,657 ¹	22,311 ¹	21,884 ¹	19,951 ¹	19,604
82 Other Latin America ¹⁷	10,025	6,260	5,842	6,188	6,392 ¹	6,114	5,872	5,842	5,840	5,642
83 Caribbean	573,337	194,814 ¹	193,363 ¹	210,874 ¹	198,136 ¹	190,737 ¹	179,736 ¹	193,363 ¹	205,074 ¹	200,531
84 Bahamas	189,298	178,472	162,196	172,518	166,477	159,867	145,993	162,196	168,969 ¹	164,762
85 Bermuda	9,636	10,539	23,823 ¹	24,968	24,692	23,158	25,765	23,823 ¹	27,441 ¹	28,804
86 British West Indies ¹⁸	367,197	0	0	0	0	0	0	0	0	0
87 Cayman Islands ¹⁸	0	440,038	498,957 ¹	488,768 ¹	472,967 ¹	491,970 ¹	488,995 ¹	498,957 ¹	496,510 ¹	516,883
88 Cuba	90	88	91	99	92	92	94	91	93	216
89 Jamaica	794	1,182	829	948	932	856	828	829	883	850
90 Netherlands Antilles	5,428	3,264	5,019	10,538	4,381	5,293	5,476	5,019	6,329	4,513
91 Trinidad and Tobago	894	1,269	1,405	1,803	1,562	1,471	1,580	1,405	1,359	1,386
92 Other Caribbean ¹⁷	0	12,135	11,342 ¹	15,016	11,359	10,835	11,489 ¹	11,342 ¹	11,057 ¹	18,645
93 Asia	305,554	294,496	318,028 ¹	326,675 ¹	325,691 ¹	314,714 ¹	316,484 ¹	318,028 ¹	318,825 ¹	319,155
94 China	16,531	10,498	15,504	18,809 ¹	14,622 ¹	15,853 ¹	14,488 ¹	15,504	13,544	13,622
95 Mainland	17,352	17,633	18,626 ¹	20,057 ¹	21,672 ¹	23,216 ¹	23,549 ¹	18,626 ¹	22,148 ¹	23,846
96 Taiwan	26,462	26,494	33,047 ¹	31,033 ¹	31,700 ¹	30,117 ¹	33,047 ¹	33,047 ¹	36,780 ¹	35,690
97 Hong Kong	4,530	3,708	7,953	7,253	7,502	7,196	7,507	7,953	8,074	8,775
98 India	8,514	12,383	14,110	13,805	13,098	12,316	12,916	14,110	12,858	12,415
99 Indonesia	8,053	7,870	7,185	7,960	11,619	9,105	8,882	7,185	9,593	10,150
100 Japan	150,415	155,314	161,331	175,993	171,821	162,043	163,981	161,331	162,110	166,355
101 Korea (South)	7,955	9,019	8,932	6,846	6,563	6,288	6,548	8,932	7,410	7,063
102 Philippines	2,316	1,772	1,793	1,573	2,064	1,589	1,462	1,793	1,364	1,523
103 Thailand	3,117	4,743	7,605	5,113	5,044	7,022	8,698	7,605	6,666	5,029
104 Middle Eastern oil-exporting countries ¹⁹	23,763	20,035	16,364	15,435	15,993	14,352	11,633	16,364	15,176	12,176
105 Other	36,546	25,027	25,578	22,798	23,993	25,617	25,473	25,578	23,102	22,511
106 Africa	10,824	11,365	12,240	12,103	11,115	11,905	11,989	12,240	11,177	14,369
107 Egypt	2,621	2,778	2,652	3,179	2,538	2,545	2,493	2,652	2,494	3,608
108 Morocco	139	274	306	312	329	335	254	306	259	346
109 South Africa	1,010	839	1,114	747	747	662	701	1,114	725	2,403
110 Congo (formerly Zaire)	4	4	2	0	86	0	2	2	3	5
111 Oil-exporting countries ²⁰	4,052	4,377	4,370	3,940	3,670	4,635	4,983	4,370	4,126	4,552
112 Other	2,998	3,093	3,796	3,925	3,745	3,728	3,556	3,796	3,570	3,455
113 Other countries	11,341	6,253	11,389	10,331 ¹	10,035 ¹	9,290 ¹	11,706 ¹	11,389	9,829	11,402
114 Australia	10,070	5,599	9,333	8,595 ¹	7,919 ¹	7,549 ¹	9,340 ¹	9,333	8,235	8,992
115 New Zealand ²¹	0	242	1,796	1,321	1,592	1,257	2,120	1,796	1,320	1,938
116 All other	1,271	412	260	415	524	484	246	260	274	472
117 Nonmonetary international and regional organizations	12,543	10,830	13,469 ¹	10,454 ¹	11,712 ¹	13,069 ¹	12,221 ¹	13,469 ¹	14,625 ¹	12,086
118 International ²²	11,270	9,331	11,283 ¹	8,991 ¹	9,140 ¹	11,296 ¹	10,247 ¹	11,283 ¹	12,859 ¹	10,212
119 Latin American regional ²³	740	480	508	402	394	561	478	508	373	553
120 Other regional ²⁴	533	935	1,611 ¹	986 ¹	2,108 ¹	1,134 ¹	1,423 ¹	1,611 ¹	1,299 ¹	1,216

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

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

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

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

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

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

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

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

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

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

23. Principally the Inter-American Development Bank.

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

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

Payable in U.S. dollars

Millions of dollars, end of period

Area or country	2000	2001	2002	2002					2003	
				Aug.	Sept.	Oct.	Nov.	Dec. ^f	Jan. ^f	Feb. ^g
1 Total, all foreigners	904,642	1,055,069	1,080,271^h	1,084,883ⁱ	1,063,550ⁱ	1,151,438ⁱ	1,094,649ⁱ	1,080,271	1,075,773	1,110,502
2 Foreign countries	899,956	1,050,123	1,076,594ⁱ	1,080,636ⁱ	1,060,912ⁱ	1,148,738ⁱ	1,091,331ⁱ	1,076,594	1,072,614	2,214,282
3 Europe	378,115	461,176	484,047 ⁱ	482,394 ⁱ	469,979 ⁱ	542,565 ⁱ	489,943 ⁱ	484,047	446,105	504,688
4 Austria	2,926	4,981	3,603	4,467	4,336	3,876	4,224	3,603	4,334	5,609
5 Belgium ²	5,399	6,391	6,044	5,140	4,814	5,590	5,784	6,044	6,273	5,138
6 Denmark	3,272	1,105	1,109	1,546	1,633	1,534	940	1,109	1,563	1,098
7 Finland	7,382	10,350	8,518	16,230	15,812	14,821	9,028	8,518	9,832	9,191
8 France	40,035	60,620	47,705	51,798	51,083	47,065	54,089	47,705	45,914	48,596
9 Germany	36,834	29,902	22,481	26,072	23,344	21,101	22,103	22,481	23,395	22,412
10 Greece	646	330	477	438	408	388	331	477	296	292
11 Italy	7,629	4,205	3,753	4,442	5,092	3,984	3,945	3,753	3,177	3,002
12 Luxembourg ²	0	1,267	3,407	3,067	2,847	2,818	3,224	3,407	3,901	4,360
13 Netherlands	17,043	15,908	23,133	18,232	17,691	13,284	15,572	23,133	19,188	15,940
14 Norway	5,012	6,236	13,885	10,578	11,036	11,848	11,464	13,885	18,606	9,809
15 Portugal	1,382	1,603	2,226	1,823	2,006	2,000	2,134	2,226	2,356	2,342
16 Russia	517	594	877	842	801	858	787	877	1,025	728
17 Spain	2,603	3,260	5,371 ⁱ	3,566 ⁱ	4,651 ⁱ	3,159 ⁱ	4,752 ⁱ	5,371	4,154	3,451
18 Sweden	9,226	12,544	15,889 ⁱ	14,618	13,970	15,366	15,239	15,889	15,329	15,271
19 Switzerland	82,085	87,333	126,958 ⁱ	106,281	103,920	184,039	134,425	126,958	87,562	99,753
20 Turkey	3,059	2,124	2,112	2,515	2,474	2,622	2,532	2,112	2,021	2,070
21 United Kingdom	144,938	201,183	173,996 ⁱ	201,349 ⁱ	194,020 ⁱ	195,256 ⁱ	182,805 ⁱ	173,996	167,820	221,928
22 Channel Islands and Isle of Man ³	0	4,478	17,457	5,076	5,926	7,281	11,304	17,457	24,393	27,763
23 Yugoslavia ⁴	50	0	0	0	0	0	0	0	0	0
24 Other Europe and other former U.S.S.R. ⁵	8,077	6,762	5,046	4,314	4,115	5,675	5,261	5,046	4,966	5,935
25 Canada	39,837	54,421	60,584 ⁱ	59,553 ⁱ	62,053 ⁱ	56,705 ⁱ	58,809 ⁱ	60,584	65,149	66,110
26 Latin America	76,561	69,762	56,642	62,214	60,377	59,261	58,257	56,642	54,482	55,332
27 Argentina	11,519	10,763	6,783	8,090	7,663	7,608	7,253	6,783	6,663	6,616
28 Brazil	20,567	19,434	15,419	17,945	17,266	16,863	15,871	15,419	14,520	15,334
29 Chile	5,815	5,317	5,250	4,960	5,118	5,142	5,358	5,250	5,077	5,215
30 Colombia	4,370	3,602	2,614	3,158	3,078	2,834	2,758	2,614	2,406	2,707
31 Ecuador	635	495	457	479	467	451	451	457	439	426
32 Guatemala	1,244	1,495	892	861	925	907	889	892	896	831
33 Mexico	17,415	16,522	15,658	16,015	15,805	15,367	15,828	15,658	15,268	14,931
34 Panama	2,933	3,061	1,915	2,433	1,959	2,021	1,961	1,915	1,730	1,846
35 Peru	2,807	2,185	1,411	1,649	1,599	1,504	1,484	1,411	1,403	1,437
36 Uruguay	673	447	255	527	345	319	292	255	255	294
37 Venezuela	3,518	3,077	3,254	3,291	3,301	3,389	3,231	3,254	3,202	3,172
38 Other Latin America ⁶	5,065	3,364	2,734	2,806	2,851	2,856	2,881	2,734	2,623	2,523
39 Caribbean	319,403	370,945	373,712	367,940	347,780	373,472	372,683	373,712	394,773	374,912
40 Bahamas	114,090	101,034	95,584	95,729	91,171	96,151	93,839	95,584	97,456	86,299
41 Bermuda	9,260	7,900	9,902	11,847	11,304	12,196	9,902	9,902	12,511	17,028
42 British West Indies ⁷	189,289	0	0	0	0	0	0	0	0	0
43 Cayman Islands ⁷	0	250,376	257,075	248,107	234,435	252,908	257,465	257,075	273,960	259,234
44 Cuba	0	0	0	0	0	0	0	0	0	0
45 Jamaica	355	418	321	353	463	429	393	321	304	346
46 Netherlands Antilles	5,801	6,729	6,690	7,334	6,194	7,427	6,744	6,690	6,445	7,658
47 Trinidad and Tobago	608	931	889	877	916	920	912	889	865	971
48 Other Caribbean ⁸	0	3,557	3,251	3,693	3,297	3,441	3,248	3,251	3,232	3,375
49 Asia	77,829	85,882	93,455 ⁱ	100,484	112,441	109,359	104,181	93,455	103,096	98,190
50 China	1,606	2,073	1,057	5,904	7,256	8,515	6,575	1,057	4,799	1,884
51 Mainland	2,247	4,407	3,772	7,443	8,656	8,599	7,034	3,772	6,563	5,695
52 Taiwan	6,669	9,995	7,258 ⁱ	6,531	8,481	5,778	6,849	7,258	6,490	5,652
53 Hong Kong	2,178	1,348	1,235	1,235	1,258	999	921	1,235	1,128	1,170
54 India	1,914	1,752	1,238	1,457	1,426	1,390	1,360	1,238	1,223	1,076
55 Indonesia	2,729	4,396	4,660	4,952	5,067	4,710	3,836	4,660	5,182	3,330
56 Israel	34,974	34,125	47,600	37,559	45,038	42,252	47,071	47,600	48,818	52,926
57 Japan	7,776	10,622	11,118 ⁱ	18,961	17,404	19,439	14,293	11,118	14,473	13,946
58 Korea (South)	1,784	2,587	2,137	1,593	2,134	1,843	1,555	2,137	2,424	1,543
59 Philippines	1,381	2,499	1,167	1,175	1,841	1,205	756	1,167	830	697
60 Thailand	9,346	7,882	7,952	8,975	8,619	9,253	8,251	7,952	8,004	6,408
61 Middle Eastern oil-exporting countries ⁸	5,225	4,196	4,261 ⁱ	4,641	5,241	5,376	5,680	4,261	3,162	3,863
62 Africa	2,094	2,095	1,977	1,887	1,891	1,790 ⁱ	1,693	1,977	1,945	1,992
63 Egypt	201	416	487	324	332	326	428	487	511	544
64 Morocco	204	106	53	72	58	50	52	53	53	45
65 South Africa	309	710	617	601	576	554	435	617	545	577
66 Congo (formerly Zaire)	0	0	0	0	0	0	0	0	0	0
67 Oil-exporting countries ⁹	471	167	222	247	303	233 ⁱ	225	222	240	224
68 Other	909	696	598	643	622	627	553	598	596	602
69 Other countries	6,117	5,842	6,177	6,164	6,391	5,586	5,765	6,177	7,064	5,917
70 Australia	5,868	5,455	5,566	5,616	5,589	5,088	5,303	5,566	6,212	5,395
71 New Zealand ¹⁰	0	349	569	541	789	485	439	569	833	507
72 All other	249	38	42	7	13	13	23	42	19	15
73 Nonmonetary international and regional organizations ¹¹	4,686	4,946	3,677	4,247	2,638	2,700	3,318	3,677	3,159	3,361

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

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

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

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

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

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

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

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

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

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

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

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

Payable in U.S. dollars

Millions of dollars, end of period

Type of claim	2000 ^f	2001 ^f	2002 ^f	2002					2003	
				Aug. ^f	Sept. ^f	Oct. ^f	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^g
1 Total claims reported by banks	1,095,869	1,254,863	1,290,232		1,253,664	.	.	1,290,232		.
2 Banks' own claims on foreigners	904,642	1,055,069	1,080,271	1,084,883	1,063,550	1,151,438	1,094,649	1,080,271	1,075,773	1,110,502
3 Foreign official institutions ²	37,907	49,404	48,750	61,541	61,299	63,404	56,300	48,750	58,199	31,450
4 Foreign banks ³	725,380	849,491	868,631	842,976	827,225	917,047	874,469	868,631	850,975	715,927
5 Other foreigners ⁴	141,355	156,174	162,890	180,366	175,026	170,987	163,880	162,890	166,599	259,085
6 Claims on banks' domestic customers ⁵	191,227	199,794	209,961	.	190,114	.	.	209,961	.	.
7 Non-negotiable deposits	100,352	93,565	79,512	.	86,862	.	.	79,512	.	.
8 Negotiable CDs .....	.	.	.	.	.	.	.	.	.	.
9 Other short-term negotiable instruments ⁶	78,147	90,412	124,159	.	90,919	.	.	124,159	.	.
10 Other claims	12,728	15,817	6,290	.	12,333	.	.	6,290	.	.
MEMO										
11 Non-negotiable deposits ⁷ .....	.	.	.	.	.	.	.	.	.	336,851
12 Negotiable CDs ⁷ .....	.	.	.	.	.	.	.	.	.	2,199
13 Other short-term negotiable instruments ⁷ .....	.	.	.	.	.	.	.	.	.	18,434
14 Other claims ⁷	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	753,018
15 Own foreign offices ⁸	630,137	749,124	787,198	756,556	732,318	822,172	775,527	787,198	760,875	767,947
16 Loans collateralized by repurchase agreements ⁹ .....	.	137,979	161,585	172,949	166,568	166,176	156,299	161,585	185,804	223,238

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

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

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

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

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

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

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

7. Data available beginning February 2003.

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

9. Data available beginning January 2001.

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

Payable in U.S. dollars

Millions of dollars, end of period

Maturity, by borrower and area ²	1999	2000	2001	2002			
				Mar.	June	Sept.	Dec. ³
1 Total	267,082	274,009	305,326	308,286	317,207	330,807	293,096
<i>By borrower</i>							
2 Maturity of one year or less	187,894	186,103	200,240	214,373	236,219	250,076	212,972
3 Foreign public borrowers	22,811	21,399	27,501	31,875	33,061	42,665	31,569
4 All other foreigners	165,083	164,704	172,739	182,498	203,158	207,411	181,403
5 Maturity of more than one year	79,188	87,906	105,086	93,913	80,988	80,731	80,124
6 Foreign public borrowers	12,013	15,838	21,324	22,945	17,576	18,192	16,948
7 All other foreigners	67,175	72,068	83,762	70,968	63,412	62,539	63,176
<i>By area</i>							
8 Maturity of one year or less	80,842	142,464	83,233	85,848	88,641	92,111	83,172
9 Europe	7,859	8,323	10,072	8,227	8,928	7,731	6,933
10 Latin America and Caribbean	69,498	151,840	70,648	82,258	98,152	96,796	87,143
11 Asia	21,802	43,371	29,693	30,543	34,710	48,210	30,323
12 Africa	1,122	2,263	1,104	1,124	918	896	726
13 All other ³	6,771	11,717	5,490	6,373	4,870	4,332	4,675
14 Maturity of more than one year	22,951	57,770	34,230	37,372	33,159	33,587	33,543
15 Europe	3,192	3,174	3,633	3,129	2,619	2,772	2,990
16 Latin America and Caribbean	39,051	82,684	47,382	35,537	32,142	31,376	32,172
17 Asia	11,257	19,536	15,190	13,563	8,688	9,128	6,920
18 Africa	1,065	1,567	769	720	907	812	845
19 All other ³	1,672	5,954	3,882	3,592	3,473	3,056	3,654

Note. Owing to changes in reporting requirements, this table will be discontinued in the third quarter of 2003 after publication of the end-December 2003 data.

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.

2. Maturity is time remaining until maturity.

3. Includes nonmonetary international and regional organizations.

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

Millions of dollars, end of period

Type of liability, and area or country	1999 ^a	2000 ^a	2001	2001		2002			
				Sept.	Dec.	Mar.	June	Sept.	Dec. ^b
1 Total	53,020	73,904	66,679	53,476 ^c	66,679 ^c	74,867	70,638	68,644	67,304
2 Payable in dollars	37,605	48,931	42,925	35,306 ^c	42,925 ^c	47,062	48,103	44,815	44,557
3 Payable in foreign currencies	15,415	24,973	23,754	18,170 ^c	23,754 ^c	27,805	22,535	23,829	22,747
By type									
4 Financial liabilities	27,980	47,419	41,034	27,502	41,034	46,408	42,826	41,311	39,561
5 Payable in dollars	13,883	25,246	18,763	11,415	18,763	20,367	21,892	18,775	18,674
6 Payable in foreign currencies	14,097	22,173	22,271	16,087	22,271	26,041	20,934	22,536	20,887
7 Commercial liabilities	25,040	26,485	25,645	25,974 ^c	25,645 ^c	28,459	27,812	27,333	27,743
8 Trade payables	12,834	14,293	11,781	11,690 ^c	11,781 ^c	14,872	13,959	13,558	14,339
9 Advance receipts and other liabilities	12,206	12,192	13,864	14,284	13,864	13,587	13,853	13,775	13,404
10 Payable in dollars	23,722	23,685	24,162	23,891 ^c	24,162 ^c	26,695	26,211	26,040	25,883
11 Payable in foreign currencies	1,318	2,800	1,483	2,083 ^c	1,483 ^c	1,764	1,601	1,293	1,860
By area or country									
Financial liabilities									
12 Europe	23,241	34,172	31,806	22,083	31,806	39,392	35,011	34,817	34,363
13 Belgium and Luxembourg	31	147	154	76	154	119	120	232	144
14 France	1,659	1,480	2,841	1,538	2,841	3,531	4,071	3,517	5,243
15 Germany	1,974	2,168	2,344	1,994	2,344	2,982	2,622	2,865	2,923
16 Netherlands	1,996	2,016	1,954	1,998	1,954	1,951	1,939	1,918	1,829
17 Switzerland	147	104	94	92	94	84	61	61	61
18 United Kingdom	16,521	26,362	22,852	14,819	22,852	28,630	24,188	24,175	22,422
19 Canada	284	411	955	436	955	1,067	1,078	583	591
20 Latin America and Caribbean	892	4,125	2,858	414	2,858	1,547	1,832	1,088	1,504
21 Bahamas	1	6	157	5	157	5	5	0	23
22 Bermuda	5	1,739	960	47	960	836	626	588	990
23 Brazil	126	148	35	22	35	35	38	65	65
24 British West Indies	492	406	1,627	243	1,627	612	1,000	377	365
25 Mexico	25	26	36	24	36	27	25	26	31
26 Venezuela	0	2	2	3	2	1	5	1	1
27 Asia	3,437	7,965	5,042	3,869	5,042	4,010	4,491	4,442 ^c	2,916
28 Japan	3,142	6,216	3,269	3,442	3,269	3,299	2,387	2,447	1,832
29 Middle Eastern oil-exporting countries ¹	4	12	10	9	10	15	14	16	14
30 Africa	28	52	53	28 ^c	53	122	120	128	131
31 Oil-exporting countries ²	0	0	5	5	5	91	91	91	91
32 All other ³	98	694	320	672	320	270	294	253	56
Commercial liabilities									
33 Europe	9,262	9,629	9,219	8,836 ^c	9,219 ^c	8,384	8,468	8,745	8,295
34 Belgium and Luxembourg	140	293	99	160	99	105	94	134	141
35 France	672	979	734	891 ^c	734 ^c	713	827	718	777
36 Germany	1,131	1,047	905	955 ^c	905 ^c	584	570	855	807
37 Netherlands	507	300	1,163	343	1,163	463	765	1,186	590
38 Switzerland	626	502	790	683	790	637	749	592	433
39 United Kingdom	3,071	2,847	2,279	2,296	2,279 ^c	2,747	2,551	2,317	2,649
40 Canada	1,775	1,933	1,622	1,557 ^c	1,622 ^c	1,798	2,027	1,570	1,384
41 Latin America and Caribbean	2,310	2,381	2,727	2,878 ^c	2,727 ^c	3,454	2,744	2,850	3,013
42 Bahamas	22	31	52	44	52	23	12	14	51
43 Bermuda	152	281	591	570	591	433	422	468	538
44 Brazil	145	114	290	312	290	277	320	290	253
45 British West Indies	48	76	45	28	45	67	46	47	36
46 Mexico	887	841	899	883 ^c	899 ^c	1,457	958	997	1,110
47 Venezuela	305	284	166	242	166	281	204	327	177
48 Asia	9,886	10,983	10,517	11,096 ^c	10,517 ^c	12,969	12,693	12,274	13,126
49 Japan	2,609	2,757	2,581	2,408 ^c	2,581 ^c	4,281	4,143	4,031	4,292
50 Middle Eastern oil-exporting countries ¹	2,493	2,796	2,598	3,002 ^c	2,598 ^c	3,093 ^c	3,209 ^c	3,624 ^c	3,592
51 Africa	950	948	836	938	836	976	916	876	905
52 Oil-exporting countries ²	499	483	436	471	436	454	349	445	405
53 Other ³	881	611	724	669	724	878	964	1,018	1,020

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

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

3. Includes nonmonetary international and regional organizations.

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

Millions of dollars, end of period

Type of claim, and area or country	1999 ¹	2000 ¹	2001	2001		2002			
				Sept.	Dec.	Mar.	June	Sept.	Dec. ²
1 Total	76,642	90,157	113,082	93,988³	113,082³	115,764	116,148	112,099	102,385
2 Payable in dollars	69,170	79,558	103,864	83,204 ¹	103,864 ¹	106,192	107,106	103,877	91,173
3 Payable in foreign currencies	7,472	10,599	9,218	10,784	9,218	9,572	9,042	8,222	11,212
<i>By type</i>									
4 Financial claims	40,231	53,031	81,287	60,015	81,287	85,381	87,324	84,033	71,140
5 Deposits	18,566	23,374	29,801	22,391	29,801	41,813	42,136	38,074	27,076
6 Payable in dollars	16,373	21,015	27,850	19,888	27,850	40,002	40,323	36,382	24,689
7 Payable in foreign currencies	2,193	2,359	1,951	2,503	1,951	1,811	1,813	1,692	2,387
8 Other financial claims	21,665	29,657	51,486	37,624	51,486	43,568	45,188	45,959	44,064
9 Payable in dollars	18,593	25,142	46,621	32,076	46,621	39,553	41,875	42,734	39,935
10 Payable in foreign currencies	3,072	4,515	4,865	5,548	4,865	4,015	3,313	3,225	4,129
11 Commercial claims	36,411	37,126	31,795	33,973 ¹	31,795 ¹	30,383	28,824	28,066	31,245
12 Trade receivables	32,602	33,104	27,513	29,240 ¹	27,513 ¹	25,618	24,263	23,491	26,453
13 Advance payments and other claims	3,809	4,022	4,282	4,733	4,282	4,765	4,561	4,575	4,792
14 Payable in dollars	34,204	33,401	29,393	31,240 ¹	29,393 ¹	26,637	24,908	24,761	26,549
15 Payable in foreign currencies	2,207	3,725	2,402	2,733	2,402	3,746	3,916	3,305	4,696
<i>By area or country</i>									
16 Financial claims									
17 Europe	13,023	23,136	26,118	23,069	26,118	35,933	36,863	32,007	28,822
18 Belgium and Luxembourg	529	296	625	372	625	751	797	656	722
19 France	967	1,206	1,450	1,682	1,450	3,489	3,921	3,854	3,247
20 Germany	504	848	1,068	1,112	1,068	4,114	3,972	4,292	4,244
21 Netherlands	1,229	1,396	2,138	954	2,138	3,253	3,995	4,024	3,648
22 Switzerland	643	699	589	665	589	308	1,010	1,135	383
23 United Kingdom	7,561	15,900	16,510	15,670	16,510	17,910	16,037	11,351	10,503
24 Canada	2,553	4,576	6,193	4,254	6,193	5,471	5,537	5,485	5,013
25 Latin America and Caribbean	18,206	19,317	41,201	26,099	41,201	35,001	37,511	38,822	29,401
26 Bahamas	1,593	1,353	976	649	976	1,197	1,332	715	976
27 Bermuda	11	19	918	80	918	611	704	1,157	724
28 Brazil	1,476	1,827	2,127	2,065	2,127	1,892	2,036	2,226	2,310
29 British West Indies	12,099	12,596	32,965	19,234	32,965	27,350	29,591	30,859	21,366
30 Mexico	1,798	2,448	3,075	2,910	3,075	2,777	2,823	2,871	2,917
31 Venezuela	48	87	83	80	83	79	60	71	99
32 Asia	5,457	4,697	6,430	5,274	6,430	6,489	5,826	6,121	5,483
33 Japan	3,262	1,631	1,604	1,761	1,604	2,009	1,093	1,421	1,212
34 Middle Eastern oil-exporting countries ¹	23	80	135	100	135	74 ¹	73 ¹	83 ¹	79
35 Africa	286	411	414	428 ¹	414	390	431	379	394
36 Oil-exporting countries ²	15	57	49	83	49	51	64	29	25
37 All other ³	706	894	931	891	931	2,097	1,156	1,219 ¹	2,027
38 Commercial claims									
39 Europe	16,389	15,938	14,022	14,364 ¹	14,022 ¹	12,708	11,861	12,000	14,225
40 Belgium and Luxembourg	316	452	268	353 ¹	268	272	207	254	249
41 France	2,236	3,095	2,921	3,061 ¹	2,921 ¹	2,883	2,828	2,972	3,165
42 Germany	1,960	1,982	1,658	1,973 ¹	1,658 ¹	1,198	1,163	1,158	1,207
43 Netherlands	1,429	1,729	529	843 ¹	529	415	379	409	1,490
44 Switzerland	610	763	611	514	611	436	472	404	506
45 United Kingdom	5,827	4,502	3,833	3,564 ¹	3,833 ¹	3,579	3,387	3,236	3,750
46 Canada	2,757	3,502	2,818	3,076 ¹	2,818 ¹	2,760	2,752	2,623	2,794
47 Latin America and Caribbean	5,959	5,851	4,859	5,567 ¹	4,859 ¹	4,912	4,530	4,324	4,357
48 Bahamas	20	37	42	35	42	42	28	35	31
49 Bermuda	390	376	369	526	369	422	214	270	287
50 Brazil	905	957	954	1,176 ¹	954 ¹	837	829	862	752
51 British West Indies	181	137	95	124	95	73	26	12	19
52 Mexico	1,678	1,507	1,391	1,427 ¹	1,391 ¹	1,225	1,283	1,184	1,261
53 Venezuela	439	328	288	301	288	312	316	340	291
54 Asia	9,165	9,630	7,849	8,697 ¹	7,849 ¹	7,513	7,309	6,778	7,339
55 Japan	2,074	2,796	2,006	2,437 ¹	2,006 ¹	1,975	2,064	2,083	2,352
56 Middle Eastern oil-exporting countries ¹	1,573	1,016	833	892 ¹	833 ¹	653 ¹	885 ¹	808 ¹	803
57 Africa	631	672	645	838	645	630	605	637	584
58 Oil-exporting countries ²	171	180	88	170	88	109	94	107	95
59 Other ³	1,537	1,533	1,602	1,431 ¹	1,602 ¹	1,860	1,767	1,704	1,946

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

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

3. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction, and area or country	2001	2002 ^r	2003	2002					2003	
			Jan.–Feb.	Aug.	Sept. ^r	Oct. ^r	Nov. ^r	Dec. ^r	Jan. ^r	Feb. ^r
	U.S. corporate securities									
Stocks										
1 Foreign purchases	3,051,332	3,202,907	412,699	257,265	206,729	297,181	264,359	216,659	212,558	200,141
2 Foreign sales	2,934,942	3,153,465	412,579	252,651	213,195	293,565	257,879	214,243	216,056	196,523
3 Net purchases, or sales (–)	116,390	49,442	136	4,614	–6,454	3,616	6,480	2,416	–3,482	3,618
4 Foreign countries	116,187	49,495	151	4,603	–6,449	3,610	6,473	2,400	–3,465	3,616
5 Europe	88,099	33,006	1,321	3,830	–5,146	2,187	4,407	4,883	–1,873	3,194
6 France	5,914	2,127	476	942	–924	982	–317	676	206	270
7 Germany	8,415	–113	–109	–312 ^r	–1,165	276	31	518	–56	–53
8 Netherlands	10,919	4,535	1,968	900	4	760	629	792	671	1,297
9 Switzerland	3,456	2,656	–1,709	–294 ^r	–931	–164	1,581	909	–719	–990
10 United Kingdom	38,493	15,173	–875	2,801	–1,228	1,403	2,062	784	–2,742	1,867
11 Channel Islands and Isle of Man ¹	–682 ^r	–245	–1	–33 ^r	–19	94	23	–18	2	–3
12 Canada	10,984	7,433	–280	1,336	–768	342	47	746	19	–299
13 Latin America and Caribbean	–5,146 ^r	–15,424	–5,313	–3,831 ^r	–2,897	–2,866	2,692	–2,332	–3,072	–2,241
14 Middle East ²	1,789	–1,287	–67	–42 ^r	46	–90	–228	71	–48	–19
15 Other Asia	20,726	22,682	4,099	3,231	2,012	3,985	–765	–886	1,313	2,786
16 Japan	6,788	12,337	1,569	2,249	238	7	–959	–1,129	561	1,008
17 Africa	–354 ^r	–68	47	–26 ^r	36	–18	–4	–20	38	9
18 Other countries	109	3,175	408	147	284	82	350	–22	182	226
19 Nonmonetary international and regional organizations	203	–47	–15	11	–5	6	7	16	–17	2
BONDS ³										
20 Foreign purchases	1,942,690	2,549,825	431,947	220,914 ^r	208,602	217,402	259,305	207,380	224,521	207,426
21 Foreign sales	1,556,745	2,172,047	365,296	189,008 ^r	183,671	185,366	218,351	178,510	180,746	184,550
22 Net purchases, or sales (–)	385,945	377,778	66,651	31,906 ^r	24,931	32,036	40,954	28,870	43,775	22,876
23 Foreign countries	385,379 ^r	377,515	66,960	31,875 ^r	25,022	31,632	40,914	28,684	43,919	23,041
24 Europe	195,412	167,572	40,598	10,895 ^r	11,758	16,532	17,116	10,526	24,301	16,297
25 France	5,028	3,771	1,084	483	252	1,089	383	–426	1,044	40
26 Germany	12,362	5,149	1,544	370 ^r	–390	–69	558	1,249	545	999
27 Netherlands	1,538	–394	819	55	–25	149	–59	–1	206	613
28 Switzerland	5,721	8,521	2,013	1,825	356	355	743	304	1,154	859
29 United Kingdom	152,772	109,836	19,105	3,690	7,374	9,852	8,812	6,768	12,279	6,826
30 Channel Islands and Isle of Man ¹	2,000	11,173	6,953	1,203	1,342	2,239	4,917	959	5,420	1,533
31 Canada	4,595	–1,023	–979	166	–377	540	–743	–2,180	–1,168	189
32 Latin America and Caribbean	77,019	82,837	203	9,706	3,464	4,339	5,471	7,379	6,564	–6,361
33 Middle East ²	2,337 ^r	2,315	633	578	40	196	387	–120	591	42
34 Other Asia	106,400	121,470	26,360	9,026	9,602	10,126	18,374	12,944	13,593	12,767
35 Japan	33,687	48,482	8,591	1,975	6,135	5,505	10,456	4,863	4,025	4,566
36 Africa	760	860	133	77	171	–2	56	28	53	80
37 Other countries	–1,136 ^r	3,498	36	1,427	370	–77	267	107	–9	45
38 Nonmonetary international and regional organizations	566	263	–291	31	–89	404	40	186	–136	–155
	Foreign securities									
39 Stocks, net purchases, or sales (–)	–50,107 ^r	–1,611	–7,905	3,078 ^r	765	–6,144	–979	–2,749	–5,640	–2,265
40 Foreign purchases	1,397,664	1,260,278	171,075	92,759 ^r	87,083	100,763	101,821	81,804	90,560	80,515
41 Foreign sales	1,447,777	1,261,907	178,990	89,681 ^r	86,318	106,919	102,802	84,555	96,200	82,790
42 Bonds, net purchases, or sales (–)	30,502	28,406	2,533	–1,731 ^r	1,064	6,920	2,269	–5,143	–1,809	4,342
43 Foreign purchases	1,160,102	1,377,020	262,856	112,167	126,078	123,139	137,931	117,917	140,390	122,466
44 Foreign sales	1,129,600	1,348,614	260,325	113,916	125,014	116,219	135,662	123,074	142,201	118,124
45 Net purchases, or sales (–), of stocks and bonds	–19,609 ^r	26,777	–5,382	1,329 ^r	1,829	764	1,288	–7,892	–7,449	2,067
46 Foreign countries	–19,016 ^r	26,814	–5,527	1,304 ^r	1,851	711	1,300	–7,918	–7,498	1,971
47 Europe	–12,092 ^r	15,407	–6,046	557 ^r	1,393	674	6,105	–9,085	–4,627	–1,419
48 Canada	2,943	4,849	4,805	32 ^r	–577	–1,279	–153	712	4,070	735
49 Latin America and Caribbean	4,315	4,562	–6,939	–745 ^r	–519	–28	518	1,045	–7,837	898
50 Asia	–11,851 ^r	1,591	2,307	1,028	1,018	1,694	–5,244	–973	362	1,945
51 Japan	–20,104 ^r	–9,101	–346	379	–858	13	–6,603	–2,021	–614	268
52 Africa	–542 ^r	–361	–17	393	–21	104	100	40	–32	15
53 Other countries	–1,733 ^r	784	391	49	583	–432	0	363	590	–199
54 Nonmonetary international and regional organizations	–573 ^r	–23	147	25	–18	53	–8	14	51	96

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

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

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

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

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

Area or country	2001	2002 ²	2003	2002					2003	
			Jan.–Feb.	Aug. ³	Sept. ³	Oct. ³	Nov. ³	Dec. ³	Jan. ³	Feb. ³
1 Total estimated	18,514	121,698	–2,953	4,347	21,946	6,742	21,097	14,290	1,783	–4,736
2 Foreign countries	19,200	119,687	–3,100	3,932	21,934	5,994	21,177	13,961	1,400	–4,500
3 Europe	–20,596 ²	44,169	–6,617	973	5,666	838	8,847	3,186	891	–7,508
4 Belgium ²	–582 ²	2,046	2,010	1,349	–122	–210	513	–187	3,371	–1,361
5 Germany	–1,652 ²	–3,910	–1,420	–1,963	–374	–451	1,658	1,610	–1,177	–243
6 Luxembourg ²	462	–1,591	433	–6	–255	61	–121	–199	75	358
7 Netherlands	–6,712 ²	–17,020	–2,708	–2,131	957	–2,844	1,427	3,261	–4,076	1,368
8 Sweden	–1,190	2,923	612	471	235	–197	1,652	902	422	190
9 Switzerland	1,412	–492	–1,124	–695	1,150	–1,713	2,389	–2,537	–74	–1,050
10 United Kingdom	–7,261 ¹	60,995	–1,595	3,927	6,665	5,071	–35	–2,721	1,313	–2,908
11 Channel Islands and Isle of Man ³	–161 ¹	714	0	444	–37	–104	–281	–76	–9	9
12 Other Europe and former U.S.S.R.	–4,824 ¹	538	–2,747	–367	–2,491	1,287	1,691	3,173	1,074	–3,821
13 Canada	–1,626 ¹	–5,182	–2,574	–1,891	–321	–2,431	3,165	1,028	–654	–1,920
14 Latin America and Caribbean	4,272	21,116	1,496	–11,839	7,753	7,219	–1,742	6,074	–1,888	3,384
15 Venezuela	290	–41	117	–5	–61	5	1	–67	20	97
16 Other Latin America and Caribbean	14,726	21,955	4,998	–7,436	5,516	4,485	319	1,652	2,675	2,323
17 Netherlands Antilles	–10,736 ¹	–780	–3,609	–4,378	2,316	2,729	–2,064	4,495	–4,573	964
18 Asia	36,332	55,850	4,917	16,386	8,971	–46	10,607	3,626	2,630	2,287
19 Japan	16,114	30,730	9,092	7,081	12,569	–1,307	2,120	2,731	3,512	5,580
20 Africa	–880	841	47	495	–87	12	–3	90	84	–37
21 Other	1,714	2,909	–331	–168	–16	428	333	–37	353	–684
22 Nonmonetary international and regional organizations	–674 ¹	2,011	147	415	12	748	–80	329	383	–236
23 International	–290	1,642	40	418	–35	329	314	164	170	–130
24 Latin American Caribbean regional	41	3	–27	4	29	4	–1	0	–5	–22
MEMO										
25 Foreign countries	19,200	119,687	–3,100	3,932	21,934	5,994	21,177	13,961	1,400	–4,500
26 Official institutions	3,474	15,131	1,796	635	–3,509	–547	16,577	6,708	–745	2,541
27 Other foreign	15,726	104,556	–4,884	3,297	25,445	6,547	4,600	7,253	2,155	–7,039
Oil-exporting countries										
28 Middle East ⁴	865	–3,902	–3,739	–792	–408	913	–121	–3,805	509	–4,248
29 Africa ⁵	2 ¹	29	0	2	1	0	1	55	0	0

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

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

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

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

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

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

Currency units per U.S. dollar except as noted

Item	2000	2001	2002	2002		2003			
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Exchange rates								
COUNTRY/CURRENCY UNIT									
1 Australia/dollar ²	58.15	51.69	54.37	56.13	56.24	58.29	59.56	60.15	61.00
2 Brazil/real	1.8301	2.3527	2.9213	3.5924	3.6268	3.4375	3.5955	3.4567	3.1090
3 Canada/dollar	1.4855	1.5487	1.5704	1.5715	1.5592	1.5414	1.5121	1.4761	1.4582
4 China, P.R./yuan	8.2784	8.2770	8.2770	8.2772	8.2777	8.2775	8.2780	8.2773	8.2772
5 Denmark/krone	8.0953	8.3323	7.8862	7.4201	7.2874	6.9980	6.8920	6.8807	6.8381
6 European Monetary Union/euro ³	0.9232	0.8952	0.9454	1.0013	1.0194	1.0622	1.0785	1.0797	1.0862
7 Greece/drachma	365.92	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Hong Kong/dollar	7.7924	7.7997	7.7997	7.7994	7.7988	7.7994	7.7995	7.7991	7.7996
9 India/rupee	45.00	47.22	48.63	48.29	48.15	47.96	47.75	47.68	47.39
10 Japan/yen	107.80	121.57	125.22	121.61	121.89	118.81	119.34	118.69	119.90
11 Malaysia/ringgit	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
12 Mexico/peso	9.459	9.337	9.663	10.195	10.225	10.622	10.945	10.905	10.589
13 New Zealand/dollar ²	45.68	42.02	46.45	49.73	51.08	53.98	55.39	55.37	55.18
14 Norway/krone	8.8131	8.9964	7.9839	7.3157	7.1557	6.9138	7.0004	7.2760	7.2032
15 Singapore/dollar	1.7250	1.7930	1.7908	1.7653	1.7532	1.7363	1.7451	1.7551	1.7771
16 South Africa/rand	6.9468	8.6093	10.5176	9.6509	8.9479	8.6949	8.2858	8.0506	7.6634
17 South Korea/won	1,130.90	1,292.01	1,250.31	1,210.20	1,206.61	1,176.45	1,190.37	1,237.20	1,231.10
18 Sri Lanka/rupee	76.964	89.602	95.773	96.426	96.705	96.813	96.880	96.943	97.004
19 Sweden/krona	9.1735	10.3425	9.7233	9.0652	8.9303	8.6368	8.4837	8.5440	8.4314
20 Switzerland/franc	1.6904	1.6891	1.5567	1.4658	1.4388	1.3765	1.3602	1.3614	1.3783
21 Taiwan/dollar	31.260	33.824	34.536	34.673	34.799	34.571	34.734	34.721	34.824
22 Thailand/baht	40.210	44.532	43.019	43.353	43.318	42.773	42.897	42.783	42.929
23 United Kingdom/pound ²	151.56	143.96	150.25	157.11	158.63	161.75	160.79	158.25	157.39
24 Venezuela/bolivar	680.52	724.10	1,161.19	1,358.61	1,328.29	1,714.45	1,736.21	1,600.00	1,600.00
	Indexes ⁴								
NOMINAL									
25 Broad (January 1997=100) ⁵	119.68	126.08	127.19	126.33	125.70	124.21	124.12	123.56	122.54
26 Major currencies (March 1973=100) ⁶	98.31	104.28	102.85	99.53	98.62	96.03	95.02	94.28	93.98
27 Other important trading partners (January 1997=100) ⁷	130.34	136.36	141.42	144.85	144.87	145.72	147.35	147.26	145.15
REAL									
28 Broad (March 1973=100) ⁵	104.67 ^r	110.71 ^r	111.09 ^r	109.95 ^r	109.10 ^r	107.89 ^r	108.11 ^r	107.91 ^r	107.32
29 Major currencies (March 1973=100) ⁶	103.62 ^r	111.09 ^r	109.71 ^r	106.18 ^r	104.94 ^r	102.46 ^r	101.80 ^r	101.16 ^r	101.04
30 Other important trading partners (March 1973=100) ⁷	114.81 ^r	119.48 ^r	122.30 ^r	124.26 ^r	123.90 ^r	124.44 ^r	125.96 ^r	126.42 ^r	125.07

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

2. U.S. cents per currency unit.

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

Euro equals		
13.7603	Austrian schillings	1,936.27
40.3399	Belgian francs	40.3399
5.94573	Finnish markkas	2.20371
6.55957	French francs	200.482
1.95583	German marks	166.386
.787564	Irish pounds	340.750
	Italian lire	
	Luxembourg francs	
	Netherlands guilders	
	Portuguese escudos	
	Spanish pesetas	
	Greek drachmas	

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

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

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

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

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ANNUAL REPORT, 2001.

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STAFF STUDIES: Only Summaries Printed in the BULLETIN

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

159. NEW DATA ON THE PERFORMANCE OF NONBANK SUBSIDIARIES OF BANK HOLDING COMPANIES, by Nellie Liang and Donald Savage. February 1990. 12 pp.
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175. THE FUTURE OF RETAIL ELECTRONIC PAYMENTS SYSTEMS: INDUSTRY INTERVIEWS AND ANALYSIS, Federal Reserve Staff, for the Payments System Development Committee, Federal Reserve System. December 2002. 27 pp.

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Release number and title	Annual mail rate	Annual fax rate	Approximate release days ¹	Period or date to which data refer	Corresponding <i>Bulletin</i> table numbers ²
<i>Weekly Releases</i>					
H.2. Actions of the Board: Applications and Reports Received	\$55.00	n.a.	Friday	Week ended previous Saturday	. . .
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H.6. Money Stock Measures ³	\$35.00	n.a.	Thursday	Week ended Monday of previous week	1.21
H.8. Assets and Liabilities of Commercial Banks in the United States ³	\$30.00	n.a.	Friday	Week ended previous Wednesday	1.26A–F
H.10. Foreign Exchange Rates ³	\$20.00	\$20.00	Monday	Week ended previous Friday	3.28
H.15. Selected Interest Rates ³	\$20.00	\$20.00	Monday	Week ended previous Friday	1.35
<i>Monthly Releases</i>					
G.5. Foreign Exchange Rates ³	\$ 5.00	\$ 5.00	First of month	Previous month	3.28
G.15. Research Library—Recent Acquisitions	No charge	n.a.	First of month	Previous month	. . .
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G.19. Consumer Credit ³	\$ 5.00	\$ 5.00	Fifth working day of month	Second month previous	1.55, 1.56
G.20. Finance Companies ³	\$ 5.00	n.a.	End of month	Second month previous	1.51, 1.52

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<i>Quarterly Releases</i>					
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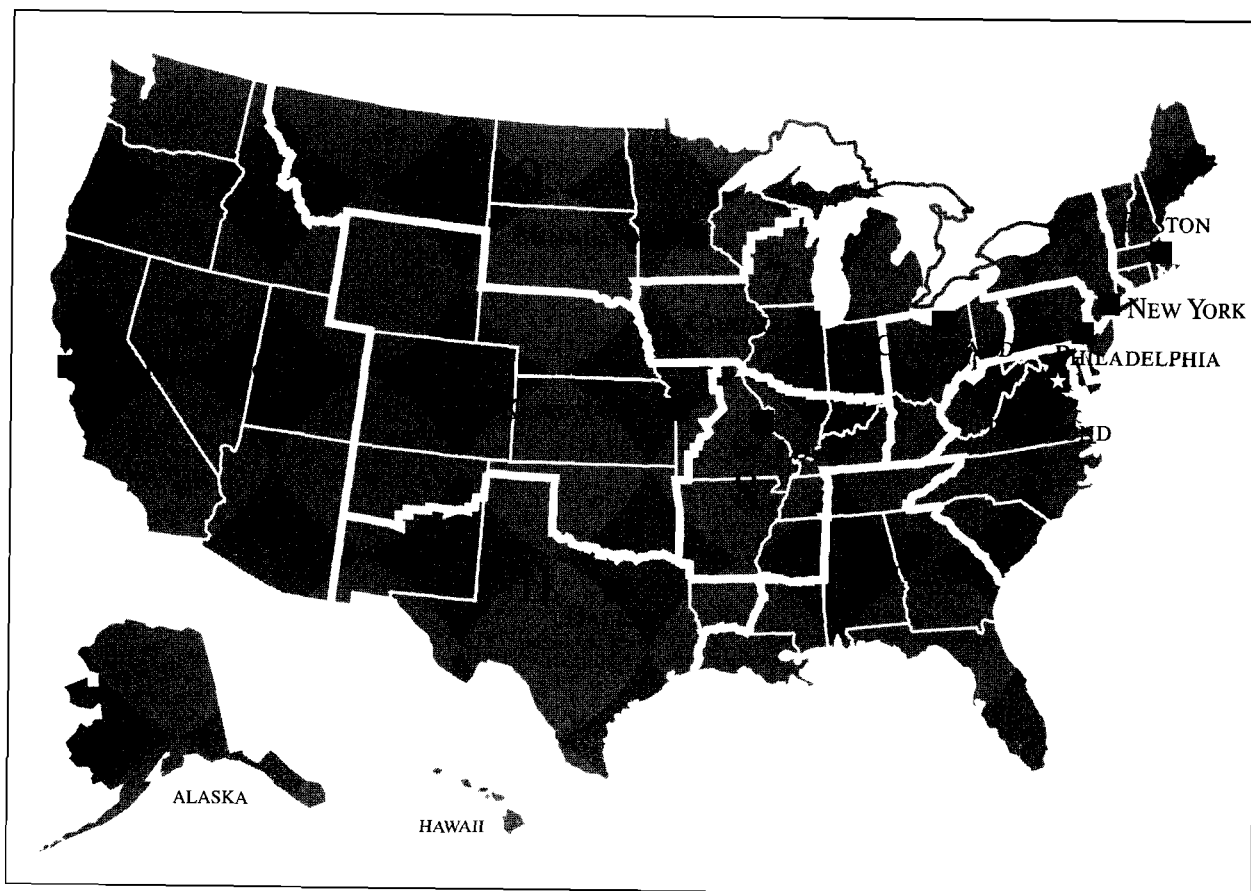
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Maps of the Federal Reserve System



LEGEND

Both pages

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

Facing page

- Federal Reserve Branch city
- Branch boundary

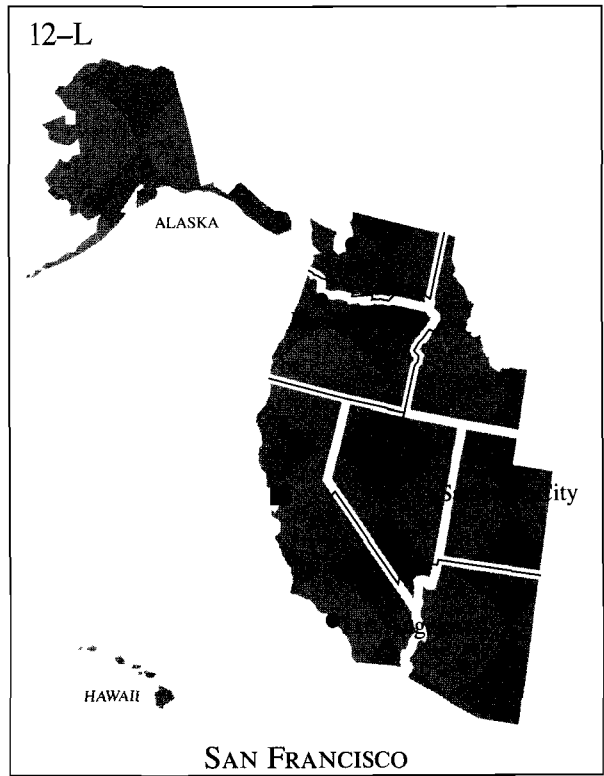
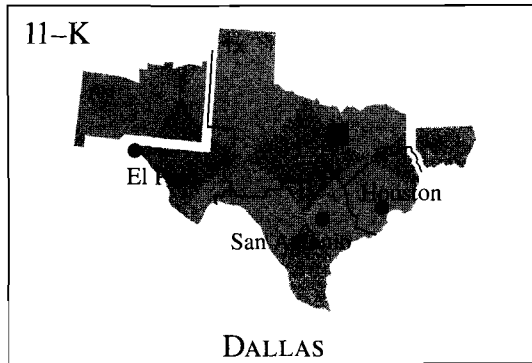
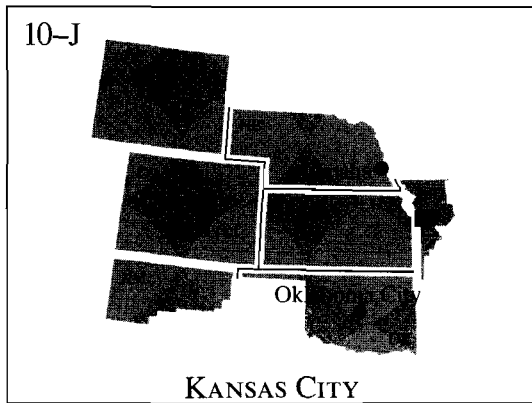
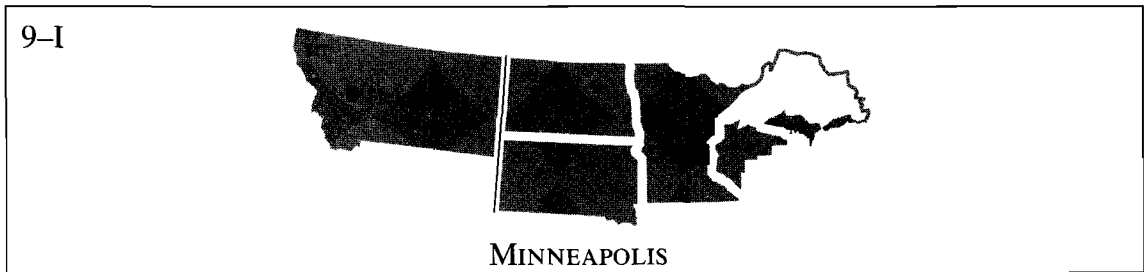
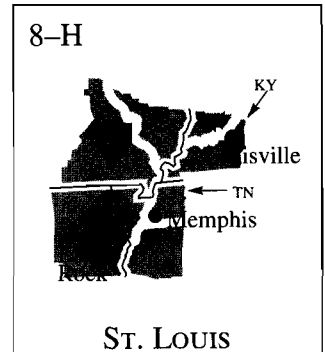
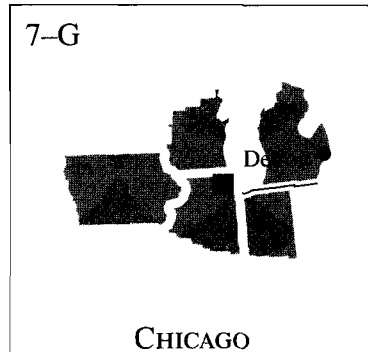
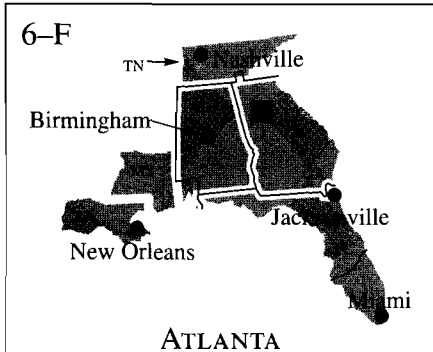
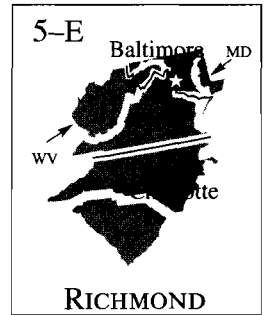
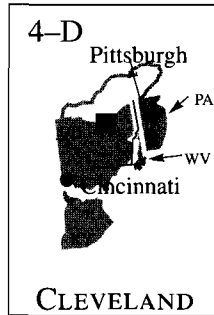
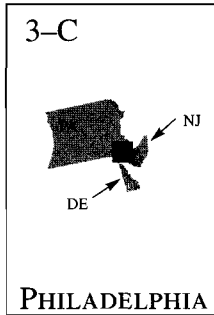
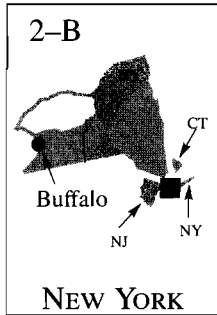
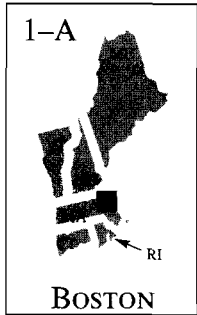
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2. Executive Vice President
3. Acting