
Volume 87 □ Number 11 □ November 2001



Federal Reserve BULLETIN

Board of Governors of the Federal Reserve System, Washington, D.C.

Table of Contents

719 *THE ECONOMIC PERFORMANCE OF SMALL BANKS, 1985–2000*

Several trends in the financial industry over the past decade and a half have potentially threatened the competitiveness of small banks. Among these developments are the numerous mergers that increased the size and scope of large banks and the increased competition from mutual funds and other nonbank financial institutions. This article examines the economic performance of small banks during the 1985–2000 period by focusing on their ability to attract and profitably intermediate insured and uninsured deposits. It finds that the expansion of deposits and assets at small banks, when adjusted to account for the effects of mergers on measured growth, has consistently exceeded the growth at large banks. Moreover, the profitability of small banks has remained high over the period. These indications of strength among small banks as a whole also hold true for subgroups within the small bank sector. Aside from their success in attracting deposits, the key reasons for the generally good performance of small banks in recent years appear to be their ability to earn relatively high rates of return on their loans and an increase in the share of their portfolios devoted to loans.

729 *INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION FOR SEPTEMBER 2001*

Industrial production fell 1.0 percent in September, its twelfth consecutive monthly decline. At 140.3 percent of its 1992 average, output was 5.8 percent below its level in September 2000. The rate of capacity utilization for total industry sank 0.9 percentage point, to 75.5 percent, a level 6.6 percentage points below its 1967–2000 average and about 7 percentage points below its level in September 2000.

733 *TESTIMONY OF FEDERAL RESERVE OFFICIALS*

Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, testifies on the

financial implications of the terrorism of September 11 and states that although nobody has the capacity to fathom fully how the tragedy of September 11 will play out, for the longer term, prospects for continued rapid technological advance and associated faster productivity growth are scarcely diminished. He states further that those prospects, born of the ingenuity of our people and the strength of our system, fortify a promising future for our free nation (Testimony before the Senate Committee on Banking, Housing, and Urban Affairs, September 20, 2001).

735 *ANNOUNCEMENTS*

Federal Open Market Committee actions and changes in the discount rate.

Appointment of chairmen and deputy chairmen of the Federal Reserve Banks for 2002.

Extension of public comment period on payment system risk policy.

Meeting of the Consumer Advisory Council.

Modification of private-sector adjustment factor for priced services calculations.

Interagency data on increase in adversely classified syndicated bank loans.

Public workshop on Gramm–Leach–Bliley Act privacy notices.

Board launch of interactive web site for students, educators, and general public.

Enforcement actions.

739 *MINUTES OF THE FEDERAL OPEN MARKET COMMITTEE MEETING HELD ON AUGUST 21, 2001*

At this meeting, the Committee voted to lower its target for the federal funds rate by 25 basis points, to 3½ percent. In taking this action, the Committee continued to believe that the risks were weighted mainly toward conditions that might generate economic weakness in the foreseeable future. Subsequently, on September 17,

2001, the Committee met via telephone conference and voted to lower the federal funds rate by 50 basis points, to 3 percent. This action was taken against the backdrop of heightened concerns and uncertainty created by the recent terrorist attacks and their potentially adverse effects on asset prices and the performance of the economy. Moreover, shortly after the attacks, the Committee voted to temporarily establish or enlarge reciprocal currency (swap) arrangements with the European Central Bank, the Bank of Canada, and the Bank of England.

747 LEGAL DEVELOPMENTS

Various bank holding company, bank service corporation, and bank merger orders; and pending cases.

A1 FINANCIAL AND BUSINESS STATISTICS

These tables reflect data available as of September 26, 2001.

A3 GUIDE TO TABULAR PRESENTATION

A4 Domestic Financial Statistics

A42 Domestic Nonfinancial Statistics

A50 International Statistics

A63 GUIDE TO STATISTICAL RELEASES AND SPECIAL TABLES

A72 INDEX TO STATISTICAL TABLES

A74 BOARD OF GOVERNORS AND STAFF

A76 FEDERAL OPEN MARKET COMMITTEE AND STAFF; ADVISORY COUNCILS

A78 FEDERAL RESERVE BOARD PUBLICATIONS

A80 MAPS OF THE FEDERAL RESERVE SYSTEM

A82 FEDERAL RESERVE BANKS, BRANCHES, AND OFFICES

PUBLICATIONS COMMITTEE

Lynn S. Fox, *Chair* □ Jennifer J. Johnson □ Karen H. Johnson □ Stephen R. Malphrus □ J. Virgil Mattingly, Jr.
□ Vincent R. Reinhart □ Dolores S. Smith □ Richard Spillenkothén □ Richard C. Stevens □ David J. Stockton

The *Federal Reserve Bulletin* is issued monthly under the direction of the staff publications committee. This committee is responsible for opinions expressed except in official statements and signed articles. It is assisted by the Economic Editing Section headed by S. Ellen Dykes, the Graphics Center under the direction of Christine S. Griffith, and Publications Services supervised by Linda C. Kyles.

The Economic Performance of Small Banks, 1985–2000

William F. Bassett and Thomas F. Brady, of the Board's Division of Monetary Affairs, prepared this article. James E. Cypert, Jr., and Mark J. Gibson provided research assistance.

Several trends in the financial industry over the past decade and a half have potentially threatened the competitiveness of small banks. Among these developments are the numerous mergers that increased the size and scope of large banks and greater competition from mutual funds and other nonbank financial institutions. In this article, we examine the economic performance of small banks during the 1985–2000 period by focusing on their ability to attract and profitably intermediate insured and uninsured deposits.¹

We find that the expansion of deposits and assets at small banks, when adjusted to account for the effects of mergers on measured growth, has consistently exceeded the growth at large banks. Moreover, the profitability of small banks has risen to high levels over the period. These indications of strength among small banks as a whole also hold true for subgroups within the small bank sector. The key reasons for the generally good performance of small banks in recent years appear to be their ability to earn relatively high rates of return on their loans and an increase in the share of their portfolios devoted to loans.

1. Except where otherwise indicated, data in this article are from the quarterly Reports of Condition and Income (Call Reports) for the domestic offices of insured domestic commercial banks and nondeposit trust companies (hereafter, banks). The data have been adjusted to take account of mergers.

Bank size categories in this article are based on assets at the start of each quarter as follows: large banks (those ranked 1 through 100), medium (101 through 1,000), and small. At the start of the fourth quarter of 2000, large banks were those with assets of at least \$6.94 billion; medium, \$331 million to \$6.93 billion; and small, less than \$331 million. For more on the economic performance of banks over the 1985–2000 period, see, for 2000, William F. Bassett and Egon Zakrajšek, "Profits and Balance Sheet Developments at U.S. Commercial Banks in 2000," *Federal Reserve Bulletin*, vol. 88 (June 2001), pp. 367–93 (www.federalreserve.gov/pubs/bulletin), and the corresponding article in one of the June–September issues of the *Federal Reserve Bulletin* in each of the earlier years.

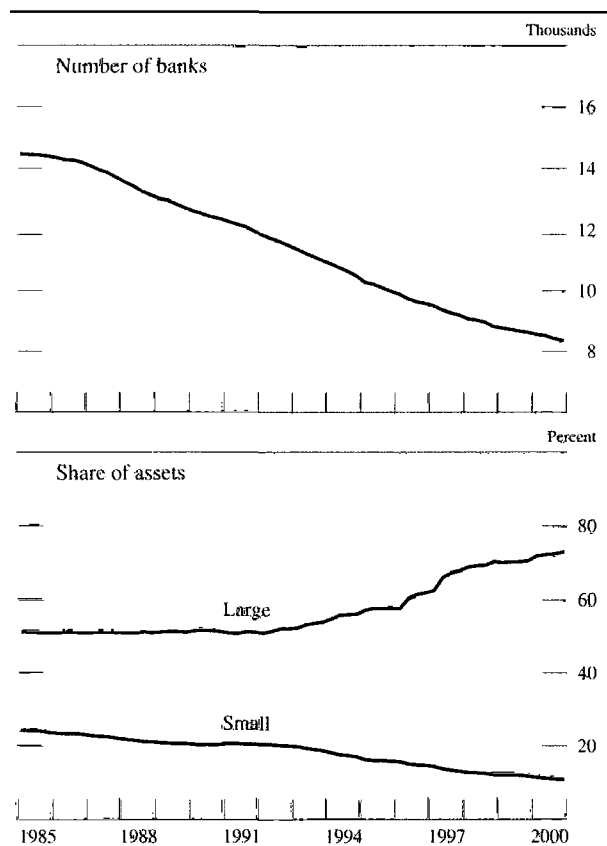
RECENT TRENDS AFFECTING SMALL BANKS

Among the challenges that have confronted small banks since the mid-1980s have been a wave of bank mergers and acquisitions, the continued rise in non-bank competition for customers, and a decline in the real value of deposit insurance. Mergers reduced the number of banks in the United States from more than 14,000 in 1985 to about 8,300 at the end of 2000 (chart 1, top panel). Although many mergers since the mid-1990s liberalization of banking laws have involved reorganizations within existing bank holding companies, the number of such banking organizations also has fallen over the 1985–2000 period, from about 11,000 to less than 7,000. Mostly as a result of mergers, the share of domestic banking assets held by the largest 100 banks (hereafter, large banks) rose from about 50 percent to more than 70 percent during the period (chart 1, bottom panel). The bulk of the gain came at the expense of small banks—those not among the 1,000 largest; their share of assets fell from about 25 percent to just over 10 percent.

A merger would tend to improve the competitive position of the surviving institution by adding to the scope of its activities, thus allowing it to offer a larger variety of services and products to customers, and by increasing the diversity of its assets. All else equal, the greater diversification would act to stabilize earnings, thereby reducing the riskiness of the surviving bank and increasing its attractiveness to depositors. Alternatively, the now-larger bank could exploit the greater diversification to maintain the riskiness of the institution around pre-merger levels while adjusting its portfolio toward higher-yielding assets, thus boosting profitability.²

2. Some research has found that banks do exploit greater diversification in this way. For more information, see Rebecca S. Demsetz and Philip E. Strahan, "Diversification, Size, and Risk at Bank Holding Companies," *Journal of Money, Credit, and Banking*, vol. 29 (August 1997), pp. 300–13; and Jalal D. Akhavein, Allen N. Berger, and David B. Humphrey, "The Effects of Megamergers on Efficiency and Prices: Evidence from a Bank Profit Function," *Review of Industrial Organization*, vol. 12 (February 1997), pp. 95–139.

1. Number of banks, and industry concentration by asset size of banks, 1985–2000



NOTE. Here and in subsequent charts, large banks are the largest 100, and small banks are those not among the largest 1,000; for details, see text note 1.

The competitiveness of the largest banks would also be improved if depositors believe that the government will treat these banks as “too big to fail,” and the perceived advantage would be greater still in the context of declining real levels of deposit insurance.³ However, the Federal Deposit Insurance Corporation Improvement Act of 1991 substantially circumscribed the ability of regulators to use too-big-to-fail by requiring that the Federal Deposit Insurance Corporation (FDIC) pursue the resolution method that minimizes the cost to its insurance fund. In addition, exceptions to the “least cost” method are allowed only with the approval of at least two-thirds of both the Federal Reserve Board and FDIC board of directors and the approval of the Secretary of the

3. The nominal value of deposit insurance was last increased in 1980, and by a substantial amount—from \$40,000 to \$100,000. By the end of 2000, the value of the insurance in 1980 dollars had fallen to between \$45,000 and \$55,000, depending on the price index used, and therefore was in real (inflation-adjusted) terms still slightly higher than it was just before the 1980 increase.

Treasury in consultation with the President. Moreover, bank regulatory agencies maintain that no bank is too large for shareholders and holders of the bank’s nondeposit liabilities to face complete loss, should the decline in bank asset values be large enough, and for uninsured depositors to be subject to less than 100 percent reimbursement.⁴

Besides the effects of consolidation and a decline in the real value of deposit insurance, increasing competition from a “parallel banking system” may have weakened the competitive position of small banks since the mid-1980s.⁵ On the liability side of the balance sheet, banks compete with stock, bond, and money market mutual funds for deposits. Although mutual funds compete with banks of all sizes, they likely pose a greater competitive challenge to small banks, which are more dependent on deposits than are large banks. Given their high liquidity and their record of preserving the par value of their investors’ assets, money market mutual funds represent a particularly attractive alternative to bank deposits.⁶ About one-third of money fund assets consist of commercial paper issued by finance companies, which, in turn, compete in markets for consumer loans and business equipment financing, markets that may be more important for small banks than for large banks.

Nonetheless, consolidation in the banking industry may have had some beneficial aspects for small banks. For example, some large banks may find that they lack the knowledge and experience necessary to compete effectively in the local loan markets of the smaller banks they have acquired. Similarly, on the funding side, bank depositors may react adversely to acquisitions of their banks by out-of-area institutions and move their deposits to a locally headquartered small bank.⁷

Some other recent developments have also favored small banks. The scaling back of the savings and loan

4. See speech by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System at the 37th Annual Conference on Bank Structure and Competition of the Federal Reserve Bank of Chicago, Chicago, Illinois, May 10, 2001 (www.federalreserve.gov/boarddocs/speeches/2001/).

5. See Jane W. D’Arista and Tom Schlesinger, “The Parallel Banking System,” in Gary A. Dynski, Gerald Epstein, and Robert Pollin, eds., *Transforming the U.S. Financial System: Equity and Efficiency for the 21st Century* (M.E. Sharpe, 1993), pp. 157–99.

6. On only a few occasions has the net asset value of a money market mutual fund threatened to dip below \$1, and in all but one of the cases, the funds avoided “breaking the buck” by receiving assistance from their parent companies.

7. For more information, see Steven J. Pilloff and Stephen A. Rhoades, “Do Large, Diversified Banking Organizations Have Competitive Advantages?” *Review of Industrial Organization*, vol. 16 (May 2000), pp. 287–302.

industry during most of the period probably reduced the competitive pressures on small banks. Moreover, depositors may not have been particularly concerned about the declining real value of deposit insurance in recent years given the strong economy, the high profitability of banks, and very low bank failure rates. Supporting this view are the continued strong growth of money market mutual funds, which have no federal insurance program comparable to that for bank deposits, and the rapid growth of uninsured deposits, particularly at small banks.

DIFFERENCES IN THE LIABILITY STRUCTURES OF SMALL AND LARGE BANKS

Not surprisingly, small banks rely on deposits considerably more than large banks do. In particular, small time deposits (those issued in amounts of less than \$100,000) funded almost 30 percent of loans and other assets at small banks in 2000, while at large banks the share was about 10 percent (table 1). The share of small banks' assets funded with large time deposits, 13 percent, also exceeds that at large banks, 8 percent.⁸ Other interest-bearing deposits, which consist of savings and transactions accounts, also were somewhat more important funding vehicles at small banks, while non-interest-bearing deposits

funded comparable shares of small and large banks' assets.

Large banks fund about one-third of their assets with "other" nondeposit liabilities, whereas at small banks the share is just 3 percent.⁹ Small banks avail themselves somewhat more of FHLB advances, although these represent a fairly small share of liabilities at both groups of banks. Equity also funds a larger share of assets at small than at large banks, 10.3 percent and 8 percent respectively.

Reliance on deposits was little changed between 1987 and 1992, but both bank groups shifted toward nondeposit liabilities and capital as sources of funding during the 1990s. Between 1992 and 2000, deposits as a share of assets fell about 4 percentage points at small banks and 11 percentage points at large banks. For both bank groups, "other interest-bearing deposits" was the deposit category that fell most sharply in the 1990s; small time deposits (which are fully insured) also declined at both bank groups, a drop probably reflecting the increased popularity of alternative household investment vehicles such as mutual funds. However, the share of assets funded by large time deposits actually increased at both bank groups.

8. Large time deposits are those of at least \$100,000. Deposits of exactly \$100,000 would be fully insured as to principal.

9. Other liabilities consist of demand notes issued to the U.S. Treasury, federal funds purchased and securities sold under repurchase agreements, trading liabilities, net due to related institutions abroad, subordinated debt or debentures, and bankers acceptances.

1. Distribution of assets at banks, by source of funds, selected years, 1987–2000

Source	Large banks			Small banks		
	1987	1992	2000	1987	1992	2000
Total deposits	66.1	67.3	56.3	88.5	87.8	83.4
Type						
Large time ¹	13.7	7.0	8.2	11.2	7.9	13.0
Small time	10.1	13.4	10.0	29.9	31.5	28.5
Other interest-bearing	22.7	29.2	24.7	33.3	35.7	29.1
Non-interest-bearing	19.7	17.8	13.4	14.1	12.8	12.9
Insurance status ²						
Insured	39.2	46.3	35.8	78.8	77.9	68.6
Uninsured	26.5	21.0	20.5	9.8	10.0	14.8
FHLB advances	...	...	2.4	...	...	3.1
Other liabilities	29.2	26.0	33.2	3.2	3.1	3.2
Equity capital	4.7	6.7	8.1	8.3	9.1	10.3
Total	100	100	100	100	100	100
MEMO						
Large deposit accounts ³						
Percentage of balances in large time deposits	39.6	29.9	31.1	58.3	45.3	49.0
Average size (thousands of dollars)	522	440	425	204	209	229

NOTE: Small time and "other" interest-bearing deposits were not separately included in the Call Report until 1987. For definitions of bank size, see note to chart 1.

1. Accounts of at least \$100,000.

2. Uninsured deposits are those in excess of \$100,000. For 1987, the sum of uninsured and insured components does not equal total deposits because,

until 1991, uninsured deposits were reported annually instead of quarterly.

3. All accounts of at least \$100,000.

SOURCE: For Federal Home Loan Bank (FHLB) advances, Federal Reserve Board.

... Not available.

At small banks, the type and average size of large deposit accounts (those of at least \$100,000) are notably different from those at large banks (table 1, memo). At large banks, only about 30 percent of such balances were held as large time deposits in 2000; the remaining 70 percent were in transaction and savings accounts. At small banks, large balances are split about evenly between large time and other deposits. The average size of large deposits at large banks in 2000 was \$425,000, and at small banks it was \$229,000; however, over the 1990s the average size has been declining at large banks and rising at small banks.

DIFFERENCES IN THE GROWTH PATTERNS OF LARGE AND SMALL BANKS

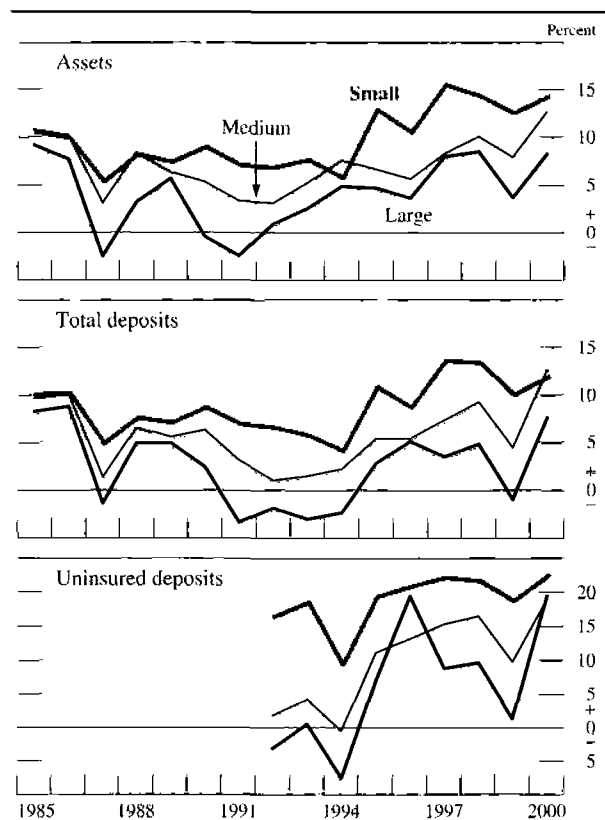
The consolidation in the banking industry over the 1985–2000 period typically involved the acquisition of relatively small banks by much larger banks, a development that, of course, boosts the observed growth of large banks and diminishes that of small banks. Therefore, the differences in the balance-sheet growth and profitability between large and small banks cannot be consistently tracked unless merger-adjusted balance sheet and income data are used.¹⁰

Balance sheet data adjusted for mergers show that small banks generally grew faster than either medium-sized or large banks over the past fifteen years (chart 2, top panel). Indeed, in every year, the growth of assets has been significantly faster at small and medium-sized banks than at large banks.¹¹ Of course, banks securitize and sell a significant portion of the consumer and real estate loans that they originate and thereby move them off their balance sheets. But data available since 1997 indicate that restoring securitized credit card loans to large banks' balance sheets would add only about 1 percentage point to their annual asset growth in 1998, and less than that in 1997 and 1999, not enough to narrow the differ-

10. We calculate merger-adjusted growth for any bank size group by comparing balance sheet values at the end of the quarter with those at the beginning of the quarter, accounting for amounts acquired or lost during the period because of mergers. For example, we calculate asset growth at small banks during a quarter by comparing assets at the end of the quarter with assets at the beginning of the quarter after removing assets acquired during the quarter by merger. Merger-adjusted annual growth rates are calculated as the product of merger-adjusted quarterly growth rates. For information on the adjustment procedure for income, 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.

11. Calculated without adjusting for mergers, the average annual growth rate of assets between 1985:Q4 and 2000:Q4 was 0.2 percent for small banks and 8.2 percent for large banks.

2. Growth of assets and deposits, by asset size of banks, 1985–2000



NOTE. Here and in subsequent charts, growth rates have been adjusted for mergers; for details, see text note 10. Medium-sized banks are those ranked 101 to 1,000. Uninsured deposits are those in excess of \$100,000; before 1991, uninsured deposits were reported only annually, which prevents merger adjustment of balances for those years in a manner consistent with quarterly adjustments applied in later years.

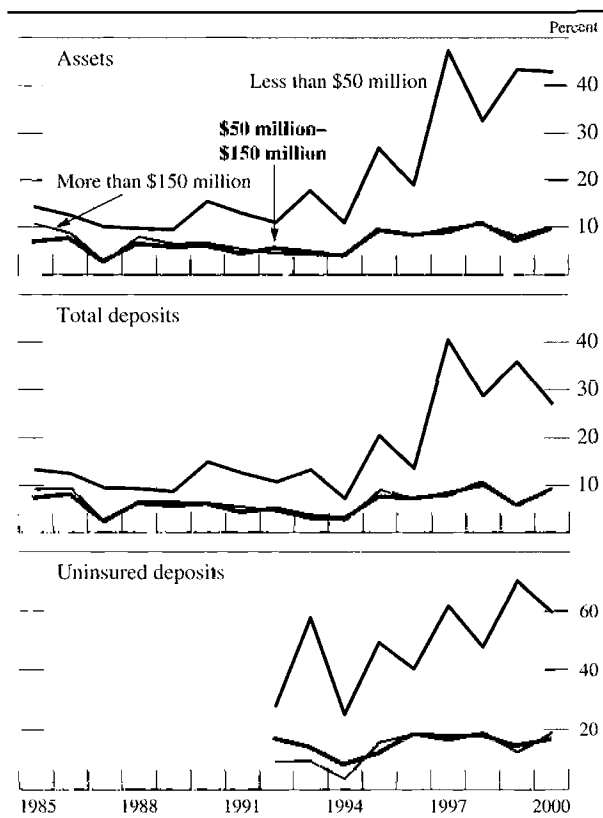
ence in growth rates significantly.¹² In 2000, such an adjustment would have *reduced* the measured growth of large banks.

Many more new, or "de novo," banks were formed during the 1997–2000 period than during the preceding four years (moving from about 150 per year to about 350 per year on average). Although de novo banks tend to grow rapidly, they are generally very small when established (less than \$50 million in assets). Thus, the growth rate of all small banks is not significantly affected if de novo banks are excluded from the calculation.

As suggested by the relative rates of asset growth, the expansion of total deposits at both small and medium-sized banks has also exceeded the growth rate at large banks in every year since 1985 (chart 2, middle panel). However, the growth of assets tended

12. Adding securitized assets to the balance sheet for purposes of comparison presumes that the securitizing bank still would have chosen to originate the loans even if the opportunity to securitize was not available.

3. Growth of assets and deposits at small banks, by asset size of banks, 1985–2000



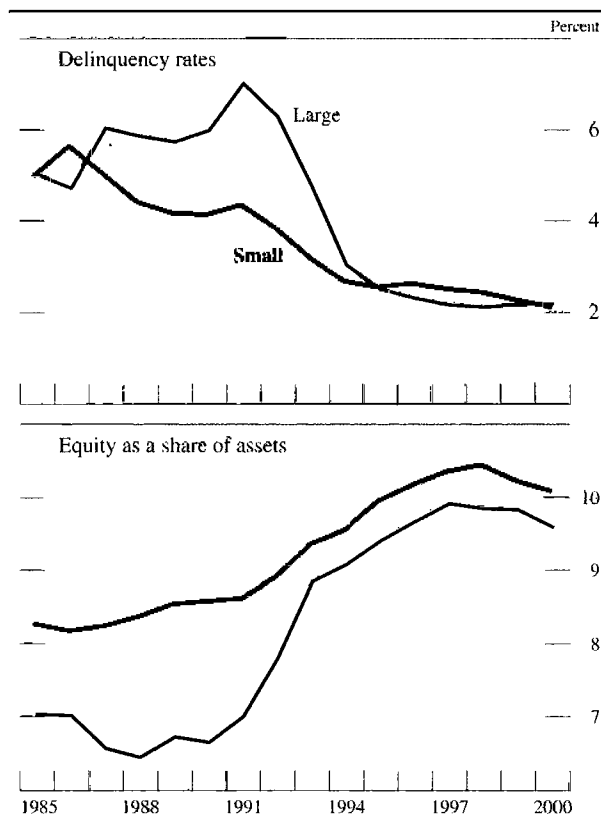
NOTE. For measurement of uninsured deposits, see table 1, note 2.

to exceed that of deposits, as the use of nondeposit liabilities grew for all bank size groups. Uninsured deposits also grew significantly faster at small banks than at large banks (chart 2, bottom panel). Furthermore, the growth rate of uninsured deposits at small banks has been high and steadily increasing during the second half of the past decade, whereas at larger banks the growth of these liabilities shows no trend.

The fastest growing category of small banks has been the smallest among them—those with less than \$50 million in assets (chart 3, top and middle panels). The 1997–2000 rise in the growth of assets and deposits at these banks was strong even after adjusting for the formation of *de novo* banks. The smallest of the small banks have aggressively acquired uninsured deposits to help fund their expansion (chart 3, bottom panel). Although small banks with assets of more than \$50 million grew more slowly than the smallest banks, they still grew faster than large banks.

Another way to disaggregate small banks is by location. Doing so reveals that growth has been the fastest among urban banks and the slowest among rural banks with high concentrations of agricultural loans; the growth of other small banks in rural areas

4. Measures of balance-sheet health, by asset size of banks, 1985–2000



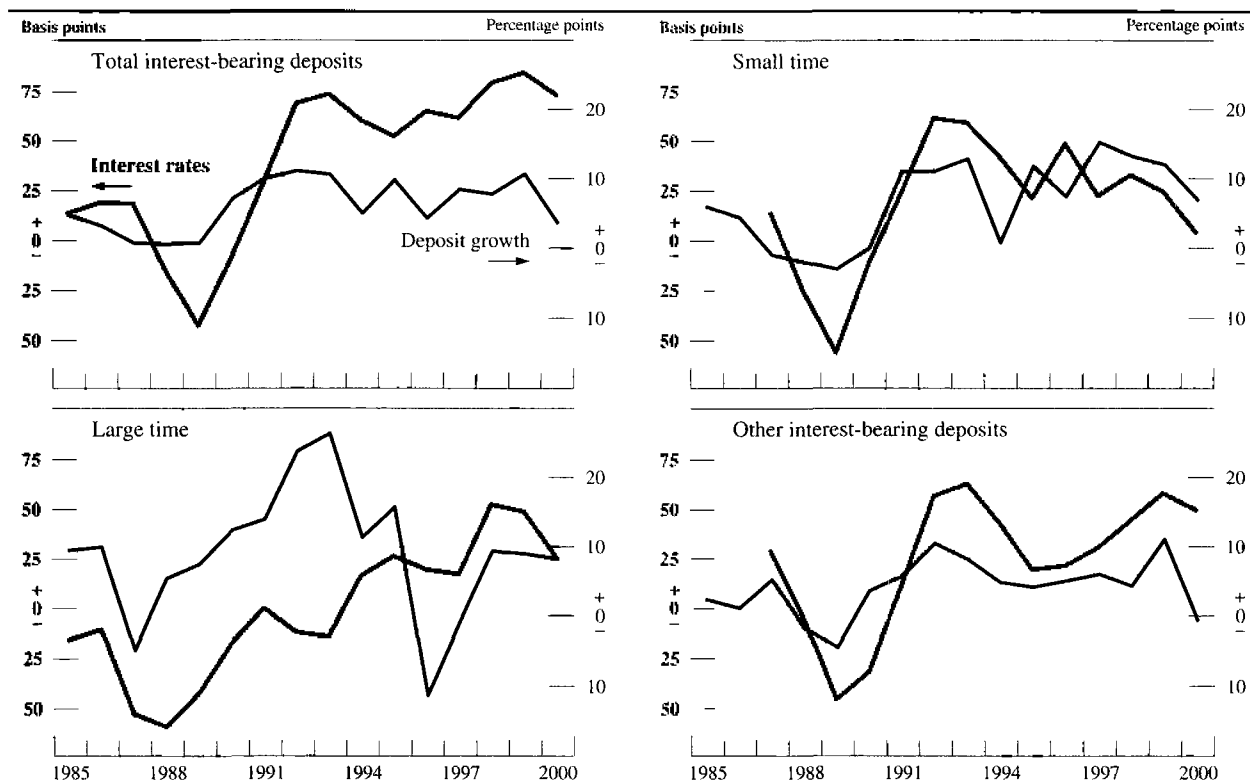
NOTE. The data on delinquencies are for domestic and foreign offices of domestic banks. Delinquent loans are loans that are not accruing interest and those that are accruing interest but are more than thirty days past due. The delinquency rate is the end-of-period level of delinquent loans divided by the end-of-period level of outstanding loans.

falls in between. However, even agricultural banks tended to perform at least as well as large banks over the period studied (see box “Rural and Agricultural Banks”).

The growth patterns of large and small banks partly reflect changes in their overall balance sheet conditions and fluctuations in the business cycle. Both large and small banks were major suppliers of credit during the final years of the 1980s, when businesses and households were rapidly accumulating debt. By the early 1990s, a weak economy as well as high debt levels and a rising volume of delinquent loans significantly slowed spending and borrowing by businesses and households. The slowdown in the growth of bank assets and deposits at that time was most pronounced at medium-sized and large banks, however, with assets actually declining for a time at bigger banks.

The contraction of assets at large banks may be attributable to the fact that overall asset quality deteriorated in the late 1980s and especially during the 1990–91 recession (chart 4, top panel). At small

5. Spread of interest rates paid and spread of growth rates of deposits, small banks less large, 1985–2000



NOTE: Rates paid on small time deposits and on "other" interest-bearing deposits were not separately included in the Call Report until 1987.

banks, the recession precipitated only a slight rise in delinquency rates. As loan losses mounted at large banks in the late 1980s and early 1990s, they found themselves with depleted capital (chart 4, bottom panel). Hence, a substantial gap appeared to emerge between their actual capital levels and those being demanded by markets as well as by regulators acting under the 1991 Basel Accord.

The subsequent economic recovery and brisk expansion of the second half of the 1990s caused delinquency rates to drop at both bank size groups, but much more dramatically so at large banks. A somewhat similar picture emerges for capitalization measures: Although the ratio of equity to average tangible assets (the "leverage ratio") at large banks remained well below that at small banks throughout the 1985–2000 period, the gap narrowed noticeably during 1992 and 1993, and the gain was maintained over the rest of the decade (chart 4, bottom panel).¹³

13. The ratio of equity to assets is shown here because it can be computed for the years preceding the implementation of the Basel Capital Accord, in 1991. Small banks also have significantly greater capital ratios than large banks when measured by risk-weighted assets, a characteristic that may, in part, reflect the higher risk inherent in the relatively less diversified loan portfolios at small banks and their more limited access to markets for managed liabilities.

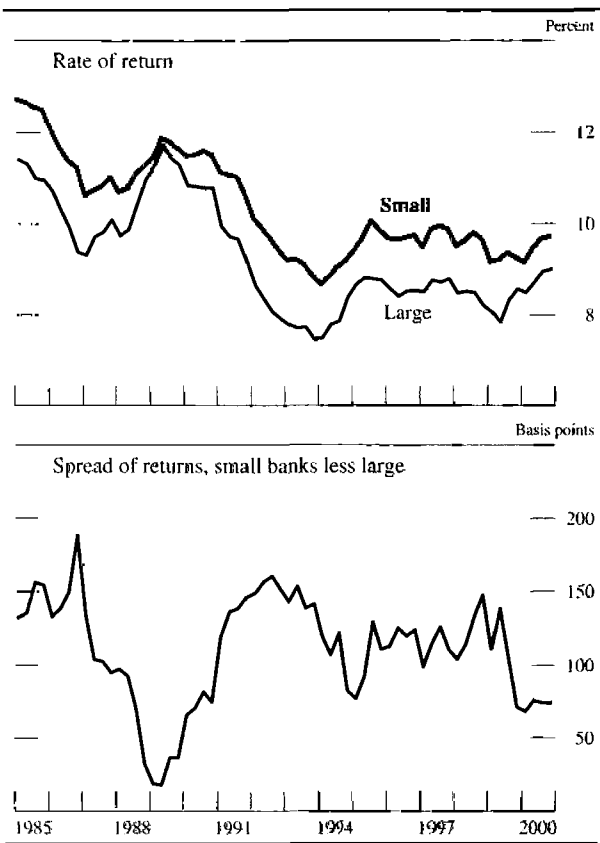
The large banks' impressive recovery from the deep problems of the early 1990s could be expected to have boosted their competitive position, and indeed the recovery in loan growth in the latter half of the 1990s was a bit stronger at large banks; yet during all of this period, the growth of assets at small banks surpassed that at large banks.

THE EXPANSION OF DEPOSITS AT SMALL BANKS: RELATIVE OFFERING RATES AND RELATIVE DEPOSIT GROWTH

The growth of total interest-bearing deposits at small banks consistently exceeded that at large banks between 1985 and 2000; the difference tended to reflect the difference between deposit interest rates paid at small banks and the rates paid at large banks (chart 5, top left panel).¹⁴ Early in the period, small banks were outbidding large banks for deposits; the

14. Average interest rates on deposits are computed as quarterly interest expenses, annualized, as a percent of average deposits held over the quarter. Annual rates are averages of quarterly rates. Both average deposit levels and deposit expenses are calculated after adjustment for mergers.

6. Return on loans, by assets size of banks, 1985–2000



reversal of this relationship in the late 1980s and into 1990 seemed to prompt a relative speedup of growth of deposits at large banks. In the 1989–93 period, the average rate paid on interest-bearing deposits at small banks rose about 1 percentage point relative to rates at large banks, thereby about tripling the premium paid by small banks in the mid-1980s. In response, the growth rate of deposits at small banks rose substantially compared with that at large banks.

The spread of deposit rates at small banks over those at large banks remained elevated and even increased somewhat over the course of the 1990s, but the corresponding spread for deposit growth did not keep pace. The relationship between rates and deposit growth loosened because of large time deposits, for which the growth spread tended to diminish even as the interest rate spread trended up (chart 5, bottom left panel). For small time deposits, by contrast, the underlying relationship between relative offering rates and deposit growth does not seem to have shifted over the period (chart 5, top right panel). In the “other interest-bearing deposits” category, the relationship weakened substantially in 2000, largely because of special factors that boosted the growth of

insured deposits at large banks during the final quarter of last year (chart 5, bottom right panel).¹⁵

These patterns of deposit growth and deposit offering rates at large and small banks raise two questions. First, why did small banks choose to pay premium rates on their deposits to fund asset growth that was faster than at large banks? Second, why did the additional deposit growth become progressively more expensive? The first question would seem to be answered straightforwardly by the fact that small banks have been able to make loans that have consistently yielded more than loans at large banks (chart 6).¹⁶

As to the relative rise in the cost of deposits at small banks, a number of factors appear to have been in play. First, small banks have a more limited base from which to attract funding. Thus, at small banks, the marginal supply of funding is likely to be more dependent on deposit offering rates than it is at large banks because large banks can more easily tap nondeposit funding sources and thereby minimize the impact on rates in any one category of liabilities. Combined with the relatively greater need of small banks for deposits to fund stronger loan demand, a relatively narrow funding base would help to explain the comparative increase over time in the cost of deposits to small banks.

A second likely reason for the rising relative cost of attracting deposits at small banks is the improvement in balance sheet health at large banks, which in turn presumably lowered the risk premiums they paid on their deposits, especially on uninsured deposits. Still another factor could have been the sliding real value of deposit insurance. This decline would have required all banks to rely less on insured deposits, but these deposits are more important at small banks than at large banks. Moreover, a shrinkage in the real value of deposit insurance could have magnified the effect of the relative improvement in balance sheet health at large banks. The drop in the real level of insurance coverage would also have added to the advantage that the largest banks enjoy from whatever credence depositors may still give to the notion of “too big to fail.”

15. On behalf of its clients, a large brokerage house transferred funds from (uninsured) money market mutual funds to insured money market deposit accounts at its affiliated commercial banks during the fourth quarter of 2000. The transfers significantly boosted the growth of insured deposits at large banks.

16. The higher gross rate of return at small banks may reflect, in part, higher loan processing costs (per loan dollar), although advances in technology have no doubt lowered such expenses throughout the period studied.

Rural and Agricultural Banks

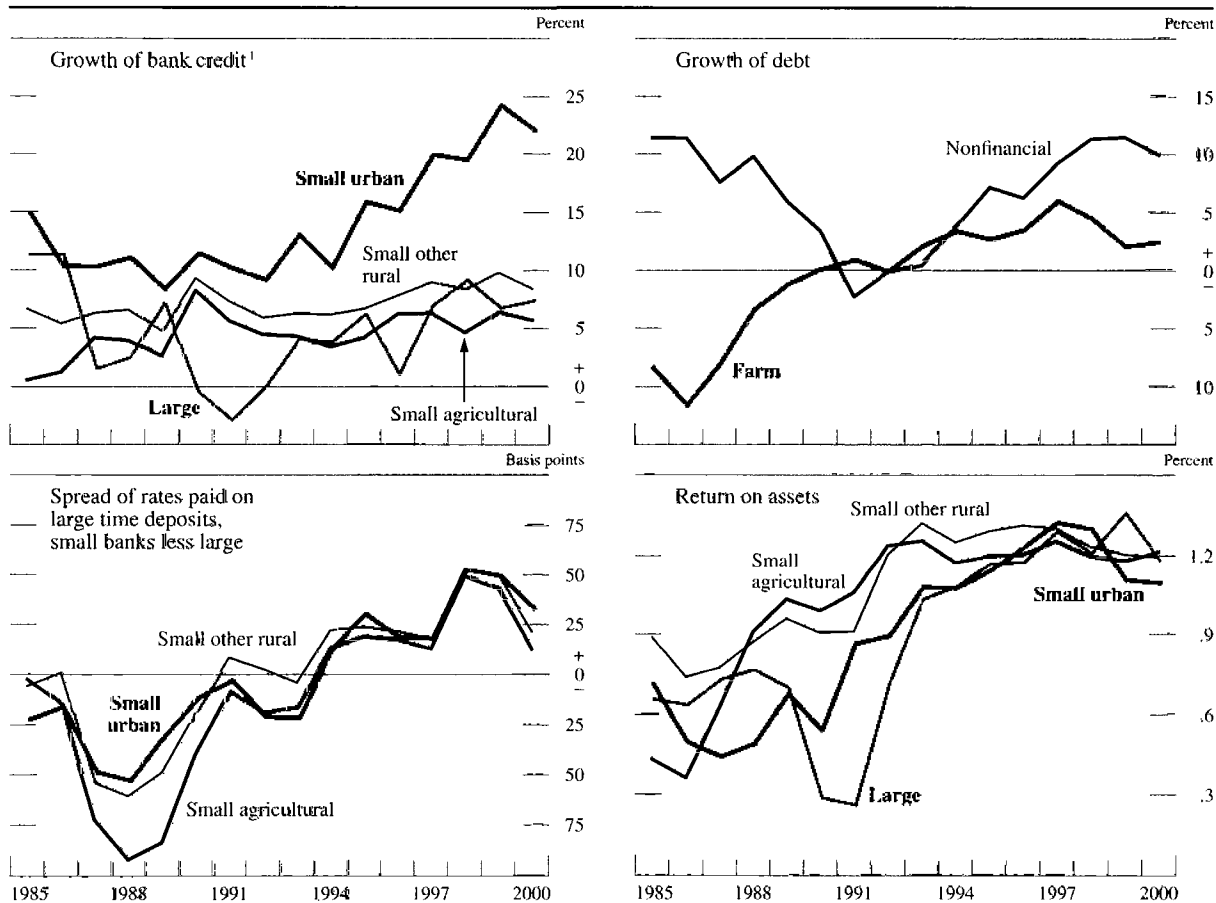
Growth at small banks over the 1985–2000 period has varied somewhat by bank type and location. In particular, loans and securities (bank credit) have grown consistently more slowly at small agricultural banks than at other small rural banks or at the clear growth leaders among small banks—the small urban banks (chart, upper left panel).¹

1. Small banks are classified as “urban” if they are headquartered within a Standard Metropolitan Statistical Area. Small “rural” banks are divided into “agricultural” banks (those with more than 25 percent of their loans that are secured by farmland or used to finance agricultural production) and “other rural” banks.

Also, credit growth during the 1990s at small urban and other rural bank groups has consistently exceeded that at large banks, but the record of the small agricultural banks has been mixed.

Developments in the agricultural sector itself appear to explain much of the underperformance of agricultural banks relative to large and other small banks. The slow growth of farm business debt relative to all nonfinancial business debt over the past several years (chart, upper right panel) suggests that the demand for agricultural loans has lagged substantially behind the demand for other bank loans. More-

Performance of banks, by asset size and sector, and growth of nonfinancial business debt, 1985–2000



NOTE. For definitions of small-bank sectors, see note to box text. The debt of nonfinancial businesses, including the farm subsector, covers bank and nonbank lenders.

1. Bank credit is loans and securities.

SOURCE. For nonfinancial business debt, Federal Reserve flow of funds accounts; for farm business debt, U.S. Department of Agriculture, *Agricultural Income and Finance: Situation and Outlook*, Annual Lender Issue. Economic Research Service, AIS-76 (February 2001), p. 56.

Finally, more attractive deposit substitutes, such as mutual funds, were growing briskly throughout the 1990s. The competition that banks had from mutual funds was offset to some degree by problems in the thrift industry, where assets declined 26 percent

between 1989 and 1997. But the fact that more than half of the decline had been reversed between 1997 and 2000 suggests that the thrift industry's competitive pressure on banks had begun to re-emerge in those years.

Rural and Agricultural Banks—Continued

over, commercial banks' share of farm business debt continued to increase during the past five years, although at a slower rate than in the late 1980s and early 1990s (data not shown). The slowing reflects, in part, a pickup in market share by the Farm Credit System over the same period as it recovered from financial difficulties in the 1980s.

Although rates of credit growth have diverged among small bank sectors, the sectors converged in terms of the spread of the average interest rates they paid on large time deposits (chart, lower left panel). Small urban banks have been paying only slightly greater premiums on these deposits than small rural banks despite having much higher average growth rates, a difference that presumably reflects more robust economic growth in urban areas.

Yet the increase in interest expense at small agricultural banks relative to large banks does not appear to have been especially damaging to the profitability of the agricultural banks (chart, lower right panel). Measured by return on assets, profitability at agricultural banks has generally been better than at small urban banks and, until recently, at least as good as at large banks.

In sum, although credit has grown most rapidly at small urban banks, and small agricultural banks are not paying much less for large time deposits than are other small banks, the agricultural banks during the 1985–2000 period generally performed at least as well as the largest banks in terms of asset growth and measures of profitability.

IMPLICATIONS FOR PROFITABILITY

The interaction of changes in rates earned on assets with rates paid on liabilities is captured in the behavior of banks' net interest margin.¹⁷ During most of the 1990s, the relative cost of deposits at small banks rose (chart 5), yet their net interest margin held steady while the net interest margin for large banks drifted down (chart 7, upper left panel). The steady returns at small banks suggest that the better yields they were able to get on loans made up for the higher rates they had to pay for deposits. Small banks also expanded the share of their portfolios held as loans throughout the 1990s, whereas the share of loans in the portfolios of large banks has remained more or less stable since 1995 (chart 7, top right panel). Because loans typically earn more than securities, this change in relative portfolio structure also would tend to boost net interest margins at small banks. Since 1997, the net interest margin has fallen at both small and large banks, but margins are still much higher at small banks.

Turning to broader measures of profitability, the return on equity (ROE) at large banks stabilized at an average of about 15 percent throughout the latter half of the 1990s after fluctuating widely during the late 1980s and early 1990s (chart 7, bottom left panel). Small banks' return on equity was also fairly stable during the 1990s and was uniformly *above* the returns earned during the latter half of the 1980s. ROE at large banks has been significantly greater than at

small banks since 1992, but the difference largely reflects the greater levels of capital relative to assets held by small banks.

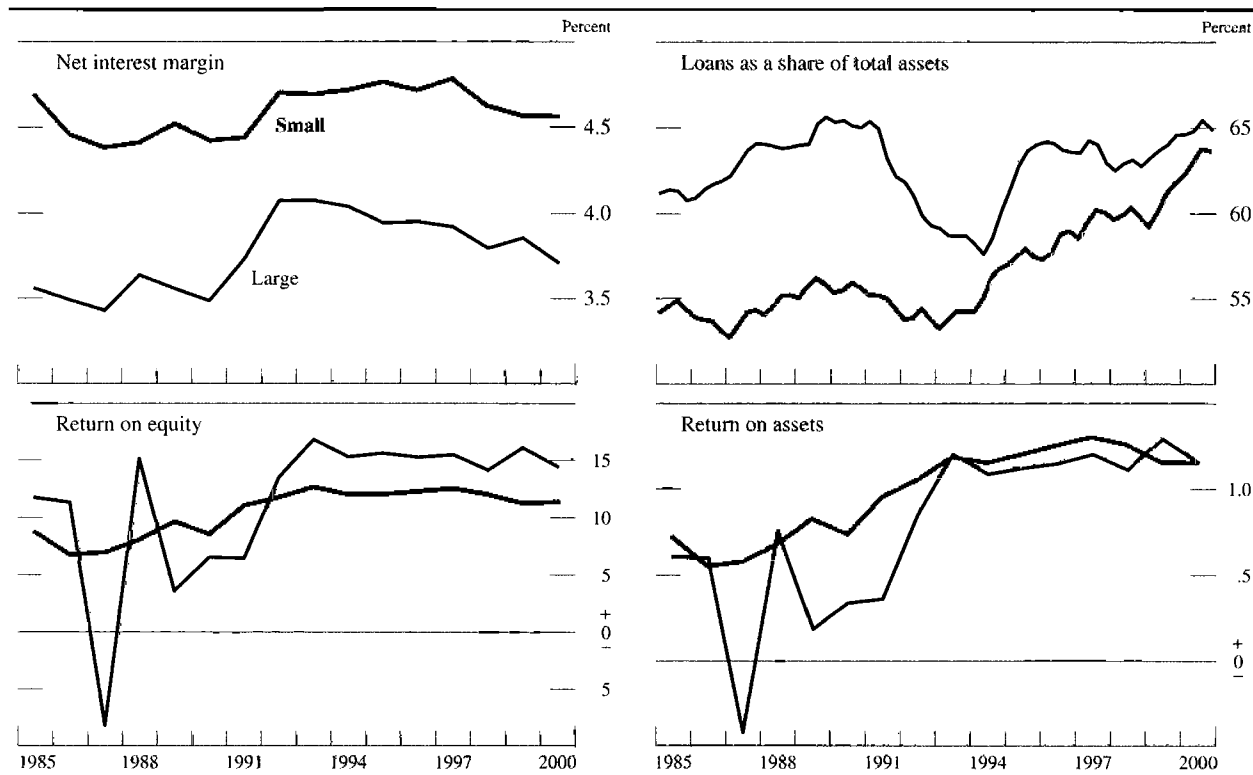
In terms of the return on assets (ROA), small banks have generally been more profitable than large banks (chart 7, bottom right panel), an achievement that is especially impressive given the greater (and growing) earnings on off-balance-sheet activities at large banks. Indeed, the jump of large banks' ROA over that of small banks in 1999 is attributable to large gains in revenue from capital markets business and trading operations; such revenue is not a significant portion of income at small banks.

SUMMARY AND CONCLUSIONS

Generally, small banks have thrived over the past decade and a half despite what might be seen as a variety of adverse circumstances, including extensive bank consolidation, a solid improvement in the balance sheet health of large banks, rapid growth in mutual funds and other elements of a "parallel" banking system, and a steady decline in the real value of deposit insurance. Despite these circumstances, and abstracting from the effects of mergers and acquisitions, small banks have grown considerably more rapidly than large banks and have tended to meet or exceed them in some measures of profitability. Although small banks that are concentrated in agricultural lending have grown more slowly than other small banks, overall credit demand in the agricultural sector likewise has been relatively subdued. The robust growth and high profitability we find at small banks apparently have not gone unnoticed by the

17. Net interest margin is defined as the difference between interest income and interest expense divided by average interest earning assets.

7. Profitability, by asset size of banks, 1985–2000



NOTE. Net interest margin and the returns on equity and assets are for domestic and foreign offices of domestic banks; loan share is for domestic offices only.

investors that have formed significant numbers of new banks in recent years.

As small banks have increased their deposit rates relative to those at large banks, they have generally enjoyed a relative increase in deposit growth. However, in the large time deposit category—where the majority of funds are uninsured—the ability of small banks to increase the flow of deposits by pushing up interest rates has diminished somewhat over time. A

significant factor in the diminishment was the more rapid growth of balance sheets at small banks combined with their relatively more limited funding options. Also contributing was the return to health of the large bank sector and, more recently, of the thrift sector. The decline in the real value of deposit insurance presumably also played a role but one that would have been limited after the early 1990s by sharp declines in the rate of bank failures. □

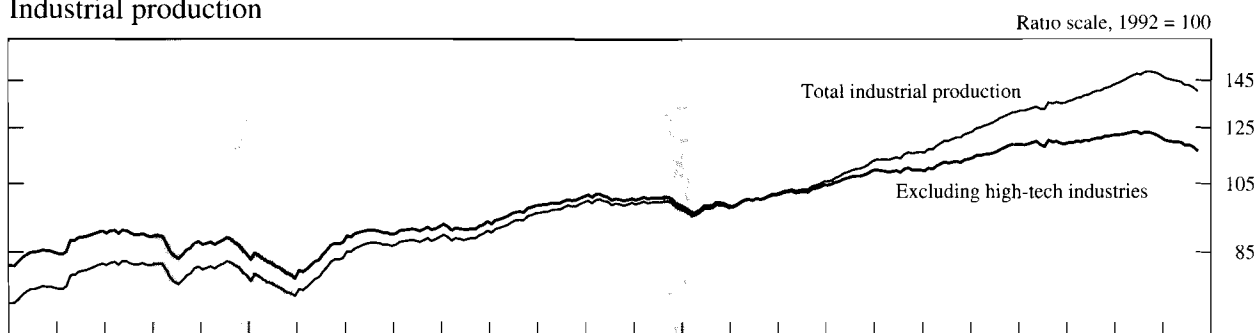
Industrial Production and Capacity Utilization for September 2001

Released for publication October 16

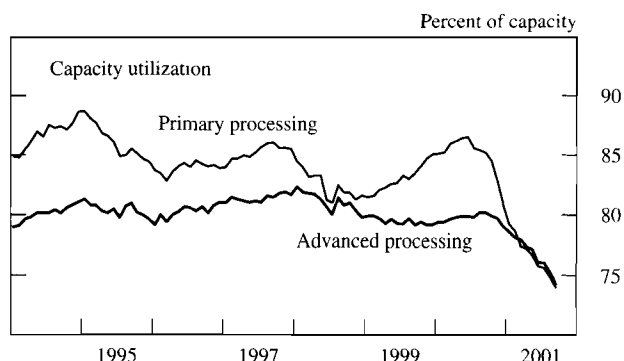
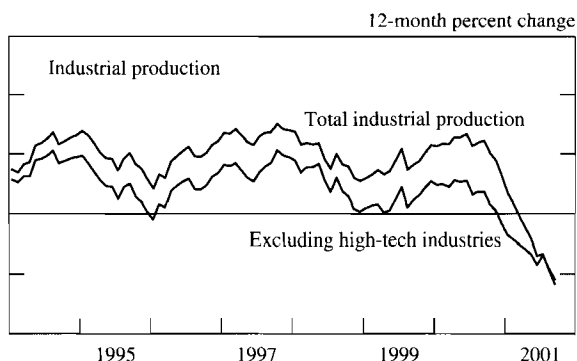
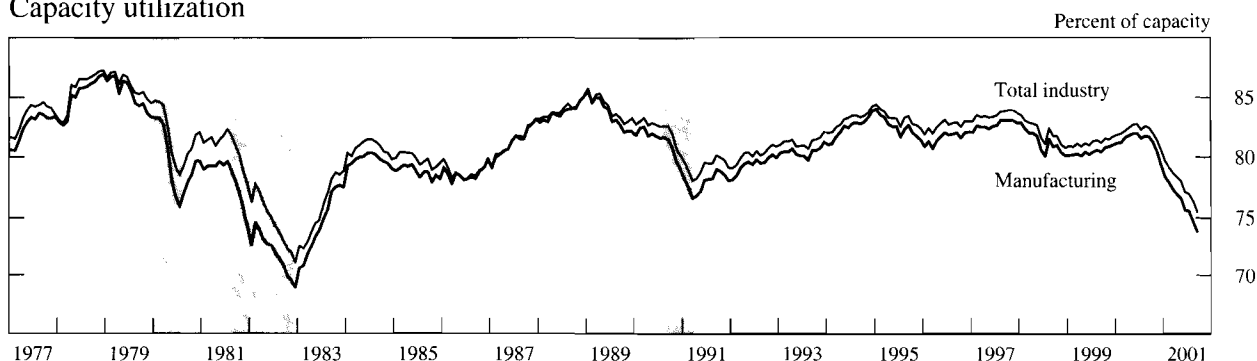
Industrial production fell 1.0 percent in September, its twelfth consecutive monthly decline. At 140.3 percent of its 1992 average, output was 5.8 percent below its level in September 2000. For the third

quarter as a whole, total industrial production declined at an annual rate of 6.2 percent. Manufacturing output contracted 1.1 percent in September and was 6.7 percent below its year-ago level. Utilities production fell 1.8 percent in September, and mining output increased 0.3 percent. The rate of capacity

Industrial production



Capacity utilization



High-tech industries are defined as semiconductors and related electronic components (SIC 3672-9), computers (SIC 357), and communications equipment (SIC 366).

Shaded areas are periods of business recession as defined by the NBER.

INDUSTRY GROUPS

Manufacturing output fell 1.1 percent in September and the weakness was widespread among industries. In the third quarter, manufacturing declined at an annual rate of 6.6 percent, after having fallen at a 5.1 percent rate in the second quarter. The overall production both of durable and nondurable goods decreased in the third quarter; output rose during the quarter in only two industries—motor vehicles and parts and lumber and products. Among durable goods, the largest third-quarter declines were in machinery, especially the high-technology industries (computers, communications equipment, and semiconductors). Also down notably were furniture and fixtures, primary metals, aerospace and miscellaneous transportation equipment, and miscellaneous manufacturing. Among nondurables, declines were largest in apparel products, textile mill products, petroleum products, printing and publishing, and paper and products. In September, all major industry groups in manufacturing were below year-ago levels. The overall factory operating rate declined about 1 percentage point, to 73.8 percent, a level 7.3 percentage points below the 1967–2000 average.

A 0.3 percent increase in the production at mines retraced the August decline; the utilization rate at mines rose 0.3 percentage point, to 89.3 percent, a level about 2 percentage points above its 1967–2000 average. The output of utilities fell back 1.8 percent in September; at 85.7 percent, the operating rate at utilities was about 2 percentage points below its long-term average.

REVISION OF INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

On November 27, the Federal Reserve Board will publish revisions to the index of industrial production (IP), to the related measures of capacity and capacity utilization, and to the index of industrial use of electric power. The updated measures will reflect the incorporation of newly available, more comprehensive source data typical of annual revisions. The new source data are for recent years, primarily 1999 and 2000, although data from 1992 onward will be subject to revision.

Industrial production and capacity utilization will continue to be based on the 1987 Standard Industrial Classification (SIC) until the 2002 annual revision, after which they will be constructed from the North American Industrial Classification System (NAICS). The new NAICS-related production indexes will be

Discontinuation of “Industrial Production and Capacity Utilization” in the *Federal Reserve Bulletin*

“Industrial Production and Capacity Utilization” will not be reprinted in the *Federal Reserve Bulletin* after the December 2001 issue. The Federal Reserve’s monthly G.17 statistical release, “Industrial Production and Capacity Utilization,” which this section of the *Bulletin* summarizes each month, is available on the Board’s web site (www.federalreserve.gov/releases/g17/); historical data back to 1919 are also available on the web site. The data are also available in paper copies and on diskettes from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551 (tel. 202-452-3244).

* * * * *

Other reprints will also be eliminated from the *Bulletin* after December 2001: congressional testimony, the FOMC minutes, the quarterly report “Treasury and Federal Reserve Foreign Exchange Operations,” and the annual report “Domestic Open Market Operations,” both by the Federal Reserve Bank of New York (the text portion of “Open Market Operations” will be reprinted in the Board’s *Annual Report* rather than in the *Bulletin*). The documents are widely distributed when originally published, and several sources for historical information are available.

based on annual output measures that are constructed by reclassifying the establishments in historical Censuses of Manufactures and Mineral Industries under NAICS; annual output indexes constructed this way will maximize the reliability and historical consistency of the IP industry detail.

The updating of source data for IP in the 2001 annual revision will include annual data from the 1999 Bureau of the Census Annual Survey of Manufactures and from selected editions of its 1999 and 2000 Current Industrial Reports. Annual data from the U.S. Geological Survey regarding metallic and nonmetallic minerals (except fuels) for 1999 and 2000 will also be introduced. The updating will include revisions to the monthly indicator for each industry (either physical product data, production-worker hours, or electric power usage) and to seasonal factors.

Capacity and capacity utilization will be revised to incorporate preliminary data from the 2000 Survey of Plant Capacity of the Bureau of the Census, which covers manufacturing, along with other new data on capacity from the U.S. Geological Survey, the Department of Energy, and other organizations. The statis-

tics on the industrial use of electric power will incorporate additional information received from utilities for the past few years and will include some data from the 1997 Census of Manufactures and the 1998 and 1999 Annual Survey of Manufactures.

Once the revision is published, it will be made available on the Board's web site

(www.federalreserve.gov/releases/g17). The revised data will also be available through the web site of the Department of Commerce. Further information on these revisions is available from the Board's Industrial Output Section (telephone 202-452-3197). □

Testimony of Federal Reserve Officials

Testimony of Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, September 20, 2001

I would like to begin my remarks this morning by noting how deeply saddened I and my Federal Reserve colleagues are that so many talented and productive people from so many walks of life were lost or irreparably harmed last week. Although we are here today to discuss some of the immediate economic and financial implications of that tragedy, we are all too aware that the topic we discuss will be a mere footnote.

The terrorism of September 11 will, doubtless, have significant effects on the U.S. economy over the short term. An enormous effort will be required on the part of many to cope with the human and physical destruction. But as we struggle to make sense of our profound loss and its immediate consequences for the economy, we must not lose sight of our longer-run prospects, which have not been significantly diminished by these terrible events.

Over the past couple of decades, the American economy has become increasingly resilient to shocks. Deregulated financial markets, far more flexible labor markets, and, more recently, the major advances in information technology have enhanced our ability to absorb disruptions and recover. In the past, our economy has quickly regained its previous levels following the devastation of hurricanes, earthquakes, floods, and myriad other natural disasters that periodically batter various regions of our country. Although the trauma of September 11 shares some characteristics with such disruptions, the differences are important. In contrast to natural disasters, last week's events are of far greater concern because they strike at the roots of our free society, one aspect of which is our market-driven economy. All modern economies require the confidence that free-market institutions are firmly in place and that commitments made today by market participants will be honored not only tomorrow, but for years into the future. The greater the degree of confidence in the state of future markets, the greater the level of long-term investment. The shock of September 11, by markedly raising the degree of uncertainty about the future, has the potential to result, for

a time, in a pronounced disengagement from future commitments. And that, in the short run, would imply a lessened current level of activity. Indeed, much economic activity ground to a halt last week.

But the foundations of our free society remain sound, and I am confident that we will recover and prosper as we have in the past. As a consequence of the spontaneous and almost universal support that we received from around the world, an agreement on a new round of multilateral trade negotiations now seems more feasible. Such an outcome would lead to a stronger global market system. A successful round would not only significantly enhance world economic growth but also answer terrorism with a firm reaffirmation of our commitment to open and free societies.

But before the recovery process gets under way, stability will need to be restored to the American economy and to others around the world. Arguably, that stability was only barely becoming evident in the United States in the period immediately preceding the acts of terrorism. Aggregate measures of production, employment, and business spending continued to be weak.

That said, consumer spending moved higher in August and appeared to be reasonably well maintained in the first part of September. Industry analysts suggest that motor vehicle sales were running close to August levels, and chain store sales were only modestly lower. Purchasing managers had noted an improvement in the orders picture in August. Moreover, the dramatic rate of decline in profits was slowing. To be sure, these signs were tentative but, on the whole, encouraging. During the past week, of course, the level of activity has declined. The shock is most evident in consumer markets, where many potential purchasers stayed riveted to their televisions and away from shopping malls. Both motor vehicle sales and sales at major chain stores, some of our most current information on consumer spending, appear to have fallen off noticeably. And the airline and travel industries have suffered severe cutbacks.

The unprecedented shutdown of American air travel and tightened border restrictions have induced dramatic curtailments of production at some establishments with tight just-in-time supply chain practices. Automakers, for example, are reported to have pared production and even closed some plants in the

past week, largely owing to supply shortages, though, doubtless, short-term demand uncertainties have also played a part.

The effect on financial markets of the devastating attack on the World Trade Center was pronounced, as telecommunications and trading capacities were severely impaired. But the markets are mostly functioning now, albeit in some cases using contingency arrangements, and as in the past, the infrastructure will be rapidly restored. For a brief time, the terrorist attack markedly disrupted payment transfers that are usually measured in terms of trillions of dollars each day. Many obligors temporarily lost their technical ability to pay on time, leaving those counting on receiving payments caught short. The pressures ultimately ended up concentrated in banks. Those needs were met by the Federal Reserve, both through record lending at the discount window and through an extraordinary infusion of funds through open market operations. To facilitate the channeling of dollar liquidity to foreign financial institutions operating in the United States, thirty-day currency swap lines were arranged with major central banks, again in record volumes. It was essential in such an environment to meet all appropriate demands for dollar liquidity. As the financial markets and payment infrastructure return to normal, loans are being repaid, and the temporarily bloated balance sheet of the Federal Reserve is now shrinking back to normal.

Nobody has the capacity to fathom fully how the tragedy of September 11 will play out. But in the weeks ahead, as the shock wears off, we should be able to better gauge how the ongoing dynamics of these events are shaping the immediate economic outlook.

Discontinuation of “Testimony of Federal Reserve Officials” in the *Federal Reserve Bulletin*

“Testimony of Federal Reserve Officials” will not be reprinted in the *Federal Reserve Bulletin* after the December 2001 issue. When testimony is released to the public, it is simultaneously placed on the Board’s web site (www.federalreserve.gov/boarddocs/testimony/), which also has testimony back to 1996. Paper copies of testimony are also available by mail from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551 (tel. 202-452-3244).

* * * * *

Other reprints will also be eliminated from the *Bulletin* after December 2001: the monthly report on industrial production and capacity utilization, the FOMC minutes, the quarterly report “Treasury and Federal Reserve Foreign Exchange Operations” and the annual report “Open Market Operations,” both by the Federal Reserve Bank of New York (the text portion of “Open Market Operations” will be reprinted in the Board’s *Annual Report* rather than in the *Bulletin*). The documents are widely distributed when originally published, and several sources for historical information are available.

For the longer term, prospects for continued rapid technological advance and associated faster productivity growth are scarcely diminished. Those prospects, born of the ingenuity of our people and the strength of our system, fortify a promising future for our free nation. □

Announcements

FOMC ACTIONS AND DISCOUNT RATE CHANGES

The Federal Open Market Committee decided on October 2, 2001, to lower its target for the federal funds rate by 50 basis points to 2½ percent. In a related action, the Board of Governors approved a 50 basis point reduction in the discount rate to 2 percent.

The terrorist attacks have significantly heightened uncertainty in an economy that was already weak. Business and household spending as a consequence are being further damped. Nonetheless, the long-term prospects for productivity growth and the economy remain favorable and should become evident once the unusual forces restraining demand abate.

The Committee continues to believe that, against the background of its long-run goals of price stability and sustainable economic growth and of the information currently available, the risks are weighted mainly toward conditions that may generate economic weakness in the foreseeable future.

In taking the discount rate action, the Federal Reserve Board also approved the discount rate requests submitted by the boards of directors of the Federal Reserve Banks of Boston, New York, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco.

The Federal Reserve Board on October 3, 2001, approved action by the board of directors of the Federal Reserve Bank of Minneapolis, decreasing the discount rate at the bank from 2½ percent to 2 percent, effective immediately.

The Federal Reserve Board on October 4, 2001, approved action by the board of directors of the Federal Reserve Bank of Philadelphia, decreasing the discount rate at the bank from 2½ percent to 2 percent, effective immediately.

APPOINTMENT OF CHAIRMEN AND DEPUTY CHAIRMEN OF FEDERAL RESERVE BANKS FOR 2002

The Federal Reserve Board announced on September 28, 2001, the appointment of the chairmen and deputy chairmen of the twelve Federal Reserve Banks for 2002.

Each Reserve Bank has a board of directors of nine members. The Board of Governors in Washington, D.C., appoints three of these directors and designates one of its appointees as chairman and a second as deputy chairman. Following are the names of the chairmen and deputy chairmen appointed by the Board for 2002:

Boston

William O. Taylor, Chairman Emeritus, The Boston Globe, Boston, Mass., named Chairman.

James J. Norton, Vice President, AFL-CIO, Washington, D.C., named Deputy Chairman.

New York

Peter G. Peterson, Chairman, The Blackstone Group, New York, N.Y., renamed Chairman.

Deputy Chairman—To be announced.

Philadelphia

Charisse R. Lillie, Partner, Ballard Spahr Andrews & Ingersoll, LLP, Philadelphia, Pa., renamed Chairman.

Glenn A. Schaeffer, President, Pennsylvania Building and Construction Trades Council, Harrisburg, Pa., renamed Deputy Chairman.

Cleveland

David H. Hoag, former Chairman, The LTV Corporation, Cleveland, Ohio, renamed Chairman.

Robert W. Mahoney, former Chairman and Chief Executive Officer, Diebold Inc., Canton, Ohio, renamed Deputy Chairman.

Richmond

Jeremiah J. Sheehan, former Chairman and Chief Executive Officer, Reynolds Metals Company, Richmond, Va., renamed Chairman.

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

Atlanta

John F. Wieland, Chief Executive Officer and Chairman, John Wieland Homes and Neighborhoods, Inc., Atlanta, Ga., renamed Chairman.

Paula Lovell, President, Lovell Communications, Inc., Nashville, Tenn., renamed Deputy Chairman.

Chicago

Robert J. Darnall, Chairman and Chief Executive Officer, Prime Advantage Chicago, Chicago, Ill., named Chairman.

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

St. Louis

Charles W. Mueller, Chairman, President, and Chief Executive Officer, Ameren Corporation, St. Louis, Mo., renamed Chairman.

Walter L. Metcalfe, Jr., Chairman, Bryan Cave LLP, St. Louis, Mo., renamed Deputy Chairman.

Minneapolis

Ronald N. Zwieg, President, United Food & Commercial Workers, Local 653, Plymouth, Minn., named Chairman.

Linda Hall Whitman, former President, Ceridian Performance Partners, Minneapolis, Minn., named Deputy Chairman.

Kansas City

Terrence P. Dunn, President and Chief Executive Officer, J.E. Dunn Construction Company, Kansas City, Mo., renamed Chairman.

Deputy Chairman—To be announced.

Dallas

H.B. Zachry, Jr., Chairman and Chief Executive Officer, H.B. Zachry Company, San Antonio, Tex., renamed Chairman.

Patricia M. Patterson, President, Patterson Investments, Inc., Dallas, Tex., renamed Deputy Chairman.

San Francisco

Nelson C. Rising, Chairman and Chief Executive Officer, Catellus Development Corporation, San Francisco, Calif., renamed Chairman.

George M. Scalise, President, Semiconductor Industry Association, San Jose, Calif., renamed Deputy Chairman.

EXTENSION OF DEADLINE FOR PUBLIC COMMENT ON PAYMENTS SYSTEM RISK POLICY

The Federal Reserve Board announced on September 21, 2001, that it is extending the deadline for public comment on the potential longer-term direction of the Board's policy on payments system risk. Comment is requested by November 16, 2001.

As a result of the September 11 terrorist attacks, some organizations with an interest in the potential longer-term policy direction of the Board's payments system risk policy have had to devote significant resources to ensuring the continued smooth functioning of the payments system and financial markets. The Board has extended the original October 1 comment deadline to provide these organizations with adequate time to analyze the issues raised in the notice and to incorporate their perspectives on recent financial market experiences.

The longer-term policy options include lowering self-assessed net debit caps and eliminating the two-week average caps, implementing differential pricing

for collateralized and uncollateralized daylight overdrafts, and rejecting payments with settlement-day finality that would cause an institution to exceed its daylight overdraft capacity level.

CONSUMER ADVISORY COUNCIL MEETING

The Federal Reserve Board announced on September 28, 2001, that the Consumer Advisory Council would hold its next meeting on Thursday, October 25, 2001. The council's function is to advise the Board on the exercise of its responsibilities under the Consumer Credit Protection Act and on other matters on which the Board seeks its advice.

MODIFICATION OF PSAF FOR PRICED SERVICES CALCULATIONS

The Federal Reserve Board announced on October 10, 2001, modifications to the method for calculating the private-sector adjustment factor (PSAF).

The PSAF imputes the costs that would have been incurred and profits that would have been earned if the Reserve Banks' priced services were provided by a private firm. The revised method will be used to determine the 2002 PSAF and fees for Federal Reserve priced services.

The Monetary Control Act of 1980 requires that fees for Federal Reserve priced services be set at a rate to recover all direct and indirect costs of providing the services and imputed costs, such as financing costs, return on equity (profit), taxes, and certain other expenses. The method for calculating the PSAF is reviewed by the Board periodically. The Board requested public comment on the changes in December 2000.

The changes approved by the Board modify the current method for imputing debt and equity, enhance the method for determining the target rate of return on equity, and refine the basis for selecting the priced services peer group.

INTERAGENCY DATA ON INCREASE IN ADVERSELY CLASSIFIED SYNDICATED LOANS

The 2001 Shared National Credit (SNC) review indicates continued deterioration in the quality of syndicated bank loans, consistent with general economic, sector, and credit market trends, according to data released on October 5, 2001, by three federal bank regulatory agencies.

The results—reported by the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation—are based on analyses that were prepared in the second quarter and reflect business and economic conditions that prevailed at that time.

Several key factors have adversely affected the quality of syndicated loans over the past several years, including bank underwriting and risk selection standards and economic factors. The seasoning of many aggressively underwritten deals, particularly those credits booked in the latter half of the 1990s, has contributed to the increase in adversely rated credits.

Deterioration has been particularly evident for credits to leveraged and speculative-grade borrowers that are facing difficulty generating sufficient cash flow to service their debts in the current environment. It is important to note that most of the deterioration in the quality of syndicated loans is already reflected in the internal credit ratings of individual banks.

In 2001, the SNC Program covered 10,146 credits totaling \$2.1 trillion in loan commitments to 5,870 borrowers. Approximately one-third of the commitments, or \$769 billion, was advanced and outstanding. Classified loans totaled \$117 billion, or 5.7 percent of total commitments, up from 3.2 percent in 2000. At the same time, loans listed for special mention rose to 3.7 percent of total commitments, from 1.9 percent in 2000. On a combined basis, special mention and classified loans represent 9.4 percent of total commitments, up from 5.1 percent a year ago but well below the peak of 16 percent in 1991.

Of the \$2.1 trillion in total SNC commitments, 51 percent is held by U.S. banks, 41 percent is held by foreign banking organizations, and nonbank firms hold the remaining 8 percent. In 2001, 5.4 percent of U.S. bank holdings were classified, compared with 4.4 percent for foreign banking organizations and 14.5 percent for nonbank firms.

The weakening economy has had a greater impact on certain industry sectors. In particular, manufacturing companies have experienced increased credit problems since the previous SNC review, especially the textile and apparel, primary and fabricated metals, and machinery and equipment subsectors. Weakness in the manufacturing sector was also driven by asbestos litigation associated with various large borrowers.

Problems in the information-technology sector (specifically the telecommunications industry) have been well documented and are evident in the substan-

tial increase in adversely rated credits for 2001, albeit from low levels. While many established companies remain strong, a large number of start-up entities are experiencing difficulty generating sufficient cash flow for operations and debt service and may be vulnerable to further deterioration in the event of a sustained economic slowdown.

Despite deterioration in the aggregate syndicated loan market, improvement is noted in several industries; the most noteworthy of which is health care. This sector shows signs of improvement associated with realization of merger and acquisition synergies and increased revenues, although the volume of adversely rated credits within this sector remains relatively high. The low volume of adversely rated borrowers within the real estate market remained relatively unchanged from last year.

For U.S. banks, the rapid deterioration in large syndicated loans comes at a time when the majority of banks have strong capital bases and earnings. While this moderates concerns, banking organizations must remain vigilant in the current environment to ensure that they promptly identify and address any continuation in credit quality deterioration and adjust loan-loss allowance levels appropriately.

INTERAGENCY PUBLIC WORKSHOP ON GLB ACT PRIVACY NOTICES

An announcement was issued on September 24, 2001, that an interagency public workshop on Gramm–Leach–Bliley (GLB) Act privacy notices will be held on Tuesday, December 4, 2001, from 9:00 a.m. to 5:00 p.m. at the Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Room 432, Washington, D.C. 20580. The workshop will provide a forum to identify successful GLB Act privacy notices, discuss strategies for communicating complex information, and encourage industry self-regulatory efforts and consumer and business education. The workshop will bring together financial institutions, consumer and privacy groups, experts on readability and consumer communication, and others to discuss the issues through moderated panel discussions.

The GLB Act (Pub. L. No. 106-102) was signed into law on November 12, 1999. The eight federal agencies (GLB agencies) co-sponsoring the workshop issued regulations implementing the privacy provisions of the GLB Act. Consistent with the act, those regulations provide consumers the opportunity, with certain exceptions, to prevent financial institutions from disclosing consumer information to non-

affiliated third parties. The regulations also require financial institutions to provide privacy notices to consumers.

The GLB agencies are the Board of Governors of the Federal Reserve System, the Commodity Futures Trading Commission, the Department of the Treasury, the Offices of the Comptroller of the Currency and of Thrift Supervision, the Federal Deposit Insurance Corporation, the Federal Trade Commission, the National Credit Union Administration, and the Securities and Exchange Commission.

The event is open to the public; there is no fee for attendance. Pre-registration is strongly encouraged, as seating is limited. The announcement of the workshop is posted on the Federal Trade Commission's web site (www.ftc.gov/glbworkshop) and will be published shortly in the *Federal Register*. To pre-register, please e-mail your name and affiliation to glbworkshop@ftc.gov by November 16, 2001. A detailed agenda and additional information on the workshop will be posted on the web site before December 4. In addition, after the workshop, a transcript will be posted on the Federal Trade Commission's web site (<http://www.ftc.gov>).

INTERACTIVE WEB SITE FOR STUDENTS, EDUCATORS, AND GENERAL PUBLIC

The Federal Reserve Board launched on September 27, 2001, a new, interactive web site developed by the economic educators of the Federal Reserve System. This site offers students, educators, and the general public an introduction to the workings of the Federal Reserve System.

By logging on to www.FederalReserveEducation.org and clicking on FED101, visitors to the site can access easy-to-understand lessons on the Federal Reserve's role in the U.S. economy.

"The Federal Reserve has actively promoted economic education and better public understanding of the roles of the Federal Reserve System for many years," said Alan Greenspan, Chairman of the Board of Governors of the Federal Reserve System. "This web site is intended to improve the information resources available to educators, students, and others with an interest in the Federal Reserve and how it works." FED101 is designed to supplement high school and college economics and social studies classes. However, the user-friendly format makes the site a valuable resource for all ages.

The site covers the Federal Reserve's history, its structure, and its functions in the areas of monetary policy, banking supervision, and financial services.

Interactive graphics and a series of quizzes and self-tests make the site easy for visitors to learn how the Federal Reserve System carries out its many duties.

The web site is an outgrowth of "The Fed Today," a new educational video narrated and hosted by Charles Osgood.

ENFORCEMENT ACTIONS

The Federal Reserve Board announced on October 5, 2001, the execution of an amendment to the written agreement by and among New Century Bank, Shelby Township, Michigan, the State of Michigan Office of Financial and Insurance Services, and the Federal Reserve Bank of Chicago.

The Federal Reserve Board announced on October 5, 2001, the execution of a written agreement by and among the AmericasBANK Corp, Towson, Maryland, its subsidiary bank, the AmericasBANK, Towson, Maryland, the Federal Reserve Bank of Richmond, and the Maryland Division of Financial Regulation, Baltimore, Maryland. □

Minutes of the Meeting of the Federal Open Market Committee Held on August 21, 2001

A meeting of the Federal Open Market Committee was held in the offices of the Board of Governors of the Federal Reserve System in Washington, D.C., on Tuesday, August 21, 2001, at 9:00 a.m.

Present:

Mr. Greenspan, Chairman
Mr. McDonough, Vice Chairman
Mr. Ferguson
Mr. Gramlich
Mr. Hoenig
Mr. Kelley
Mr. Meyer
Ms. Minehan
Mr. Moskow
Mr. Poole

Messrs. Jordan, McTeer, Santomero, and Stern,
Alternate Members of the Federal Open Market
Committee

Messrs. Broadus, Guynn, and Parry, Presidents
of the Federal Reserve Banks of Richmond,
Atlanta, and San Francisco respectively

Mr. Kohn, Secretary and Economist
Mr. Bernard, Deputy Secretary
Mr. Gillum, Assistant Secretary
Mr. Mattingly, General Counsel
Mr. Baxter, Deputy General Counsel
Ms. Johnson, Economist
Mr. Reinhart, Economist
Mr. Stockton, Economist

Ms. Cummings, Messrs. Hakkio, Howard, Hunter,
Lindsey, Rasche, Slifman, and Wilcox,
Associate Economists

Mr. Kos, Manager, System Open Market Account

Ms. Smith, Assistant to the Board, Office of Board
Members, Board of Governors

Mr. Ettin, Deputy Director, Division of Research and
Statistics, Board of Governors

Mr. Madigan, Deputy Director, Division of Monetary
Affairs, Board of Governors

Mr. Simpson, Senior Adviser, Division of Research
and Statistics, Board of Governors

Messrs. Oliner and Struckmeyer, Associate Directors,
Division of Research and Statistics, Board of
Governors

Mr. Helkie, Assistant Director, Division of
International Finance, Board of Governors

Mr. Whitesell, Assistant Director, Division of
Monetary Affairs, Board of Governors

Mr. Skidmore, Special Assistant to the Board, Office
of Board Members, Board of Governors

Mr. Kumasaka, Assistant Economist, Division of
Monetary Affairs, Board of Governors

Ms. Low, Open Market Secretariat Assistant, Office
of Board Members, Board of Governors

Ms. Browne, Executive Vice President, Federal
Reserve Bank of Boston

Messrs. Eisenbeis, Lacker, Ms. Mester,
Messrs. Rosenblum and Sniderman, Senior
Vice Presidents, Federal Reserve Banks of
Atlanta, Richmond, Philadelphia, Dallas, and
Cleveland respectively

Ms. Hargraves and Mr. Judd, Vice Presidents, Federal
Reserve Banks of New York and San Francisco

Mr. Webber, Senior Research Officer, Federal Reserve
Bank of Minneapolis

By unanimous vote, the minutes of the meeting of the Federal Open Market Committee held on June 26–27, 2001, were approved.

The Manager of the System Open Market Account reported on recent developments relating to foreign exchange markets. There were no open market operations in foreign currencies for the System's account in the period since the previous meeting.

The Manager also reported on developments in domestic financial markets and on System open market transactions in U.S. government securities and securities issued or fully guaranteed by federal agencies during the period June 27, 2001, through

August 20, 2001. By unanimous vote, the Committee ratified these transactions.

The Committee then turned to a discussion of the economic and financial outlook and the implementation of monetary policy over the intermeeting period ahead. A summary of the economic and financial information available at the time of the meeting and of the Committee's discussion is provided below.

The information reviewed at this meeting suggested that economic activity exhibited little, if any, upward movement in midsummer. Increases in household expenditures on consumer items and housing appeared to have been relatively well maintained, but business capital expenditures had weakened substantially since early in the year. Efforts to reduce inventories were continuing, and manufacturing activity had decreased further. Employment had declined over recent months. With energy prices having turned down, overall consumer price inflation had eased slightly in recent months, while core measures of consumer prices showed mixed changes on a twelve-month basis. Measures of labor costs had decelerated on balance.

Private nonfarm payroll employment, after declining appreciably during the second quarter, fell further in July, led by additional job losses in manufacturing and help-supply services. Labor demand remained weak in other sectors, with employment in most industries flat to down. The unemployment rate edged up to 4.5 percent in June and remained at that level in July. Although initial claims for unemployment insurance had declined in recent weeks, on balance data suggested persisting softening in the labor market.

Industrial production edged lower in July after larger drops in each of the previous three months. Motor vehicle assemblies rose markedly, but production of high-tech equipment continued to plummet, registering its largest one-month decline in more than a decade. Outside those two industries, manufacturing production either moved sideways or fell slightly. The rate of utilization of manufacturing capacity was little changed in July and remained well below its long-run average.

Growth in consumer spending slowed somewhat in the second quarter, but except for automotive dealers, retailers reported sizable gains in July. Consumer confidence appeared to have stabilized at moderately favorable levels in recent months. Supported by low mortgage rates, residential building activity had held up well this year. In July, single-family starts increased slightly from a strong pace in the first and second quarters, though permits fell marginally. Sales of new homes rose in June (latest data), and sales

of existing homes edged down but remained only slightly below their historical peak.

Business spending on equipment and software declined substantially in the second quarter after falling somewhat in the preceding two quarters. The weakness stemmed from sluggish growth in business sales, significantly reduced corporate cash flows, and continued uncertainty about prospects for future sales and earnings. Shipments of nondefense capital goods declined in June after a modest increase in May, but for the second quarter as a whole they contracted at more than twice the first-quarter pace. Moreover, orders data for June were extraordinarily weak, led by a steep decline in communications equipment. Those data, as well as numerous anecdotal reports, suggested further weakness in spending for equipment and software going forward. Nonresidential construction, which had held up well in the first quarter, was down substantially in the second quarter, as spending for office, industrial, and lodging facilities contracted sharply. Vacancy rates, particularly in high-tech centers, had increased significantly in recent months, as demand for office space and data centers plunged. In contrast, expenditures for drilling and mining equipment soared further in the second quarter.

Business inventory liquidation was sizable in the second quarter, at a pace estimated to be a bit more rapid than in the first quarter. Manufacturing stocks, particularly of computers and electronic products, were reduced substantially; however, shipments of those products also plunged and the inventory-sales ratio in the computer and electronics sector rose further from an already high level. Elsewhere in manufacturing, the ratio of stocks to sales held steady, with stocks remaining high in a number of manufacturing industries despite aggressive production cutbacks. Inventories rose in the wholesale sector and, given sluggish sales of late, the ratio of inventories to sales moved sharply higher in the second quarter. Stocks in the automobile sector declined over the quarter and moved lower in July. Retail inventories, excluding motor vehicles, fell moderately and the sector's inventory-sales ratio edged lower.

The U.S. trade deficit in goods and services narrowed over the May-June period and was about \$20 billion smaller at an annual rate in the second quarter than in the first. The value of imports dropped sharply in the second quarter. The value of exports also decreased significantly, with most of the decline in capital goods, primarily computers and semiconductors. Recent information on foreign industrial economies suggested that growth weakened further in the second quarter. The Japanese economy con-

tracted in the quarter, and growth in the euro area appeared to have weakened substantially. Among the developing countries, economic and financial conditions had deteriorated further in Argentina. In most other developing countries, the pace of economic growth continued to decline.

Consumer price inflation had eased in recent months, as energy prices turned down and increases in core consumer prices subsided after a pickup early in the year. The core consumer price index (CPI) rose in July at about the same pace as in the second quarter, but the twelve-month change in that index had increased slightly. However, revised data indicated that the core personal consumption expenditure (PCE) chain index had decelerated on a year-over-year basis. At the producer level, prices fell in July, leaving the twelve-month change in the producer price index for finished goods somewhat below the twelve-month change of a year earlier. With regard to labor costs, the employment cost index (ECI) increased at a somewhat slower pace in the twelve months ended in June than over the preceding twelve months.

At its meeting on June 26–27, 2001, the Committee adopted a directive that called for maintaining conditions in reserve markets consistent with a decrease of 25 basis points in the intended level of the federal funds rate, to about $3\frac{3}{4}$ percent. This action was deemed appropriate in light of incoming information indicating somewhat weaker economic performance than most members had anticipated and the absence of firm evidence that the deceleration in the economic expansion had run its course or that output growth was about to rebound. With greater slack in labor and product markets and with inflation expectations contained, the members agreed that the balance of risks continued to be weighted toward conditions that could generate economic weakness in the foreseeable future.

Federal funds traded at rates near the Committee's reduced target level over the intermeeting period, and other short-term rates also fell. Market participants became less optimistic regarding the economic outlook over the intermeeting period, inducing widespread declines in longer-term Treasury yields over the period that were most pronounced at the shorter end of the coupon maturity spectrum. Except for the obligations of the most troubled sectors, declines in investment-grade corporate bond yields were about in line with those on Treasury issues of comparable maturity, leaving most risk spreads little changed on balance. A spate of weak second-quarter earnings reports and sizable reductions in analysts' earnings projections for the remainder of the year took a toll

on equity markets, however, and broad stock market indexes moved down appreciably over the intermeeting interval.

The trade-weighted value of the dollar, after an extended period of strength, fell against most major foreign currencies, with much of the decline occurring in the days just before this meeting. The decline was particularly marked against the yen, the euro, and the Swiss franc. In contrast, the dollar was little changed against the currencies of some major trading partners, including Canada and Mexico.

Growth in the broad monetary aggregates remained strong in July but was below the average pace over the first half of the year. Despite some recent slowing, deposit growth was held up by a flight to liquidity and safety in light of the poor performance and substantial volatility in equity markets. Foreign demands for U.S. currency also boosted money growth in July.

The staff forecast prepared for this meeting suggested that, after a period of very slow growth associated in large part with very weak business fixed investment and to some extent with an inventory correction, the economic expansion would gradually regain strength over the forecast horizon and move back to a rate around the staff's current estimate of the growth of the economy's potential output. The period of sub-par expansion was expected to foster an appreciable easing of pressures on resources and some moderation in core price inflation. Although substantial monetary easing had already been implemented and fiscal stimulus was in train, the forecast anticipated that the expansion of domestic final demand would continue to be held back by the effects on household net worth of recent and possible future declines in stock market prices and by damped consumer and business sentiment in a weaker job market. With long-term trends in innovation holding up reasonably well, business fixed investment, notably outlays for equipment and software, likely would return to relatively robust growth after a period of adjustment of capital stocks to more desirable levels, and a projected pickup in foreign economies was seen as providing some support for U.S. exports.

In the Committee's discussion of current and prospective economic developments, many of the members commented that the anticipated strengthening in economic expansion had not yet occurred and, indeed, that the economy and near-term economic prospects appeared to have deteriorated marginally further in the period since the previous meeting. Several members referred to a number of recently available economic indicators that in their view suggested the possibility that the string of disappointing

readings on the economy might be about to end, but those indicators were insufficiently robust and too recent to provide conclusive evidence of emerging stabilization, much less that some overall strengthening might be under way. Among other things, the economy was still adjusting to downward revisions to expected earnings and to perceptions of greater risk and associated declines in wealth. In sum, the timing of the pickup in the growth of the economy had again been pushed back. Even so, the prospects for an upswing over coming quarters remained favorable against the backdrop of the lagged effects of substantial monetary policy easing already implemented this year, the recent passage and initial implementation of stimulative fiscal policy measures, the progress businesses had already achieved toward completing inventory adjustments, and the underlying support for business investments from continued technological innovations. Nonetheless, the members recognized that the recovery in business fixed investment, the major source of weakness in the economy, was likely to follow a more extended period of adjustment than had been anticipated in their earlier forecasts. With regard to the outlook for inflation, members reported on widespread indications of some slackening in what were still generally tight labor markets and also noted that capacity utilization rates had declined substantially in many industries. The reduced pressures on resources along with expectations of some further declines in energy prices were seen by many members as likely to foster a modest deceleration in many measures of wages and prices.

Statistical evidence of an ongoing, though gradual, worsening in overall business conditions was supported by anecdotal reports from around the nation. Weakness continued to be concentrated in manufacturing, notably in the high-tech sector and in high-tech service industries. Indications that the softening was spreading more generally were still fairly limited as suggested by employment data and anecdotal reports. At the same time, members cited some still quite tentative signs that declines in manufacturing had slowed or that activity had steadied in some depressed industries.

In their review of developments in key sectors of the economy, members again emphasized the ongoing strength in household spending and its vital role in moderating the weakness in overall economic activity. Tax rebates, declining energy prices, and widespread discounting of retail prices were cited as positive factors in support of consumer spending on a wide range of goods and services. In addition, increasingly persuasive evidence indicated that realized capital gains from the sale of homes were a

source of fairly significant amounts of consumer purchasing power in the economy. Looking ahead, members expressed some concern about how long the household sector would continue to prop up the economy in the absence of an upturn in business expenditures. While accommodative financial conditions and reduced income tax rates should continue to undergird consumer spending and the data on retail sales for July displayed relatively impressive gains, negative wealth effects from falling stock market prices, declining payrolls, and sluggish income gains—should they persist—might well depress consumer expenditures over coming months. In this regard, some recent anecdotal reports pointed to weaker retail sales, importantly including motor vehicles. There also were some recent indications of declining consumer confidence, and many retailers had become less optimistic about the outlook for sales over the balance of the year.

Homebuilding generally had remained robust in recent months, as relatively low mortgage interest rates continued to offset weakness in employment and incomes and the negative effects of declining stock market wealth. Most regions continued to report strong housing markets, albeit with evidence of some weakening in sales of high-priced homes in a number of areas. For now, however, there were few signs that overall housing activity might be softening, though members noted that potentially bearish factors relating to the outlook for consumer spending might at some point also affect housing.

With household spending already elevated relative to income and its rate of increase unlikely to strengthen materially, if at all, under foreseeable near-term economic conditions, the anticipated upturn in overall economic expansion would depend critically on business investment spending and in turn on improved prospects for business profits and cash flows. Business capital expenditures appeared to be slowing sharply further after posting large declines earlier in the year in conjunction with the marking down of the expected growth of demand for and profitability of capital equipment, weak sales, the emergence of substantial excess capacity in many industries, notably in high-tech facilities, and the resulting decline in earnings. Market forecasts of business profits were progressively being reduced, and as a consequence members saw little likelihood of a marked turnaround in business capital investment over the months ahead despite some elements of strength such as sizable construction projects involving public utilities, energy, and, in some areas, public works. Indeed, history strongly suggested that capital spending might well fall below sustainable

levels for a time as business firms over adjusted on the downside to previously excessive or misdirected buildups of capital resources. While the near-term outlook for business investment was not promising and considerable uncertainty surrounded the timing of the eventual upturn, members remained optimistic about the longer-term prospects for capital expenditures. In the context of a still favorable outlook for continued elevated rates of technological progress, business firms reportedly had not yet exploited many potentially profitable investment opportunities.

The persistence of substantial inventory liquidation was another negative factor in the current performance of the economy. While considerable progress reportedly had been made by numerous business firms in reducing their inventories to bring them into better alignment with sales, a rebound to inventory accumulation did not appear imminent for the economy as a whole. Unexpected weakness in final demands would, of course, lead to additional efforts to pare inventories, which would tend to damp and delay the rebound. Even so, leaner inventories had favorable implications for production going forward.

Fiscal policy developments were a supportive factor in the economy. The tax rebates currently being distributed undoubtedly were having a limited but positive effect on consumers, which likely would continue over coming months. The impetus could not be measured precisely, but it was reflected in available anecdotal reports. Moreover, the reductions in income tax rates would have an ongoing effect in boosting disposable household incomes. On the negative side, financial difficulties in a number of states were being met in part through higher taxes that implied at least some offset to the federal tax relief.

Many of the members expressed concern about what appeared to be cumulating weakness in numerous foreign economies that would feed back to the U.S. economy through reduced demand for U.S. exports and potentially through perceptions of greater risks in financial markets. A number of major industrial economies were growing more slowly than had been expected earlier in the summer. Moreover, severe economic and financial problems in a few developing nations could spill over to their trading partners and other similarly situated countries that could in turn have adverse repercussions more generally on the world economy.

The members generally viewed a modest decline in inflation as a reasonable prospect, at least for a while. Reports from around the nation indicated that labor market conditions had eased, though they remained generally tight and workers available to fill a variety of skilled job openings continued to be in short

supply. On balance, however, upward pressures on labor compensation appeared to be easing somewhat despite large increases in the costs of medical care. Competitive pressures continued to make it very difficult for business firms to raise their prices, and there were no signs that widespread discounting might be coming to an end. An apparent downtrend in the costs of energy was another favorable factor in the outlook for inflation. Some members expressed a degree of concern, however, about the longer-term outlook for inflation. Pressures on resources would rise as the anticipated upturn and possible above-trend growth brought the economy closer to full capacity utilization. An important uncertainty in this regard was the outlook for productivity, whose growth might have moderated from the unusually high growth rates of 1999 and 2000, with possibly adverse implications for labor costs at very low levels of unemployment.

In the Committee's discussion of policy for the intermeeting period ahead, all the members endorsed a proposal calling for a slight further easing in reserve conditions consistent with a 25 basis point reduction in the federal funds rate to a level of 3½ percent. No member expressed a preference for leaving policy unchanged or easing by more than 25 basis points. The economy had continued to be weak—indeed, weaker than many had expected—and data and anecdotal reports from around the country had yet to point to persuasive signs of a turnaround. The monetary and fiscal policy stimulus already in train seemed adequate to promote and support an eventual appreciable rise in the growth of business activity to a pace near that of the economy's potential, but the strength and timing of the pickup remained uncertain and further weakness was a distinct threat in the nearer term. In particular, possible faltering in household expenditures at a time when business firms were still adjusting to inventory imbalances and to capital overinvestments would exacerbate the slowdown in the economy and delay its anticipated recovery. Growing concerns about foreign economies added to the current unease about potential near-term developments.

Against the considerable forces of restraint on aggregate demand, the federal funds rate had been lowered substantially and the monetary aggregates were growing rapidly, but some members noted that in a number of respects financial conditions did not indicate as much oncoming stimulus. Since the start of the year, long-term interest rates generally had not extended earlier declines, prices in equity markets had fallen substantially further, and the dollar had appreciated in foreign exchange markets. Accord-

ingly, the inflation risks of some further monetary stimulus seemed limited and were outweighed by the need to lean against actual and potential shortfalls in demand and business activity.

The members recognized that in light of the lags in the effects of policy, the easing process probably would have to be terminated before available measures of economic activity provided clear evidence of a substantial strengthening trend. In the view of some members, this point might come relatively soon. Beyond the nearer term members also envisaged the desirability of moving preemptively to offset some of the extra monetary stimulus now in the economy in advance of inflation pressures beginning to build. The members were fully prepared to act on a timely basis, but several emphasized the recognition lags that would be involved in stopping and subsequently beginning to reverse the policy easing.

Given their views about the risks to the economy, notably over the nearer term, all the members supported the retention of the sentence in the press statement indicating that the risks continued to be weighted toward further weakness in the foreseeable future.

At the conclusion of this discussion, the Committee voted to authorize and direct the Federal Reserve Bank of New York, until it was instructed otherwise, to execute transactions in the System Account in accordance with the following domestic policy directive:

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. To further its long-run objectives, the Committee in the immediate future seeks conditions in reserve markets consistent with reducing the federal funds rate to an average of around 3½ percent.

The vote encompassed approval of the sentence below for inclusion in the press statement to be released shortly after the meeting:

Against the background of its long-run goals of price stability and sustainable economic growth and of the information currently available, the Committee believes that the risks continue to be weighted mainly toward conditions that may generate economic weakness in the foreseeable future.

Votes for this action: Messrs. Greenspan, McDonough, Ferguson, Gramlich, Hoenig, Kelley, Meyer, Ms. Minehan, Messrs. Moskow and Poole. Votes against this action: None.

It was agreed that the next meeting of the Committee would be held on Tuesday, October 2, 2001.

The meeting adjourned at 12:40 p.m.

RECIPROCAL CURRENCY ARRANGEMENTS

Following the terrorist attacks on September 11, 2001, the Committee established or enlarged reciprocal currency (swap) arrangements with the European Central Bank, the Bank of Canada, and the Bank of England. The purpose of these arrangements was to facilitate the functioning of U.S. financial markets by providing as necessary through the foreign central banks the liquidity in dollars needed by European, Canadian, and British banks whose U.S. operations had been disrupted by the disturbances in the United States. These central bank arrangements would mature in thirty days unless extended by the Committee. Except for an initial drawing of up to \$12 billion by the European Central Bank on September 13, individual drawings were subject to approval by the Foreign Currency Subcommittee of the Federal Open Market Committee. Under the agreements, dollars would be made available in the form of deposits at the Federal Reserve Bank of New York in exchange for deposits in the counterparty central banks of an equivalent amount of their currencies. The individual actions and votes were as follows:

On September 12, 2001, available members of the Committee voted unanimously to establish a \$50 billion swap line with the European Central Bank with a maturity of thirty days unless renewed.

Votes for this action: Messrs. Greenspan, Ferguson, Gramlich, Hoenig, Ms. Minehan, Messrs. Moskow, Poole, and Stewart. Absent and not voting: Messrs. Kelley and Meyer. Mr. Stewart voted as alternate for Mr. McDonough.

On September 13, 2001, available members of the Committee voted unanimously to increase the System's swap line with the Bank of Canada from \$2 billion to \$10 billion, with the added facility to mature in thirty days unless renewed.

Votes for this action: Messrs. Greenspan, McDonough, Ferguson, Gramlich, Hoenig, Kelley, Ms. Minehan, Messrs. Moskow and Poole. Absent and not voting: Mr. Meyer.

On September 14, 2001, available members of the Committee voted unanimously to establish a \$30 billion swap line with the Bank of England, with a maturity of thirty days unless renewed.

Votes for this action: Messrs. Greenspan, McDonough, Ferguson, Hoenig, Kelley, Ms. Minehan, Messrs. Moskow and Poole. Absent and not voting: Messrs. Gramlich and Meyer.

INTERMEETING POLICY ACTION

On September 13, 2001, the Committee met by telephone conference to assess economic and financial developments stemming from the terrorist attacks on September 11 and the possible need for a monetary policy response. Banking and other financial market conditions, notably in New York City but also around the nation, were discussed in some detail as well as the outlook for reopening the stock exchanges. While the ongoing reactions to the recent tragedy were undoubtedly a negative factor in the economic outlook, the members agreed that financial markets were still too disrupted and the economic outlook too uncertain to provide an adequate basis for a policy move at this time. However, the members contemplated the need for some policy easing in the very near future. In the interim, the System would continue to stand ready to provide whatever liquidity might be needed to counter unusual strains and help ensure the effective functioning of the banking system and restore more normal conditions in financial markets.

Subsequently, on September 17, 2001, the Committee members voted unanimously to ease reserve conditions appreciably further, consistent with a reduction in the federal funds rate of 50 basis points to a level of 3 percent. This policy action was associated with the approval by the Board of Governors of a reduction of equal size in the discount rate to a level of 2½ percent. These actions were taken against the backdrop of heightened concerns and uncertainty created by the recent terrorist attacks and their potentially adverse effects on asset prices and the performance of the economy. In conjunction with these policy moves, the Federal Reserve would continue to supply, as needed, an atypically large volume of liquidity to the financial system. As a consequence, the Committee recognized that the federal funds rate might fall below its target on occasion until more normal conditions were restored in the functioning of

Discontinuation of “Minutes of the Federal Open Market Committee” in the *Federal Reserve Bulletin*

“Minutes of the Federal Open Market Committee” will not be reprinted in the *Federal Reserve Bulletin* after the December 2001 issue. When the minutes are released to the public, they are simultaneously placed on the Board’s web site (www.federalreserve.gov/fomc/default.htm), which also has minutes back to 1996; they are also reprinted in the Board’s *Annual Report* (www.federalreserve.gov/boarddocs/RptCongress/).

Paper copies of the minutes are also available by mail from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551 (tel. 202-452-3244).

* * * * *

Other reprints will also be eliminated from the *Bulletin* after December 2001: the monthly report on industrial production and capacity utilization, congressional testimony, the quarterly report “Treasury and Federal Reserve Foreign Exchange Operations” and the annual report “Open Market Operations,” both by the Federal Reserve Bank of New York (the text portion of “Open Market Operations” will be reprinted in the Board’s *Annual Report* rather than in the *Bulletin*). The documents are widely distributed when originally published, and several sources for historical information are available.

the financial system. The Committee’s vote encompassed the retention of a statement in its press release indicating that the balance of risks remained weighted toward weakness for the foreseeable future.

Votes for this action: Messrs. Greenspan, McDonough, Ferguson, Gramlich, Hoenig, Kelley, Meyer, Ms. Minehan, Messrs. Moskow and Poole. Votes against this action: None.

Donald L. Kohn
Secretary

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION A

The Board of Governors is amending 12 C.F.R. Part 201, its Regulation A (Extensions of Credit by Federal Reserve Banks; Change in Discount Rate), to reflect its approval of a decrease in the basic discount rate at each Federal Reserve Bank. The Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks.

Effective September 17, 2001, 12 C.F.R. Part 201 is amended as follows:

Part 201—Extensions of Credit by Federal Reserve Banks (Regulation A)

1. The authority citation for 12 C.F.R. Part 201 continues to read as follows:

Authority: 12 U.S.C. 343 *et seq.*, 347a, 347b, 347c, 347d, 348 *et seq.*, 357, 374, 374a and 461.

2. Section 201.51 is revised to read as follows:

Section 201.51—Adjustment credit for depository institutions.

The rates for adjustment credit provided to depository institutions under section 201.3(a) are:

Federal Reserve Bank	Rate	Effective
Boston	2.5	September 17, 2001
New York	2.5	September 17, 2001
Philadelphia	2.5	September 17, 2001
Cleveland	2.5	September 17, 2001
Richmond	2.5	September 17, 2001
Atlanta	2.5	September 17, 2001
Chicago	2.5	September 17, 2001
St. Louis	2.5	September 18, 2001
Minneapolis	2.5	September 17, 2001
Kansas City	2.5	September 17, 2001
Dallas	2.5	September 17, 2001
San Francisco	2.5	September 17, 2001

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

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

Native American Bancorporation Co.
Denver, Colorado

Order Approving the Formation of a Bank Holding Company and the Acquisition of a Bank

Native American Bancorporation Co. (“Bancorporation”) has requested the Board’s approval under section 3(a)(1) of the Bank Holding Company Act (“BHC Act”)(12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring all the voting shares of Blackfeet National Bank, Browning, Montana (“Blackfeet Bank”).¹ Bancorporation also has requested the Board’s approval under sections 4(c)(8) and 4(j) of the BHC Act (12 U.S.C. §§ 1843(c)(8) and 1843(j)) and section 225.24 of the Board’s Regulation Y (12 C.F.R. 225.24) to retain control of Native American Community Development Corporation (“Native American CDC”), which is a nonprofit corporation established by Bancorporation to engage in community and economic development activities on tribal reservations.

Notice of the proposal, affording interested persons an opportunity to comment, has been published (66 *Federal Register* 9,705 and 12,797 (2001)). The time for filing comments has expired, and the Board has considered all the comments received on the application and notice in light of the factors enumerated in sections 3 and 4 of the BHC Act.

Considerations Relating to Competition and Convenience and Needs

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking in any relevant banking market. The BHC Act also prohibits the Board from approving a proposed bank acquisition that would substantially lessen competition in any relevant banking market, unless the Board finds that the anticompetitive effects of the proposal clearly are outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.²

Bancorporation is a newly organized corporation that currently does not control any depository institutions and has been formed for the purpose of acquiring Blackfeet Bank and establishing Native American CDC. Blackfeet

1. Bancorporation proposes to merge Blackfeet Bank with Native American Interim Bank, National Association, which Bancorporation would establish solely to facilitate the acquisition. The consolidated Bank would operate under Blackfeet Bank’s current charter, would be renamed Native American National Bank, and would continue to have its headquarters in Browning.

2. 12 U.S.C. § 1842(c)(1).

Bank is the 70th largest depository institution in Montana,³ controlling \$16.4 million in deposits.⁴ Bancorporation has indicated that it intends to expand the scope of Blackfeet Bank's operations to banking markets in other states. The Board has reviewed carefully all the facts of record and has concluded that consummation of the proposal likely would not have a significantly adverse effect on competition or on the concentration of banking resources in any relevant banking market. Accordingly, the Board has determined that competitive factors are consistent with approval of the proposal.

Section 3 of the BHC Act also requires the Board to consider the effect of the transaction on the convenience and needs of the community to be served.⁵ In evaluating this factor, the Board places particular emphasis on the ratings the banks involved in a proposal received at their most recent examinations under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). Blackfeet Bank received an outstanding CRA rating from its primary federal supervisor, the Office of the Comptroller of the Currency ("OCC"), as of May 10, 1999. In addition, Blackfeet Bank qualifies as a community development financial institution ("CDFI") under applicable federal banking law,⁶ and Bancorporation proposes either to retain Blackfeet Bank's CDFI status or request that the OCC designate the bank as a national bank with a community development focus.⁷

Bancorporation also has stated that it intends to retain Blackfeet Bank's current community development initiatives and retail banking activities in the Browning community and to expand the bank's products and services to respond to the needs of Native American tribes and tribal businesses nationwide. Bancorporation does not, however, intend to focus on tribes and tribal affiliates exclusively and has developed a CRA plan designed to ensure that the bank advertises and provides products and services to all demographic groups and communities in its proposed assessment areas.

After reviewing all the information submitted by Bancorporation related to the convenience and needs factor and based on all the facts of record, the Board concludes that considerations relating to convenience and needs are consistent with approval.

Financial, Managerial, and Other Supervisory Factors

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 bank acquisition proposal.⁸ As part of this analysis, the Board has reviewed

Bancorporation's operating plan and the proposed management of Bancorporation and Blackfeet Bank. In addition, the Board has taken into account Bancorporation's financial resources, including its capital levels and ability to serve as a source of strength to Blackfeet Bank. Bancorporation's plan to provide Blackfeet Bank with new capital is particularly significant. The Board also has reviewed confidential supervisory and examination information on Blackfeet Bank and publicly reported financial and other information on the bank and Bancorporation.⁹ Moreover, the Board has consulted with the OCC concerning the financial and managerial resources and operating plan of Blackfeet Bank, particularly regarding Bancorporation's proposal to offer additional banking products and services over a broader area.

The Board also has considered that at least 13 Native American tribes and two Alaska Native Corporations (collectively the "Tribal Shareholders") would own all the voting shares of Bancorporation.¹⁰ To ensure that the Tribal Shareholders' status as domestic sovereigns would not impede the ability of the federal banking agencies to supervise and enforce the banking laws against any entity related to Bancorporation, each Tribal Shareholder has acknowledged that its interest in and relationships with Bancorporation would be subject to federal banking laws; acknowledged that the federal banking agencies have au-

9. The Board has considered an allegation that the members of the Blackfeet Tribe were misled into providing funds to establish Blackfeet Bank on the basis that the tribe would control the bank, when persons who are not Native Americans allegedly control Blackfeet Bank. Concern also was expressed that the Blackfeet Tribe could not sell its interest in Blackfeet Bank without the consent of a majority of the members of the Blackfeet Tribe, and that the Blackfeet name could not be used in the bank's title after the proposed acquisition because the Blackfeet Tribe would not wholly own the bank. The Board also considered an assertion that the proposed transaction was motivated by the intention of Bancorporation's organizers to manage trust monies that might be owned to the investor tribes by the Bureau of Indian Affairs. The Board has considered these claims to the extent they relate to the specific statutory factors the Board must review in connection with a bank holding company application. The Board previously has noted, and the courts have held, that the Board's limited jurisdiction to review applications and notices under the BHC Act does not authorize it to adjudicate disputes involving an applicant that do not arise under laws it administers and enforces. *See Deutsche Bank AG, 85 Federal Reserve Bulletin 509 (1999); see also Western Bancshares, Inc. v. Board of Governors, 480 F.2d 749 (10th Cir., 1973).*

Counsel for the Blackfeet Tribe has confirmed that the Blackfeet Tribe owns 94 percent of the shares of Blackfeet Bank through its governing body. Counsel further has represented that consent of the Blackfeet Tribal government, as controlling shareholder of Blackfeet Bank, is sufficient to authorize the proposed exchange of shares of the bank for shares of Bancorporation and that approval of a majority of tribal members is not required. As noted above, Bancorporation intends to rename the bank as Native American National Bank after consummating the proposed acquisition, and the primary purpose of the proposed acquisition is to enable Blackfeet Bank to expand its lending and community development activities for Native American tribes and their affiliates nationwide.

10. Currently, two bank holding companies are wholly owned by Native American tribes. *See Bay Bancorporation, 81 Federal Reserve Bulletin 791 (1995); Mille Lacs Bancorporation, 82 Federal Reserve Bulletin 336 (1996).*

3. In this context, the term "depository institution" includes commercial banks, savings banks, and savings associations.

4. The deposit and ranking data are as of June 30, 2000, and have been adjusted to reflect mergers and acquisitions consummated since that time.

5. 12 U.S.C. § 1842(c)(2).

6. *See* 12 U.S.C. § 4701 *et seq.*

7. *See* 12 C.F.R. 24.6(a)(7).

8. 12 U.S.C. § 1842(c)(2).

thority to enforce compliance with these laws by the Tribal Shareholder, Bancorporation, and Bank; and committed to comply with the federal banking laws. In addition, Bancorporation has made certain commitments designed to ensure that the federal banking agencies expeditiously can examine Blackfeet Bank, which is on a Native American Reservation, and its affiliates and enforce compliance by those companies with the federal banking laws.¹¹

After considering all the facts of record, the Board concludes that the financial and managerial resources and future prospects of Bancorporation and Blackfeet Bank are consistent with approval, as are other supervisory factors the Board is required to consider under section 3 of the BHC Act.

Nonbanking Activities

Bancorporation also has filed notice under sections 4(c)(8) and 4(j) of the BHC Act to retain its interest in Native American CDC and thereby engage in the activity of making investments designed primarily to promote community welfare and providing advisory and related services to support Native American CDC's community development programs.¹² Bancorporation would engage through Native American CDC in a number of community development activities, such as assisting tribes and Indian Housing Authorities with financing low-income mortgages; establishing loan programs designed to provide Native-American small businesses, ranchers, and farmers with better access to credit; improving access to retail banking services in Reservation areas not currently served by bank branches; assisting tribes with the implementation of financial literacy programs for their members; and researching and advising tribes about how to manage Indian lands more efficiently in order to promote greater economic development in Indian country. The Board has determined by regulation that making equity and debt investments in corporations or projects designed primarily to promote community welfare and providing advisory and related services for programs designed primarily to promote community welfare are permissible activities for a bank holding company.¹³

In order to approve the notice filed by Bancorporation to retain Native American CDC, the Board is required by section 4(j)(2)(A) of the BHC Act to determine that the acquisition "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound

banking practices."¹⁴ As part of its evaluation of these factors, the Board considers the financial condition and managerial resources of the notificant, its subsidiaries, and the companies to be acquired, and the effect of the proposed transaction on those resources. For the reasons discussed above and based on all the facts of record, the Board has concluded that financial and managerial considerations are consistent with approval of the notice.

Bancorporation indicates that there are many unique financial needs in Indian country, especially in the areas of affordable housing, small business development, and productive use of Indian lands that are held in trust. Bancorporation further indicates that Native American CDC, by devoting resources to these issues on a nonprofit basis, would have the flexibility to develop programs to meet various needs throughout Indian country that currently are unmet by traditional, for-profit lenders.

The Board has concluded that Bancorporation's control of Native American CDC within the framework of Regulation Y, Board precedent, and the commitments and acknowledgments made by Bancorporation, its shareholders, and Bank is not likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices, that would outweigh the public benefits of the proposal, such as increased customer access to banking products and services and gains in efficiency. Accordingly, based on all the facts of record the Board has determined that the balance of public benefits the Board must consider under section 4(j) of the BHC Act is favorable and consistent with approval of the notice.

Conclusion

Based on the foregoing and after considering all the facts of record, the Board has determined that the application and notice should be, and hereby are, approved. In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by Bancorporation and each Tribal Shareholder with all the commitments and representations made in connection with the application and notices, including the commitments described in this order, and the conditions set forth in this order and the above-noted Board regulations and orders. The Board's approval of the nonbanking aspects of the proposal also is subject to all the conditions set forth in Regulation Y, including those in sections 225.7 and 225.25(c) of Regulation Y (12 C.F.R. 225.7 and 225.25(c)), and the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder. These commitments and condi-

11. For example, Bancorporation has agreed to keep copies of all bank records at Bancorporation's headquarters in Denver (or another location acceptable to the Board and the OCC) and has committed to monitor ownership of its shares to ensure that no shares are transferred or voted in a manner that is inconsistent with federal banking laws.

12. Native American CDC is a nonprofit corporation that is partially funded by Bancorporation, which also selects the corporation's board of directors.

13. 12 C.F.R. 225.28(b)(12).

14. 12 U.S.C. § 1843(j)(2)(A).

tions are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective September 28, 2001.

Voting for the action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

ORDERS ISSUED UNDER INTERNATIONAL BANKING ACT

Abbey National Treasury Services plc London, England

Order Approving Establishment of a Branch

Abbey National Treasury Services plc ("Bank"), London, England, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 7(d) of the IBA (12 U.S.C. § 3105(d)) to establish a branch in Stamford, Connecticut. 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 branch in the United States. Notice of the application, affording interested persons an opportunity to comment, has been published in a newspaper of general circulation in Stamford, Connecticut (*Greenwich Time*, February 22, 2001). The time for filing comments has expired, and all comments have been considered.

Bank, with assets of \$182 billion, is a wholly owned subsidiary of Abbey National plc ("Abbey National"), London, England.¹ The Abbey National Group, with total consolidated assets of approximately \$295 billion, is the fifth largest banking group in the United Kingdom. The Abbey National Group operates a nationwide retail branch network in the United Kingdom and mortgage banking subsidiaries in France and Italy. The Abbey National Group also underwrites life and general insurance in the United Kingdom. Bank is a wholesale bank which operates branches in Hong Kong and Paris, France. Bank provides various treasury operations for the Abbey National Group, including liquidity management, funding, capital management, and risk management services. Bank and Abbey National currently do not have any banking operations in

the United States. Bank would be a qualifying foreign banking organization within the meaning of Regulation K (12 C.F.R. 211.23(b)).

The proposed branch would obtain funding and provide access to U.S. dollar-denominated assets for the Abbey National Group.

In order to approve an application by a foreign bank to establish a branch in the United States, the IBA and Regulation K require the Board to determine that the foreign bank applicant 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 their home country supervisor (12 U.S.C. § 3105(d)(2); 12 C.F.R. 211.24).² The Board may also take into account additional standards as set forth in the IBA and Regulation K (12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c) (2)-(3)).

As noted above, Bank and Abbey National engage 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. With respect to supervision by home country authorities, the Board previously has determined, in connection with applications involving other banks in the United Kingdom, that those banks were subject to home country supervision on a consolidated basis.³ Bank and Abbey National are supervised by the U.K. Financial Services Authority ("FSA") on substantially the same terms and conditions as those other banks. Based on all the facts of record, it has been determined that Bank and Abbey National are subject to comprehensive supervision 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)-(3)) have also been taken into ac-

2. 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.

3. *See HSB Holdings plc, et al*, 86 *Federal Reserve Bulletin* 140 (2000); *HSBC Equator Bank plc*, 84 *Federal Reserve Bulletin* 564 (1998); *Bank of Scotland*, 84 *Federal Reserve Bulletin* 230 (1998); *The Royal Bank of Scotland Group plc*, 82 *Federal Reserve Bulletin* 428 (1996).

1. All financial data are as of June 30, 2001.

count. The FSA has no objection to the establishment of the proposed branch.

The United Kingdom's risk-based capital standards are consistent with those established by the Basel Capital Accord. Bank's capital is in excess of the minimum levels that would be required by the Basel Capital Accord and is considered equivalent to capital that would be required of a U.S. banking organization. Managerial and other financial resources of Bank also are considered consistent with approval, and Bank appears to have the experience and capacity to support the proposed branch. In addition, Bank has established controls and procedures for the proposed branch to ensure compliance with U.S. law, as well as controls and procedures for its worldwide operations generally.

With respect to access to information about Bank's operations, the restrictions on disclosure in relevant jurisdictions in which Bank and Abbey National operate have been reviewed and the relevant government authorities have been communicated with regarding access to information. Bank and Abbey National have committed to make available to the Board such information on the operations of Bank and any of its affiliates that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act, 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 Abbey National 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 FSA may share information on Bank's operations with other supervisors, including the Board. In light of these commitments and other facts of record, and subject to the condition described below, 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 Abbey National, as well as the terms and conditions set forth in this order, Bank's application to establish a branch is hereby approved.⁴ Should any restrictions on access to information on the operations or activities of Bank and 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 or indirect activities in the United States. Approval of this application also is specifically conditioned on compliance by Bank and Abbey National with the commitments made in connection with this application and with the conditions in this order.⁵ The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with this decision and may be enforced in proceedings under 12 U.S.C. § 1818 against Bank and its affiliates.

By order, approved pursuant to authority delegated by the Board, effective September 17, 2001.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

4. 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.

5. The authority to approve the establishment of the proposed branch parallels the continuing authority of the State of Connecticut to license offices of a foreign bank. The approval of this application does not supplant the authority of the State of Connecticut, or its agent, the Connecticut Department of Banking ("Department"), to license the proposed office of Bank in accordance with any terms or conditions that the Department 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
Alliance Bancorp, Culver City, California	Alliance Bank, Culver City, California	San Francisco	September 18, 2001
AmeriBank Holding Company, Collinsville, Oklahoma	American Bank of Oklahoma, Collinsville, Oklahoma	Kansas City	September 13, 2001
American Bancorporation of Minnesota, Inc., Brainerd, Minnesota	American National Bank of Minnesota, Brainerd, Minnesota	Minneapolis	September 25, 2001

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Anchor BanCorp Wisconsin Inc., Madison, Wisconsin	Ledger Capital Corp., Glendale, Wisconsin	Chicago	August 30, 2001
AnchorBank, Madison, Wisconsin	Ledger Bank, S.S.B., Glendale, Wisconsin		
Boston Private Financial Holdings, Inc., Boston, Massachusetts	Borel Bank & Trust Company, San Mateo, California	Boston	September 21, 2001
BOTH, Inc., Kerrville, Texas	Bank of the Hills, N.A., Kerrville, Texas	Dallas	September 27, 2001
BOTH of Delaware, Inc., Wilmington, Delaware			
BW Holdings, Inc., Castle Rock, Colorado	BankWest, Castle Rock, Colorado	Kansas City	September 6, 2001
Cisco Bancshares, Inc., Cisco, Texas	First National Bank, Cisco, Texas	Dallas	September 12, 2001
Cisco Bancshares of Nevada, Inc., Carson City, Nevada			
County Bancshares, Inc., Orange, Texas	Newton Bancshares, Inc., Newton, Texas	Dallas	September 12, 2001
	Newton Delaware Financial Corporation, Dover, Delaware		
	First National Bank of Newton, Newton, Texas		
Dacotah Banks, Inc., Aberdeen, South Dakota	F & M Bank Holding Company of Valley City, Inc., Valley City, North Dakota	Minneapolis	August 29, 2001
	Farmers & Merchants Bank of Valley City, Valley City, North Dakota		
First Banks, Inc., St. Louis, Missouri	Allegiant Bancorp, Inc., St. Louis, Missouri	St. Louis	September 6, 2001
	Allegiant Bank, St. Louis, Missouri		
	South Side National Bank in St. Louis, St. Louis, Missouri		
	Bank of Ste. Genevieve, Ste. Genevieve, Missouri		
	Bank of St. Charles County, St. Charles, Missouri		
	State Bank of Jefferson County, DeSoto, Missouri		
First Independent Capital of Nevada, Reno, Nevada	First Independent Bank of Nevada, Reno, Nevada	San Francisco	September 6, 2001
First Pulaski National Corporation, Pulaski, Tennessee	Belfast Holding Company, Belfast, Tennessee	Atlanta	September 4, 2001
	Bank of Belfast, Belfast, Tennessee		
First Western Bank Shares, Inc., Huron, South Dakota	Marquette Bank Nebraska, N.A., O'Neill, Nebraska	Kansas City	August 30, 2001

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
FNB Bancorp, South San Francisco, California	First National Bank of Northern California, South San Francisco, California	San Francisco	September 21, 2001
FNB Corporation, Christiansburg, Virginia	FNB Southwest, National Association, Roanoke, Virginia	Richmond	September 21, 2001
F.N.B. Corporation, Naples, Florida	Promistar Financial Corporation, Johnstown, Pennsylvania	Atlanta	September 14, 2001
Grant County State Bancshares, Inc. Employee Stock Ownership Plan, Swayzee, Indiana	Grant County State Bancshares, Swayzee, Indiana	Chicago	August 31, 2001
High Street Corporation, Asheville, North Carolina	High Street Banking Company, Asheville, North Carolina	Richmond	September 27, 2001
Howard County Land & Cattle Company, Saint Paul, Nebraska	Citizens National Bank, Loup City, Nebraska	Kansas City	September 21, 2001
Kerndt Bank Services, Inc., Lansing, Iowa	Westmont Corporation, West Union, Iowa Farmers Savings Bank, West Union, Iowa	Chicago	September 5, 2001
Mauch Chunk Trust Financial Corporation, Jim Thorpe, Pennsylvania	Mauch Chunk Trust Company, Jim Thorpe, Pennsylvania	Philadelphia	September 18, 2001
Medley Group, Inc., Dothan, Alabama	Bonifay Holding Company, Inc., Bonifay, Florida The Bank of Bonifay, Bonifay, Florida	Atlanta	September 26, 2001
Olney Bancshares of Texas, Inc., Olney, Texas	Olney Bancorp of Delaware, Inc., Wilmington, Delaware Friona State Bank, Friona, Texas	Dallas	August 14, 2001
Oswego Community Bank Employee Stock Ownership Plan, Oswego, Illinois	Oswego Bancshares, Inc., Oswego, Illinois Oswego Community Bank, Oswego, Illinois	Chicago	September 10, 2001
Piper Holdings, Inc., Covington, Indiana	The Fountain Trust Company, Covington, Indiana	Chicago	September 6, 2001
Regions Financial Corporation, Birmingham, Alabama	Park Meridian Financial Corporation, Charlotte, North Carolina	Atlanta	August 23, 2001
Rivoli Bancorp, Inc., Macon, Georgia	Rivoli Bank and Trust, Macon, Georgia	Atlanta	September 11, 2001
Southern Connecticut Bancorp, Inc., New Haven, Connecticut	Bank of Southern Connecticut, New Haven, Connecticut	Boston	September 14, 2001
Synovus Financial Corp., Columbus, Georgia	FABP Bancshares, Inc., Pensacola, Florida	Atlanta	August 31, 2001
Team Financial, Inc., Paola, Kansas	Post Bancorp, Inc., Colorado Springs, Colorado	Kansas City	August 28, 2001
Team Financial Employees Stock Ownership Plan, Paola, Kansas	Colorado Springs National Bank, Colorado Springs, Colorado		
WB Bancshares, Inc., Bloomington, Wisconsin	Woodhouse and Bartley Bank, Bloomington, Wisconsin	Chicago	September 13, 2001

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Whitney Holding Corporation, New Orleans, Louisiana	Redstone Financial, Inc., Houston, Texas Northwest Bank, N.A., Houston, Texas	Atlanta	September 21, 2001

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
CNB Financial Corporation, Clearfield, Pennsylvania	County Reinsurance Company, Phoenix, Arizona	Philadelphia	September 26, 2001
Commercial Bancgroup, Inc., Harrogate, Tennessee	Cumberland Mountain Bancshares, Inc., Middlesboro, Kentucky Middlesboro Federal Bank, F.S.B., Middlesboro, Kentucky	Atlanta	August 27, 2001
Harleysville National Corporation, Harleysville, Pennsylvania	HNC Reinsurance Company, Phoenix, Arizona	Philadelphia	August 24, 2001
Oswego Bancshares, Inc., Oswego, Illinois	Oswego Community Bank Employee Stock Ownership Plan, Oswego, Illinois	Chicago	September 6, 2001
Popular, Inc., San Juan, Puerto Rico Popular International Bank, Inc., San Juan, Puerto Rico Popular North America, Inc., Marlton, New Jersey Equity One, Inc., Marlton, New Jersey	Money Line Mortgage, Inc., Englewood, Colorado	New York	September 7, 2001

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Banknorth Group, Inc., Portland, Maine	Andover Bancorp, Inc., Andover, Massachusetts Gloucester Investment Corp., Gloucester, Massachusetts	Boston	September 13, 2001
The State Bank-Winfield Employee Stock and Ownership Plan & Trust, Winfield, Kansas	State Financial Investments, Inc., Winfield, Kansas	Kansas City	September 11, 2001
Western Bancorporation, Inc., Duluth, Minnesota	Cass Lake Company, Cass Lake, Minnesota First National Bank of Cass Lake, Cass Lake, Minnesota	Minneapolis	August 24, 2001

APPLICATIONS APPROVED UNDER BANK MERGER ACT

By the Secretary of the Board

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

Applicant(s)	Bank(s)	Effective Date
Zions Bancorporation, Salt Lake City, Utah	Minnequa Bancorp, Inc., Pueblo, Colorado	September 13, 2001

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
Colonial Bank, Montgomery, Alabama	Union Planters Bank, N.A., Memphis, Tennessee	Atlanta	August 29, 2001
Commercial Bank, Harrogate, Tennessee	Middlesboro Federal Bank, F.S.B., Middlesboro, Kentucky	Atlanta	August 27, 2001
First Farmers Bank and Trust Company, Converse, Indiana	Lake City Bank, Warsaw, Indiana	Chicago	August 29, 2001
First Virginia Bank-Colonial, Richmond, Virginia	First Colonial Bank, Hopewell, Virginia	Richmond	September 10, 2001
M&I Marshall & Ilsley Bank, Milwaukee, Wisconsin	National City Bank of Minneapolis, Minneapolis, Minnesota	Chicago	September 14, 2001
Peoples Bank and Trust Company, Sunman, Indiana	Union Bank and Trust Company, North Vernon, Indiana Farmers State Bank, Liberty, Indiana Vevay Deposit Bank, Vevay, Indiana	Cleveland	September 12, 2001
Sky Bank-Mid Am Region, Toledo, Ohio	Standard Federal Bank FSB, Troy, Michigan	Cleveland	September 20, 2001
The State Savings Bank of Manistique, Manistique, Michigan	North Country Bank & Trust, Traverse City, Michigan	Minneapolis	September 19, 2001
Western Security Bank, Billings, Montana	Glacier Bank, Kalispell, Montana	Minneapolis	September 13, 2001

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.

Emran v. Greenspan, No. 1:01CV1992 (PLF)(D.D.C., filed September 20, 2001). Employment discrimination claim.

Buttersworth v. Board of Governors, No. 01-444 (United States Supreme Court, docketed September 14, 2001). Peti-

tion for *certiorari* seeking review of denial of petitioner's Privacy Act claims.

Laredo National Bancshares, Inc. v. Whalen v. Board of Governors, No. 01-CV-134 (S.D. Tex., removed on September 5, 2001, from No. 99CVQ00940-D2) (District Court, 341st Judicial District, Webb County, Texas, originally filed July 26, 2001). Third-party petition seeking indemnification or contribution from Board in connection with claim as-

serted against defendant Whalen alleging tortious interference with a contract.

Radfar v. United States, No. 1:01CV1292 (PLF)(D.D.C., complaint filed June 11, 2001). Action under the Federal Tort Claims Act for injury on Board premises.

Artis v. Greenspan, No. 01-CV-0400 (ESG)(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.

Dime Bancorp, Inc. v. Board of Governors, No. 00-4249 (2d Cir., filed December 11, 2000). Petition for review of a Board order dated September 27, 2000, approving the applications of North Fork Corporation, Inc., Melville, New York, to acquire control of Dime Bancorp, Inc. and to thereby acquire its wholly owned subsidiary, The Dime Savings Bank of New York, FSB, both of New York, New York. The petition was dismissed on the parties' stipulation on July 23, 2001.

Nelson v. Greenspan, No. 99-215 (EGS)(D.D.C., amended complaint filed December 8, 2000). Employment discrimination action. On August 15, 2001, the district court granted the Board's motion to dismiss or, in the alternative, for summary judgment.

Howe v. Bank for International Settlements, No. 00CV12485 RCL (D. Mass., filed December 7, 2000). Action seeking damages in connection with gold market activities and the repurchase of privately-owned shares of the Bank for International Settlements.

Trans Union LLC v. Federal Trade Commission, et al., No. 01-5202 (D.C. Cir., filed June 4, 2001). Appeal of district court order entered April 30, 2001, upholding an interagency rule regarding Privacy of Consumer Finance Information.

Albrecht v. Board of Governors, No. 00-CV-317 (CKK) (D.D.C., filed February 18, 2000). Action challenging the method of funding of the retirement plan for certain Board employees. On March 30, 2001, the district court granted in part and denied in part the Board's motion to dismiss.

Guerrero v. United States, No. CF-F-99-6771 (OWW)(E.D., Cal., filed November 29, 1999). Prisoner suit.

Artis v. Greenspan, No. 1:99CV02073 (EGS) (D.D.C., filed August 3, 1999). 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 labor practices. On February 26, 1999, the Board filed a motion to dismiss the action.

Financial and Business Statistics

A3 GUIDE TO TABULAR PRESENTATION

DOMESTIC FINANCIAL STATISTICS

Money Stock and Bank Credit

- A4 Reserves, money stock, and debt measures
- A5 Reserves of depository institutions and Reserve Bank credit
- A6 Reserves and borrowings—Depository institutions

Policy Instruments

- A7 Federal Reserve Bank interest rates
- A8 Reserve requirements of depository institutions
- A9 Federal Reserve open market transactions

Federal Reserve Banks

- A10 Condition and Federal Reserve note statements
- A11 Maturity distribution of loan and security holding

Monetary and Credit Aggregates

- A12 Aggregate reserves of depository institutions and monetary base
- A13 Money stock and debt measures

Commercial Banking Institutions—Assets and Liabilities

- A15 All commercial banks in the United States
- A16 Domestically chartered commercial banks
- A17 Large domestically chartered commercial banks
- A19 Small domestically chartered commercial banks
- A20 Foreign-related institutions

Financial Markets

- A22 Commercial paper and bankers dollar acceptances outstanding
- A22 Prime rate charged by banks on short-term business loans
- A23 Interest rates—Money and capital markets
- A24 Stock market—Selected statistics

Federal Finance

- A25 Federal fiscal and financing operations
- A26 U.S. budget receipts and outlays
- A27 Federal debt subject to statutory limitation

Federal Finance—Continued

- A27 Gross public debt of U.S. Treasury—Types and ownership
- A28 U.S. government securities dealers—Transactions
- A29 U.S. government securities dealers—Positions and financing
- A30 Federal and federally sponsored credit agencies—Debt outstanding

Securities Markets and Corporate Finance

- A31 New security issues—Tax-exempt state and local governments and corporations
- A32 Open-end investment companies—Net sales and assets
- A32 Corporate profits and their distribution
- A32 Domestic finance companies—Assets and liabilities
- A33 Domestic finance companies—Owned and managed receivables

Real Estate

- A34 Mortgage markets—New homes
- A35 Mortgage debt outstanding

Consumer Credit

- A36 Total outstanding
- A36 Terms

Flow of Funds

- A37 Funds raised in U.S. credit markets
- A39 Summary of financial transactions
- A40 Summary of credit market debt outstanding
- A41 Summary of financial assets and liabilities

DOMESTIC NONFINANCIAL STATISTICS

Selected Measures

- A42 Nonfinancial business activity
- A42 Labor force, employment, and unemployment
- A43 Output, capacity, and capacity utilization
- A44 Industrial production—Indexes and gross value
- A46 Housing and construction
- A47 Consumer and producer prices
- A48 Gross domestic product and income
- A49 Personal income and saving

INTERNATIONAL STATISTICS

Summary Statistics

- A50 U.S. international transactions
- A51 U.S. foreign trade
- A51 U.S. reserve assets
- A51 Foreign official assets held at Federal Reserve Banks
- A52 Selected U.S. liabilities to foreign official institutions

Reported by Banks in the United States

- A52 Liabilities to, and claims on, foreigners
- A53 Liabilities to foreigners
- A55 Banks' own claims on foreigners
- A56 Banks' own and domestic customers' claims on foreigners
- A56 Banks' own claims on unaffiliated foreigners
- A57 Claims on foreign countries—Combined domestic offices and foreign branches

Reported by Nonbanking Business Enterprises in the United States

- A58 Liabilities to unaffiliated foreigners
- A59 Claims on unaffiliated foreigners

Securities Holdings and Transactions

- A60 Foreign transactions in securities
- A61 Marketable U.S. Treasury bonds and notes—Foreign transactions

Interest and Exchange Rates

- A62 Foreign exchange rates

A63 GUIDE TO STATISTICAL RELEASES AND SPECIAL TABLES

SPECIAL TABLES

- A64 Assets and liabilities of commercial banks, June 30, 2001
- A66 Terms of lending of commercial banks, August 2001

A72 INDEX TO STATISTICAL TABLES

Guide to Tabular Presentation

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 on column heading when about half of the figures in that column are changed.)	IMF	International Monetary Fund
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	IOs	Interest only, stripped, mortgage-back 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 Agriculture Mortgage Corporation	OTS	Office of Thrift Supervision
FFB	Federal Financing Bank	PMI	Private mortgage insurance
FHA	Federal Housing Administration	POs	Principal only, stripped, mortgage-back 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 Treasury.

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

1.10 RESERVES, MONEY STOCK, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted¹

Monetary or credit aggregate	2000		2001		2001				
	Q3	Q4	Q1	Q2 ²	Apr. ²	May ²	June ²	July ²	Aug
<i>Reserves of depository institutions²</i>									
1 Total	-8.3	-8.7	-2.1	1.7	16.6	3.1	-3.5	25.6	9.0
2 Required	-8.6	-10.4	-3.5	3.3	20.8	11.5	-14.4	25.0	14.7
3 Nonborrowed	-9.9	-6.4	.5	.6	16.9	-1.9	-4.0	24.0	12.1
4 Monetary base ³	2.5	2.8	6.4	5.4	7.1	6.4	5.6	11.6	15.2
<i>Concepts of money and debt⁴</i>									
5 M1	-3.7	-3.3	5.0 ⁵	5.4	5.2	-8	6.3	13.6	8.0
6 M2	5.6	6.3	10.7	10.4	10.7	5.7	10.1	8.8	7.4
7 M3	9.0	7.3	13.6 ⁶	15.0	19.1	14.1	13.0	6.4	-1.0
8 Debt	4.8 ⁷	4.5 ⁷	4.8	5.8	5.1	6.4	6.2	3.1	n.a.
<i>Nontransaction components</i>									
9 In M2 ⁵	8.5	9.1	12.3	11.8	12.3	7.4	11.2	7.5	7.2
10 In M3 only ⁶	17.0	9.9 ⁶	20.2 ⁶	25.3	38.1	32.6	19.3	1.1	-19.1
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
11 Savings, including MMDAs	11.8	12.0	17.4	20.4	20.5	18.2	19.0	12.3	24.4
12 Small time ⁷	10.5	5.6	2.5	-7.7	-8.3	-7.6	-10.5	-15.3	-9.8
13 Large time ^{8,9}	11.5	4.0 ⁷	-1.3	-1.1	37.2	13.9	9.5	-11.8	-29.6
<i>Thrift institutions</i>									
14 Savings, including MMDAs	3.1	.4	6.5 ⁷	22.2	10.7	32.6	24.8	23.1	25.0
15 Small time ⁷	10.8	9.5	6.2 ⁷	3.0	4.1	11.3	-2.4	-9.9	-12.3
16 Large time ⁸	23.2	14.0	12.3 ⁷	12.1	21.3	21.0	-8.7	19.7	29.0
<i>Money market mutual funds</i>									
17 Retail	3.9	11.6	16.9	11.2	18.1	-11.8	12.1	14.1	-10.5
18 Institution-only	29.2 ⁷	18.8 ⁷	50.0 ⁷	54.9	42.6	67.4	44.2	8.1	-20.9
<i>Repurchase agreements and eurodollars</i>									
19 Repurchase agreements ¹⁰	11.7	2.1	-7.1	21.0	77.1	10.6	1.6	-12.4	-12.2
20 Eurodollars ¹⁰	.6	10.3	38.6 ⁷	8.9	-30.8	-10.3	-14.3	25.6	-14.7
<i>Debt components⁴</i>									
21 Federal	-7.3	-8.0	-5.2 ⁷	-6.4	-9.8	-15.5	2.8	5.1	n.a.
22 Nonfederal	7.8 ⁷	7.5 ⁷	7.1 ⁷	8.5	8.4	11.2	6.9	2.7	n.a.

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

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

3. 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 and debt is as follows:

M1: (1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions, (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those 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.

Debt: The debt aggregate is the outstanding credit market debt of the domestic nonfinancial sectors—the federal sector (U.S. government, not including government-sponsored enterprises or federally related mortgage pools) and the nonfederal sectors (state and local governments, households and nonprofit organizations, nonfinancial corporate and nonfarm noncorporate businesses, and farms). Nonfederal debt consists of mortgages, tax-exempt and corporate bonds, consumer credit, bank loans, commercial paper, and other loans. The data, which are derived from the Federal Reserve Board's flow of funds accounts, are break-adjusted (that is, discontinuities in the data have been smoothed into the series) and month-averaged (that is, the data have been derived by averaging adjacent month-end levels).

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 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT¹

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	2001			2001						
	June	July	Aug.	July 18	July 25	Aug. 1	Aug. 8	Aug. 15	Aug. 22	Aug. 29
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	587,457	593,722	599,962	591,868	595,806	596,372	597,506	598,602	601,169	600,575
2 U.S. government securities ²	532,187	534,518	539,769	534,240	535,822	536,073	536,699	539,546	540,821	541,874
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	10	10	10	10	10	10	10	10	10	10
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	18,444	21,095	22,971	19,729	21,843	22,314	22,264	20,669	24,553	22,505
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	105	113	23	164	156	6	47	7	10	37
9 Seasonal credit	119	177	165	176	193	196	179	185	164	139
10 Special Liquidity Facility credit	0	0	0	0	0	0	0	0	0	0
11 Extended credit	0	0	0	0	0	0	0	0	0	0
12 Float	539	521	35	368	92	-183	275	3	-70	-99
13 Other Federal Reserve assets	36,052	37,287	36,989	37,182	37,691	37,956	38,033	38,183	35,680	36,110
14 Gold stock	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044
15 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
16 Treasury currency outstanding	32,612	32,700	32,762	32,698	32,712	32,726	32,740	32,754	32,768	32,782
ABSORBING RESERVE FUNDS										
17 Currency in circulation	594,536	601,087	607,251	601,089	600,585	602,491	605,463	606,703	607,231	608,447
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	469	421	413	412	407	418	415	416	412	410
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	5,605	5,127	5,040	4,937	4,923	5,231	4,673	5,073	5,313	5,001
21 Foreign	88	92	89	75	107	79	106	78	72	106
22 Service-related balances and adjustments	7,185	7,338	7,558	7,076	7,498	7,362	7,601	7,453	7,484	7,720
23 Other	298	302	303	325	303	306	310	311	305	291
24 Other Federal Reserve liabilities and capital	18,027	17,889	18,220	17,927	18,056	18,057	18,033	18,377	18,463	18,117
25 Reserve balances with Federal Reserve Banks ⁵	7,106	7,408	7,092	5,967	9,884	8,396	6,888	6,187	7,899	6,508
End-of-month figures										
Wednesday figures										
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	595,137	600,662	608,399	592,568	610,260	600,369	604,295	602,848	611,079	603,499
2 U.S. government securities ²	535,110	535,578	541,807	536,102	536,392	536,100	536,611	539,746	540,778	542,873
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	10	10	10	10	10	10	10	10	10	10
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	23,250	26,350	29,755	16,850	35,050	27,150	28,495	27,345	34,265	24,755
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	3	3	6	270	18	5	0	1	23	138
9 Seasonal credit	146	197	117	191	194	187	182	191	147	136
10 Special Liquidity Facility credit	0	0	0	0	0	0	0	0	0	0
11 Extended credit	0	0	0	0	0	0	0	0	0	0
12 Float	-374	917	463	1,766	621	-787	775	152	-99	-293
13 Other Federal Reserve assets	36,992	37,606	36,241	37,379	37,976	37,704	38,222	35,403	35,957	35,881
14 Gold stock	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044
15 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
16 Treasury currency outstanding	32,670	32,726	32,796	32,698	32,712	32,726	32,740	32,754	32,768	32,782
ABSORBING RESERVE FUNDS										
17 Currency in circulation	596,674	604,179	613,104	601,833	602,010	604,937	607,277	607,957	608,965	611,109
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	444	418	416	406	418	415	417	412	409	416
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	7,188	5,592	5,533	5,619	4,717	4,148	4,802	4,069	5,115	4,675
21 Foreign	102	84	80	70	79	72	79	71	75	151
22 Service-related balances and adjustments	7,572	7,362	7,570	7,083	7,498	7,362	7,601	7,453	7,484	7,720
23 Other	271	330	276	321	291	330	305	322	285	282
24 Other Federal Reserve liabilities and capital	17,583	18,219	18,139	17,690	17,855	17,635	17,867	18,240	17,924	17,848
25 Reserve balances with Federal Reserve Banks ⁵	11,217	10,448	9,319	5,488	23,348	11,439	11,932	10,323	16,834	7,322

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

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

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

4. Cash value of agreements arranged through third-party custodial banks. These agreements are collateralized by U.S. government and federal agency securities.

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

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	1998	1999	2000	2001						
	Dec.	Dec.	Dec.	Feb.	Mar.	Apr.	May	June	July	Aug.
1 Reserve balances with Reserve Banks ²	9,026	5,262	7,159	6,615	6,737	6,863	7,610	7,058	7,674 ^r	7,566
2 Total vault cash ³	44,294	60,619	45,228 ^r	48,518 ^r	44,105 ^r	43,657 ^r	43,263	43,133	43,908	44,007
3 Applied vault cash ⁴	36,183	36,392	31,381	32,734	30,978	31,728	31,772	31,175	31,622 ^r	32,058
4 Surplus vault cash ⁵	8,111	24,227	13,847 ^r	15,784 ^r	13,128 ^r	11,929	11,491	11,958	12,286 ^r	11,949
5 Total reserves ⁶	45,209	41,654	38,540	39,349	37,715	38,591	39,382	38,233	39,296	39,624
6 Required reserves	43,695	40,357	37,216	37,917	36,329	37,314	38,363	36,873	37,889 ^r	38,389
7 Excess reserve balances at Reserve Banks ⁷	1,514	1,297	1,325	1,432	1,385	1,277	1,019	1,360	1,407 ^r	1,235
8 Total borrowing at Reserve Banks	117	320	210	51	58	51	213	229	283	183
9 Adjustment	101	179	99	30	38	15	134	110	109	19
10 Seasonal	15	67	111	21	20	35	79	120	174	164
11 Special Liquidity Facility ⁸	0	74	0	0	0	0	0	0	0	0
12 Extended credit ⁹	0	0	0	0	0	0	0	0	0	0
Biweekly averages of daily figures for two-week periods ending on dates indicated										
2001										
	May 2	May 16	May 30	June 13	June 27	July 11	July 25 ^r	Aug. 8 ^r	Aug. 22	Sept. 5
1 Reserve balances with Reserve Banks ²	7,350	7,159	8,159	6,756	7,275	7,357	7,935	7,648	7,050	8,296
2 Total vault cash ³	43,690	42,645	43,900	42,155	43,811	44,209	43,325	44,716	44,325	42,882
3 Applied vault cash ⁴	32,413	31,031	32,530	30,268	31,963	31,432	31,480	32,300	32,121	31,746
4 Surplus vault cash ⁵	11,277	11,615	11,370	11,888	11,848	12,777	11,845	12,416	12,204	11,136
5 Total reserves ⁶	39,763	38,189	40,689	37,024	39,238	38,789	39,415	39,948	39,170	40,041
6 Required reserves	38,549	37,302	39,582	35,775	37,818	37,227	38,027	38,781	38,085	38,513
7 Excess reserve balances at Reserve Banks ⁷	1,214	887	1,107	1,248	1,420	1,562	1,387	1,167	1,086	1,528
8 Total borrowing at Reserve Banks	59	346	97	295	166	244	344	214	184	156
9 Adjustment	20	267	13	195	36	89	159	27	9	29
10 Seasonal	39	79	85	101	130	155	185	188	175	127
11 Special Liquidity Facility ⁸	0	0	0	0	0	0	0	0	0	0
12 Extended credit ⁹	0	0	0	0	0	0	0	0	0	0

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

8. Borrowing at the discount window under the terms and conditions established for the Century Date Change Special Liquidity Facility in effect from October 1, 1999, through April 7, 2000.

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Adjustment credit ¹			Seasonal credit ²			Extended credit ³		
	On 10/12/01	Effective date	Previous rate	On 10/12/01	Effective date	Previous rate	On 10/12/01	Effective date	Previous rate
Boston	2.00	10/2/01	2.50	2.70	10/04/01	3.00	3.20	10/04/01	3.50
New York		10/2/01							
Philadelphia		10/4/01							
Cleveland		10/2/01							
Richmond		10/2/01							
Atlanta		10/2/01							
Chicago	2.00	10/2/01	2.50	2.70	10/04/01	3.00	3.20	10/04/01	3.50
St. Louis		10/3/01							
Minneapolis		10/3/01							
Kansas City		10/2/01							
Dallas		10/2/01							
San Francisco		10/2/01							

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, 1981	12	12	1991—Sept. 13	5–5.5	5	2001—May 15	3.50–4.00	3.50
1982—July 20	11.5–12	11.5	17	5	5	17	3.50	3.50
23	11.5	11.5	Nov. 6	4.5–5	4.5	June 27	3.25–3.50	3.25
Aug. 2	11–11.5	11	7	4.5	4.5	29	3.25	3.25
3	11	11	Dec. 20	3.5–4.5	3.5	Aug. 21	3.00–3.25	3.00
16	10.5	10.5	24	3.5	3.5	23	3.00	3.00
27	10–10.5	10	1992—July 2	3–3.5	3	Sept. 17	2.50–3.00	2.50
30	10	10	7	3	3	18	2.50	2.50
Oct. 12	9.5–10	9.5	1994—May 17	3–3.5	3.5	Oct. 2	2.00–2.50	2.00
13	9.5	9.5	18	3.5	3.5	4	2.00	2.00
Nov. 22	9–9.5	9	Aug. 16	3.5–4	4	In effect Oct. 12, 2001	2.00	2.00
26	9	9	18	4	4			
Dec. 14	8.5–9	8.5	Nov. 15	4–4.75	4.75			
15	8.5–9	8.5	17	4.75	4.75			
17	8.5	8.5	1995—Feb. 1	4.75–5.25	5.25			
1984—Apr. 9	8.5–9	9	9	5.25	5.25			
13	9	9	1996—Jan. 31	5.00–5.25	5.00			
Nov. 21	8.5–9	8.5	Feb. 3	5.00	5.00			
26	8.5	8.5	1998—Oct 15	4.75–5.00	4.75			
Dec. 24	8	8	16	4.75	4.75			
1985—May 20	7.5–8	7.5	Nov. 17	4.50–4.75	4.50			
24	7.5	7.5	19	4.50	4.50			
1986—Mar. 7	7–7.5	7	1999—Aug. 24	4.50–4.75	4.75			
10	7	7	26	4.75	4.75			
Apr. 21	6.5–7	6.5	Nov. 16	4.75–5.00	4.75			
23	6.5	6.5	18	5.00	5.00			
July 11	6	6	2000—Feb. 2	5.00–5.25	5.25			
Aug. 21	5.5–6	5.5	4	5.25	5.25			
22	5.5	5.5	Mar. 21	5.25–5.50	5.50			
1987—Sept. 4	5.5–6	6	23	5.50	5.50			
11	6	6	May 16	5.50–6.00	5.50			
1988—Aug 9	6–6.5	6.5	19	6.00	6.00			
11	6.5	6.5	2001—Jan. 3	5.75–6.00	5.75			
1989—Feb. 24	6.5–7	7	4	5.50–5.75	5.50			
27	7	7	5	5.50	5.50			
1990—Dec. 19	6.5	6.5	31	5.00–5.50	5.00			
1991—Feb 1	6–6.5	6	Feb. 1	5.00	5.00			
4	6	6	Mar. 20	4.50–5.00	4.50			
Apr. 30	5.5–6	5.5	21	4.50	4.50			
May 2	5.5	5.5	Apr. 18	4.00–4.50	4.00			
			20	4.00	4.00			

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

2. Available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of 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; however, it is never less than the discount rate applicable to adjustment credit.

3. May be made available to depository institutions when similar assistance is not reasonably available from other sources, including special industry lenders. Such credit may be provided when exceptional circumstances (including sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance) or

practices involve only a particular institution, or to meet the needs of institutions experiencing difficulties adjusting to changing market conditions over a longer period (particularly at times of deposit disintermediation). The discount rate applicable to adjustment credit ordinarily is charged on extended-credit loans outstanding less than thirty days, however, at the discretion of the Federal Reserve Bank, this time period may be shortened. Beyond this initial period, a flexible rate somewhat above rates charged on market sources of funds is charged. The rate ordinarily is reestablished on the first business day of each two-week reserve maintenance period, but it is never less than the discount rate applicable to adjustment credit plus 50 basis points.

4. For earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941*, and *1941–1970*; and the *Annual Statistical Digest, 1970–1979*, and *1980–1989*. See also the Board's Statistics: Releases and Historical Data web pages (<http://www.federalreserve.gov/releases/H15/data.htm>).

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Type of deposit	Requirement	
	Percentage of deposits	Effective date
<i>Net transaction accounts</i> ²		
1 \$0 million–\$42.8 million ³	3	12/30/99
2 More than \$42.8 million ⁴	10	12/30/99
3 Nonpersonal time deposits ⁵	0	12/27/90
4 Eurocurrency liabilities ⁶	0	12/27/90

1. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmember institutions may maintain reserve balances with a Federal Reserve Bank indirectly, on a pass-through basis, with certain approved institutions. For previous reserve requirements, see earlier editions of the *Annual Report* or the *Federal Reserve Bulletin*. Under 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. 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 28, 2000, for depository institutions that report weekly, and with the period beginning January 18, 2001, for institutions that report quarterly, the amount was decreased from \$44.3 million to \$42.8 million.

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 28, 2000, for depository institutions that report weekly, and with the period beginning January 18, 2001, for institutions that report quarterly, the exemption was raised from \$5.0 million to \$5.5 million.

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

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

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

6. 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	1998	1999	2000	2001						
				Jan.	Feb.	Mar.	Apr.	May	June	July
U.S. TREASURY SECURITIES ²										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	3,550	0	8,676	520	2,683	579	308	624	2,165	718
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	450,835	464,218	477,904	40,769	42,767	46,712	38,317	47,112	40,363	42,001
4 For new bills	450,835	464,218	477,904	40,769	42,767	46,712	38,317	47,112	40,363	42,001
5 Redemptions	2,000	0	24,522	228	638	211	3,537	3,939	0	0
Others within one year										
6 Gross purchases	6,297	11,895	8,809	0	1,605	67	3,027	2,174	1,410	235
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	46,062	50,590	62,025	10,296	5,609	0	12,204	8,117	0	7,088
9 Exchanges	-49,434	-53,315	-54,656	-6,667	-6,799	0	-7,000	-8,965	0	-7,667
10 Redemptions	2,676	1,429	3,779	2,422	1,529	0	4,368	2,287	0	4,668
One to five years										
11 Gross purchases	12,901	19,731	14,482	925	2,983	1,883	4,480	2,685	1,428	4,193
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	-37,777	-44,032	-52,068	-10,296	-2,784	0	-12,204	-1,913	0	1,838
14 Exchanges	37,154	42,604	46,177	6,667	4,945	0	7,000	6,508	0	7,667
Five to ten years										
15 Gross purchases	2,294	4,303	5,871	1,283	0	0	1,390	657	0	756
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	-5,908	-5,841	-6,801	0	-1,855	0	0	-5,130	0	-8,926
18 Exchanges	7,439	7,583	6,585	0	971	0	0	2,457	0	0
More than ten years										
19 Gross purchases	4,884	9,428	5,833	296	495	1,000	913	1,241	1,419	815
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	-2,377	-717	-3,155	0	-971	0	0	-1,074	0	0
22 Exchanges	4,842	3,139	1,894	0	883	0	0	0	0	0
All maturities										
23 Gross purchases	29,926	45,357	43,670	3,024	7,766	3,529	10,118	7,380	6,422	6,716
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	4,676	1,429	28,301	2,650	2,166	211	7,905	6,226	0	4,668
Matched transactions										
26 Gross purchases	4,430,457	4,413,430	4,399,257	356,250	320,060	396,029	381,667	398,039	367,462	392,721
27 Gross sales	4,434,358	4,431,685	4,381,188	352,336	322,056	395,151	381,895	397,600	366,411	394,381
Repurchase agreements										
28 Gross purchases	512,671	281,599	0	0	0	0	0	0	0	0
29 Gross sales	514,186	301,273	0	0	0	0	0	0	0	0
30 Net change in U.S. Treasury securities	19,835	5,999	33,439	4,289	3,604	4,196	1,984	1,592	7,472	388
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
31 Gross purchases	0	0	0	0	0	0	0	0	0	0
32 Gross sales	25	0	0	0	0	0	0	0	0	0
33 Redemptions	322	157	51	0	120	0	0	0	0	0
Repurchase agreements										
34 Gross purchases	284,316	360,069	0	0	0	0	0	0	0	0
35 Gross sales	276,266	370,772	0	0	0	0	0	0	0	0
36 Net change in federal agency obligations	7,703	-10,859	-51	0	-120	0	0	0	0	0
Reverse repurchase agreements										
37 Gross purchases	0	0	0	0	0	0	0	0	0	0
38 Gross sales	0	0	0	0	0	0	0	0	0	0
Repurchase agreements										
39 Gross purchases	0	304,989	890,236	104,930	67,655	86,472	85,166	120,135	65,005	106,355
40 Gross sales	0	164,349	987,501	129,385	62,910	88,142	82,154	114,832	72,065	103,255
41 Net change in triparty obligations	0	140,640	-97,265	-24,455	4,745	-1,670	3,012	5,303	-7,060	3,100
42 Total net change in System Open Market Account	27,538	135,780	-63,877	-20,166	8,229	2,526	4,996	6,895	412	3,488

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.

A10 Domestic Financial Statistics □ November 2001

1.18 FEDERAL RESERVE BANKS Condition and Federal Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	2001					2001		
	Aug. 1	Aug. 8	Aug. 15	Aug. 22	Aug. 29	June	July	Aug.
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044
2 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
3 Coin	1,110	1,115	1,112	1,123	1,106	1,126	1,109	1,096
<i>Loans</i>								
4 To depository institutions	192	182	192	169	274	150	201	123
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
<i>Triparty obligations</i>								
7 Repurchase agreements—triparty ²	27,150	28,495	27,345	34,265	24,755	23,250	26,350	29,755
<i>Federal agency obligations³</i>								
8 Bought outright	10	10	10	10	10	10	10	10
9 Held under repurchase agreements	0	0	0	0	0	0	0	0
10 Total U.S. Treasury securities³	536,100	536,611	539,746	540,778	542,873	535,110	535,578	541,807
11 Bought outright ⁴	536,100	536,611	539,746	540,778	542,873	535,110	535,578	541,807
12 Bills	180,705	181,212	184,343	183,986	184,710	181,126	180,184	183,600
13 Notes	254,628	254,630	254,393	255,779	257,099	254,228	254,627	256,196
14 Bonds	100,768	100,769	101,011	101,013	101,064	99,756	100,767	102,012
15 Held under repurchase agreements	0	0	0	0	0	0	0	0
16 Total loans and securities	563,452	565,298	567,293	575,222	567,911	558,519	562,139	571,694
17 Items in process of collection	8,360	8,263	7,296	6,841	6,619	5,573	10,421	5,821
18 Bank premises	1,505	1,507	1,510	1,512	1,512	1,509	1,505	1,510
<i>Other assets</i>								
19 Denominated in foreign currencies ⁵	14,707	14,803	15,293	15,365	15,300	14,428	14,665	15,365
20 All other ⁶	21,328	21,754	18,428	18,909	19,469	20,667	21,251	19,203
21 Total assets	623,706	625,984	624,174	632,216	625,160	615,066	624,333	627,932
LIABILITIES								
22 Federal Reserve notes	573,736	576,069	576,727	577,729	579,849	565,574	572,980	581,820
23 Reverse repurchase agreements—triparty ²	0	0	0	0	0	0	0	0
24 Total deposits	23,897	24,520	21,899	29,534	20,634	26,208	23,733	22,808
25 Depository institutions	19,347	19,335	17,437	24,059	15,526	18,647	17,727	16,918
26 U.S. Treasury—General account	4,148	4,802	4,069	5,115	4,675	7,188	5,592	5,533
27 Foreign—Official accounts	72	79	71	75	151	102	84	80
28 Other	330	305	322	285	282	271	330	276
29 Deferred credit items	8,438	7,528	7,309	7,029	6,829	5,701	9,401	5,166
30 Other liabilities and accrued dividends ⁷	3,055	3,069	3,062	3,068	3,055	3,140	3,076	3,137
31 Total liabilities	609,126	611,186	608,997	617,359	610,367	600,623	609,191	612,931
CAPITAL ACCOUNTS								
32 Capital paid in	7,165	7,168	7,160	7,169	7,190	7,143	7,164	7,191
33 Surplus	6,725	6,729	6,747	6,750	6,747	6,584	6,723	6,747
34 Other capital accounts	690	902	1,271	938	855	716	1,256	1,063
35 Total liabilities and capital accounts	623,706	625,984	624,174	632,216	625,160	615,066	624,333	627,932
MEMO								
36 Marketable U.S. Treasury securities held in custody for foreign and international accounts	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Federal Reserve note statement								
37 Federal Reserve notes outstanding (issued to Banks)	738,363	738,174	738,144	738,738	739,484	735,805	738,388	739,560
38 Less: Held by Federal Reserve Banks	164,627	162,105	161,417	161,010	159,635	170,231	165,409	157,740
39 Federal Reserve notes, net	573,736	576,069	576,727	577,729	579,849	565,574	572,980	581,820
<i>Collateral held against notes, net</i>								
40 Gold certificate account	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044
41 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
42 Other eligible assets	0	0	0	0	0	0	0	0
43 U.S. Treasury and agency securities	560,492	562,825	563,483	564,485	566,605	552,330	559,736	568,576
44 Total collateral	573,736	576,069	576,727	577,729	579,849	565,574	572,980	581,820

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. Cash value of agreements arranged through third-party custodial banks.

3. Face value of the securities.

4. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities. Excludes securities sold and scheduled to be bought back under matched sale—purchase transactions.

5. Valued monthly at market exchange rates.

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

7. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign exchange commitments.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	2001					2001		
	Aug. 1	Aug. 8	Aug. 15	Aug. 22	Aug. 29	June	July	Aug.
1 Total loans	192	182	192	169	274	150	201	123
2 Within fifteen days ¹	23	33	32	154	266	113	160	106
3 Sixteen days to ninety days	169	149	159	15	8	36	41	17
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Total U.S. Treasury securities ²	536,100	536,611	539,746	540,778	542,873	535,108	535,578	541,807
6 Within fifteen days ¹	16,958	17,818	16,705	23,169	23,583	10,105	13,674	3,906
7 Sixteen days to ninety days	108,398	113,193	113,967	111,370	111,288	126,214	111,161	125,620
8 Ninety-one days to one year	135,091	129,944	135,388	132,549	132,942	123,941	135,091	136,653
9 One year to five years	144,732	144,732	141,175	141,175	141,985	141,089	144,732	141,453
10 Five years to ten years	53,825	53,827	54,872	54,874	55,433	57,527	53,824	55,584
11 More than ten years	77,096	77,097	77,639	77,641	77,642	76,232	77,095	78,590
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	0	0	0	0	0	0	0	0
16 One year to five years	10	10	10	10	10	10	10	10
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	1997 Dec.	1998 Dec.	1999 Dec.	2000 Dec.	2001								
					Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²	Seasonally adjusted												
	1 Total reserves ³	46.85	45.18	41.78	38.51	38.83	38.87	38.26	38.79	38.89	38.77	39.60	39.90
	2 Nonborrowed reserves ⁴	46.52	45.07	41.46	38.30	38.75	38.82	38.20	38.74	38.68	38.55	39.32	39.71
	3 Nonborrowed reserves plus extended credit ⁵	46.52	45.07	41.46	38.30	38.75	38.82	38.20	38.74	38.68	38.55	39.32	39.71
	4 Required reserves	45.16	43.67	40.48	37.18	37.57	37.43	36.87	37.51	37.87	37.41	38.19 ⁶	38.66
	5 Monetary base ⁶	479.47	513.49	593.09	583.96	589.39	591.12	592.42	595.93 ⁷	599.09 ⁸	601.88	607.68	615.39
	Not seasonally adjusted												
	6 Total reserves ⁷	48.01	45.31	41.89	38.60	39.78	39.38	37.76	38.66	39.46	38.33	39.41	39.75
	7 Nonborrowed reserves	47.69	45.19	41.57	38.39	39.70	39.33	37.71	38.61	39.25	38.10	39.13	39.57
8 Nonborrowed reserves plus extended credit ⁵	47.69	45.19	41.57	38.39	39.70	39.33	37.71	38.61	39.25	38.10	39.13	39.57	
9 Required reserves ⁸	46.33	43.80	40.59	37.27	38.52	37.95	36.38	37.38	38.44	36.97	38.01	38.52	
10 Monetary base ⁹	484.98	518.27	600.72	590.20	591.50	589.04	591.36	594.92	598.57	601.69	608.22	614.43	
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰													
11 Total reserves ¹¹	47.92	45.21	41.65	38.54	39.79	39.35	37.72	38.59	39.38	38.23	39.30	39.62	
12 Nonborrowed reserves	47.60	45.09	41.33	38.33	39.72	39.30	37.66	38.54	39.17	38.00	39.01	39.44	
13 Nonborrowed reserves plus extended credit ⁵	47.60	45.09	41.33	38.33	39.72	39.30	37.66	38.54	39.17	38.00	39.01	39.44	
14 Required reserves	46.24	43.70	40.36	37.22	38.54	37.92	36.33	37.31	38.36	36.87	37.89	38.39	
15 Monetary base ¹²	491.79	525.06	608.02	597.12	598.38	595.59	598.20	601.84	605.48	608.83	615.56	621.91	
16 Excess reserves ¹³	1.69	1.51	1.30	1.33	1.25	1.43	1.39	1.28	1.02	1.36	1.41	1.24	
17 Borrowings from the Federal Reserve	.32	.12	.32	.21	.07	.05	.06	.05	.21	.23	.28	.18	

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

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

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

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

9. The break-adjusted monetary base equals (1) break-adjusted total reserves (line 6), plus (2) the (unadjusted) currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all 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.

10. 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.

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

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

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

1.21 MONEY STOCK AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

Item	1997 Dec.	1998 Dec.	1999 Dec.	2000 Dec.	2001			
					May ^r	June ^r	July ^r	Aug.
	Seasonally adjusted							
<i>Measures</i> ²								
1 M1	1,073.4	1,097.0	1,124.8	1,088.2	1,116.9	1,122.8	1,135.5	1,143.1
2 M2	4,031.9	4,385.9	4,653.3	4,945.1	5,170.7	5,214.2	5,252.6	5,285.0
3 M3	5,430.8	6,027.8 ^r	6,527.9 ^r	7,108.4 ^r	7,556.4	7,638.3	7,679.0	7,672.7
4 Debt	15,226.1 ^r	16,261.3 ^r	17,335.2 ^r	18,249.9 ^r	18,651.0	18,747.1	18,796.2	n.a.
<i>M1 components</i>								
5 Currency ³	424.3	459.2	516.7	529.9	545.8	548.1	553.7	562.4
6 Travelers checks ⁴	8.1	8.2	8.2	8.0	8.0	8.2	8.6	8.8
7 Demand deposits ⁵	395.4	379.4	356.1	311.3	311.7	310.0	312.7	314.4
8 Other checkable deposits ⁶	245.7	250.1	243.7	239.0	251.5	256.5	260.4	257.6
<i>Nontransaction components</i>								
9 In M2 ⁷	2,958.5	3,288.9	3,528.5	3,856.9	4,053.7	4,091.4	4,117.1	4,141.9
10 In M3 only ⁸	1,399.0	1,641.9 ^r	1,874.6 ^r	2,163.2 ^r	2,385.7	2,424.1	2,426.4	2,387.7
<i>Commercial banks</i>								
11 Savings deposits, including MMDAs	1,021.1	1,185.8	1,287.0	1,421.7	1,540.2	1,564.6	1,580.6	1,612.7
12 Small time deposits ⁹	625.5	626.4	635.2	699.5 ^r	686.6	680.6	671.9	666.4
13 Large time deposits ^{10,11}	517.4	575.2	648.3	726.5 ^r	706.4	712.0	705.0	687.6
<i>Thrift institutions</i>								
14 Savings deposits, including MMDAs	376.8	414.1	449.3	451.9	488.3	498.4	508.0	518.6
15 Small time deposits ⁹	342.9	325.8	320.9	346.6	353.8	353.1	350.2	346.6
16 Large time deposits ¹⁰	85.5	88.7	91.3	103.2	110.7	109.9	111.7	114.4
<i>Money market mutual funds</i>								
17 Retail	592.1	736.8	836.2	937.2	984.8	994.7	1,006.4	997.6
18 Institution-only	391.8	531.8	623.5	769.3 ^r	972.7	1,008.5	1,015.3	997.6
<i>Repurchase agreements and eurodollars</i>								
19 Repurchase agreements ¹²	254.3	294.5 ^r	338.2 ^r	367.2 ^r	377.5	378.0	374.1	370.3
20 Eurodollars ¹²	150.0	151.8	173.3	197.1	218.4	215.8	220.4	217.7
<i>Debt components</i>								
21 Federal debt	3,800.4 ^r	3,751.1 ^r	3,660.1 ^r	3,400.4 ^r	3,305.9	3,313.7	3,327.7	n.a.
22 Nonfederal debt	11,425.6 ^r	12,510.2 ^r	13,675.1 ^r	14,849.5 ^r	15,345.1	15,433.3	15,468.5	n.a.
	Not seasonally adjusted							
<i>Measures</i> ²								
23 M1	1,096.9	1,120.4	1,148.3	1,112.4	1,111.0	1,122.2	1,135.4	1,140.3
24 M2	4,053.2	4,408.2	4,677.3	4,973.7	5,146.6	5,196.9	5,226.2	5,264.4
25 M3	5,456.2	6,059.9 ^r	6,565.4 ^r	7,153.4 ^r	7,532.5	7,608.3	7,620.6	7,630.7
26 Debt	15,220.5 ^r	16,254.6 ^r	17,328.0 ^r	18,239.4 ^r	18,571.5	18,662.5	18,707.3	n.a.
<i>M1 components</i>								
27 Currency ³	428.1	463.3	521.5	535.2	545.9	548.8	554.4	561.6
28 Travelers checks ⁴	8.3	8.4	8.4	8.1	8.0	8.0	8.2	8.4
29 Demand deposits ⁵	412.4	395.9	371.7	326.6	306.5	308.8	314.0	314.6
30 Other checkable deposits ⁶	248.2	252.8	246.6	242.5	250.5	256.6	258.7	255.6
<i>Nontransaction components</i>								
31 In M2 ⁷	2,956.3	3,287.8	3,529.1	3,861.3	4,035.7	4,074.7	4,090.8	4,124.1
32 In M3 only ⁸	1,403.0	1,651.8 ^r	1,888.1 ^r	2,179.7 ^r	2,385.9	2,411.4	2,394.4	2,366.3
<i>Commercial banks</i>								
33 Savings deposits, including MMDAs	1,020.4	1,186.0	1,288.5	1,426.4	1,535.7	1,567.1	1,579.2	1,606.6
34 Small time deposits ⁹	625.3	626.5	635.4	699.8	684.3	677.0	670.1	665.6
35 Large time deposits ^{10,11}	516.8	574.5	647.7	725.8 ^r	712.2	715.1	703.2	683.6
<i>Thrift institutions</i>								
36 Savings deposits, including MMDAs	376.5	414.2	449.8	453.4	486.9	499.3	507.6	516.6
37 Small time deposits ⁹	342.8	325.8	321.0	346.8	352.7	351.2	349.2	346.2
38 Large time deposits ¹⁰	85.4	88.6	91.2	103.1	111.6	110.4	111.4	113.7
<i>Money market mutual funds</i>								
39 Retail	591.3	735.2	834.3	935.0	976.0	980.2	984.7	989.0
40 Institution-only	398.9	543.7	638.4	787.2 ^r	958.9	986.9	988.0	983.7
<i>Repurchase agreements and eurodollars</i>								
41 Repurchase agreements ¹²	249.5	290.4 ^r	334.7 ^r	364.1 ^r	382.7	382.7	374.0	369.9
42 Eurodollars ¹²	152.3	154.5	176.0	199.5	220.5	216.3	217.8	215.4
<i>Debt components</i>								
43 Federal debt	3,805.8	3,754.9	3,663.2	3,403.5	3,267.9	3,260.4	3,257.5	n.a.
44 Nonfederal debt	11,414.8 ^r	12,499.7 ^r	13,664.9 ^r	14,835.9 ^r	15,303.6	15,402.1	15,449.8	n.a.

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 and debt is as follows:

M1: (1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions, (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those 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 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.

Debt: The debt aggregate is the outstanding credit market debt of the domestic nonfinancial sectors—the federal sector (U.S. government, not including government-sponsored enter-

prises or federally related mortgage pools) and the nonfederal sectors (state and local governments, households and nonprofit organizations, nonfinancial corporate and nonfarm noncorporate businesses, and farms). Nonfederal debt consists of mortgages, tax-exempt and corporate bonds, consumer credit, bank loans, commercial paper, and other loans. The data, which are derived from the Federal Reserve Board's flow of funds accounts, are break-adjusted (that is, discontinuities in the data have been smoothed into the series) and month-averaged (that is, the data have been derived by averaging adjacent month-end levels).

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			
	2000	2001							2001			
	Aug. ^f	Feb. ^f	Mar.	Apr. ^f	May ^f	June ^f	July ^f	Aug.	Aug. 8	Aug. 15	Aug. 22	Aug. 29
	Seasonally adjusted											
Assets												
1 Bank credit	5,101.6	5,269.6	5,281.0 ^f	5,316.5	5,322.2	5,315.7	5,313.7	5,325.0	5,320.6	5,304.5	5,322.7	5,344.6
2 Securities in bank credit	1,315.6	1,350.9	1,345.7	1,364.1	1,370.8	1,379.9	1,385.9	1,418.5	1,419.2	1,404.1	1,415.5	1,433.4
3 U.S. government securities	810.0	776.2	757.1	763.3	765.8	763.8	771.4	782.8	789.5	773.6	778.0	787.3
4 Other securities	505.6	574.7	588.6	600.8	605.0	616.1	614.5	635.7	629.7	630.5	637.5	646.1
5 Loans and leases in bank credit ²	3,786.1	3,918.6	3,935.2 ^f	3,952.4	3,951.4	3,935.8	3,927.8	3,906.5	3,901.4	3,900.4	3,907.2	3,911.2
6 Commercial and industrial	1,077.6	1,106.8	1,104.6 ^f	1,099.0	1,094.5	1,076.1	1,065.2	1,057.7	1,057.9	1,059.2	1,057.1	1,056.2
7 Real estate	1,623.4	1,670.4	1,678.7 ^f	1,688.7	1,699.9	1,703.0	1,709.0	1,704.6	1,709.0	1,705.4	1,699.5	1,702.6
8 Revolving home equity	119.9	133.9	135.8	137.2	138.6	139.7	141.3	142.8	142.2	142.0	142.9	143.7
9 Other	1,503.6	1,536.5	1,542.9 ^f	1,551.5	1,561.3	1,563.3	1,567.7	1,561.9	1,566.8	1,563.4	1,556.6	1,558.9
10 Consumer	523.2	541.2	540.1 ^f	549.4	553.1	551.1	550.4	547.0	543.4	546.6	549.8	548.1
11 Security ³	153.3	168.2	174.1	179.5	167.9	171.8	169.7	169.9	162.9	160.0	174.7	179.4
12 Other loans and leases	408.5	432.0	437.7	435.8	436.0	433.8	433.5	427.3	428.1	429.3	426.2	424.8
13 Interbank loans	245.6	267.4	276.1	290.7	285.4	271.6	275.2	290.4	288.5	288.5	287.3	303.5
14 Cash assets ⁴	288.3	265.5	270.2	287.8	280.6	272.7	285.1	279.3	277.4	276.8	283.1	272.6
15 Other assets ⁵	383.1	413.1	428.1	418.8	413.1	406.7	416.2	425.7	427.8	423.6	427.7	423.5
16 Total assets⁶	5,956.7	6,150.5	6,190.5^f	6,248.3	6,235.9	6,201.5	6,224.7	6,254.4	6,240.3	6,227.3	6,254.7	6,278.2
Liabilities												
17 Deposits	3,755.2	3,891.4	3,925.5	3,991.3	4,005.1	4,038.1	4,061.2	4,069.5	4,062.2	4,074.7	4,056.0	4,065.3
18 Transaction	615.1	607.7	606.8	608.8	612.4	600.2	605.1	609.9	581.9	605.8	621.6	631.4
19 Nontransaction	3,140.1	3,283.6	3,318.7	3,382.5	3,392.7	3,437.9	3,456.0	3,459.6	3,480.3	3,468.9	3,434.4	3,433.9
20 Large time	925.0	937.0	934.8	951.1	965.7	972.3	972.3	959.7	965.0	957.3	953.4	961.1
21 Other	2,215.0	2,346.6	2,383.8	2,431.5	2,427.0	2,459.2	2,483.7	2,500.0	2,515.3	2,511.5	2,481.0	2,472.8
22 Borrowings	1,214.2	1,257.2	1,241.6 ^f	1,281.2	1,249.7	1,216.5	1,229.6	1,236.6	1,230.1	1,217.6	1,228.1	1,272.0
23 From banks in the U.S.	391.0	395.0	394.4 ^f	405.5	385.3	384.0	392.1	399.1	392.7	396.5	392.3	411.2
24 From others	823.3	862.2	847.2 ^f	875.6	864.4	832.5	837.5	837.5	837.4	821.1	835.8	860.8
25 Net due to related foreign offices	267.7	219.4	233.3 ^f	190.0	207.4	184.4	190.8	193.7	200.8	195.7	209.5	176.6
26 Other liabilities	318.0	343.4	352.1	349.6	338.8	349.4	328.2	337.8	329.6	331.1	338.5	350.4
27 Total liabilities	5,555.0	5,711.3	5,752.4^f	5,812.1	5,801.0	5,788.4	5,809.7	5,837.8	5,822.6	5,819.2	5,832.1	5,864.3
28 Residual (assets less liabilities) ⁷	401.6	439.2	438.1 ^f	436.2	434.9	413.1	414.9	416.6	417.7	408.1	422.7	413.9
	Not seasonally adjusted											
Assets												
29 Bank credit	5,084.4	5,264.5	5,268.2 ^f	5,308.9	5,311.4	5,308.5	5,293.1	5,307.6	5,303.4	5,292.7	5,298.6	5,326.5
30 Securities in bank credit	1,308.7	1,352.7	1,349.8	1,365.7	1,370.0	1,379.2	1,376.8	1,411.6	1,411.5	1,397.1	1,407.6	1,426.9
31 U.S. government securities	804.8	778.0	763.0	768.2	766.7	764.2	767.3	778.1	784.7	768.7	772.8	782.3
32 Other securities	503.9	574.7	586.8	597.5	603.3	615.1	609.5	633.5	626.8	628.5	634.9	644.5
33 Loans and leases in bank credit ²	3,775.7	3,911.8	3,918.4 ^f	3,943.2	3,941.4	3,929.3	3,916.3	3,896.0	3,891.9	3,895.6	3,891.0	3,899.7
34 Commercial and industrial	1,070.9	1,106.1	1,106.2 ^f	1,103.6	1,096.8	1,078.4	1,064.4	1,051.5	1,053.7	1,054.3	1,049.6	1,048.1
35 Real estate	1,626.2	1,663.9	1,671.3 ^f	1,684.4	1,700.3	1,702.4	1,708.1	1,707.8	1,711.3	1,710.4	1,701.8	1,706.3
36 Revolving home equity	120.5	132.8	134.2	136.3	138.6	139.9	141.8	143.6	142.7	142.8	143.7	144.8
37 Other	1,505.7	1,531.1	1,537.1 ^f	1,548.1	1,561.7	1,562.4	1,566.3	1,564.2	1,568.6	1,567.5	1,558.1	1,561.5
38 Consumer	524.1	541.9	536.4 ^f	546.3	550.9	548.4	547.9	548.0	541.8	547.3	551.7	551.4
39 Credit cards and related plans	205.2	213.3	209.1	214.5	219.1	217.2	217.5	216.1	213.0	215.3	218.6	217.8
40 Other	318.9	328.6	327.3 ^f	331.8	331.7	331.2	330.4	331.9	328.8	332.0	333.1	333.6
41 Security ³	145.8	171.0	170.1	175.1	161.9	167.2	162.0	161.4	157.3	154.1	163.2	169.4
42 Other loans and leases	408.7	428.9	434.4	433.7	431.6	432.9	433.9	427.2	427.8	429.6	424.7	424.5
43 Interbank loans	236.1	269.2	283.5	296.8	278.8	269.3	267.4	279.0	272.0	281.2	271.5	285.2
44 Cash assets ⁴	276.1	266.6	260.2	283.0	278.3	268.9	276.1	267.7	259.3	266.6	264.2	264.7
45 Other assets ⁵	380.6	412.2	427.3	418.7	413.4	407.6	414.7	422.9	425.8	422.3	421.6	419.8
46 Total assets⁶	5,915.1	6,147.5	6,174.3^f	6,242.0	6,216.4	6,188.9	6,185.8	6,211.0	6,194.4	6,196.5	6,189.6	6,230.2
Liabilities												
47 Deposits	3,718.4	3,908.3	3,935.8	4,010.6	3,993.1	4,019.2	4,029.6	4,029.1	4,028.5	4,039.8	3,996.2	4,016.9
48 Transaction	601.1	599.6	600.8	615.0	602.7	599.8	598.9	596.1	565.5	597.2	594.6	617.6
49 Nontransaction	3,117.3	3,308.7	3,335.0	3,395.6	3,390.4	3,419.3	3,430.8	3,433.0	3,463.0	3,442.6	3,401.6	3,399.3
50 Large time	912.3	948.7	938.0	952.4	964.4	969.1	958.4	946.3	951.3	942.2	940.4	948.8
51 Other	2,205.0	2,360.1	2,397.0	2,443.2	2,426.0	2,450.2	2,472.3	2,486.8	2,511.7	2,500.4	2,461.2	2,450.5
52 Borrowings	1,192.2	1,260.8	1,240.0 ^f	1,281.9	1,254.8	1,217.3	1,220.2	1,214.7	1,207.4	1,196.2	1,205.1	1,247.5
53 From banks in the U.S.	383.6	399.3	398.0 ^f	408.8	388.4	384.8	388.9	390.9	385.8	389.1	384.1	400.3
54 From others	808.6	861.4	842.0 ^f	873.1	866.4	832.6	831.3	823.9	821.6	807.1	821.0	847.2
55 Net due to related foreign offices	267.0	225.5	232.2	183.0	206.5	180.6	184.4	192.9	199.5	194.8	208.2	175.4
56 Other liabilities	317.7	347.4	350.8	344.7	339.5	347.3	323.8	337.6	327.7	329.9	338.8	352.2
57 Total liabilities	5,495.3	5,742.0	5,758.9^f	5,820.1	5,793.9	5,764.4	5,758.0	5,774.3	5,763.1	5,760.6	5,748.4	5,791.9
58 Residual (assets less liabilities) ⁷	419.9	405.5	415.5 ^f	421.9	422.5	424.5	427.9	436.7	431.3	435.8	441.2	438.2

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			
	2000	2001							2001			
	Aug. ^f	Feb. ^f	Mar.	Apr. ^f	May ^f	June ^f	July ^f	Aug.	Aug. 8	Aug. 15	Aug. 22	Aug. 29
Seasonally adjusted												
Assets												
1 Bank credit	4,517.8	4,661.1	4,658.3 ^f	4,690.3	4,711.9	4,714.4	4,721.3	4,733.9	4,727.9	4,718.3	4,732.0	4,751.3
2 Securities in bank credit	1,109.4	1,150.8	1,138.4	1,143.1	1,155.7	1,162.8	1,167.2	1,197.4	1,199.8	1,182.5	1,193.5	1,212.1
3 U.S. government securities	732.1	711.8	689.0	689.1	696.8	696.7	704.5	717.3	724.6	708.1	713.0	721.3
4 Other securities	377.3	439.0	449.3	454.0	458.9	466.1	462.7	480.1	475.2	474.4	480.5	490.8
5 Loans and leases in bank credit ²	3,408.3	3,510.3	3,519.9 ^f	3,547.3	3,556.2	3,551.6	3,554.1	3,536.5	3,528.2	3,535.7	3,538.5	3,539.1
6 Commercial and industrial	872.0	890.0	884.9 ^f	880.5	877.8	867.4	861.2	855.2	854.8	856.1	854.7	854.8
7 Real estate	1,605.4	1,651.8	1,660.2 ^f	1,671.0	1,682.1	1,685.4	1,691.2	1,686.5	1,691.0	1,687.5	1,681.6	1,684.1
8 Revolving home equity	119.9	133.9	135.8	137.2	138.6	139.7	141.3	142.8	142.2	142.0	142.9	143.7
9 Other	1,485.5	1,517.9	1,524.4 ^f	1,533.8	1,543.5	1,545.7	1,549.9	1,543.7	1,548.8	1,545.5	1,538.7	1,540.3
10 Consumer	523.2	541.2	540.1 ^f	549.4	553.1	551.1	550.4	547.0	543.4	546.6	549.8	548.1
11 Security ³	68.1	62.9	67.0	78.8	75.3	80.9	83.5	86.5	77.8	82.7	92.1	92.6
12 Other loans and leases	339.6	364.4	367.7	367.6	368.0	366.8	367.8	361.4	361.2	363.0	360.4	359.6
13 Interbank loans	223.2	239.0	245.6	262.7	255.0	248.1	252.9	268.8	267.3	267.9	265.5	278.9
14 Cash assets ⁴	244.4	223.9	229.6	249.3	243.8	237.5	249.6	243.4	241.7	241.5	245.9	237.1
15 Other assets ⁵	340.0	377.9	391.7	379.0	375.7	369.4	384.3	396.4	398.7	396.1	399.3	390.4
16 Total assets⁶	5,263.8	5,437.2	5,460.8^f	5,516.1	5,521.3	5,504.5	5,542.8	5,576.8	5,565.0	5,557.9	5,576.9	5,592.1
Liabilities												
17 Deposits	3,363.0	3,510.8	3,547.2	3,597.2	3,596.4	3,618.9	3,648.1	3,665.2	3,659.1	3,674.5	3,650.9	3,656.9
18 Transaction	604.3	597.4	597.3	598.0	601.6	590.4	595.4	599.6	572.7	595.8	610.9	620.5
19 Nontransaction	2,758.7	2,913.4	2,949.9	2,999.2	2,994.8	3,028.5	3,052.7	3,065.7	3,086.3	3,078.7	3,039.9	3,036.4
20 Large time	545.9	568.9	568.2	570.1	570.1	571.6	571.3	568.1	573.5	569.5	561.4	566.0
21 Other	2,212.7	2,344.5	2,381.6	2,429.1	2,424.7	2,456.9	2,481.4	2,497.6	2,512.9	2,509.1	2,478.6	2,470.4
22 Borrowings	1,013.5	1,018.7	1,008.2 ^f	1,040.6	1,030.3	1,000.1	1,017.5	1,026.4	1,018.0	1,006.6	1,026.5	1,056.8
23 From banks in the U.S.	373.7	372.5	369.9 ^f	379.7	363.9	359.7	368.1	376.8	370.6	369.3	375.6	387.9
24 From others	639.7	646.2	638.3 ^f	660.9	666.4	640.4	649.5	649.6	647.4	637.3	650.9	668.9
25 Net due to related foreign offices	243.4	214.6	211.4	185.5	211.8	204.1	207.1	205.8	214.1	211.6	212.3	190.8
26 Other liabilities	242.5	266.3	269.3	261.0	253.4	265.9	249.5	260.2	255.7	254.1	259.6	268.4
27 Total liabilities	4,862.4	5,010.4	5,036.2^f	5,084.3	5,091.9	5,089.0	5,122.2	5,157.5	5,146.8	5,146.8	5,149.3	5,172.9
28 Residual (assets less liabilities)⁷	401.4	426.8	424.6^f	431.8	429.5	415.4	420.5	419.3	418.1	411.1	427.6	419.2
Not seasonally adjusted												
Assets												
29 Bank credit	4,507.0	4,652.8	4,650.4 ^f	4,685.6	4,705.8	4,710.9	4,705.0	4,722.9	4,715.8	4,710.9	4,715.6	4,741.0
30 Securities in bank credit	1,102.6	1,152.6	1,142.4 ^f	1,144.7	1,154.9	1,162.1	1,158.1	1,190.5	1,192.2	1,175.5	1,185.6	1,205.6
31 U.S. government securities	726.9	713.5	694.9	694.0	697.7	697.0	700.4	712.6	719.8	703.2	707.8	716.3
32 Other securities	375.6	439.1	447.5	450.7	457.2	465.0	457.7	477.9	472.3	472.4	477.8	489.3
33 Loans and leases in bank credit ²	3,404.5	3,500.2	3,508.0 ^f	3,540.9	3,550.9	3,548.8	3,547.0	3,532.4	3,523.6	3,535.4	3,530.0	3,535.4
34 Commercial and industrial	866.7	887.1	885.3 ^f	886.9	883.2	870.8	861.1	850.4	851.9	851.8	848.4	848.6
35 Real estate	1,608.2	1,645.2	1,652.8 ^f	1,666.7	1,682.5	1,684.8	1,690.3	1,689.6	1,693.3	1,692.4	1,684.0	1,687.8
36 Revolving home equity	120.5	132.8	134.2	136.3	138.6	139.9	141.8	143.6	142.7	142.8	143.7	144.8
37 Other	1,487.7	1,512.5	1,518.6 ^f	1,530.4	1,543.9	1,544.8	1,548.5	1,546.0	1,550.5	1,549.6	1,540.2	1,543.0
38 Consumer	524.1	541.9	536.4 ^f	546.3	550.9	548.4	547.9	548.0	541.8	547.3	551.7	551.4
39 Credit cards and related plans	205.2	213.3	209.1	214.5	219.1	217.2	217.5	216.1	213.0	215.3	218.6	217.8
40 Other	318.9	328.6	327.3 ^f	331.8	331.7	331.2	330.4	331.9	328.8	332.0	333.1	333.6
41 Security ³	64.4	64.7	68.9	75.8	70.0	78.3	78.6	81.9	74.2	79.3	85.6	87.5
42 Other loans and leases	341.1	361.3	364.5	365.3	364.4	366.5	369.1	362.5	364.6	364.6	360.3	360.1
43 Interbank loans	213.8	240.8	252.9	268.7	248.3	245.8	245.2	257.4	253.8	260.6	249.6	260.6
44 Cash assets ⁴	233.5	224.8	221.1	246.0	242.5	234.8	241.9	232.9	224.7	232.3	228.2	230.3
45 Other assets ⁵	337.9	376.1	390.4	379.8	376.6	371.6	383.6	393.8	397.1	395.3	393.4	386.9
46 Total assets⁶	5,230.4	5,429.9	5,450.3^f	5,515.1	5,508.0	5,498.0	5,510.5	5,541.2	5,525.7	5,533.1	5,520.9	5,553.0
Liabilities												
47 Deposits	3,337.1	3,519.6	3,553.1	3,613.6	3,583.2	3,607.1	3,626.7	3,636.5	3,637.4	3,652.9	3,603.0	3,618.7
48 Transaction	590.2	589.5	591.6	604.8	592.2	590.1	589.1	585.7	556.4	587.1	584.1	606.6
49 Nontransaction	2,746.9	2,930.1	2,961.5	3,008.8	2,991.0	3,017.0	3,037.7	3,050.8	3,081.0	3,065.8	3,019.0	3,012.0
50 Large time	544.1	572.2	566.7	568.0	567.3	569.0	567.7	566.3	571.6	567.8	560.1	563.9
51 Other	2,202.8	2,357.9	2,394.8	2,440.9	2,423.7	2,447.9	2,470.0	2,484.4	2,509.4	2,498.1	2,458.9	2,448.1
52 Borrowings	991.4	1,022.3	1,006.6 ^f	1,041.3	1,035.4	1,001.0	1,008.2	1,004.5	995.3	985.2	1,003.5	1,032.3
53 From banks in the U.S.	366.4	376.9	373.5 ^f	382.9	367.0	360.5	364.8	368.6	363.7	361.9	367.4	377.0
54 From others	625.1	645.5	633.0 ^f	658.4	668.4	640.5	643.3	635.9	631.6	623.3	636.1	655.3
55 Net due to related foreign offices	243.8	217.4	210.3	183.1	214.1	203.4	204.0	206.2	211.6	209.9	214.6	194.7
56 Other liabilities	242.7	268.8	268.0	258.2	255.6	265.4	246.6	260.5	253.2	252.5	261.5	272.4
57 Total liabilities	4,815.1	5,028.2	5,037.9^f	5,096.2	5,088.3	5,076.8	5,085.4	5,107.6	5,097.4	5,100.4	5,082.6	5,118.1
58 Residual (assets less liabilities)⁷	415.3	401.7	412.4^f	419.0	419.7	421.1	425.1	433.5	428.3	432.7	438.2	435.0

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			
	2000	2001							2001			
	Aug. ^f	Feb. ^f	Mar. ^f	Apr. ^f	May ^f	June ^f	July ^f	Aug.	Aug. 8	Aug. 15	Aug. 22	Aug. 29
	Seasonally adjusted											
Assets												
1 Bank credit	2,545.9	2,592.5	2,598.7	2,625.3	2,637.3	2,635.4	2,626.8	2,627.0	2,625.5	2,616.9	2,621.5	2,641.1
2 Securities in bank credit	584.9	600.1	595.9	603.4	613.6	617.2	614.3	634.6	639.5	623.2	629.2	646.8
3 U.S. government securities	366.6	354.2	343.6	347.6	355.7	353.9	354.4	361.1	369.4	354.9	356.5	363.2
4 Trading account	23.3	37.5	35.4	33.7	35.3	35.1	38.3	36.3	39.6	35.5	34.6	35.0
5 Investment account	343.3	316.7	308.1	313.9	320.5	318.8	316.1	324.8	329.8	319.5	321.8	328.3
6 Other securities	218.3	245.9	252.3	255.8	257.8	263.3	259.9	273.5	270.1	268.3	272.8	283.6
7 Trading account	103.3	129.3	132.5	135.9	137.0	143.5	140.8	153.1	150.3	148.6	152.0	162.4
8 Investment account	115.0	116.6	119.9	119.9	120.8	119.8	119.2	120.4	119.8	119.7	120.7	121.2
9 State and local government	25.8	27.6	28.1	28.4	28.1	27.9	27.8	27.6	27.6	27.3	27.6	27.6
10 Other	89.2	89.0	91.8	91.5	92.7	92.0	91.4	92.8	92.1	92.4	93.1	93.5
11 Loans and leases in bank credit ²	1,961.0	1,992.4	2,002.8	2,021.9	2,023.7	2,018.2	2,012.6	1,992.5	1,986.0	1,993.7	1,992.3	1,994.3
12 Commercial and industrial	592.5	595.4	589.5	585.3	582.8	570.9	561.6	556.5	555.8	557.7	556.4	555.9
13 Bankers acceptances	.9	.8	.8	.8	.8	.7	.0	.0	n.a.	n.a.	n.a.	n.a.
14 Other	591.5	594.6	588.7	584.5	582.0	570.1	561.6	556.5	555.8	557.7	556.4	555.9
15 Real estate	829.1	833.0	841.3	848.7	855.3	854.6	853.5	844.0	849.0	847.0	839.1	840.0
16 Revolving home equity	78.9	87.6	89.5	90.6	91.2	91.5	91.7	91.9	91.8	91.4	91.9	92.3
17 Other	750.1	745.4	751.8	758.1	764.0	763.1	761.8	752.1	757.2	755.7	747.1	747.7
18 Consumer	229.8	241.8	243.7	249.8	252.2	254.1	254.1	252.1	249.7	251.7	253.1	253.9
19 Security ³	61.2	55.4	59.0	70.4	66.8	72.5	75.1	78.0	69.5	74.1	83.4	83.9
20 Federal funds sold to and repurchase agreements with broker-dealers	41.6	39.5	43.7	53.9	49.4	54.7	59.6	63.5	54.7	59.5	68.6	69.9
21 Other	19.7	16.0	15.3	16.6	17.4	17.8	15.5	14.5	14.7	14.6	14.8	14.1
22 State and local government	12.7	12.9	13.0	13.0	12.9	13.3	14.2	14.1	14.1	14.1	14.1	14.1
23 Agricultural	9.6	10.3	10.4	10.4	10.6	10.3	10.0	9.4	9.9	9.4	9.3	9.2
24 Federal funds sold to and repurchase agreements with others	14.2	26.3	26.2	23.0	23.6	25.5	30.8	31.8	31.0	31.9	32.2	32.2
25 All other loans	84.5	85.8	86.8	87.7	85.3	84.4	81.5	75.5	75.7	76.9	73.9	74.2
26 Lease-financing receivables	127.5	131.6	133.0	133.7	134.3	132.6	131.7	131.0	131.3	130.9	130.8	130.8
27 Interbank loans	142.0	142.5	138.9	147.4	133.9	130.6	135.7	150.1	149.2	149.1	146.0	154.4
28 Federal funds sold to and repurchase agreements with commercial banks	67.2	71.8	71.8	83.5	72.5	71.8	70.7	79.7	79.9	80.4	73.8	82.7
29 Other	74.8	70.7	67.0	63.9	61.5	58.7	64.9	70.4	69.3	68.7	72.3	71.7
30 Cash assets ⁴	146.3	138.3	142.7	145.5	139.9	135.6	146.2	140.1	139.8	138.3	139.9	136.1
31 Other assets ⁵	248.3	264.4	274.3	271.6	269.1	257.5	263.6	272.6	272.7	270.8	278.0	269.8
32 Total assets⁶	3,046.8	3,099.8	3,116.8	3,151.9	3,142.5	3,121.4	3,134.2	3,151.7	3,148.9	3,136.7	3,147.3	3,163.5
Liabilities												
33 Deposits	1,665.8	1,690.6	1,717.2	1,742.2	1,733.1	1,737.7	1,749.3	1,751.3	1,752.3	1,761.1	1,737.6	1,740.0
34 Transaction	309.1	300.7	304.0	303.9	304.7	300.3	306.2	303.6	290.7	304.0	309.5	308.9
35 Nontransaction	1,356.7	1,389.9	1,413.2	1,438.3	1,428.4	1,437.4	1,443.1	1,447.6	1,461.6	1,457.1	1,428.1	1,431.1
36 Large time	268.3	267.1	269.4	269.3	271.6	275.1	271.5	264.5	270.3	266.2	257.7	261.8
37 Other	1,088.5	1,122.8	1,143.8	1,169.0	1,156.8	1,162.4	1,171.6	1,183.2	1,191.2	1,190.9	1,170.4	1,169.3
38 Borrowings	679.0	683.5	680.9	709.6	695.5	667.1	680.9	686.1	680.5	670.1	683.7	712.7
39 From banks in the U.S.	209.3	216.9	220.9	231.2	213.9	211.3	219.0	226.4	222.7	221.0	222.9	235.2
40 From others	469.7	466.6	459.9	478.4	481.7	455.7	461.9	459.7	457.8	449.2	460.8	477.4
41 Net due to related foreign offices	219.7	197.9	196.1	172.7	195.2	190.9	192.4	190.3	196.6	193.9	198.3	177.9
42 Other liabilities	195.3	212.8	213.5	205.0	196.6	208.7	191.6	201.8	198.4	196.2	200.3	209.8
43 Total liabilities	2,759.8	2,784.9	2,807.6	2,829.5	2,820.4	2,804.3	2,814.2	2,829.5	2,827.8	2,821.3	2,819.8	2,840.3
44 Residual (assets less liabilities) ⁷	287.0	315.0	309.2	322.4	322.1	317.0	320.1	322.2	321.1	315.4	327.5	323.2

Footnotes appear on p. A21.

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			
	2000	2001							2001			
	Aug. [†]	Feb. [†]	Mar. [†]	Apr. [†]	May [†]	June [†]	July [†]	Aug.	Aug. 8	Aug. 15	Aug. 22	Aug. 29
	Not seasonally adjusted											
<i>Assets</i>												
45 Bank credit	2,532.2	2,595.3	2,595.2	2,620.8	2,630.8	2,630.0	2,610.5	2,612.8	2,612.5	2,605.3	2,602.2	2,625.6
46 Securities in bank credit	578.8	603.8	597.7	602.4	611.2	614.9	605.3	628.4	632.6	617.1	622.2	640.4
47 U.S. government securities	362.2	357.9	347.2	349.8	355.1	352.6	350.4	357.1	365.4	350.8	352.1	358.3
48 Trading account	23.1	37.9	35.8	34.0	35.2	35.0	37.9	35.9	39.2	35.0	34.2	34.5
49 Investment account	339.2	320.0	311.4	315.8	319.9	317.6	312.5	321.2	326.2	315.8	317.9	323.9
50 Mortgage-backed securities	213.5	221.7	220.1	227.6	234.3	230.6	230.8	243.7	244.3	239.1	240.8	249.3
51 Other	125.7	98.3	91.3	88.3	85.6	87.0	81.8	77.5	81.9	76.7	77.1	74.5
52 One year or less	32.8	31.8	31.6	30.9	27.8	26.2	21.8	20.0	22.4	19.9	18.7	18.1
53 One to five years	54.7	37.3	34.3	31.4	31.2	34.3	34.2	33.7	35.3	32.4	34.4	32.8
54 More than five years	38.3	29.2	25.4	25.9	26.6	26.5	25.8	23.9	24.2	24.5	23.9	23.7
55 Other securities	216.6	246.0	250.5	252.5	256.2	262.3	254.9	271.3	267.2	266.2	270.1	282.0
56 Trading account	102.5	129.3	131.5	134.2	136.1	142.9	138.1	151.9	148.7	147.4	150.6	161.5
57 Investment account	114.1	116.6	119.0	118.4	120.0	119.4	116.9	119.4	118.5	118.8	119.5	120.5
58 State and local government	25.6	27.6	27.9	28.0	28.0	27.8	27.3	27.3	27.3	27.1	27.3	27.5
59 Other	88.5	89.0	91.1	90.3	92.1	91.6	89.6	92.0	91.1	91.7	92.2	93.0
60 Loans and leases in bank credit ² ..	1,953.3	1,991.4	1,997.4	2,018.5	2,019.5	2,015.1	2,005.2	1,984.5	1,980.0	1,988.2	1,980.0	1,985.2
61 Commercial and industrial	588.9	594.3	590.2	589.6	585.6	572.5	561.7	553.4	554.5	554.7	551.9	551.6
62 Bankers acceptances .....	.9	.8	.8	.8	.8	.7	.0	.0	n.a.	n.a.	n.a.	n.a.
63 Other	587.9	593.5	589.4	588.7	584.8	571.7	561.7	553.4	554.5	554.7	551.9	551.6
64 Real estate	830.1	829.7	835.5	844.7	854.9	853.3	852.1	845.4	850.5	849.5	839.6	841.2
65 Revolving home equity	79.8	86.6	88.1	89.6	91.1	91.7	92.4	93.0	92.7	92.4	93.0	93.6
66 Other	459.4	446.7	450.8	457.9	465.1	461.9	460.0	453.3	459.7	457.4	447.2	448.4
67 Commercial	290.8	296.4	296.6	297.1	298.6	299.7	299.6	299.0	298.2	299.6	299.4	299.1
68 Consumer	228.7	243.9	243.4	250.4	252.7	253.6	252.3	250.9	247.7	250.3	252.1	253.3
69 Credit cards and related plans	74.7	83.5	83.1	85.0	87.3	88.3	87.7	85.3	84.8	84.5	85.7	86.5
70 Other	154.1	160.4	160.3	165.4	165.3	165.2	164.6	165.5	163.0	165.8	166.4	166.9
71 Security ³	57.7	57.2	60.7	67.3	61.9	70.1	70.4	73.5	65.9	70.9	77.3	79.3
72 Federal funds sold to and repurchase agreements with broker-dealers	39.1	40.8	45.0	51.5	45.8	52.9	55.9	59.8	51.9	56.9	63.6	66.0
73 Other	18.6	16.5	15.7	15.8	16.1	17.2	14.5	13.7	14.0	13.9	13.7	13.3
74 State and local government	12.7	12.9	13.0	13.0	12.9	13.3	14.2	14.1	14.1	14.1	14.1	14.1
75 Agricultural	9.7	10.1	10.2	10.2	10.5	10.4	10.1	9.6	10.0	9.5	9.4	9.4
76 Federal funds sold to and repurchase agreements with others	14.2	26.3	26.2	23.0	23.6	25.5	30.8	31.8	31.0	31.9	32.2	32.2
77 All other loans	84.6	84.1	84.8	86.5	83.8	84.5	82.4	75.6	75.5	77.1	73.3	74.3
78 Lease-financing receivables	126.8	132.9	133.4	133.8	133.7	132.1	131.2	130.2	130.7	130.3	130.0	129.9
79 Interbank loans	136.8	141.4	140.0	149.5	136.3	135.0	135.5	144.6	141.4	147.0	139.4	147.6
80 Federal funds sold to and repurchase agreements with commercial banks	64.8	71.3	72.4	84.6	73.7	74.2	70.7	76.8	75.7	79.3	70.4	79.1
81 Other	72.0	70.2	67.6	64.9	62.6	60.8	64.8	67.8	65.7	67.7	69.0	68.5
82 Cash assets ⁴	138.3	140.2	137.8	145.8	140.0	134.1	139.8	132.3	127.4	131.8	128.3	130.8
83 Other assets ⁵	246.2	262.6	273.0	272.3	270.0	259.7	262.9	270.0	271.1	270.0	272.2	266.3
84 Total assets⁶	3,017.5	3,101.6	3,108.1	3,150.8	3,139.2	3,120.9	3,110.8	3,121.5	3,114.0	3,115.7	3,103.7	3,132.2
<i>Liabilities</i>												
85 Deposits	1,650.3	1,698.3	1,715.7	1,751.3	1,726.3	1,737.2	1,741.0	1,735.3	1,739.2	1,750.9	1,709.4	1,719.0
86 Transaction	298.0	297.6	300.3	311.1	300.5	300.4	301.4	292.6	276.6	297.3	290.0	298.5
87 Nontransaction	1,352.3	1,400.7	1,415.4	1,440.2	1,425.8	1,436.8	1,439.7	1,442.8	1,462.6	1,453.6	1,419.4	1,420.4
88 Large time	266.5	270.4	267.8	267.2	268.8	272.4	267.9	262.7	268.4	264.4	256.5	259.7
89 Other	1,085.8	1,130.4	1,147.5	1,173.0	1,157.1	1,164.4	1,171.8	1,180.1	1,194.1	1,189.2	1,162.9	1,160.7
90 Borrowings	657.0	687.1	679.2	710.3	700.6	667.9	671.5	664.2	657.8	648.7	660.7	688.2
91 From banks in the U.S.	201.9	221.3	224.6	234.4	217.0	212.2	215.7	218.1	215.8	213.5	214.7	224.3
92 From nonbanks in the U.S.	455.0	465.8	454.7	475.9	483.7	455.7	455.8	446.1	442.0	435.1	446.0	463.8
93 Net due to related foreign offices	220.1	200.8	194.9	170.3	197.5	190.3	189.2	190.7	194.1	192.2	200.6	181.8
94 Other liabilities	195.5	215.4	212.2	202.2	198.8	208.1	188.7	202.2	195.9	194.6	202.2	213.8
95 Total liabilities	2,722.9	2,801.6	2,802.0	2,834.1	2,823.3	2,803.5	2,790.5	2,792.4	2,787.0	2,786.3	2,772.8	2,802.7
96 Residual (assets less liabilities) ⁷	294.6	300.0	306.1	316.6	315.9	317.4	320.3	329.1	327.0	329.4	330.9	329.4

Footnotes appear on p. A21.

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

D. Small domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Aug. [†]	Feb. [‡]	Mar. [‡]	Apr. [‡]	May [‡]	June [‡]	July [‡]	Aug.	Aug. 8	Aug. 15	Aug. 22	Aug. 29
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	1,971.8	2,068.6	2,059.6	2,065.0	2,074.6	2,079.0	2,094.4	2,106.9	2,102.5	2,101.4	2,110.5	2,110.2
2 Securities in bank credit	524.5	550.7	542.5	539.6	542.2	545.5	552.9	562.8	560.3	559.3	564.3	565.3
3 U.S. government securities	365.5	357.6	345.5	341.5	341.1	342.8	350.1	356.2	355.2	353.2	356.5	358.1
4 Other securities	159.0	193.1	197.0	198.2	201.1	202.8	202.8	206.6	205.1	206.1	207.7	207.2
5 Loans and leases in bank credit ²	1,447.3	1,517.9	1,517.1	1,525.4	1,532.5	1,533.4	1,541.5	1,544.0	1,542.2	1,542.1	1,546.2	1,544.9
6 Commercial and industrial	279.5	294.6	295.4	295.2	295.0	296.5	299.5	298.7	298.9	298.4	298.3	298.9
7 Real estate	776.4	818.8	818.9	822.4	826.8	830.8	837.7	842.5	841.9	840.4	842.6	844.1
8 Revolving home equity	40.9	46.3	46.3	46.7	47.4	48.3	49.6	50.8	50.4	50.6	50.9	51.4
9 Other	735.4	772.5	772.7	775.7	779.4	782.5	788.1	791.7	791.6	789.8	791.6	792.7
10 Consumer	293.4	299.4	296.5	299.6	300.9	297.0	296.4	294.9	293.7	294.9	296.7	294.3
11 Security ³	6.9	7.5	8.0	8.3	8.5	8.4	8.4	8.5	8.3	8.6	8.7	8.7
12 Other loans and leases	91.2	97.6	98.3	99.8	101.3	100.8	99.5	99.5	99.3	99.8	100.0	99.0
13 Interbank loans	81.2	96.4	106.7	115.2	121.0	117.6	113.1	118.7	113.1	118.8	119.4	124.4
14 Cash assets ⁴	98.1	85.5	86.9	103.7	104.0	101.9	103.4	103.3	101.8	103.2	106.0	101.0
15 Other assets ⁵	91.7	113.5	117.4	107.5	106.6	112.0	120.7	123.8	126.1	125.3	121.3	120.7
16 Total assets⁶	2,217.0	2,337.3	2,344.0	2,364.2	2,378.8	2,383.1	2,408.5	2,425.2	2,416.1	2,421.2	2,429.6	2,428.6
<i>Liabilities</i>												
17 Deposits	1,697.1	1,820.2	1,830.0	1,855.0	1,863.3	1,881.2	1,898.9	1,914.0	1,906.8	1,913.4	1,913.3	1,916.9
18 Transaction	295.2	296.7	293.4	294.2	296.9	290.1	289.2	295.9	282.1	291.8	301.5	311.6
19 Nontransaction	1,401.9	1,523.5	1,536.6	1,560.9	1,566.4	1,591.1	1,609.6	1,618.0	1,624.8	1,621.5	1,611.8	1,605.3
20 Large time	277.7	301.8	298.9	300.8	298.5	296.6	299.8	303.6	303.1	303.4	303.6	304.2
21 Other	1,124.3	1,221.7	1,237.8	1,260.1	1,267.9	1,294.5	1,309.8	1,314.4	1,321.6	1,318.2	1,308.2	1,301.1
22 Borrowings	334.5	335.2	327.3	331.0	334.7	333.1	336.6	340.3	337.5	336.5	342.8	344.1
23 From banks in the U.S.	164.4	155.6	149.0	148.5	150.0	148.4	149.1	150.4	147.9	148.4	152.7	152.7
24 From others	170.0	179.6	178.4	182.5	184.7	184.7	187.5	189.8	189.6	188.1	190.1	191.5
25 Net due to related foreign offices	23.7	16.7	15.4	12.8	16.6	13.1	14.7	15.5	17.5	17.7	14.0	12.9
26 Other liabilities	47.2	53.5	55.8	56.0	56.8	57.3	57.8	58.4	57.3	57.9	59.4	58.6
27 Total liabilities	2,102.5	2,225.5	2,228.5	2,254.8	2,271.4	2,284.7	2,308.1	2,328.0	2,319.1	2,325.5	2,329.5	2,332.5
28 Residual (assets less liabilities) ⁷	114.5	111.8	115.4	109.4	107.4	98.4	100.4	97.1	97.1	95.7	100.1	96.1
Not seasonally adjusted												
<i>Assets</i>												
29 Bank credit	1,974.8	2,057.5	2,055.2	2,064.7	2,075.1	2,080.8	2,094.5	2,110.1	2,103.3	2,105.6	2,113.4	2,115.3
30 Securities in bank credit	523.7	548.7	544.7	542.3	543.7	547.2	552.8	562.2	559.6	558.5	563.4	565.2
31 U.S. government securities	364.7	355.6	347.7	344.2	342.6	344.4	350.0	355.5	354.5	352.3	355.6	358.0
32 Other securities	159.0	193.1	197.0	198.2	201.1	202.8	202.8	206.6	205.1	206.1	207.7	207.2
33 Loans and leases in bank credit ²	1,451.1	1,508.8	1,510.5	1,522.4	1,531.4	1,533.6	1,541.7	1,547.9	1,543.7	1,547.2	1,550.0	1,550.1
34 Commercial and industrial	277.8	292.9	295.1	297.3	297.6	298.3	299.4	297.0	297.3	297.1	296.5	297.0
35 Real estate	778.1	815.5	817.3	822.0	827.6	831.5	838.2	844.3	842.7	843.0	844.3	846.6
36 Revolving home equity	40.7	46.2	46.1	46.6	47.5	48.2	49.3	50.6	50.0	50.4	50.7	51.2
37 Other	737.4	769.4	771.2	775.4	780.1	783.3	788.9	793.7	792.7	792.5	793.6	795.4
38 Consumer	295.4	297.9	293.0	295.9	298.2	294.9	295.6	297.1	294.1	297.0	299.6	298.1
39 Credit cards and related plans	130.6	129.8	126.0	129.5	131.8	128.9	129.8	130.8	128.3	130.8	132.9	131.3
40 Other	164.9	168.2	166.9	166.4	166.4	166.0	165.7	166.4	165.8	166.2	166.7	166.8
41 Security ³	6.7	7.5	8.2	8.4	8.2	8.2	8.2	8.3	8.3	8.4	8.3	8.2
42 Other loans and leases	93.1	95.0	96.9	98.7	99.8	100.8	100.4	101.2	101.2	101.7	101.2	100.2
43 Interbank loans	77.0	99.3	113.0	119.2	112.0	110.8	109.7	112.8	112.4	113.6	110.2	113.0
44 Cash assets ⁴	95.3	84.6	83.3	100.2	102.5	100.7	102.1	100.5	97.4	100.5	99.9	99.5
45 Other assets ⁵	91.7	113.5	117.4	107.5	106.6	112.0	120.7	123.8	126.1	125.3	121.3	120.7
46 Total assets⁶	2,212.9	2,328.2	2,342.2	2,364.3	2,368.8	2,377.1	2,399.7	2,419.7	2,411.7	2,417.5	2,417.2	2,420.9
<i>Liabilities</i>												
47 Deposits	1,686.8	1,821.2	1,837.4	1,862.3	1,856.9	1,869.8	1,885.7	1,901.2	1,898.2	1,902.0	1,893.6	1,899.7
48 Transaction	292.2	291.9	291.3	293.6	291.8	289.7	287.7	293.2	279.8	289.7	294.1	308.1
49 Nontransaction	1,394.6	1,529.3	1,546.1	1,568.7	1,565.1	1,580.1	1,598.0	1,608.0	1,618.4	1,612.3	1,599.6	1,591.6
50 Large time	277.7	301.8	298.9	300.8	298.5	296.6	299.8	303.6	303.1	303.4	303.6	304.2
51 Other	1,116.9	1,227.5	1,247.2	1,267.9	1,266.6	1,283.5	1,298.2	1,304.4	1,315.2	1,308.9	1,295.9	1,287.4
52 Borrowings	334.5	335.2	327.3	331.0	334.7	333.1	336.6	340.3	337.5	336.5	342.8	344.1
53 From banks in the U.S.	164.4	155.6	149.0	148.5	150.0	148.4	149.1	150.4	147.9	148.4	152.7	152.7
54 From others	170.0	179.6	178.4	182.5	184.7	184.7	187.5	189.8	189.6	188.1	190.1	191.5
55 Net due to related foreign offices	23.7	16.7	15.4	12.8	16.6	13.1	14.7	15.5	17.5	17.7	14.0	12.9
56 Other liabilities	47.2	53.5	55.8	56.0	56.8	57.3	57.8	58.4	57.3	57.9	59.4	58.6
57 Total liabilities	2,092.2	2,226.5	2,236.0	2,262.0	2,265.0	2,273.3	2,294.9	2,315.3	2,310.4	2,314.1	2,309.8	2,315.3
58 Residual (assets less liabilities) ⁷	120.7	101.7	106.2	102.3	103.8	103.8	104.8	104.4	101.3	103.3	107.4	105.5

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			
	2000	2001							2001			
	Aug.	Feb.	Mar.	Apr.	May	June	July	Aug.	Aug. 8	Aug. 15	Aug. 22	Aug. 29
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	583.8	608.5	622.7	626.2	610.3	601.4 ^a	592.5	591.1	592.7	586.3	590.7	593.3
2 Securities in bank credit	206.1	200.1	207.4	221.0	215.1	217.2	218.7	221.1	219.4	221.6	222.0	221.3
3 U.S. government securities	77.9	64.5	68.1	74.2	69.0	67.1	66.9 ^a	65.5	64.9	65.5	65.0	66.0
4 Other securities	128.2	135.7	139.3	146.8	146.1	150.0 ^a	151.9	155.6	154.5	156.1	157.0	155.3
5 Loans and leases in bank credit ²	377.7	408.3	415.3	405.1	395.2	384.2 ^a	373.8 ^a	370.0	373.3	364.7	368.7	372.1
6 Commercial and industrial	205.6	216.8	219.7	218.5	216.7 ^a	208.7	204.0	202.5	203.2	203.1	202.4	201.5
7 Real estate	18.0	18.6	18.5	17.7	17.8	17.6	17.8	18.1	18.1	17.9	17.9	18.5
8 Security ³	85.2	105.3	107.1	100.7	92.7	90.9	86.2	83.4	85.1	77.3	82.6	86.8
9 Other loans and leases	68.9	67.6	70.0	68.2	68.0	67.0	65.7	66.0	66.9	66.3	65.8	65.2
10 Interbank loans	22.4	28.4	30.5	28.0 ^a	30.5	23.5	22.3	21.6	18.2	20.6	21.9	24.6
11 Cash assets ⁴	43.9	41.6	40.5	38.5	36.7	35.2	35.5	36.0	35.7	35.3	37.1	35.5
12 Other assets ⁵	43.1	35.2	36.3	39.8	37.4	37.3	31.9	29.3	29.1	27.5	28.5	33.0
13 Total assets⁶	692.8	713.3	729.7	732.2	714.6	697.0^a	681.9	677.6	675.3	669.3	677.8	686.1
<i>Liabilities</i>												
14 Deposits	392.2 ^a	380.6	378.2	394.1	408.7	419.2	413.1	404.3	403.1	400.2	405.1	408.4
15 Transaction	10.8	10.3	9.5	10.8	10.8	9.9	9.7	10.3	9.2	10.0	10.7	10.9
16 Nontransaction	381.4 ^a	370.3	368.8	383.3	397.9	409.4 ^a	403.4	394.0	393.9	390.2	394.4	397.5
17 Borrowings	200.8	238.4	233.4	240.6	219.4	216.4	212.1	210.3	212.1	211.0	201.6	215.2
18 From banks in the U.S.	17.2	22.5	24.5	25.9	21.4	24.2	24.1	22.3	22.1	27.2	16.8	23.3
19 From others	183.5	216.0	208.9	214.7	198.0	192.1 ^a	188.0	188.0	190.0	183.8	184.9	191.9
20 Net due to related foreign offices	24.2	4.8	21.8	4.5	-4.4	-19.7	-16.3	-12.0	-13.3	-15.9	-2.8	-14.2
21 Other liabilities	75.5	77.2	82.8	88.6	85.4	83.4 ^a	78.7	77.6	73.9	77.1	78.9	82.1
22 Total liabilities	692.7^a	700.9	716.2	727.8	709.1	699.4^a	687.5	680.2	675.8	672.4	682.8	691.5
23 Residual (assets less liabilities) ⁷	.2 ^a	12.4	13.5	4.3	5.4	-2.3	-5.6	-2.7	-5	-3.1	-5.0	-5.4
Not seasonally adjusted												
<i>Assets</i>												
24 Bank credit	577.4	611.7	617.8	623.3	605.6	597.6 ^a	588.0	584.7	587.7	581.8	583.0	585.6
25 Securities in bank credit	206.1	200.1	207.4	221.0	215.1	217.2	218.7	221.1	219.4	221.6	222.0	221.3
26 U.S. government securities	77.9	64.5	68.1	74.2	69.0	67.1	66.9 ^a	65.5	64.9	65.5	65.0	66.0
27 Trading account	13.8	10.4	9.5	14.8	13.8	13.8	13.6	12.3	12.1	13.1	12.4	11.7
28 Investment account	64.1	54.0	58.5	59.4	55.2	53.3	53.2	53.2	52.8	52.4	52.6	54.3
29 Other securities	128.2	135.7	139.3	146.8	146.1	150.0 ^a	151.9	155.6	154.5	156.1	157.0	155.3
30 Trading account	82.9	90.8	94.6	99.6	99.3	105.6	107.7	111.0	109.2	111.8	111.7	111.4
31 Investment account	45.3	44.9	44.7	47.3	46.8	44.4	44.2	44.6	45.2	44.3	45.3	43.9
32 Loans and leases in bank credit ²	371.3	411.6	410.4	402.3 ^a	390.5	380.5	369.3	363.6	368.3	360.2	361.0	364.3
33 Commercial and industrial	204.3	219.0	220.9	216.8	213.6	207.6	203.3	201.2	201.8	202.5	201.2	199.5
34 Real estate	18.0	18.6	18.5	17.7	17.8	17.6	17.8	18.1	18.1	17.9	17.9	18.5
35 Security ³	81.3	106.3	101.1	99.3	91.9	88.9	83.4	79.6	83.1	74.8	77.5	81.9
36 Other loans and leases	67.6	67.7	69.9	68.4	67.2	66.3 ^a	64.8	64.7	65.3	64.9	64.5	64.4
37 Interbank loans	22.4	28.4	30.5	28.0 ^a	30.5	23.5	22.3	21.6	18.2	20.6	21.9	24.6
38 Cash assets ⁴	42.6	41.8	39.1	37.0	35.8	34.1 ^a	34.3	34.8	34.6	34.3	36.0	34.4
39 Other assets ⁵	42.7	36.1	36.9	38.9	36.8	36.0	31.1	29.0	28.7	27.1	28.1	32.9
40 Total assets⁶	684.7	717.6	724.0	726.9	708.4	690.9^a	675.4	669.8	668.7	663.3	668.7	677.1
<i>Liabilities</i>												
41 Deposits	381.2 ^a	388.8	382.7	397.0	409.9	412.1	402.9	392.6	391.1	386.9	393.2	398.2
42 Transaction	10.8	10.1	9.2	10.2	10.4	9.7	9.8	10.3	9.1	10.1	10.6	11.0
43 Nontransaction	370.4 ^a	378.7	373.5	386.7	399.4	402.4 ^a	393.1	382.3	382.0	376.8	382.6	387.2
44 Borrowings	200.8	238.4	233.4	240.6	219.4	216.4	212.1	210.3	212.1	211.0	201.6	215.2
45 From banks in the U.S.	17.2	22.5	24.5	25.9	21.4	24.2	24.1	22.3	22.1	27.2	16.8	23.3
46 From others	183.5	216.0	208.9	214.7	198.0	192.1 ^a	188.0	188.0	190.0	183.8	184.9	191.9
47 Net due to related foreign offices	23.2	8.0	22.0	-1	-7.6	-22.9	-19.6	-13.3	-12.0	-15.1	-6.4	-19.4
48 Other liabilities	75.0	78.6	82.8	86.5	83.9	82.0 ^a	77.2	77.1	74.5	77.4	77.3	79.8
49 Total liabilities	680.2^a	713.8	720.9	724.0	705.6	687.6^a	672.6	666.7	665.6	660.2	665.7	673.9
50 Residual (assets less liabilities) ⁷	4.6 ^a	3.8	3.1	2.9	2.9	3.4 ^a	2.8	3.1	3.1	3.1	2.9	3.3

Footnotes appear on p. A21.

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

F. Memo items

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Aug. ^f	Feb. ^f	Mar. ^f	Apr. ^f	May ^f	June ^f	July ^f	Aug.	Aug. 8	Aug. 15	Aug. 22	Aug. 29
	Not seasonally adjusted											
MEMO												
Large domestically chartered banks, adjusted for mergers												
1 Revaluation gains on off-balance-sheet items ⁸	66.6	77.7	80.8	79.9	82.0	87.2	77.6	87.6	85.4	83.4	86.8	95.4
2 Revaluation losses on off-balance- sheet items ⁸	67.3	81.0	79.8	74.9	74.7	81.5	70.3	76.7	74.4	73.0	76.4	83.9
3 Mortgage-backed securities ⁹	243.7	251.6	251.8	258.4	265.4	261.6	261.0	273.9	274.4	269.6	271.6	279.0
4 Pass-through	173.9	184.6	186.5	194.6	200.1	200.2	199.4	212.2	210.6	207.2	211.3	219.0
5 CMO, REMIC, and other	69.8	67.1	65.3	63.9	65.2	61.4	61.7	61.7	63.8	62.4	60.4	60.0
6 Net unrealized gains (losses) on available-for-sale securities ¹⁰	-8.6	2.8	3.6	3.6	2.0	1.7	-4	.7	.6	.4	.6	1.0
7 Off-shore credit to U.S. residents ¹¹	22.1	22.7	22.6	21.7	21.0	20.6	20.2	19.6	19.8	19.8	19.6	19.2
8 Securitized consumer loans ¹²	81.8	75.9	74.2	74.1	72.5	73.4	83.8	86.3	83.2	83.7	83.0	93.1
9 Credit cards and related plans	72.0	67.3	66.1	66.4	65.1	66.3	76.2	78.3	75.3	75.6	75.1	85.2
10 Other	9.8	8.6	8.1	7.7	7.4	7.1	7.5	8.0	8.0	8.0	7.9	7.9
11 Securitized business loans ¹²	27.0	29.3	29.4	29.6	30.6	31.1	30.5	31.3	31.2	31.2	31.3	31.4
Small domestically chartered commercial banks, adjusted for mergers												
12 Mortgage-backed securities ⁹	202.7	216.3	222.7	230.6	235.0	238.2	245.0	251.4	250.3	249.4	251.6	252.8
13 Securitized consumer loans ¹²	223.5	238.0	241.0	243.3	244.5	247.3	228.6	232.7	232.2	231.0	231.5	235.7
14 Credit cards and related plans	214.8	229.2	232.4	234.7	236.0	238.7	220.0	224.3	223.8	222.5	223.1	227.4
15 Other	8.7	8.9	8.7	8.6	8.4	8.5	8.6	8.4	8.5	8.5	8.4	8.4
Foreign-related institutions												
16 Revaluation gains on off-balance- sheet items ⁸	42.8	49.4	52.7	56.5	56.3	57.2	54.9	57.2	54.6	58.9	57.8	57.8
17 Revaluation losses on off-balance- sheet items ⁸	40.2	47.0	49.7	52.1	51.8	52.0	49.8	52.0	49.2	53.6	52.8	52.8
18 Securitized business loans ¹²	33.9	32.7	31.9	30.2	28.4	27.7	27.5	27.0	27.3	27.1	26.9	26.5

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

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

12. Total amount outstanding.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

A. Commercial Paper

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2001					
	1996	1997	1998	1999	2000	Feb.	Mar.	Apr.	May	June	July
1 All issuers	775,371	966,699	1,163,303	1,403,023	1,615,341	1,544,572	1,511,354	1,519,528	1,501,113	1,468,919	1,453,770
Financial companies ¹											
2 Dealer-placed paper, total ²	361,147	513,307	614,142	786,643	973,060	977,791	978,225	995,072	986,369	982,216	958,911
3 Directly placed paper, total ³	229,662	252,536	322,030	337,240	298,848	263,554	249,420	247,333	245,768	244,520	265,824
4 Nonfinancial companies ⁴	184,563	200,857	227,132	279,140	343,433	303,227	283,711	277,123	268,976	242,183	229,035

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.

B. Bankers Dollar Acceptances¹Millions of dollars, not seasonally adjusted, year ending September²

Item	1997	1998	1999	2000
1 Total amount of reporting banks' acceptances in existence	25,774	14,363	10,094	9,881
2 Amount of other banks' eligible acceptances held by reporting banks	736	523	461	462
3 Amount of own eligible acceptances held by reporting banks (included in item 1)	6,862	4,884	4,261	3,789
4 Amount of eligible acceptances representing goods stored in, or shipped between, foreign countries (included in item 1)	10,467	5,413	3,498	3,689

1. Includes eligible, dollar-denominated bankers acceptances legally payable in the United States. Eligible acceptances are those that are eligible for discount by Federal Reserve Banks; that is, those acceptances that meet the criteria of Paragraph 7 of Section 13 of the Federal Reserve Act (12 U.S.C. §372).

2. Data on bankers dollar acceptances are gathered from approximately 40 institutions; includes U.S. chartered commercial banks (domestic and foreign offices), U.S. branches and agencies of foreign banks, and Edge and agreement corporations. The reporting group is revised every year.

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
1998—Jan. 1	8.50	1998	8.35	1999—Jan.	7.75	2000—Jan.	8.50
Sept. 30	8.25	1999	8.00	Feb.	7.75	Feb.	8.73
Oct. 16	8.00	2000	9.23	Mar.	7.75	Mar.	8.83
Nov. 18	7.75			Apr.	7.75	Apr.	9.00
		1998—Jan.	8.50	May	7.75	May	9.24
1999—July 1	8.00	Feb.	8.50	June	7.75	June	9.50
Aug. 25	8.25	Mar.	8.50	July	8.00	July	9.50
Nov. 17	8.50	Apr.	8.50	Aug.	8.06	Aug.	9.50
		May	8.50	Sept.	8.25	Sept.	9.50
2000—Feb. 3	8.75	June	8.50	Oct.	8.25	Oct.	9.50
Mar. 22	9.00	July	8.50	Nov.	8.37	Nov.	9.50
May 17	9.50	Aug.	8.50	Dec.	8.50	Dec.	9.50
		Sept.	8.49				
2001—Jan. 4	9.00	Oct.	8.12			2001—Jan.	9.05
Feb. 1	8.50	Nov.	7.89			Feb.	8.50
Mar. 21	8.00	Dec.	7.75			Mar.	8.32
Apr. 19	7.50					Apr.	7.80
May 16	7.00					May	7.24
June 28	6.75					June	6.98
Aug. 22	6.50					July	6.75
Sept. 18	6.00					Aug.	6.67
						Sept.	6.28

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	1998	1999	2000	2001				2001, week ending				
				May	June	July	Aug.	Aug. 3	Aug. 10	Aug. 17	Aug. 24	Aug. 31
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	5.35	4.97	6.24	4.21	3.97	3.77	3.65	3.79	3.70	3.75	3.63	3.52
2 Discount window borrowing ^{2,4}	4.92	4.62	5.73	3.73	3.47	3.25	3.16	3.25	3.25	3.25	3.18	3.00
Commercial paper ^{3,5,6}												
Nonfinancial												
3 1-month	5.40	5.09	6.27	4.06	3.82	3.71	3.54	3.67	3.60	3.54	3.48	3.48
4 2-month	5.38	5.14	6.29	3.98	3.73	3.63	3.47	3.57	3.52	3.46	3.42	3.41
5 3-month	5.34	5.18	6.31	3.93	3.67	3.59	3.42	3.53	3.48	3.43	3.37	3.35
Financial												
6 1-month	5.42	5.11	6.28	4.08	3.84	3.73	3.57	3.71	3.62	3.57	3.49	3.50
7 2-month	5.40	5.16	6.30	4.00	3.75	3.66	3.48	3.57	3.52	3.48	3.43	3.44
8 3-month	5.37	5.22	6.33	3.96	3.69	3.62	3.44	3.54	3.49	3.43	3.39	3.38
Commercial paper (historical) ^{3,5,7}												
9 1-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 3-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11 6-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Finance paper, directly placed (historical) ^{3,5,8}												
12 1-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 3-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 6-month	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bankers acceptances ^{3,5,9}												
15 3-month	5.39	5.24	6.23	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
16 6-month	5.30	5.30	6.37	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Certificates of deposit, secondary market ^{3,10}												
17 1-month	5.49	5.19	6.35	4.11	3.86	3.76	3.59	3.70	3.64	3.57	3.53	3.54
18 3-month	5.47	5.33	6.46	4.02	3.74	3.66	3.48	3.59	3.54	3.47	3.43	3.43
19 6-month	5.44	5.46	6.59	4.01	3.74	3.70	3.49	3.60	3.54	3.48	3.44	3.42
20 Eurodollar deposits, 3-month ^{3,11}	5.45	5.31	6.45	4.01	3.73	3.66	3.47	3.58	3.53	3.45	3.42	3.43
U.S. Treasury bills												
Secondary market ^{3,5}												
21 3-month	4.78	4.64	5.82	3.62	3.49	3.51	3.36	3.46	3.41	3.34	3.33	3.33
22 6-month	4.83	4.75	5.90	3.62	3.45	3.45	3.29	3.37	3.32	3.27	3.27	3.23
23 1-year	4.80	4.81	5.78	3.60	3.37	3.39	3.26	3.34	3.29	3.21	3.22	n.a.
Auction high ^{3,5,12}												
24 3-month	4.81	4.66	5.66	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
25 6-month	4.85	4.76	5.85	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26 1-year	4.85	4.78	5.85	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities ¹³												
27 1-year	5.05	5.08	6.11	3.78	3.58	3.62	3.47	3.56	3.50	3.44	3.45	3.44
28 2-year	5.13	5.43	6.26	4.26	4.08	4.04	3.76	3.86	3.81	3.73	3.73	3.68
29 3-year	5.14	5.49	6.22	4.51	4.35	4.31	4.04	4.14	4.10	4.03	4.01	3.94
30 5-year	5.15	5.55	6.16	4.93	4.81	4.76	4.57	4.65	4.66	4.57	4.53	4.47
31 7-year	5.28	5.79	6.20	5.24	5.14	5.06	4.84	4.93	4.93	4.84	4.80	4.73
32 10-year	5.26	5.65	6.03	5.39	5.28	5.24	4.97	5.13	5.08	4.95	4.90	4.84
33 20-year	5.72	6.20	6.23	5.92	5.82	5.75	5.58	5.65	5.65	5.58	5.53	5.48
34 30-year	5.58	5.87	5.94	5.78	5.67	5.61	5.48	5.55	5.55	5.49	5.44	5.40
Composite												
35 More than 10 years (long-term)	5.69	6.14	6.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
STATE AND LOCAL NOTES AND BONDS												
Moody's series ¹⁴												
36 Aaa	4.93	5.28	5.58	5.15	5.03	4.79	4.89	4.96	4.92	4.89	4.85	4.82
37 Baa	5.14	5.70	6.19	5.94	5.82	5.81	5.55	5.70	5.60	5.53	5.48	5.44
38 Bond Buyer series ¹⁵	5.09	5.43	5.71	5.29	5.20	5.20	5.03	5.10	5.08	5.02	4.99	4.96
CORPORATE BONDS												
39 Seasoned issues, all industries ¹⁶	6.87	7.45	7.98	7.69	7.56	7.51	7.37	7.42	7.42	7.37	7.34	7.29
Rating group												
40 Aaa	6.53	7.05	7.62	7.29	7.18	7.13	7.02	7.07	7.08	7.03	6.99	6.95
41 Aa	6.80	7.36	7.83	7.50	7.34	7.27	7.11	7.16	7.16	7.11	7.09	7.05
42 A	6.93	7.53	8.11	7.88	7.73	7.65	7.48	7.55	7.54	7.48	7.46	7.40
43 Baa	7.22	7.88	8.36	8.07	7.97	7.97	7.85	7.88	7.90	7.85	7.84	7.78
MEMO												
Dividend-price ratio ¹⁷												
44 Common stocks	1.49	1.25	1.15	1.23	1.27	1.30	1.34	1.29	1.33	1.34	1.35	1.37

NOTE: Some of the 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. The daily effective federal funds rate is a weighted average of rates on trades through New York brokers.

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

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

4. Rate for the Federal Reserve Bank of New York.

5. Quoted on a discount basis.

6. 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 offering rates on commercial paper for firms whose bond rating is AA or the equivalent. Series ended August 29, 1997.

8. An average of offering rates on paper directly placed by finance companies. Series ended August 29, 1997.

9. Representative closing yields for acceptances of the highest-rated money center banks. 10. An average of dealer offering rates on nationally traded certificates of deposit.

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

12. Auction date for daily data; weekly and monthly averages computed on an issue-date basis. On or after October 28, 1998, data are stop yields from uniform-price auctions. Before that, they are weighted average yields from multiple-price auctions.

13. Yields on actively traded issues adjusted to constant maturities. SOURCE: U.S. Department of the Treasury.

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

15. 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.

16. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.

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

1.36 STOCK MARKET Selected Statistics

Indicator	1998	1999	2000	2000	2001							
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
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)											
	550.65	619.52	643.71	645.44	650.55	648.05	603.44	607.06	644.44	630.86	613.36	604.52
	684.35	775.29	809.40	792.66	796.74	799.38	744.21	747.48	798.94	782.73	756.04	748.65
	468.61	491.62	414.73	457.53	471.21	482.26	452.36	455.22	477.21	458.60	469.80	458.35
	190.52	284.82	478.99	444.16	440.36	424.53	395.34	400.49	414.69	382.98	374.11	357.76
	516.65	530.97	552.48	621.62	634.17	626.41	583.38	587.88	618.74	622.17	614.54	605.59
	1,085.50	1,327.33	1,427.22	1,330.93	1,335.63	1,305.75	1,185.85	1,189.84	1,270.37	1,238.71	1,204.45	1,178.51
	682.69	770.90	922.22	870.16	898.18	923.99	891.22	891.18	940.73	923.06	892.74	883.01
	666,534	799,554	1,026,867	1,183,149	1,299,986	1,117,977	1,251,569	1,247,382	1,091,366	1,152,193	1,120,074	1,012,907
	28,870	32,629	51,437	73,759	72,312	70,648	81,666	77,612	66,103	62,395	56,735	48,304
	Customer financing (millions of dollars, end-of-period balances)											
	140,980	228,530	198,790	198,790	197,110	186,810	165,350	166,940	174,180	170,000	165,250	161,130
	40,250	55,130	100,680	100,680	90,380	99,390	106,300	97,470	91,990	98,430	97,950	103,990
	62,450	79,070	84,400	84,400	81,380	78,660	77,520	77,460	76,260	75,270	73,490	73,710
	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.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year			Calendar year					
	1998	1999	2000	2001					
				Mar.	Apr.	May	June	July	Aug.
<i>U.S. budget¹</i>									
1 Receipts, total	1,721,798	1,827,302	2,025,218	130,071	331,796	125,590	202,887	127,842	122,559
2 On-budget	1,305,999	1,382,986	1,544,634	84,120	278,611	84,759	151,482	89,473	84,011
3 Off-budget	415,799	444,468	480,584	45,951	53,185	40,831	51,405	38,369	38,548
4 Outlays, total	1,652,619	1,702,875	1,788,826	180,733	141,999	153,508	171,025	125,022 ²	202,549
5 On-budget	1,336,015	1,382,097	1,458,061	145,182	109,938	118,517	167,796	92,145 ²	138,167
6 Off-budget	316,604	320,778	330,765	35,550	32,062	34,992	3,229	32,877	64,382
7 Surplus or deficit (–), total	69,179	124,579	236,392	–50,662	189,796	–27,919	31,862	2,820 ²	–79,990
8 On-budget	–30,016	889	86,573	–61,062	168,673	–33,758	–16,314	–2,672 ²	–54,156
9 Off-budget	99,195	123,690	149,819	10,401	21,123	5,839	48,176	5,492	–25,834
<i>Source of financing (total)</i>									
10 Borrowing from the public	–51,211	–88,674	–222,672	32,557	–135,572	–20,608	–1,212	–7,460 ²	74,101
11 Operating cash (decrease, or increase [–])	4,743	–17,580	3,799	–7,171	–36,846	58,856	–37,413	20,589	16,769
12 Other ²	–22,711	–18,325	–17,519	25,276	–17,378	–10,329	6,763	–15,949 ²	–10,880
MEMO									
13 Treasury operating balance (level, end of period)	38,878	56,458	52,659	28,284	65,130	6,274	43,687	23,098	6,329
14 Federal Reserve Banks	4,952	6,641	8,459	5,657	7,894	4,396	7,188	5,592	5,533
15 Tax and loan accounts	33,926	49,817	44,199	22,627	57,236	1,878	36,498	17,506	795

1. Since 1990, off-budget items have been the social security trust funds (Federal Old-Age, Survivors, and Disability Insurance) and the U.S. Postal Service.

2. Includes special drawing rights (SDRs); reserve position on the U.S. quota in the International Monetary Fund (IMF); loans to the IMF; other cash and monetary assets; accrued interest payable to the public; allocations of SDRs; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold;

net gain or loss for U.S. currency valuation adjustment; net gain or loss for IMF loan-valuation adjustment; and profit on sale of gold.

SOURCE. Monthly totals: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*; and fiscal year totals: U.S. Office of Management and Budget, *Budget of the U.S. Government* when available.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS¹

Millions of dollars

Source or type	Fiscal year		Calendar year						
	1999	2000	1999	2000		2001	2001		
			H2	H1	H2	H1	June	July	Aug.
RECEIPTS									
1 All sources	1,827,302	2,025,218	892,266	1,089,763	952,942	1,120,040	202,887	127,842	122,559
2 Individual income taxes, net	879,480	1,004,462	425,451	550,208	458,679	580,632	93,676	60,466	52,020
3 Withheld	693,940	780,397	372,012	388,526	395,572	402,417	53,125	65,601	66,415
4 Nonwithheld	308,185	358,049	68,302	281,103	77,732	308,418	43,804	5,029	6,435
5 Refunds	122,706	134,046	14,841	119,477	14,628	130,256	3,263	10,165	20,831
6 Corporation income taxes									
7 Gross receipts	216,324	235,655	110,111	119,166	123,962	102,947	31,563	5,036	4,618
8 Refunds	31,645	28,367	13,996	13,781	15,776	20,262	1,617	2,328	1,475
9 Social insurance taxes and contributions, net	611,833	652,852	292,551	353,514	310,122	379,878	66,732	52,154	53,692
10 Employment taxes and contributions ²	580,880	620,451	280,059	333,584	297,665	359,648	66,039	49,672	49,974
11 Unemployment insurance	26,480	27,640	10,173	17,562	10,097	17,842	344	2,128	3,294
12 Other net receipts ³	4,473	4,761	2,319	2,368	2,360	2,387	349	355	424
13 Excise taxes	70,414	68,865	34,262	33,532	35,501	32,490	5,965	5,733	5,438
14 Customs deposits	18,336	19,914	10,287	9,218	10,676	9,370	1,571	1,755	1,926
15 Estate and gift taxes	27,782	29,010	14,001	15,073	13,216	15,471	2,058	2,099	2,196
16 Miscellaneous receipts ⁴	34,929	42,826	19,569	22,831	16,556	19,517	2,939	2,926	4,142
OUTLAYS									
16 All types	1,702,875	1,788,826	882,465	892,947	894,905	948,750	171,025	125,022 ⁵	202,549
17 National defense	274,873	294,494	149,573	143,476	147,651	153,154	29,382	22,153	30,393
18 International affairs	15,243	17,216	8,530	7,250	11,902	6,522	2,318	413	260
19 General science, space, and technology	18,125	18,637	10,089	9,601	10,389	10,073	1,821	1,642	2,014
20 Energy	912	-1,060	-90	-893	-595	-244	536	-117	-68
21 Natural resources and environment	23,970	25,031	12,100	10,814	12,907	11,059	1,915	1,757	2,087
22 Agriculture	23,011	36,641	20,887	11,164	20,977	10,832	893	240	6,226
23 Commerce and housing credit	2,649	3,211	7,353	-2,497	4,408	-1,539	33	-13,479	4,287
24 Transportation	42,531	46,854	23,199	21,054	25,841	23,810	4,643	4,327	5,433
25 Community and regional development	11,870	10,629	6,806	5,050	5,962	5,265	1,205	1,598	1,450
26 Education, training, employment, and social services	56,402	59,201	27,532	31,234	29,263	35,698	6,502	4,291	1,751
27 Health	141,079	154,534	74,490	75,871	81,413	87,427	15,768	14,094	15,419
28 Social security and Medicare	580,488	606,549	295,030	306,966	307,473	328,072	61,115	52,621	86,197
29 Income security	237,707	247,895	113,504	133,915	113,212	146,913	21,667	17,282	24,025
30 Veterans benefits and services	43,212	47,083	23,412	23,174	22,615	23,171	5,619	2,150	6,199
31 Administration of justice	25,924	27,820	13,459	13,981	14,635	14,694	2,320	2,202	2,647
32 General government	15,771	13,454	7,010	6,198	6,461	8,887	2,669	625	261
33 Net interest ⁶	229,735	223,218	112,420	115,545	104,685	107,824	15,912	17,287	17,426
34 Undistributed offsetting receipts ⁶	-40,445	-42,581	-22,850	-19,346	-24,070	-22,865	-3,294	-3,765	-3,459

1. Functional details do not sum to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for receipts and outlays do not correspond to calendar year data because revisions from the *Budget* have not been fully distributed across months.

2. Old-age, disability, and hospital insurance, and railroad retirement accounts.

3. Federal employee retirement contributions and civil service retirement and disability fund.

4. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

5. Includes interest received by trust funds.

6. Rents and royalties for the outer continental shelf, U.S. government contributions for employee retirement, and certain asset sales.

SOURCE: Fiscal year totals: U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal year 2002*; monthly and half-year totals: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	1999			2000				2001	
	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30
1 Federal debt outstanding	5,668	5,685	5,805	5,802	5,714	5,702	5,690	5,801	5,754
2 Public debt securities	5,639	5,656	5,776	5,773	5,686	5,674	5,662	5,774	5,727
3 Held by public	3,685	3,667	3,716	3,688	3,496	3,439	3,414	3,434	3,274
4 Held by agencies	1,954	1,989	2,061	2,085	2,190	2,236	2,249	2,339	2,453
5 Agency securities	29	29	29	28	28	28	27	27	27
6 Held by public	28	28	28	28	28	28	27	27	27
7 Held by agencies	1	1	1	0	0	0	0	0	0
8 Debt subject to statutory limit	5,552	5,568	5,687	5,687	5,601	5,592	5,581	5,693	5,645
9 Public debt securities	5,552	5,568	5,687	5,686	5,601	5,591	5,580	5,692	5,645
10 Other debt ¹	0	0	0	0	0	0	0	0	0
MEMO									
11 Statutory debt limit	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950

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	1997	1998	1999	2000	2000		2001	
					Q3	Q4	Q1	Q2
1 Total gross public debt	5,502.4	5,614.2	5,776.1	5,662.2	5,674.2	5,662.2	5,773.7	5,726.8
<i>By type</i>								
2 Interest-bearing	5,494.9	5,605.4	5,766.1	5,618.1	5,622.1	5,618.1	5,752.0	5,682.8
3 Marketable	3,456.8	3,355.5	3,281.0	2,966.9	2,992.8	2,966.9	2,981.9	2,822.3
4 Bills	715.4	691.0	737.1	646.9	616.2	646.9	712.0	620.1
5 Notes	2,106.1	1,960.7	1,784.5	1,557.3	1,611.3	1,557.3	1,499.0	1,441.0
6 Bonds	587.3	621.2	643.7	626.5	635.3	626.5	627.9	616.9
7 Inflation-indexed notes and bonds ¹	33.0	67.6	100.7	121.2	115.0	121.2	128.0	129.3
8 Nonmarketable ²	2,038.1	2,249.9	2,485.1	2,651.2	2,629.3	2,651.2	2,770.0	2,860.5
9 State and local government series	124.1	165.3	165.7	151.0	153.3	151.0	152.9	153.3
10 Foreign issues ³	36.2	34.3	31.3	27.2	25.4	27.2	24.7	24.0
11 Government	36.2	34.3	31.3	27.2	25.4	27.2	24.7	24.0
12 Public	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	181.2	180.3	179.4	176.9	177.7	176.9	177.4	178.4
14 Government account series ⁴	1,666.7	1,840.0	2,078.7	2,266.1	2,242.9	2,266.1	2,360.3	2,474.7
15 Non-interest-bearing	7.5	8.8	10.0	44.2	52.1	44.2	46.5	44.0
<i>By holder⁵</i>								
16 U.S. Treasury and other federal agencies and trust funds	1,657.1	1,828.1	2,064.2	2,270.2	2,226.5	2,270.2	2,357.0	2,469.1
17 Federal Reserve Banks ⁶	430.7	452.1	478.0	511.7	511.4	511.7	523.9	535.1
18 Private investors	3,414.6	3,334.0	3,233.9	2,880.4	2,936.2	2,880.4	2,892.9	2,722.6
19 Depository institutions	300.3	237.3	246.5	197.8	218.3	197.8	187.3 ⁷	192.1
20 Mutual funds	321.5	343.2	348.6	339.0	324.3	339.0	348.8 ⁷	352.3
21 Insurance companies	176.6	144.5	125.3	116.6	119.3	116.6	101.9 ⁷	92.9
22 State and local treasuries ⁷	239.3	269.3	266.8	246.2	241.9	246.2	224.0 ⁷	216.5
23 Savings bonds	186.5	186.6	186.4	184.8	184.3	184.8	184.8	186.0
24 Pension funds	360.5	375.3	378.9	387.7	383.1	387.7	326.5 ⁷	320.2
25 Private	143.5	157.6	167.7	181.6	179.2	181.6	131.2 ⁷	129.2
26 State and Local	216.9	217.7	211.2	206.1	203.9	206.1	195.3 ⁷	191.0
27 Foreign and international ⁸	1,241.6	1,278.7	1,268.7	1,201.4	1,225.2	1,201.4	1,196.1 ⁷	1,167.1
28 Other miscellaneous investors ^{7,9}	589.5	499.0	410.8	218.3	237.9	218.3	250.9	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	2001			2001, week ending								
	May	June	July	July 4	July 11	July 18	July 25	Aug. 1	Aug. 8	Aug. 15	Aug. 22	Aug. 29
<i>By type of security</i>												
1 U.S. Treasury bills	23,093	26,141	27,315	30,377	27,768	29,590	23,622	26,988	30,840	35,563	35,368	37,919
Treasury coupon securities by maturity												
2 Three years or less	n.a.	118,453	92,942	118,453	91,633	97,837	86,805	83,376	77,381	94,245	87,669	98,442
3 More than three but less than or equal to six years	n.a.	83,923	65,463	83,923	64,438	63,566	58,615	68,448	63,452	77,693	71,434	58,773
4 More than six but less than or equal to eleven years	n.a.	58,180	53,709	58,180	46,626	51,906	54,098	62,093	61,834	73,293	68,205	55,096
5 More than eleven	n.a.	17,804	16,682	17,804	14,140	16,488	16,333	19,726	14,668	18,649	16,301	16,474
6 Inflation-indexed ²	1,833	1,384	2,433	2,284	4,228	2,020	1,485	1,966	1,286	1,532	1,511	1,335
<i>Federal agency and government-sponsored enterprises</i>												
7 Discount notes	55,738	53,216	55,388	62,549	51,438	59,603	53,512	53,819	53,032	58,298	58,171	56,277
Coupon securities by maturity												
8 Three years or less	n.a.	12,880	11,194	12,880	11,104	10,384	12,218	10,196	9,568	12,738	11,509	12,685
9 More than three years but less than or equal to six years	n.a.	8,360	7,594	8,360	10,663	6,535	5,842	6,889	6,685	10,188	8,329	9,356
10 More than six years but less than or equal to eleven years	n.a.	7,640	6,802	7,640	4,612	8,647	6,589	7,078	5,398	6,980	8,110	4,893
11 More than eleven years	n.a.	736	966	736	458	1,192	1,332	976	920	1,726	1,798	1,038
12 Mortgage-backed	100,310	96,113	95,997 ²	72,376	141,762	94,954	72,707	73,406	137,390	144,267	72,122	84,064
<i>Corporate securities</i>												
13 One year or less	n.a.	85,207	75,223	85,207	78,254	77,765	69,968	69,835	72,625	75,453	84,613	82,019
14 More than one year	n.a.	17,686	16,050	17,686	10,464	14,028	18,994	21,063	18,062	21,347	17,662	13,607
<i>By type of counterparty</i>												
<i>With interdealer broker</i>												
15 U.S. Treasury	151,800	130,715	120,946	143,664	120,382	124,550	111,000	118,222	123,378	145,693	133,240	126,293
16 Federal agency and government-sponsored enterprises	12,451	14,142	10,018	10,174	8,839	11,428	9,803	9,918	10,250	11,988	13,356	10,031
17 Mortgage-backed	32,101	30,517	28,194 ²	19,806	35,719	25,910	27,626	22,692	39,533	41,535	24,581	25,495
18 Corporate	n.a.	2,036	1,012	2,036	509	878	1,116	1,168	891	1,119	747	524
<i>With other</i>												
19 U.S. Treasury	142,180	129,696	137,597	167,355	128,451	136,857	130,158	144,374	126,083	155,282	147,248	141,747
20 Federal agency and government-sponsored enterprises	70,798	70,510	71,926	81,991	69,436	74,933	69,689	69,041	65,352	77,942	74,562	74,217
21 Mortgage-backed	68,209	65,596	67,804 ²	52,570	106,043	69,044	45,081	50,714	97,858	102,732	47,541	58,569
22 Corporate	n.a.	100,856	90,261	100,856	88,209	90,914	87,846	89,731	89,796	95,681	101,527	95,102

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 (TIPS) 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.

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.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item	2001			2001, week ending							
	May	June	July	July 4	July 11	July 18	July 25	Aug. 1	Aug. 8	Aug. 15	Aug. 22
NET OUTRIGHT POSITIONS²											
<i>By type of security</i>											
1 U.S. Treasury bills	-332	3,445	7,014	7,110	7,016	3,630	5,328	12,864	22,024	24,180	18,543
Treasury coupon securities by maturity											
2 Three years or less	n.a.	-16,969	-16,714	-16,969	-17,242	-17,252	-14,762	-17,577	-20,199	-15,892	-15,962
3 More than three years but less than or equal to six years	n.a.	-15,221	-15,174	-15,221	-18,066	-17,139	-12,905	-12,125	-10,486	-11,933	-11,105
4 More than six but less than or equal to eleven years	n.a.	-16,118	-18,610	-16,118	-18,140	-18,931	-18,835	-20,184	-17,077	-16,033	-13,623
5 More than eleven	n.a.	10,239	10,090	10,239	9,644	10,399	11,092	8,984	8,063	7,845	9,466
6 Inflation-indexed	-4,128	3,491	2,311	2,451	1,872	2,179	2,424	2,750	2,806	3,298	3,412
Federal agency and government-sponsored enterprises											
7 Discount notes	51,428	55,075	56,172	55,120	49,408	51,532	64,209	60,799	56,493	58,231	53,986
Coupon securities, by maturity											
8 Three years or less	n.a.	23,625	23,494	23,625	26,986	22,279	23,838	20,347	18,422	19,154	17,160
9 More than three years but less than or equal to six years	n.a.	-3,096	-1,445	-3,096	-458	-1,020	-1,738	-1,648	-3,007	-1,822	-2,845
10 More than six but less than or equal to eleven years	n.a.	2,472	3,962	2,472	2,849	5,099	4,077	4,791	4,984	4,204	2,320
11 More than eleven	n.a.	4,190	3,910	4,190	4,063	3,854	3,697	3,860	3,871	4,003	3,309
12 Mortgage-backed	16,811	17,928	12,840	14,027	8,874	10,645	16,267	15,239	9,521	15,715	11,180
Corporate securities											
13 One year or less	n.a.	16,541	15,038	16,541	14,244	15,221	14,292	15,621	14,440	15,675	15,685
14 More than one year	n.a.	23,106	25,410	23,106	26,100	26,716	24,437	25,753	29,678	30,291	26,939
FINANCING³											
Securities in U.S. Treasury											
15 Overnight and continuing	n.a.	510,993	532,092	510,993	534,843	532,146	525,614	550,444	529,020	565,181	576,481
16 Term	n.a.	711,949	751,848	711,949	722,028	746,996	782,288	783,387	813,503	617,222	646,639
Federal agency and government-sponsored enterprises											
17 Overnight and continuing	n.a.	110,263	113,178	110,263	111,565	108,715	113,626	121,687	113,903	119,237	120,188
18 Term	n.a.	159,641	163,334	159,641	165,053	162,392	162,658	165,677	176,572	175,140	180,507
Mortgage-backed securities											
19 Overnight and continuing	n.a.	20,813	23,186	20,813	23,216	21,796	24,601	24,706	22,829	20,670	26,448
20 Term	n.a.	197,977	199,969	197,977	199,037	195,696	201,505	205,577	219,673	224,292	225,582
Corporate securities											
21 Overnight and continuing	n.a.	34,229	34,288	34,229	34,131	34,851	34,192	33,968	33,269	33,602	33,655
22 Term	n.a.	14,179	13,672	14,179	13,428	13,286	13,788	13,935	13,880	12,921	13,149
MEMO: Reverse repurchase agreements											
23 Overnight and continuing	383,190	365,246	347,687	335,502	353,063	342,573	335,653	369,543	338,425	370,479	385,361
24 Term	953,256	1,031,773	1,004,418	959,291	992,190	1,001,645	1,020,752	1,032,948	1,094,219	906,175	948,932
Securities out U.S. Treasury											
25 Overnight and continuing	n.a.	482,344	521,688	482,344	533,787	524,882	513,567	539,549	532,719	574,611	584,733
26 Term	n.a.	665,178	688,710	665,178	657,251	678,441	717,126	719,926	744,378	543,388	584,863
Federal agency and government-sponsored enterprises											
27 Overnight and continuing	n.a.	192,185	215,274	192,185	215,948	218,060	217,251	224,325	207,367	219,508	206,544
28 Term	n.a.	137,932	123,248	137,932	117,200	119,367	122,451	125,972	142,663	145,730	150,516
Mortgage-backed securities											
29 Overnight and continuing	n.a.	222,096	254,481	222,096	242,794	259,777	272,326	262,710	265,913	282,028	299,660
30 Term	n.a.	117,555	101,794	117,555	95,570	99,190	102,340	100,950	107,508	107,100	116,106
Corporate securities											
31 Overnight and continuing	n.a.	77,335	81,804	77,335	80,130	83,145	85,025	81,415	78,459	85,228	82,574
32 Term	n.a.	15,523	11,043	15,523	9,349	9,893	10,862	11,586	11,990	11,978	11,913
MEMO: Repurchase agreements											
33 Overnight and continuing	865,375	890,043	940,177	840,245	941,099	962,203	947,490	971,493	955,579	1,024,332	1,036,472
34 Term	877,681	934,264	890,275	808,711	854,252	888,912	934,202	937,019	985,221	786,273	841,701

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).

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.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1997	1998	1999	2000	2001				
					Feb.	Mar.	Apr.	May	June
1 Federal and federally sponsored agencies	1,022,609	1,296,477	1,616,492	1,851,632	1,917,503	1,919,761	n.a.	n.a.	n.a.
2 Federal agencies	27,792	26,502	26,376	25,666	25,141	25,063	25,024	25,070	n.a.
3 Defense Department ¹	6	6	6	6	6	6	6	6	n.a.
4 Export-Import Bank ^{2,3}	552	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration ⁴	102	205	126	255	291	307	315	201	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	27,786	26,496	26,370	25,660	25,135	25,057	25,018	25,064	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	994,817	1,269,975	1,590,116	1,825,966	1,892,362	1,894,698	n.a.	n.a.	n.a.
11 Federal Home Loan Banks	313,919	382,131	529,005	594,404	598,586	602,824	595,562	592,406	595,148
12 Federal Home Loan Mortgage Corporation	169,200	287,396	360,711	426,899	455,623	461,338	478,447	490,442	496,711
13 Federal National Mortgage Association	369,774	460,291	547,619	642,700	668,200	666,600	682,500	693,600	702,300
14 Farm Credit Banks ⁸	63,517	63,488	68,883	74,181	73,647	74,174	74,456	75,363	76,330
15 Student Loan Marketing Association ⁹	37,717	35,399	41,988	45,375	53,886	47,322	48,468	48,255	47,687
16 Financing Corporation ¹⁰	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 Federal Financing Bank debt¹³	49,090	44,129	42,152	40,575	38,924	39,341	39,065	42,837	n.a.
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	552	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	13,530	9,500	6,665	5,275	5,155	5,155	5,155	5,540	n.a.
26 Rural Electrification Administration	14,898	14,091	14,085	13,126	13,281	13,371	13,371	12,989	n.a.
27 Other	20,110	20,538	21,402	22,174	20,488	20,815	20,539	24,308	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 Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1998	1999	2000	2001							
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug
1 All issues, new and refunding¹	262,342	215,427	180,403	11,255	19,829	24,495	16,985	26,248	29,298	19,232	21,152
<i>By type of issue</i>											
2 General obligation	87,015	73,308	64,475	6,256	9,389	7,668	6,890	8,385	9,691	5,836	8,796
3 Revenue	175,327	142,120	115,928	4,999	10,441	16,827	10,094	17,863	19,606	13,396	12,356
<i>By type of issuer</i>											
4 State	23,506	16,376	19,944	1,738	3,268	1,893	1,900	3,123	2,905	2,029	2,713
5 Special district or statutory authority ²	178,421	152,418	111,695	7,061	11,011	17,280	113,344	17,281	20,672	11,784	12,351
6 Municipality, county, or township	60,173	46,634	39,273	2,456	5,550	5,323	3,740	5,845	5,721	5,419	6,088
7 Issues for new capital	160,568	161,065	154,257	8,758	13,384	15,387	12,264	20,002	20,044	15,015	13,550
<i>By use of proceeds</i>											
8 Education	36,904	36,563	38,665	2,786	3,102	5,343	3,731	5,714	6,460	3,379	2,950
9 Transportation	19,926	17,394	19,730	780	2,411	1,219	1,381	2,522	1,258	3,160	1,669
10 Utilities and conservation	21,037	15,098	11,917	678	1,335	1,677	1,447	2,969	3,191	1,055	1,228
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	8,594	9,099	7,122	63	281	396	436	422	443	508	708
13 Other purposes	42,450	47,896	47,309	3,013	4,742	4,368	3,010	4,736	5,047	3,803	4,524

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	1998	1999	2000	2000	2001						
				Dec	Jan.	Feb.	Mar.	Apr.	May	June	July
1 All issues¹	1,128,491	1,072,866	942,198	61,378	125,894	96,206	139,267	92,778	164,563	122,773	93,451
2 Bonds²	1,001,736	941,298	807,281	58,713	118,372	88,806	127,956	86,274	154,623	102,476	84,872
<i>By type of offering</i>											
3 Sold in the United States	923,771	818,683	684,484	57,189	115,583	86,146	118,779	81,156	146,164	96,382	79,508
4 Sold abroad	77,965	122,615	122,798	1,525	2,789	2,660	9,177	5,117	8,459	6,094	5,364
MEMO											
5 Private placements, domestic	n.a.	n.a.	n.a.	3,709	26	1,897	652	0	2,563	3,146	12
<i>By industry group</i>											
6 Nonfinancial	307,711	293,963	242,452	18,219	44,443	34,604	44,385	33,549	67,142	34,996	18,904
7 Financial	694,025	647,335	564,829	40,495	73,928	54,201	83,571	52,725	87,481	67,480	65,968
8 Stocks¹	182,055	223,968	283,717	15,065	7,522	7,400	11,311	6,504	9,940	20,297	8,579
<i>By type of offering</i>											
9 Public	126,755	131,568	134,917	2,665	7,522	7,400	11,311	6,504	9,940	20,297	8,579
10 Private placement ⁴	55,300	92,400	148,800	12,400	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
11 Nonfinancial	74,113	110,284	118,369	2,146	4,356	4,463	7,718	4,822	6,809	16,630	4,237
12 Financial	52,642	21,284	16,548	519	3,166	2,937	3,593	1,682	3,131	3,667	4,342

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, and Yankee bonds. 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 are not available.

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

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	1999	2000	2001							
			Jan.	Feb.	Mar.	Apr.	May	June	July ²	Aug.
1 Sales of own shares ²	1,791,894	2,279,315	206,765	148,362	162,548	152,327	158,361	139,270	138,428	142,628
2 Redemptions of own shares	1,621,987	2,057,277	171,819	141,663	175,633	130,454	132,574	125,097	129,021	132,018
3 Net sales ²	169,906	222,038	34,946	6,699	-13,085	21,873	25,787	14,173	9,407	10,610
4 Assets ⁴	5,233,191	5,123,747	5,280,222	4,879,229	4,594,182	4,910,568	4,956,982	4,888,874	4,825,144	4,636,249
5 Cash ⁵	219,189	277,386	280,472	274,077	241,518	247,169	237,487	240,199	240,392	240,618
6 Other	5,014,002	4,846,361	4,999,750	4,605,152	4,352,664	4,663,399	4,719,495	4,648,675	4,584,752	4,395,631

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.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1998	1999	2000	1999		2000				2001	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1 Profits with inventory valuation and capital consumption adjustment	777.4	825.2	876.4	800.2	857.6	870.3	892.8	895.0	847.6	789.8	759.8
2 Profits before taxes	721.1	776.3	845.4	765.8	825.0	844.9	862.0	858.3	816.5	755.7	738.3
3 Profits-tax liability	238.8	253.0	271.5	250.7	267.3	277.0	280.4	274.9	253.5	236.8	228.0
4 Profits after tax	482.3	523.3	573.9	515.1	557.7	567.8	581.6	583.4	563.0	518.9	510.3
5 Dividends	348.7	343.5	379.6	342.2	349.6	361.5	373.7	386.2	397.0	405.2	412.3
6 Undistributed profits	133.6	179.8	194.3	172.9	208.1	206.3	207.9	197.2	165.9	113.7	98.0
7 Inventory valuation	18.3	-2.9	-12.4	-17.7	-21.0	-23.8	-14.8	-3.6	-7.3	-1.9	-8.8
8 Capital consumption adjustment	38.0	51.7	43.4	52.1	53.6	49.2	45.5	40.4	38.4	36.0	30.3 ²

SOURCE: U.S. Department of Commerce, *Survey of Current Business*.1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

Account	1998	1999	2000	1999	2000				2001	
				Q4	Q1	Q2 ²	Q3	Q4	Q1 ¹	Q2
ASSETS										
1 Accounts receivable, gross ²	711.7	811.5	915.6	811.5	848.7	884.4	900.1	915.6	910.7	929.9
2 Consumer	261.8	279.8	296.1	279.8	285.4	294.1	301.9	296.1	287.2	290.7
3 Business	347.5	405.2	471.1	405.2	434.6	454.1	455.7	471.1	471.7	481.8
4 Real estate	102.3	126.5	148.3	126.5	128.8	136.2	142.4	148.3	151.8	157.4
5 LESS: Reserves for unearned income	56.3	53.5	60.0	53.5	54.0	57.0	58.8	60.0	60.2	61.9
6 Reserves for losses	13.8	13.5	15.1	13.5	14.0	14.4	14.2	15.1	15.6	16.0
7 Accounts receivable, net	641.6	744.6	840.5	744.6	780.7	813.1	827.1	840.5	834.9	852.0
8 All other	337.9	406.3	461.8	406.3	412.7	419.4	441.4	461.8	475.5	486.2
9 Total assets	979.5	1,150.9	1,302.4	1,150.9	1,193.4	1,232.4	1,268.4	1,302.4	1,310.4	1,338.2
LIABILITIES AND CAPITAL										
10 Bank loans	26.3	35.1	35.6	35.1	28.5	33.3	35.4	35.6	41.4	45.2
11 Commercial paper	231.5	227.9	235.2	227.9	230.2	234.2	215.6	235.2	178.2	177.3
Debt										
12 Owed to parent	61.8	123.8	146.5	123.8	145.1	136.8	144.3	146.5	138.4	145.9
13 Not elsewhere classified	339.7	397.0	463.8	397.0	412.0	445.1	465.5	463.8	501.8	504.6
14 All other liabilities	203.2	222.7	279.7	222.7	247.6	249.6	269.2	279.7	299.7	309.8
15 Capital, surplus, and undivided profits	117.0	144.5	141.6	144.5	130.1	135.3	138.3	141.6	150.8	155.5
16 Total liabilities and capital	979.5	1,150.9	1,302.4	1,150.9	1,193.4	1,234.4	1,268.4	1,302.4	1,310.4	1,338.2

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		1998	1999	2000	2001					
					Feb. ¹	Mar. ¹	Apr. ¹	May	June	July
		Seasonally adjusted								
1 Total		875.8	993.9	1,145.2	1,160.6	1,159.8	1,172.7	1,173.7	1,180.2 ²	1,186.9
2	Consumer	352.8	385.3	439.3	448.0	450.9	455.9	453.4	452.3 ³	453.3
3	Real estate	131.4	154.7	174.9	179.0	177.7	182.5	184.4	183.6	187.1
4	Business	391.6	453.9	531.0	533.6	531.1	534.2	535.9	544.2	546.6
		Not seasonally adjusted								
5 Total		884.0	1,003.2	1,156.0	1,160.6	1,164.2	1,175.0	1,176.9	1,186.2 ²	1,181.5
6	Consumer	356.1	388.8	443.4	446.0	446.9	450.6	450.9	453.1 ¹	455.1
7	Motor vehicle loans	103.1	114.7	122.5	118.5	118.9	126.9	127.6	127.5 ¹	128.7
8	Motor vehicle leases	93.3	98.3	102.9	102.4	101.3	101.4	100.6	99.7	99.5
9	Revolving ²	32.3	33.8	38.3	36.9	35.6	36.0	37.5	37.4 ³	37.5
10	Other ³	33.1	33.1	32.4	32.0	31.3	28.1	26.4	26.1 ¹	26.4
Securitized assets ⁴										
11	Motor vehicle loans	54.8	71.1	97.1	105.2	108.0	106.1	107.7	110.2	111.4
12	Motor vehicle leases	12.7	9.7	6.6	6.9	6.6	7.0	6.9	7.6	7.4
13	Revolving	8.7	10.5	27.5	28.4	28.8	29.1	28.4	29.1	29.1
14	Other	18.1	17.7	16.0	15.5	16.2	16.0	15.7	15.5	15.2
15	Real estate	131.4	154.7	174.9	179.0	177.7	182.5	184.4	183.6	187.1
16	One- to four-family	75.7	88.3	105.4	109.5	108.1	112.3	114.4	113.3	117.1
17	Other	26.6	38.3	42.9	43.4	43.8	43.8	43.9	44.2	44.0
Securitized real estate assets ⁴										
18	One- to four-family	29.0	28.0	24.7	24.2	23.9	23.8	23.6	23.4	23.2
19	Other .....	.1	.2	1.9	1.9	1.9	2.6	2.6	2.8	2.8
20	Business	396.5	459.6	537.7	535.6	539.7	541.9	541.6	549.5	539.3
21	Motor vehicles	79.6	87.8	95.2	93.6	91.9	91.0	90.8	91.9	87.6
22	Retail loans	28.1	33.2	31.0	30.7	30.5	29.9	29.8	29.4	29.5
23	Wholesale loans ⁵	32.8	34.7	39.6	37.6	35.8	35.3	35.2	36.6	32.4
24	Leases	18.7	19.9	24.6	25.3	25.6	25.8	25.8	25.8	25.7
25	Equipment	198.0	221.9	267.3	262.5	264.6	269.2	271.4	276.0	272.6
26	Loans	50.4	52.2	56.2	55.6	57.1	57.7	58.4	60.7	59.0
27	Leases	147.6	169.7	211.1	206.9	207.5	211.5	213.0	215.3	213.6
28	Other business receivables ⁶	69.9	95.5	108.6	114.5	115.2	113.5	112.1	113.9	112.0
Securitized assets ⁴										
29	Motor vehicles	29.2	31.5	37.8	37.2	40.0	40.3	40.0	39.0	38.2
30	Retail loans	2.6	2.9	3.2	2.9	2.8	3.1	3.0	3.1	2.9
31	Wholesale loans	24.7	26.4	32.5	31.7	34.5	34.6	34.3	33.4	32.7
32	Leases	1.9	2.1	2.2	2.6	2.6	2.6	2.7	2.6	2.6
33	Equipment	13.0	14.6	23.1	22.2	22.5	22.2	21.6	22.6	23.0
34	Loans	6.6	7.9	15.5	14.5	14.6	14.4	13.9	15.2	15.2
35	Leases	6.4	6.7	7.6	7.8	7.9	7.8	7.7	7.5	7.8
36	Other business receivables ⁶	6.8	8.4	5.6	5.6	5.6	5.7	5.7	6.0	6.0

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	1998	1999	2000	2001						
				Feb.	Mar.	Apr.	May	June	July	Aug.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms ¹										
1 Purchase price (thousands of dollars)	195.2	210.7	234.5	245.0	244.5	240.8	241.4	250.6	242.9	241.5
2 Amount of loan (thousands of dollars)	151.1	161.7	177.0	185.4	182.9	181.5	181.4	188.7	182.7	181.3
3 Loan-to-price ratio (percent)	80.0	78.7	77.4	77.9	77.2	77.6	77.6	77.3	77.3	76.6
4 Maturity (years)	28.4	28.8	29.2	29.0	28.8	28.5	28.6	28.7	28.8	28.7
5 Fees and charges (percent of loan amount) ² . . . . .	.89	.77	.70	.70	.66	.71	.69	.66	.66	.61
Yield (percent per year)										
6 Contract rate ³	6.95	6.94	7.41	6.99	6.94	6.96	7.02	7.02	7.01	7.06
7 Effective rate ⁴	7.08	7.06	7.52	7.10	7.04	7.07	7.12	7.12	7.11	7.15
8 Contract rate (HUD series) ⁴	7.00	7.45	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	7.04	7.74	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 GNMA securities ⁶	6.43	7.03	7.57	6.61	6.41	6.53	6.61	6.55	6.49	6.29
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	414,515	523,941	610,122	632,850	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 FHA/VA insured	33,770	55,318	61,539	63,337	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Conventional	380,745	468,623	548,583	569,513	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Mortgage transactions purchased (during period)	188,448	195,210	154,231	17,230	20,899	24,015	16,825	24,430	26,082	22,111
Mortgage commitments (during period)										
15 Issued ⁷	193,795	187,948	163,689	25,471	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
16 To sell ⁸	1,880	5,900	11,786	835	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period) ⁸										
17 Total	255,010	324,443	385,693	407,086	421,655	430,960	437,582	443,810	454,485	465,553
18 FHA/VA insured	785	1,836	3,332	3,319	3,329	2,878	2,785	2,738	2,689	2,643
19 Conventional	254,225	322,607	382,361	403,767	418,326	428,082	434,797	441,072	451,796	462,910
Mortgage transactions (during period)										
20 Purchases	267,402	239,793	174,043	16,536	24,648	n.a.	n.a.	n.a.	n.a.	n.a.
21 Sales	250,565	233,031	166,901	15,549	23,367	31,219	33,670	38,133	44,574	33,933
22 Mortgage commitments contracted (during period) ⁹	281,899	228,432	169,231	17,664	26,682	32,758	39,897	37,312	43,788	34,087

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	1997	1998	1999	2000				2001
				Q1	Q2	Q3	Q4	
1 All holders	5,198,237	5,698,389	6,326,415	6,426,515	6,592,329	6,744,667	6,889,962	7,016,475
<i>By type of property</i>								
2 One- to four-family residences	3,968,218	4,348,553	4,773,876	4,832,886	4,962,031	5,087,538	5,193,000	5,284,886
3 Multifamily residences	302,642	330,718	372,619	387,188	390,753	399,232	409,216	418,762
4 Nonfarm, nonresidential	837,077	922,612	1,076,958	1,102,565	1,133,107	1,149,940	1,178,909	1,202,752
5 Farm	90,300	96,506	102,962	103,875	106,437	107,957	108,836	110,075
<i>By type of holder</i>								
6 Major financial institutions	2,084,000	2,195,869	2,396,265	2,458,194	2,550,201	2,606,592	2,621,076	2,667,125
7 Commercial banks ²	1,245,334	1,338,273	1,496,844	1,548,224	1,615,794	1,650,294	1,661,600	1,688,869
8 One- to four-family	745,777	798,009	880,208	905,270	949,223	968,831	966,609	978,227
9 Multifamily	50,705	54,174	67,666	72,509	75,795	77,031	77,821	79,890
10 Nonfarm, nonresidential	421,865	457,054	517,130	537,772	557,059	570,513	583,153	596,518
11 Farm	26,987	29,035	31,839	32,673	33,717	33,919	34,016	34,234
12 Savings institutions ³	631,826	643,957	668,634	680,745	701,992	723,563	723,534	741,114
13 One- to four-family	520,782	533,895	549,046	560,018	578,612	595,518	595,053	608,289
14 Multifamily	59,540	56,847	59,168	57,790	59,174	60,077	61,094	62,666
15 Nonfarm, nonresidential	51,150	52,798	59,945	62,444	63,688	65,437	66,852	69,589
16 Farm	354	417	475	493	518	531	535	569
17 Life insurance companies	206,840	213,640	230,787	229,225	232,415	234,735	235,942	237,142
18 One- to four-family	7,187	6,590	5,934	5,567	5,237	4,907	4,904	4,800
19 Multifamily	30,402	31,522	32,818	32,634	33,121	33,478	33,681	33,867
20 Nonfarm, nonresidential	158,779	164,004	179,048	178,043	180,701	182,646	183,757	184,774
21 Farm	10,472	11,524	12,987	12,981	13,356	13,704	13,600	13,701
22 Federal and related agencies	286,194	293,602	322,132	322,917	332,642	336,682	343,962	346,276
23 Government National Mortgage Association	8	7	7	7	7	6	6	6
24 One- to four-family	8	7	7	7	7	6	6	6
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration ⁴	41,195	40,851	73,871	72,899	72,896	73,009	73,323	73,361
27 One- to four-family	17,253	16,895	16,506	16,456	16,435	16,444	16,372	16,297
28 Multifamily	11,720	11,739	11,741	11,732	11,729	11,734	11,733	11,725
29 Nonfarm, nonresidential	7,370	7,705	41,355	40,509	40,554	40,665	41,070	41,247
30 Farm	4,852	4,513	4,268	4,202	4,179	4,167	4,148	4,093
31 Federal Housing and Veterans' Administrations	3,811	3,674	3,712	3,794	3,845	3,395	3,507	2,873
32 One- to four-family	1,767	1,849	1,851	1,847	1,832	1,327	1,308	1,276
33 Multifamily	2,044	1,825	1,861	1,947	2,013	2,068	2,199	1,597
34 Resolution Trust Corporation	-278 ⁵	24 ⁶	-10 ⁶	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	724	361	152	98	72	82	45	50
40 One- to four-family	117	58	25	16	12	13	7	8
41 Multifamily	140	70	29	19	14	16	9	10
42 Nonfarm, nonresidential	467	233	98	63	46	53	29	32
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	161,308	157,675	151,500	150,312	153,507	152,815	155,363	156,294
45 One- to four-family	149,831	147,594	141,195	139,986	142,478	141,786	144,150	145,014
46 Multifamily	11,477	10,081	10,305	10,326	11,029	11,029	11,213	11,280
47 Federal Land Banks	39,657	32,983	34,187	34,142	34,830	35,549	36,326	37,072
48 One- to four-family	1,804	1,941	2,012	2,009	2,049	2,092	2,137	2,181
49 Farm	0	0	0	0	0	0	0	0
50 Federal Home Loan Mortgage Corporation	48,454	57,085	56,676	57,009	56,972	57,046	59,240	60,110
51 One- to four-family	42,629	49,106	44,321	43,384	42,892	42,138	42,871	42,771
52 Multifamily	5,825	7,979	12,355	13,625	14,080	14,908	16,369	17,339
53 Mortgage pools or trusts ⁵	2,232,848	2,581,969	2,947,760	2,983,365	3,034,691	3,115,138	3,231,195	3,305,311
54 Government National Mortgage Association	536,879	537,446	582,263	589,192	590,708	602,628	611,629	601,540
55 One- to four-family	523,225	522,498	565,189	571,506	572,661	584,152	592,700	581,760
56 Multifamily	13,654	14,948	17,074	17,686	18,047	18,476	18,929	19,780
57 Federal Home Loan Mortgage Corporation	579,385	646,459	749,081	757,106	768,641	790,891	822,310	833,616
58 One- to four-family	576,846	643,465	744,619	752,607	763,890	786,007	816,602	827,769
59 Multifamily	2,539	2,994	4,462	4,499	4,751	4,884	5,708	5,847
60 Federal National Mortgage Association	709,582	834,517	960,883	975,815	995,815	1,020,828	1,057,750	1,099,049
61 One- to four-family	687,981	804,204	924,941	932,178	957,584	981,206	1,016,398	1,055,412
62 Multifamily	21,601	30,313	35,942	43,637	38,231	39,622	41,352	43,637
63 Farmers Home Administration ⁴	2	1	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	2	1	0	0	0	0	0	0
68 Private mortgage conduits	407,000	563,546	655,533	661,252	679,527	700,792	739,506	771,106
69 One- to four-family ⁶	310,659	405,153	455,021	455,623	464,593	477,899	499,834	523,300
70 Multifamily	20,907	33,754	42,226	43,069	44,290	45,991	49,322	50,639
71 Nonfarm, nonresidential	75,434	124,639	158,287	162,560	170,644	176,901	190,350	197,167
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others ⁷	595,195	626,949	660,258	662,039	674,794	686,254	693,729	697,763
74 One- to four-family	382,315	416,335	441,205	442,006	454,314	470,762	481,118	481,485
75 Multifamily	72,088	74,462	76,740	77,466	78,179	79,587	79,566	80,268
76 Nonfarm, nonresidential	122,013	116,178	121,095	121,174	120,415	113,725	113,697	113,424
77 Farm	18,779	19,974	21,217	21,393	21,886	22,179	22,348	22,586

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.

A36 Domestic Financial Statistics □ November 2001

1.55 CONSUMER CREDIT¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1998	1999	2000	2001					
				Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June ¹	July
				Seasonally adjusted					
1 Total	1,301,023	1,393,657	1,531,469	1,563,664	1,570,990	1,584,421	1,590,958	1,589,202	1,589,197
2 Revolving	560,504	595,610	663,830	682,599	689,727	696,417	699,036	700,284	700,254
3 Nonrevolving	740,519	798,047	867,639	881,065	881,264	888,004	891,923	888,918	888,943
Not seasonally adjusted									
4 Total	1,331,742	1,426,151	1,566,457	1,558,817	1,558,582	1,570,273	1,576,257	1,581,074	1,581,545
By major holder									
5 Commercial banks	508,932	499,758	541,470	534,560	533,680	540,740	543,048	540,211	535,926
6 Finance companies	168,491	181,573	193,189	187,493	185,862	191,028	191,539	190,969	192,542
7 Credit unions	155,406	167,921	184,434	183,548	182,918	184,280	185,971	187,000	187,698
8 Savings institutions	51,611	61,527	64,557	65,192	65,509	65,453	65,396	65,340	65,999
9 Nonfinancial business	74,877	80,311	82,662	73,057	71,403	71,490	69,963	68,026	65,314
10 Pools of securitized assets ³	372,425	435,061	500,145	514,967	519,210	517,283	520,340	529,528	534,066
By major type of credit ⁴									
11 Revolving	586,528	623,245	693,645	683,359	682,684	689,214	691,635	694,289	692,850
12 Commercial banks	210,346	189,352	218,063	208,550	209,461	214,683	216,268	213,080	211,010
13 Finance companies	32,309	33,814	38,251	36,938	35,626	36,044	37,509	37,373	37,485
14 Credit unions	19,930	20,641	22,226	21,415	20,902	21,068	21,226	21,290	21,260
15 Savings institutions	12,450	15,838	16,560	16,845	16,987	16,788	16,589	16,391	16,714
16 Nonfinancial business	39,166	42,783	42,430	35,290	33,871	33,815	32,690	31,379	29,314
17 Pools of securitized assets ³	272,327	320,817	356,114	364,321	365,837	366,815	367,354	374,776	377,067
18 Nonrevolving	745,214	802,906	872,812	875,458	875,898	881,060	884,622	886,785	888,695
19 Commercial banks	298,586	310,406	323,407	326,010	324,219	326,057	326,780	327,131	324,915
20 Finance companies	136,182	147,759	154,938	150,555	150,236	154,985	154,030	153,597	155,057
21 Credit unions	135,476	147,280	162,208	162,133	162,016	163,212	164,745	165,710	166,438
22 Savings institutions	39,161	45,689	47,997	48,347	48,523	48,665	48,807	48,949	49,286
23 Nonfinancial business	35,711	37,528	40,232	37,767	37,532	37,674	37,274	36,647	36,000
24 Pools of securitized assets ³	100,098	114,244	144,031	150,645	153,372	150,468	152,986	154,752	156,999

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	1998	1999	2000	2001						
				Jan	Feb.	Mar.	Apr.	May	June	July
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	8.72	8.44	9.34	n.a	9.17	n.a.	n.a.	8.67	n.a.	n.a
2 24-month personal	13.74	13.39	13.90	n.a	13.71	n.a.	n.a.	13.28	n.a.	n.a.
<i>Credit card plan</i>										
3 All accounts	15.71	15.21	15.71	n.a.	15.66	n.a.	n.a.	15.07	n.a.	n.a.
4 Accounts assessed interest	15.59	14.81	14.91	n.a.	14.61	n.a.	n.a.	14.63	n.a.	n.a.
<i>Auto finance companies</i>										
5 New car	6.30	6.66	6.61	7.29	7.19	6.80	6.80	6.56	6.15	6.20
6 Used car	12.64	12.60	13.55	13.11	13.34	13.19	12.82	12.57	12.05	11.79
OTHER TERMS ³										
<i>Maturity (months)</i>										
7 New car	52.1	52.7	54.9	54.3	55.5	55.6	56.3	57.0	57.2	57.3
8 Used car	53.5	55.9	57.0	57.8	58.0	58.0	57.9	57.8	57.6	57.6
<i>Loan-to-value ratio</i>										
9 New car	92	92	92	90	91	91	91	92	91	91
10 Used car	99	99	99	98	99	100	100	100	100	100
<i>Amount financed (dollars)</i>										
11 New car	19,083	19,880	20,923	21,315	21,993	22,131	21,914	21,871	22,124	22,687
12 Used car	12,691	13,642	14,058	14,155	14,095	14,214	14,347	14,350	14,586	14,571

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	1995	1996	1997	1998	1999	1999	2000				2001	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Nonfinancial sectors											
1 Total net borrowing by domestic nonfinancial sectors ..	705.9	733.1	804.4	1,023.5	1,097.8	999.7	949.6	967.5	801.3	758.0	1,001.1	1,034.9
By sector and instrument												
2 Federal government	144.4	145.0	23.1	-52.6	-71.2	-30.0	-217.2	-408.7	-226.2	-331.3	-4.3	-216.0
3 Treasury securities	142.9	146.6	23.2	-54.6	-71.0	-30.1	-215.2	-410.5	-223.8	-330.2	-2.1	-217.1
4 Budget agency securities and mortgages	1.5	-1.6	-1	2.0	-2	.0	-2.1	1.8	-2.4	-1.2	-2.2	1.1
5 Nonfederal	561.5	588.1	781.3	1,076.2	1,169.1	1,029.7	1,166.8	1,376.2	1,027.6	1,089.4	1,005.4	1,251.0
By instrument												
6 Commercial paper	18.1	-9	13.7	24.4	37.4	44.0	29.8	110.4	56.1	-4.0	-207.2	-141.5
7 Municipal securities and loans	-48.2	2.6	71.4	96.8	68.2	44.8	20.0	30.1	31.0	60.1	106.9	113.9
8 Corporate bonds	91.1	116.3	150.5	218.7	229.9	155.2	186.2	153.8	184.4	175.6	403.7	423.7
9 Bank loans n.e.c.	103.7	70.5	106.5	108.2	82.7	84.8	139.5	163.3	50.2	59.4	-6.7	-144.1
10 Other loans and advances	67.2	33.5	69.1	74.3	60.6	23.7	147.1	126.0	18.4	125.2	-12.5	102.8
11 Mortgages	190.6	277.5	317.6	486.1	595.9	567.7	498.8	654.6	565.0	549.5	563.1	823.3
12 Home	179.1	242.9	252.6	384.2	429.5	377.2	356.2	484.6	435.9	392.3	431.5	613.9
13 Multifamily residential	4.5	9.5	7.6	23.8	42.7	53.9	30.9	49.0	29.5	41.7	40.4	56.2
14 Commercial	5.7	22.5	54.3	71.5	117.9	133.9	104.3	110.9	93.1	111.8	86.7	144.2
15 Farm	1.4	2.7	3.1	6.5	5.8	2.7	7.4	10.1	6.5	3.8	4.5	9.1
16 Consumer credit	138.9	88.8	52.5	67.6	94.4	109.5	145.3	137.9	122.5	123.7	158.1	72.8
By borrowing sector												
17 Household	339.3	338.5	322.1	454.2	506.3	437.8	516.6	612.7	544.4	498.4	549.5	660.9
18 Nonfinancial business	273.7	256.4	403.2	541.7	610.4	564.7	637.2	745.2	459.4	537.2	355.8	480.0
19 Corporate	224.9	183.7	301.3	394.8	449.2	389.5	487.7	550.8	322.9	388.5	228.2	348.1
20 Nonfarm noncorporate	46.1	67.8	95.7	138.9	155.7	169.4	135.7	184.7	129.3	134.2	121.3	125.4
21 Farm	2.7	4.9	6.2	8.0	5.5	5.9	13.8	9.7	7.2	14.5	6.3	6.5
22 State and local government	-51.5	-6.8	56.1	80.3	52.3	27.2	12.9	18.2	23.8	53.7	100.1	110.1
23 Foreign net borrowing in United States	78.5	88.4	71.8	43.4	27.9	22.8	117.4	50.6	108.7	107.4	9.3	4.2
24 Commercial paper	13.5	11.3	3.7	7.8	16.3	33.6	57.8	12.0	7.0	50.1	-25.4	-5.6
25 Bonds	57.1	67.0	61.4	34.9	16.8	2.3	44.7	31.2	91.5	49.6	33.3	36.0
26 Bank loans n.e.c.	8.5	9.1	8.5	6.7	.5	2.3	15.4	5.7	11.9	12.2	13.0	-26.9
27 Other loans and advances	-5	1.0	-1.8	-6.0	-5.7	-15.4	-5	1.7	-1.7	-4.6	-11.6	.7
28 Total domestic plus foreign	784.5	821.5	876.2	1,066.9	1,125.8	1,022.5	1,067.0	1,018.1	910.0	865.4	1,010.4	1,039.1
	Financial sectors											
29 Total net borrowing by financial sectors	454.0	545.7	653.8	1,073.8	1,077.3	961.4	601.2	884.8	777.9	976.7	882.9	763.1
By instrument												
30 Federal government-related	204.2	231.4	212.9	470.9	592.0	552.4	224.4	381.1	514.8	613.6	432.6	671.2
31 Government-sponsored enterprise securities	105.9	90.4	98.4	278.3	318.2	367.9	104.9	248.9	278.1	304.5	262.3	264.7
32 Mortgage pool securities	98.3	141.0	114.6	192.6	273.8	184.5	119.5	132.2	236.7	309.1	170.3	406.5
33 Loans from U.S. government .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	249.8	314.4	440.9	602.9	485.3	409.0	376.7	503.7	263.1	363.1	450.3	91.8
35 Open market paper	42.7	92.2	166.7	161.0	176.2	404.4	114.6	136.7	106.5	153.2	-134.6	-85.4
36 Corporate bonds	195.9	173.8	210.5	296.9	211.2	-30.1	165.0	227.7	192.1	217.4	456.7	157.7
37 Bank loans n.e.c.	2.5	12.6	13.2	30.1	-14.3	-54.4	3.1	10.2	-9.9	-4.4	27.8	14.5
38 Other loans and advances	3.4	27.9	35.6	90.2	107.1	85.9	87.0	119.2	-31.6	-4.8	107.8	-11.0
39 Mortgages	5.3	7.9	14.9	24.8	5.1	3.2	7.0	10.0	6.0	1.8	-7.5	16.0
By borrowing sector												
40 Commercial banking	22.5	13.0	46.1	72.9	67.2	44.8	78.3	99.3	43.4	18.8	148.3	-15.6
41 Savings institutions	2.6	25.5	19.7	52.2	48.0	-6.8	57.5	69.0	-37.9	20.4	62.5	16.2
42 Credit unions	-1	1	.1	.6	2.2	3.3	-2.9	.9	1.1	1.0	-6	.8
43 Life insurance companies	-1	1.1	.2	.7	.7	-4.4	-7	-1.1	-3	-7	-2.4	.1
44 Government-sponsored enterprises	105.9	90.4	98.4	278.3	318.2	367.9	104.9	248.9	278.1	304.5	262.3	264.7
45 Federally related mortgage pools	98.3	141.0	114.6	192.6	273.8	184.5	119.5	132.2	236.7	309.1	170.3	406.5
46 Issuers of asset-backed securities (ABSs)	142.4	150.8	202.2	321.4	223.4	105.9	175.0	146.0	156.2	307.9	289.8	171.8
47 Finance companies	50.2	45.9	48.7	43.0	62.4	92.1	53.5	177.7	29.6	37.8	-42.8	35.7
48 Mortgage companies	-2.2	4.1	-4.6	1.6	.2	6.2	-3.0	2.7	-3	1.0	.7	.6
49 Real estate investment trusts (REITs)	4.5	11.9	39.6	62.7	6.3	11.3	11.5	9.8	-2.4	-8.1	-6.1	2.2
50 Brokers and dealers	-5.0	-2.0	8.1	7.2	-17.2	-37.3	44.4	-7	25.4	-6.6	-23.7	35.6
51 Funding corporations	34.9	64.1	80.7	40.7	92.2	193.8	-36.8	-1	48.2	-8.5	24.6	-155.5

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

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1995	1996	1997	1998	1999	1999	2000				2001	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
	All sectors											
52 Total net borrowing, all sectors	1,238.5	1,367.2	1,530.0	2,140.7	2,203.1	1,983.8	1,668.1	1,902.9	1,687.9	1,842.1	1,893.2	1,802.2
53 Open market paper	74.3	102.6	184.1	193.1	229.9	482.0	202.1	259.1	169.7	199.3	-367.2	-232.5
54 U.S. government securities	348.6	376.4	236.0	418.3	520.7	522.4	7.2	-27.6	288.6	282.2	428.3	455.2
55 Municipal securities	-48.2	2.6	71.4	96.8	68.2	44.8	20.0	30.1	31.0	60.1	106.9	113.9
56 Corporate and foreign bonds	344.1	357.0	422.4	550.4	457.9	127.4	396.0	412.7	468.0	442.6	893.7	617.4
57 Bank loans n.e.c.	114.7	92.1	128.2	145.0	68.9	32.7	158.0	179.2	52.2	67.1	34.1	-156.5
58 Other loans and advances	70.1	62.5	102.8	158.5	162.0	94.2	233.6	246.9	-15.0	115.8	83.7	92.5
59 Mortgages	196.0	285.3	332.5	510.9	601.0	570.9	505.9	664.6	571.0	551.3	555.6	839.4
60 Consumer credit	138.9	88.8	52.5	67.6	94.4	109.5	145.3	137.9	122.5	123.7	158.1	72.8
	Funds raised through mutual funds and corporate equities											
61 Total net issues	146.8	231.8	181.8	102.8	146.3	168.2	387.7	163.4	211.3	-166.0	170.0	427.6
62 Corporate equities	-6	-5.8	-83.3	-171.8	-42.1	8.0	80.4	-68.7	-68.1	-322.7	73.6	143.8
63 Nonfinancial corporations	-58.3	-69.5	-114.4	-267.0	-143.5	-55.0	61.2	-245.2	-87.7	-394.8	-33.9	-35.2
64 Foreign shares purchased by U.S. residents	65.4	82.8	57.6	101.3	114.4	71.3	62.6	185.9	61.1	89.4	109.2	208.8
65 Financial corporations	-7.7	-19.2	-26.5	-6.1	-13.0	-8.3	-43.4	-9.3	-41.5	-17.4	-1.8	-29.9
66 Mutual fund shares	147.4	237.6	265.1	274.6	188.3	160.2	307.3	232.0	279.4	156.7	96.4	283.8

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	1995	1996	1997	1998	1999	1999	2000				2001	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
NET LENDING IN CREDIT MARKETS ²												
1 Total net lending in credit markets	1,238.5	1,367.2	1,530.0	2,140.7	2,203.1	1,983.8	1,668.1	1,902.9	1,687.9	1,842.1	1,893.2	1,802.2
2 Domestic nonfederal nonfinancial sectors	-79.3	69.7	-29.7	86.3	189.2	-32.2	-227.3	133.4	-231.3	-155.8	-222.5	-63.2
3 Household	16.5	109.4	-20.2	-50.4	141.5	-2	-283.0	31.2	-160.1	-136.4	-259.9	13.3
4 Nonfinancial corporate business	-8.8	-10.2	-12.7	-16.0	-2.8	-41.1	56.5	61.9	-50.8	-28.7	40.6	-46.5
5 Nonfarm noncorporate business	4.4	4.2	3.0	18.1	7.1	6.9	-2.1	.4	-4.0	-2.7	-4.8	-5.2
6 State and local governments	-91.4	-33.7	.1	134.5	43.4	2.3	1.2	39.9	-16.4	12.1	1.5	-24.8
7 Federal government	-5	-7.2	5.3	13.5	5.8	-11.8	6.5	7.7	4.5	10.6	4.6	9.4
8 Rest of the world	273.9	414.4	311.3	254.2	208.8	136.0	315.2	197.9	216.2	387.8	410.8	344.0
9 Financial sectors	1,044.4	890.3	1,243.3	1,786.7	1,799.2	1,891.8	1,573.7	1,563.8	1,698.6	1,599.5	1,700.3	1,511.9
10 Monetary authority	12.7	12.3	38.3	21.1	25.7	-49.1	102.0	-5.4	39.1	-9	53.7	26.4
11 Commercial banking	265.9	187.5	324.3	305.2	308.2	500.4	415.8	497.4	363.2	157.0	152.8	158.4
12 U.S.-chartered banks	186.5	119.6	274.9	312.0	317.6	417.4	448.2	510.9	324.8	75.3	107.9	179.7
13 Foreign banking offices in United States	75.4	63.3	40.2	-11.9	-20.1	34.1	4.5	-22.3	32.8	81.1	41.3	-22.7
14 Bank holding companies	-3	3.9	5.4	-9	6.2	42.6	-42.2	3.5	-6.7	-3.2	7.3	-2.8
15 Banks in U.S.-affiliated areas	4.2	.7	3.7	6.0	4.4	6.3	5.4	5.4	12.3	3.8	-3.6	4.2
16 Savings institutions	-7.6	19.9	-4.7	36.1	68.6	23.1	55.6	65.0	62.7	42.5	52.5	56.2
17 Credit unions	16.2	25.5	16.8	19.0	27.5	21.1	35.7	31.6	21.2	33.6	3.9	24.6
18 Bank personal trusts and estates	-8.3	-7.7	-25.0	-12.8	27.8	27.8	18.9	13.8	17.6	18.1	10.7	13.4
19 Life insurance companies	100.0	69.6	104.8	76.9	53.5	27.4	65.0	52.9	74.8	38.8	95.3	101.2
20 Other insurance companies	21.5	22.5	25.2	5.8	-3.0	-8.2	-11.2	-18.1	6.2	-11.7	2.1	2.8
21 Private pension funds	19.9	-4.1	47.6	56.4	45.0	49.8	46.8	24.7	64.9	28.7	26.1	20.2
22 State and local government retirement funds	38.3	35.8	67.1	72.1	46.9	46.2	63.3	31.5	37.6	66.1	13.3	17.7
23 Money market mutual funds	86.5	88.8	87.5	244.0	182.0	355.1	161.5	-118.2	256.1	296.0	303.4	166.2
24 Mutual funds	52.5	48.9	80.9	124.8	47.2	-23.2	-66.9	63.1	50.1	60.8	69.4	130.9
25 Closed-end funds	10.2	4.6	-2.6	5.5	7.4	-7.4	-8.4	-8.4	-8.4	-8.4	-8.4	-8.4
26 Government-sponsored enterprises	95.4	97.4	106.6	314.6	291.7	253.7	205.4	250.9	188.6	318.8	347.8	302.4
27 Federally related mortgage pools	98.3	141.0	114.6	192.6	273.8	184.5	119.5	132.2	236.7	309.1	170.3	406.5
28 Asset-backed securities issuers (ABSS)	120.6	120.5	163.8	281.7	205.2	76.1	154.2	111.4	120.9	278.9	269.8	159.4
29 Finance companies	49.9	18.4	21.9	51.9	94.9	96.3	144.0	138.9	91.6	23.1	-3.9	85.5
30 Mortgage companies	-3.4	8.2	-9.1	3.2	.3	12.3	-6.0	-5.5	-5	2.0	1.4	1.1
31 Real estate investment trusts (REITs)	1.4	4.4	20.2	-5.1	-2.6	-7.0	-16.3	-2.5	-3.6	-2.8	4.0	1.1
32 Brokers and dealers	90.1	-15.7	14.9	6.8	-34.7	-42.2	101.9	90.0	152.7	-69.0	311.4	13.8
33 Funding corporations	-15.7	12.6	50.4	-12.9	133.8	340.1	-7.2	207.7	-72.9	19.0	-175.3	-167.5
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 Net flows through credit markets	1,238.5	1,367.2	1,530.0	2,140.7	2,203.1	1,983.8	1,668.1	1,902.9	1,687.9	1,842.1	1,893.2	1,802.2
Other financial sources												
35 Official foreign exchange	8.8	-6.3	7	6.6	-8.7	-7.0	1.5	-8.8	7	4.9	-1.5	4.7
36 Special drawing rights certificates	2.2	-5	-5	0	-3.0	-4.0	0	-8.0	-4.0	-4.0	.0	.0
37 Treasury currency	.7	.5	.5	.6	1.0	0	2.2	3.2	4.2	.0	-1.1	1.1
38 Foreign deposits	35.3	85.9	107.7	6.5	61.0	-35.4	313.3	3.4	-40.8	207.4	235.5	-146.5
39 Net interbank transactions	10.0	-51.6	-19.7	-32.3	17.6	-17.2	-72.9	151.9	-170.6	10.6	-202.4	177.0
40 Checkable deposits and currency	-12.8	15.7	41.2	47.4	151.4	368.9	-206.8	-33.8	5.0	-50.2	90.3	101.0
41 Small time and savings deposits	96.6	97.2	97.1	152.4	44.7	44.5	104.6	123.0	224.5	310.8	288.3	193.1
42 Large time deposits	65.6	114.0	122.5	92.1	130.6	348.3	154.1	101.2	152.9	65.2	130.6	65.9
43 Money market fund shares	141.2	145.4	155.9	287.2	249.1	455.8	239.7	71.5	250.9	371.1	621.4	322.5
44 Security repurchase agreements	110.5	41.4	120.9	91.3	169.7	260.8	275.0	155.2	278.0	-264.6	11.2	155.2
45 Corporate equities	-6	-5.8	-83.3	-171.8	-42.1	8.0	80.4	-68.7	-68.1	-322.7	73.6	143.8
46 Mutual fund shares	147.4	237.6	265.1	274.6	188.3	160.2	307.3	232.0	279.4	156.7	96.4	283.8
47 Trade payables	133.7	123.3	139.7	109.2	222.3	255.4	193.5	193.9	132.8	105.4	-21.8	-10.1
48 Security credit	26.7	52.4	111.0	103.3	104.3	337.0	485.0	-91.4	94.7	75.6	-64.6	-82.9
49 Life insurance reserves	45.8	44.5	59.3	48.0	50.8	57.6	54.9	45.6	53.0	47.3	52.7	59.7
50 Pension fund reserves	158.8	148.3	201.4	202.1	184.5	166.2	210.8	260.8	227.1	169.0	255.6	196.7
51 Taxes payable	7.8	19.5	22.3	21.3	22.3	31.2	30.9	31.8	-1.6	25.9	.6	2.0
52 Investment in bank personal trusts	6.4	-5.3	-49.9	-41.8	-6.5	-7.6	-28.4	-33.1	-29.2	-28.0	-26.1	-22.7
53 Noncorporate proprietors' equity	-2	-31.6	-71.8	-74.0	-49.1	-48.2	-48.6	-28.8	-10.7	-34.9	-29.3	-13.0
54 Miscellaneous	496.9	525.0	490.6	1,002.5	738.1	677.5	999.5	1,089.7	1,283.9	595.9	570.9	932.1
55 Total financial sources	2,719.2	2,917.0	3,240.6	4,265.8	4,429.2	5,035.7	4,764.2	4,093.4	4,350.2	3,283.4	3,973.5	4,165.8
Liabilities not identified as assets (-)												
56 Treasury currency	-3	-4	-2	-1	-7	-2.2	-1.8	-7	.9	-3.3	-3.6	-3
57 Foreign deposits	25.1	59.6	106.2	-8.5	45.8	26.2	262.7	-81.9	-99.2	193.3	178.2	-108.3
58 Net interbank liabilities	-3.1	-3.3	-19.9	3.4	3.5	-37.7	25.3	5.4	-12.1	51.1	16.7	12.9
59 Security repurchase agreements	25.7	2.4	63.2	60.6	30.0	-250.9	566.4	52.0	127.4	-302.3	-141.4	121.2
60 Taxes payable	21.1	23.1	28.0	19.7	6.5	3.6	9.4	10.0	-7.5	44.5	1.7	-26.9
61 Miscellaneous	-197.1	-124.5	-126.4	-137.7	-373.6	-200.1	-417.8	-352.7	-275.6	-403.7	-7.4	-291.1
Floats not included in assets (-)												
62 Federal government checkable deposits	-6.0	.5	-2.7	2.6	-7.4	-20.0	18.7	16.3	3.0	-2.1	-29.8	13.8
63 Other checkable deposits	-3.8	-4.0	-3.9	-3.1	-8	-2	1.0	1.4	1.9	2.4	3.8	3.9
64 Trade credit	17.4	-25.4	-29.2	-51.3	42.9	185.3	-72.1	-50.0	-49.4	24.1	26.7	-5.0
65 Total identified to sectors as assets	2,840.3	2,989.2	3,225.4	4,380.3	4,683.0	5,331.7	4,372.4	4,493.7	4,660.7	3,679.4	3,928.6	4,445.6

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	1996	1997	1998	1999	1999	2000				2001	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2
					Nonfinancial sectors						
1 Total credit market debt owed by domestic nonfinancial sectors	14,440.6	15,243.5	16,267.0	17,399.6	17,399.6	17,629.0	17,807.7	18,008.0	18,287.7	18,529.3	18,716.5
By sector and instrument											
2 Federal government	3,781.8	3,804.9	3,752.2	3,681.0	3,681.0	3,653.5	3,464.0	3,410.2	3,385.2	3,408.8	3,261.4
3 Treasury securities	3,755.1	3,778.3	3,723.7	3,652.8	3,652.8	3,625.8	3,435.7	3,382.6	3,357.8	3,382.1	3,234.4
4 Budget agency securities and mortgages	26.6	26.5	28.5	28.3	28.3	27.8	28.2	27.6	27.3	26.8	27.0
5 Nonfederal	10,658.8	11,438.6	12,514.8	13,718.5	13,718.5	13,975.5	14,343.8	14,597.8	14,902.6	15,120.5	15,455.1
By instrument											
6 Commercial paper	156.4	168.6	193.0	230.3	230.3	260.8	296.8	307.0	278.4	253.2	223.3
7 Municipal securities and loans	1,296.0	1,367.5	1,464.3	1,532.5	1,532.5	1,539.2	1,551.6	1,550.3	1,567.8	1,596.6	1,629.3
8 Corporate bonds	1,460.4	1,610.9	1,829.6	2,059.5	2,059.5	2,106.0	2,144.5	2,190.6	2,234.5	2,335.4	2,441.3
9 Bank loans n.e.c.	934.1	1,040.5	1,148.8	1,231.5	1,231.5	1,259.1	1,306.4	1,311.6	1,334.6	1,324.0	1,295.3
10 Other loans and advances	770.4	839.5	913.8	974.6	974.6	1,020.1	1,049.5	1,052.2	1,089.9	1,096.0	1,119.5
11 Mortgages	4,830.0	5,147.6	5,633.7	6,264.0	6,264.0	6,374.3	6,541.0	6,690.9	6,831.0	6,956.7	7,165.3
12 Home	3,717.1	3,969.7	4,353.9	4,783.5	4,783.5	4,858.0	4,982.3	5,100.0	5,200.7	5,293.5	5,449.7
13 Multifamily residential	278.2	285.8	309.7	352.6	352.6	360.3	372.6	379.9	390.3	400.4	414.5
14 Commercial	747.8	802.0	873.5	1,025.6	1,025.6	1,051.7	1,079.4	1,102.7	1,130.6	1,152.3	1,188.3
15 Farm	86.9	90.0	96.6	102.3	102.3	104.2	106.8	108.3	109.3	110.4	112.7
16 Consumer credit	1,211.6	1,264.1	1,331.7	1,426.2	1,426.2	1,416.0	1,454.0	1,495.3	1,566.5	1,558.6	1,581.1
By borrowing sector											
17 Households	5,218.6	5,540.9	5,995.1	6,501.7	6,501.7	6,566.0	6,727.4	6,890.5	7,063.8	7,133.7	7,307.6
18 Nonfinancial business	4,376.8	4,778.2	5,319.9	5,964.7	5,964.7	6,152.2	6,350.7	6,444.3	6,559.4	6,680.2	6,810.2
19 Corporate	3,097.3	3,396.9	3,791.6	4,275.2	4,275.2	4,427.2	4,574.2	4,634.8	4,712.7	4,803.3	4,897.5
20 Nonfarm noncorporate	1,129.8	1,225.5	1,364.4	1,520.1	1,520.1	1,554.3	1,600.3	1,631.5	1,666.1	1,696.7	1,727.9
21 Farm	149.7	155.9	163.9	169.4	169.4	170.7	176.2	177.9	180.7	180.2	184.8
22 State and local government	1,063.4	1,119.5	1,199.8	1,252.1	1,252.1	1,257.3	1,265.7	1,263.1	1,279.3	1,306.5	1,337.3
23 Foreign credit market debt held in United States	542.2	608.0	651.5	679.6	679.6	707.1	716.4	749.9	775.8	776.5	776.3
24 Commercial paper	67.5	65.1	72.9	89.2	89.2	101.6	101.2	109.8	120.9	112.8	110.1
25 Bonds	366.3	427.7	462.6	479.4	479.4	490.6	498.4	521.3	533.7	542.0	551.0
26 Bank loans n.e.c.	43.7	52.1	58.9	59.4	59.4	63.3	64.7	67.7	70.7	73.9	67.2
27 Other loans and advances	64.7	63.0	57.2	51.7	51.7	51.7	52.1	51.2	50.5	47.7	47.9
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	14,982.7	15,851.5	16,918.5	18,079.2	18,079.2	18,336.1	18,524.2	18,757.9	19,063.5	19,305.8	19,492.8
Financial sectors											
29 Total credit market debt owed by financial sectors	4,824.5	5,445.2	6,519.1	7,596.3	7,596.3	7,734.2	7,955.4	8,148.7	8,418.4	8,626.0	8,816.7
By instrument											
30 Federal government-related	2,608.2	2,821.1	3,292.0	3,884.0	3,884.0	3,940.1	4,035.3	4,164.0	4,317.4	4,425.6	4,593.4
31 Government-sponsored enterprise securities	896.9	995.3	1,273.6	1,591.7	1,591.7	1,618.0	1,680.2	1,749.7	1,825.8	1,891.4	1,957.6
32 Mortgage pool securities	1,711.3	1,825.8	2,018.4	2,292.2	2,292.2	2,322.1	2,355.2	2,414.3	2,491.6	2,534.2	2,635.8
33 Loans from U.S. government	0	0	0	0	0	0	0	0	0	0	0
34 Private	2,216.3	2,624.1	3,227.0	3,712.4	3,712.4	3,794.2	3,920.1	3,984.6	4,101.0	4,200.4	4,223.3
35 Open market paper	579.1	745.7	906.7	1,082.9	1,082.9	1,115.7	1,135.2	1,151.6	1,210.7	1,180.8	1,144.5
36 Corporate bonds	1,378.4	1,555.9	1,852.8	2,064.0	2,064.0	2,104.2	2,173.5	2,228.0	2,276.5	2,390.5	2,442.7
37 Bank loans n.e.c.	64.0	77.2	107.2	92.9	92.9	91.4	93.6	92.5	92.6	97.1	100.3
38 Other loans and advances	162.9	198.5	288.7	395.8	395.8	404.4	436.9	430.2	438.3	450.9	450.7
39 Mortgages	31.9	46.8	71.6	76.7	76.7	78.5	81.0	82.5	82.9	81.1	85.1
By borrowing sector											
40 Commercial banks	113.6	140.6	188.6	230.0	230.0	242.2	265.4	265.2	266.7	273.8	274.7
41 Bank holding companies	150.0	168.6	193.5	219.3	219.3	221.4	229.3	236.9	242.5	266.5	269.1
42 Savings institutions	140.5	160.3	212.4	260.4	260.4	266.9	280.7	276.0	287.7	295.1	294.5
43 Credit unions	4	6	1.1	3.4	3.4	2.6	2.9	3.1	3.4	3.2	3.5
44 Life insurance companies	1.6	1.8	2.5	3.2	3.2	3.0	2.7	2.7	2.5	1.9	1.9
45 Government-sponsored enterprises	896.9	995.3	1,273.6	1,591.7	1,591.7	1,618.0	1,680.2	1,749.7	1,825.8	1,891.4	1,957.6
46 Federally related mortgage pools	1,711.3	1,825.8	2,018.4	2,292.2	2,292.2	2,322.1	2,355.2	2,414.3	2,491.6	2,534.2	2,635.8
47 Issuers of asset-backed securities (ABSs)	863.3	1,076.6	1,398.0	1,621.4	1,621.4	1,655.8	1,697.0	1,742.3	1,829.6	1,892.2	1,940.8
48 Brokers and dealers	27.3	35.3	42.5	25.3	25.3	36.4	36.2	42.6	40.9	35.0	43.9
49 Finance companies	529.8	554.5	597.5	659.9	659.9	670.7	712.7	716.5	734.6	721.4	727.1
50 Mortgage companies	20.6	16.0	17.7	17.8	17.8	17.1	17.8	17.7	17.9	18.1	18.2
51 Real estate investment trusts (REITs)	56.5	96.1	158.8	165.1	165.1	167.9	170.4	169.8	167.8	166.2	166.8
52 Funding corporations	312.7	373.7	414.4	506.6	506.6	510.1	505.1	511.9	507.3	526.9	482.9
All sectors											
53 Total credit market debt, domestic and foreign	19,807.2	21,296.7	23,437.6	25,675.5	25,675.5	26,070.3	26,479.6	26,906.6	27,481.9	27,931.7	28,309.5
54 Open market paper	803.0	979.4	1,172.6	1,402.4	1,402.4	1,478.1	1,533.3	1,568.3	1,610.0	1,546.8	1,477.9
55 U.S. government securities	6,389.9	6,626.0	7,044.3	7,565.0	7,565.0	7,593.6	7,499.3	7,574.2	7,702.6	7,834.4	7,854.8
56 Municipal securities	1,296.0	1,367.5	1,464.3	1,532.5	1,532.5	1,539.2	1,551.6	1,550.3	1,567.8	1,596.6	1,629.3
57 Corporate and foreign bonds	3,205.1	3,594.5	4,144.9	4,602.8	4,602.8	4,700.8	4,816.3	4,939.8	5,044.6	5,267.9	5,435.1
58 Bank loans n.e.c.	1,041.7	1,169.8	1,314.9	1,383.8	1,383.8	1,413.7	1,464.6	1,471.7	1,497.9	1,495.1	1,462.9
59 Other loans and advances	998.0	1,101.0	1,259.6	1,422.1	1,422.1	1,476.2	1,538.5	1,533.6	1,578.6	1,594.6	1,618.1
60 Mortgages	4,861.9	5,194.4	5,705.3	6,340.7	6,340.7	6,452.7	6,622.0	6,773.4	6,913.9	7,037.8	7,250.4
61 Consumer credit	1,211.6	1,264.1	1,331.7	1,426.2	1,426.2	1,416.0	1,454.0	1,495.3	1,566.5	1,558.6	1,581.1

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

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES¹

Billions of dollars except as noted, end of period

Transaction category or sector	1996	1997	1998	1999	1999	2000				2001	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2
CREDIT MARKET DEBT OUTSTANDING ²											
1 Total credit market assets	19,807.2	21,296.7	23,437.6	25,675.5	25,675.5	26,070.3	26,479.6	26,906.6	27,481.9	27,931.7	28,309.5
2 Domestic nonfederal nonfinancial sectors	3,007.3	2,933.8	2,991.8	3,251.2	3,251.2	3,170.5	3,184.6	3,125.5	3,093.8	3,009.6	2,975.0
3 Household	2,082.5	2,018.6	1,941.8	2,151.6	2,151.6	2,079.2	2,065.0	2,021.3	1,977.3	1,907.4	1,887.4
4 Nonfinancial corporate business	270.2	257.5	241.5	238.7	238.7	230.8	246.2	238.9	248.5	235.1	225.1
5 Nonfarm noncorporate business	49.7	52.7	69.1	78.0	78.0	77.5	77.6	76.6	75.9	74.7	73.4
6 State and local governments	604.8	605.0	739.4	782.8	782.8	782.9	795.8	788.7	792.0	792.4	789.1
7 Federal government	200.2	205.4	219.1	258.0	258.0	259.6	261.6	262.7	265.4	266.6	268.9
8 Rest of the world	1,926.6	2,257.3	2,539.8	2,676.2	2,676.2	2,760.7	2,809.9	2,861.7	3,004.6	3,112.9	3,198.9
9 Financial sectors	14,673.2	15,900.1	17,686.8	19,490.2	19,490.2	19,879.5	20,223.5	20,656.7	21,118.1	21,542.6	21,866.6
10 Monetary authority	393.1	431.4	452.5	478.1	478.1	501.9	505.1	511.5	511.8	523.9	535.1
11 Commercial banking	3,707.7	4,031.9	4,335.7	4,643.9	4,643.9	4,725.0	4,847.4	4,931.0	5,002.3	5,015.7	5,050.6
12 U.S.-chartered banks	3,175.8	3,450.7	3,761.2	4,078.9	4,078.9	4,171.3	4,295.4	4,368.2	4,418.7	4,424.4	4,463.2
13 Foreign banking offices in United States	475.8	516.1	504.2	484.1	484.1	482.0	478.1	487.5	508.1	515.0	510.7
14 Bank holding companies	22.0	27.4	26.5	32.7	32.7	22.1	23.0	21.3	20.5	22.3	21.6
15 Banks in U.S.-affiliated areas	34.1	37.8	43.8	48.3	48.3	49.6	51.0	54.0	55.0	54.1	55.1
16 Savings institutions	933.2	928.5	964.6	1,033.2	1,033.2	1,045.8	1,062.5	1,082.2	1,089.7	1,101.6	1,116.1
17 Credit unions	288.5	305.3	324.2	351.7	351.7	359.0	370.1	376.0	382.2	381.7	391.2
18 Bank personal trusts and estates	232.0	207.0	194.1	222.0	222.0	226.7	230.2	234.6	239.1	241.8	245.1
19 Life insurance companies	1,657.0	1,751.1	1,828.0	1,886.0	1,886.0	1,902.2	1,914.1	1,935.1	1,943.9	1,967.2	1,991.0
20 Other insurance companies	491.2	515.3	521.1	518.2	518.2	515.4	510.8	512.4	509.4	510.0	510.7
21 Private pension funds	627.0	674.6	731.0	775.9	775.9	787.6	793.8	810.0	817.2	823.7	828.8
22 State and local government retirement funds	565.4	632.5	704.6	751.4	751.4	767.2	775.1	784.5	801.0	804.3	808.8
23 Money market mutual funds	634.3	721.9	965.9	1,147.8	1,147.8	1,217.1	1,159.4	1,212.5	1,296.7	1,403.8	1,414.6
24 Mutual funds	820.2	901.1	1,025.9	1,073.1	1,073.1	1,053.7	1,073.9	1,088.5	1,099.9	1,113.8	1,151.5
25 Closed-end funds	100.8	98.3	103.7	111.1	111.1	109.0	106.9	104.8	102.7	100.6	98.5
26 Government-sponsored enterprises	832.8	939.4	1,253.9	1,545.6	1,545.6	1,584.0	1,649.2	1,704.3	1,793.7	1,866.5	1,944.5
27 Federally related mortgage pools	1,711.3	1,825.8	2,018.4	2,292.2	2,292.2	2,322.1	2,355.2	2,414.3	2,491.6	2,534.2	2,635.8
28 Asset-backed securities (ABSs) issuers	773.9	937.7	1,219.4	1,424.6	1,424.6	1,453.8	1,486.3	1,522.9	1,602.9	1,660.5	1,706.0
29 Finance companies	544.5	566.4	618.4	713.3	713.3	747.0	780.6	795.5	812.6	809.4	829.6
30 Mortgage companies	41.2	32.1	35.3	35.6	35.6	34.1	35.5	35.4	35.9	36.2	36.5
31 Real estate investment trusts (REITs)	30.4	50.6	45.5	42.9	42.9	38.8	38.2	37.3	36.6	37.6	37.9
32 Brokers and dealers	167.7	182.6	189.4	154.7	154.7	194.6	187.9	243.3	223.6	317.7	288.4
33 Funding corporations	121.0	166.7	155.3	288.8	288.8	294.5	341.3	320.7	325.4	292.3	246.0
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 Total credit market debt	19,807.2	21,296.7	23,437.6	25,675.5	25,675.5	26,070.3	26,479.6	26,906.6	27,481.9	27,931.7	28,309.5
Other liabilities											
35 Official foreign exchange	53.7	48.9	60.1	50.1	50.1	49.4	46.5	44.9	46.0	43.3	41.7
36 Special drawing rights certificates	9.7	9.2	9.2	6.2	6.2	6.2	4.2	3.2	2.2	2.2	2.2
37 Treasury currency	18.9	19.3	19.9	20.9	20.9	21.4	22.1	23.2	23.2	22.9	23.2
38 Foreign deposits	521.7	618.5	642.3	703.6	703.6	781.9	782.8	772.6	824.5	883.4	846.8
39 Net interbank liabilities	240.8	219.4	189.0	204.5	204.5	169.7	210.6	173.2	188.0	116.0	163.4
40 Checkable deposits and currency	1,244.8	1,286.1	1,333.4	1,484.8	1,484.8	1,392.9	1,409.7	1,385.7	1,413.3	1,385.2	1,416.8
41 Small time and savings deposits	2,377.0	2,474.1	2,626.5	2,671.2	2,671.2	2,728.0	2,738.8	2,790.9	2,861.9	2,965.3	2,992.0
42 Large time deposits	590.9	713.4	805.5	936.1	936.1	966.5	987.4	1,025.9	1,054.5	1,078.0	1,090.6
43 Money market fund shares	886.7	1,042.5	1,329.7	1,578.8	1,578.8	1,666.0	1,627.1	1,697.8	1,812.1	1,994.7	2,014.8
44 Security repurchase agreements	701.5	822.4	913.7	1,083.4	1,083.4	1,149.2	1,185.0	1,238.7	1,194.3	1,206.0	1,241.1
45 Mutual fund shares	2,342.4	2,989.4	3,610.5	4,553.4	4,553.4	4,863.3	4,759.6	4,814.4	4,457.2	3,999.8	4,269.9
46 Security credit	358.1	469.1	572.3	676.6	676.6	795.4	775.5	800.4	817.6	799.4	781.8
47 Life insurance reserves	610.6	665.0	718.3	783.9	783.9	801.0	806.5	818.7	819.1	823.0	844.6
48 Pension fund reserves	6,325.1	7,323.4	8,193.7	9,041.7	9,041.7	9,237.9	9,166.7	9,307.9	9,054.8	8,603.5	8,885.5
49 Trade payables	1,827.6	1,967.3	2,076.5	2,298.8	2,298.8	2,321.7	2,366.9	2,412.0	2,455.2	2,425.2	2,418.3
50 Taxes payable	128.8	151.1	172.4	194.7	194.7	210.1	212.7	214.8	216.4	224.2	219.8
51 Investment in bank personal trusts	871.3	942.5	1,001.0	1,130.4	1,130.4	1,158.0	1,114.4	1,106.7	1,019.4	929.1	964.4
52 Miscellaneous	6,386.0	6,727.4	7,475.3	8,040.5	8,040.5	8,258.1	8,539.8	8,998.1	8,845.1	9,253.4	9,506.9
53 Total liabilities	45,302.7	49,785.5	55,186.9	61,135.1	61,135.1	62,646.9	63,236.0	64,535.7	64,586.8	64,686.3	66,033.3
Financial assets not included in liabilities (+)											
54 Gold and special drawing rights	21.4	21.1	21.6	21.4	21.4	21.4	21.5	21.4	21.5	21.5	21.6
55 Corporate equities	10,255.8	13,202.0	15,492.5	19,494.5	19,494.5	20,147.0	19,180.8	18,991.3	17,068.8	14,920.9	15,863.6
56 Household equity in noncorporate business	3,787.8	4,053.2	4,398.7	4,649.9	4,649.9	4,675.4	4,772.2	4,815.5	4,884.7	4,929.1	4,941.8
Liabilities not identified as assets (-)											
57 Treasury currency	-6.1	-6.3	-6.4	-7.1	-7.1	-7.6	-7.9	-7.6	-8.5	-9.4	-9.4
58 Foreign deposits	437.0	537.1	544.9	591.1	591.1	656.7	636.3	611.5	659.9	704.4	677.4
59 Net interbank transactions	-10.6	-32.2	-27.0	-25.5	-25.5	-13.9	-11.6	-17.6	-4.3	1.7	5.3
60 Security repurchase agreements	109.8	172.9	233.5	263.6	263.6	410.3	422.8	446.0	374.4	357.6	387.5
61 Taxes payable	81.9	104.2	122.9	122.7	122.7	118.6	135.8	124.4	128.5	112.7	129.0
62 Miscellaneous	-1,241.1	-1,562.1	-2,307.3	-2,792.5	-2,792.5	-2,948.5	-3,009.7	-2,818.5	-3,371.8	-3,314.7	-3,222.6
Floats not included in assets (-)											
63 Federal government checkable deposits	-1.6	-8.1	-3.9	-9.9	-9.9	-6.5	-5.2	-7.8	-2.6	-21.9	-40.6
64 Other checkable deposits	30.1	26.2	23.1	22.3	22.3	18.7	22.5	15.5	24.0	21.1	25.5
65 Trade credit	165.7	126.8	76.6	120.9	120.9	50.1	12.8	2.5	88.7	42.1	16.0
66 Totals identified to sectors as assets	59,802.7	67,703.2	76,443.0	87,015.2	87,015.2	89,212.6	89,014.9	90,015.7	88,673.3	86,664.0	88,892.3

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.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, and indexes 1992=100, except as noted

Measure	1998	1999	2000	2000	2001							
				Dec	Jan	Feb	Mar.	Apr.	May	June ^r	July ^r	Aug. ^p
1 Industrial production¹	134.0	139.6	147.5	147.3	146.0	145.4	145.0	144.6	144.2	142.7	142.6	141.5
<i>Market groups</i>												
2 Products, total	127.2	131.2	136.2	136.0	135.0	134.6	134.5	133.8	133.7 ^r	132.5	132.5	131.3
3 Final, total	129.3	133.3	138.8	139.0	137.8	137.7	137.9	137.2	136.9 ^r	135.6	135.8	134.4
4 Consumer goods	118.4	120.8	123.0	123.1	121.8	122.3	122.4	122.1	122.2 ^r	121.6	122.1	121.2
5 Equipment	147.1	153.8	166.1	168.9	168.0	166.2	166.8	165.3	164.1 ^r	161.0	160.6	158.1
6 Intermediate	121.0	125.1	128.7	126.8	126.7	125.5	124.4	123.7	124.0 ^r	123.2	122.5	121.9
7 Materials	145.7	154.5	167.8	167.8	165.9	165.0	163.9	164.1	163.3 ^r	161.2	160.8	159.9
<i>Industry groups</i>												
8 Manufacturing	138.2	144.8	153.6	152.6	151.3	150.7	150.0	149.6	149.2	147.4	147.5	146.1
9 Capacity utilization, manufacturing (percent) ²	81.3	80.5	81.3	79.3	78.4	77.9	77.3	76.9	76.6	75.6	75.5	74.6
10 Construction contracts ³	122.6 ^r	135.3	142.1 ^r	140.0	152.0 ^r	152.0	141.0	143.0 ^r	143.0 ^r	149.0	141.0	141.0
11 Nonagricultural employment, total ⁴	115.9	118.6	121.0	121.9	122.0	122.1	122.2	122.0	122.0	122.0	122.0	121.9
12 Goods-producing, total	109.4	109.7	110.5	110.6	110.3	110.3	110.2	109.4	109.0	108.4	108.1	107.6
13 Manufacturing, total	103.9	102.4	101.8	101.3	100.8	100.5	100.1	99.5	98.7	98.1	97.7	96.9
14 Manufacturing, production workers	105.4	103.7	102.9	101.4	100.9	100.3	99.7	99.0	98.2	97.3	96.8	95.9
15 Service-producing	117.7	121.0	123.9	125.0	125.1	125.3	125.4	125.4	125.6	125.6	125.7	125.8
16 Personal income, total	137.8	144.3	154.3	158.9	159.6	160.3	161.0	161.3 ^r	161.6 ^r	162.1	162.9	162.9
17 Wages and salary disbursements	140.6	149.9	162.2	167.6	168.4	169.4	170.1	170.8 ^r	170.7 ^r	171.5	172.1	171.9
18 Manufacturing	129.7	134.0	142.3	146.2	146.1	146.3	146.3	146.8	145.4 ^r	144.9	145.4	144.7
19 Disposable personal income ⁵	133.7	139.2	147.9	152.0	152.8	153.4	154.1	154.5 ^r	154.8 ^r	155.2	158.0	160.9
20 Retail sales ⁶	142.8	155.1	167.0	167.8	170.1	170.4	169.6	172.2	172.4	172.3	172.5	172.9
<i>Prices⁶</i>												
21 Consumer (1982-84=100)	163.0	166.6	172.2	174.0	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5
22 Producer finished goods (1982=100)	130.7	133.0	138.0	139.7	141.2	141.4	140.9	141.8 ^r	142.5	142.1	140.7	141.1

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 2000. The recent annual revision is described in an article in the March 2001 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Ratio of index of production to index of capacity. Based on data from the Federal Reserve, U.S. Department of Commerce, and other sources.

3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Company, F.W. Dodge Division.

4. Based on data from the U.S. Department of Labor, *Employment and Earnings*. Series covers employees only, excluding personnel in the armed forces.

5. Based on data from U.S. Department of Commerce, *Survey of Current Business*.

6. Based on data not seasonally adjusted. Seasonally adjusted data for changes in the price indexes can be obtained from the U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.

NOTE: Basic data (not indexes) for series mentioned in notes 4 and 5, and indexes for series mentioned in notes 3 and 6, can also be found in the *Survey of Current Business*.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted

Category	1998	1999	2000	2001							
				Jan.	Feb.	Mar.	Apr.	May	June ^c	July ^c	Aug.
HOUSEHOLD SURVEY DATA ¹											
1 Civilian labor force ²	137,673	139,368	140,863	141,955	141,751	141,868	141,757	141,272	141,354	141,774	141,350
2 Nonagricultural industries ³	128,085	130,207	131,903	132,819	132,680	132,618	132,162	131,910	131,937	132,334	131,276
3 Agriculture	3,378	3,281	3,305	3,179	3,135	3,161	3,192	3,193	2,995	3,045	3,117
Unemployment											
4 Number	6,210	5,880	5,655	5,956	5,936	6,088	6,402	6,169	6,422	6,395	6,957
5 Rate (percent of civilian labor force)	4.5	4.2	4.0	4.2	4.2	4.3	4.5	4.4	4.5	4.5	4.9
ESTABLISHMENT SURVEY DATA											
6 Nonagricultural payroll employment ⁴	125,865	128,786	131,417	132,428	132,595	132,654	132,489	132,530	132,431	132,444	132,331
7 Manufacturing	18,805	18,543	18,437	18,257	18,192	18,116	18,009	17,879	17,757	17,686	17,545
8 Mining	590	535	538	550	555	557	560	564	565	566	566
9 Contract construction	6,020	6,404	6,687	6,826	6,880	6,929	6,852	6,881	6,864	6,873	6,878
10 Transportation and public utilities	6,611	6,826	6,993	7,106	7,123	7,127	7,119	7,130	7,118	7,113	7,089
11 Trade	29,095	29,712	30,191	30,482	30,536	30,523	30,583	30,584	30,583	30,615	30,587
12 Finance	7,389	7,569	7,618	7,594	7,609	7,618	7,626	7,644	7,631	7,617	7,623
13 Service	37,533	39,027	40,384	40,984	41,020	41,073	40,993	41,078	41,085	41,051	41,123
14 Government	19,823	20,170	20,570	20,629	20,680	20,711	20,747	20,770	20,828	20,923	20,920

1. Beginning January 1994, reflects redesign of current population survey and population controls from the 1990 census.

2. Persons sixteen years of age and older, including Resident Armed Forces. Monthly figures are based on sample data collected during the calendar week that contains the twelfth day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures.

3. Includes self-employed, unpaid family, and domestic service workers.

4. Includes all full- and part-time employees who worked during, or received pay for, the pay period that includes the twelfth day of the month; excludes proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1992 benchmark, and only seasonally adjusted data are available at this time.

SOURCE: Based on data from U.S. Department of Labor, *Employment and Earnings*.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series		2000		2001		2000		2001		2000		2001		
		Q3	Q4	Q1	Q2 ^e	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ^e	
		Output (1992=100)				Capacity (percent of 1992 output)				Capacity utilization rate (percent) ²				
1	Total industry	148.4	148.1	145.5	143.9	180.1	182.1	183.7	184.9	82.4	81.3	79.2	77.8	
2	Manufacturing	154.4	153.8	150.7	148.7	189.2	191.5	193.5	194.8	81.7	80.3	77.9	76.4	
3	Primary processing ³	180.3	178.7	172.6	170.2	211.2	216.0	220.0	222.4	85.4	82.7	78.4	76.5	
4	Advanced processing ³	140.3	140.2	138.5	136.8	175.2	176.2	177.2	178.0	80.1	79.5	78.2	76.9	
5	Durable goods	196.7	196.5	191.6	189.2	238.3	243.6	248.1	251.2	82.5	80.7	77.2	75.3	
6	Lumber and products	117.0	113.2	109.6	112.9	147.9	148.4	148.7	149.0	79.1	76.3	73.7	75.8	
7	Primary metals	133.4	127.5	121.1	121.7	153.4	153.5	153.5	153.5	87.0	83.1	78.8	79.3	
8	Iron and steel	130.5	121.5	114.9	120.8	153.4	153.6	153.6	153.2	85.1	79.1	74.8	78.9	
9	Nonferrous	137.0	134.7	128.3	123.1	153.4	153.4	153.5	153.8	89.3	87.8	83.6	80.0	
10	Industrial machinery and equipment	257.3	261.9	256.3	245.9	311.1	317.3	322.5	326.5	82.7	82.5	79.5	75.3	
11	Electrical machinery	581.1	604.0	593.0	563.5	639.1	694.1	741.7	773.0	90.9	87.1	80.0	72.9	
12	Motor vehicles and parts	170.8	159.7	147.5	159.7	209.2	210.1	210.9	211.7	81.7	76.0	69.9	75.4	
13	Aerospace and miscellaneous transportation equipment	93.5	94.8	94.1	93.2	130.4	130.2	130.0	130.1	71.7	72.8	72.3	71.7	
14	Nondurable goods	116.2	115.3	113.6	112.1	144.4	144.6	144.7	144.6	80.5	79.7	78.5	77.5	
15	Textile mill products	99.8	94.7	92.7	88.4	123.3	122.8	122.0	120.9	80.9	77.1	76.0	73.1	
16	Paper and products	114.0	114.9	110.8	111.1	137.5	137.9	138.3	138.6	82.9	83.3	80.1	80.2	
17	Chemicals and products	125.4	124.5	121.9	119.6	164.1	164.8	165.0	165.0	76.4	75.5	73.8	72.5	
18	Plastics materials	137.6	131.0	130.9	128.0	151.9	152.3	152.7	153.2	90.5	86.0	85.7	83.5	
19	Petroleum products	117.3	116.0	115.5	116.5	123.2	123.1	123.1	123.3	95.3	94.3	93.8	94.5	
20	Mining	100.6	100.3	101.7	103.6	116.3	115.8	115.3	114.9	86.6	86.6	88.2	90.1	
21	Utilities	121.0	123.7	122.6	120.0	133.4	134.5	135.7	137.0	90.7	92.0	90.4	87.6	
22	Electric	123.9	127.5	125.4	125.7	132.3	133.8	135.3	136.8	93.7	95.3	92.7	91.9	
		1973	1975	Previous cycle ⁵		Latest cycle ⁶		2000		2001				
		High	Low	High	Low	High	Low	Aug.	Mar.	Apr.	May ^e	June ^e	July ^e	Aug. ^e
		Capacity utilization rate (percent) ²												
1	Total industry	89.2	72.6	87.3	71.1	85.4	78.1	82.6	78.7	78.4	78.0	77.1	76.9	76.2
2	Manufacturing	88.5	70.5	86.9	69.0	85.7	76.6	81.7	77.3	76.9	76.6	75.6	75.5	74.6
3	Primary processing ³	91.2	68.2	88.1	66.2	88.9	77.7	85.4	77.4	77.2	76.7	75.6	75.4	74.7
4	Advanced processing ³	87.2	71.8	86.7	70.4	84.2	76.1	80.2	77.9	77.4	77.2	76.1	76.1	75.1
5	Durable goods	89.2	68.9	87.7	63.9	84.6	73.1	82.6	76.8	76.0	75.7	74.4	74.3	73.2
6	Lumber and products	88.7	61.2	87.9	60.8	93.6	75.5	78.1	74.8	74.5	76.5	76.4	76.5	76.9
7	Primary metals	100.2	65.9	94.2	45.1	92.7	73.7	86.3	76.8	79.7	79.8	78.5	78.5	77.7
8	Iron and steel	105.8	66.6	95.8	37.0	95.2	71.8	84.5	73.8	77.2	79.6	79.8	79.6	79.1
9	Nonferrous	90.8	59.8	91.1	60.1	89.3	74.2	88.5	80.3	82.8	80.3	77.1	77.4	76.3
10	Industrial machinery and equipment	96.0	74.3	93.2	64.0	85.4	72.3	82.9	78.9	77.2	75.4	73.4	73.0	71.4
11	Electrical machinery	89.2	64.7	89.4	71.6	84.0	75.0	90.8	77.0	74.5	73.1	71.1	68.8	67.7
12	Motor vehicles and parts	93.4	51.3	95.0	45.5	89.1	55.9	83.1	74.1	73.5	77.0	75.8	79.4	77.2
13	Aerospace and miscellaneous transportation equipment	78.4	67.6	81.9	66.6	87.3	79.2	71.7	72.5	72.3	71.7	71.0	70.8	70.3
14	Nondurable goods	87.8	71.7	87.5	76.4	87.3	80.7	80.5	77.9	78.0	77.6	76.9	76.8	76.3
15	Textile mill products	91.4	60.0	91.2	72.3	90.4	77.7	80.6	76.0	74.8	72.3	72.3	70.8	71.6
16	Paper and products	97.1	69.2	96.1	80.6	93.5	85.0	82.3	77.8	82.1	80.0	78.4	79.2	78.4
17	Chemicals and products	87.6	69.7	84.6	69.9	86.2	79.3	76.7	73.4	72.8	72.8	71.9	71.7	71.6
18	Plastics materials	102.0	50.6	90.9	63.4	97.0	74.8	89.1	85.0	82.7	84.2	83.7	83.7	83.4
19	Petroleum products	96.7	81.1	90.0	66.8	88.5	85.1	95.5	93.4	94.7	94.3	94.4	93.7	92.3
20	Mining	94.3	88.2	96.0	80.3	88.0	87.0	86.9	89.2	90.0	90.3	90.0	89.2	88.9
21	Utilities	96.2	82.9	89.1	75.9	92.6	83.4	91.5	89.6	88.5	87.2	87.0	86.1	87.2
22	Electric	99.0	82.7	88.2	78.9	95.0	87.1	95.3	92.4	93.4	91.4	90.9	89.6	91.7

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 2000. The recent annual revision is described in an article in the March 2001 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

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. Primary processing includes textiles; lumber; paper; industrial chemicals; synthetic materials; fertilizer materials; petroleum products; rubber and plastics, stone, clay, and glass; primary metals, and fabricated metals.

4. Advanced processing includes foods, tobacco, apparel, furniture and fixtures, printing and publishing, chemical products such as drugs and toiletries, agricultural chemicals, leather and products, machinery, transportation equipment, instruments, and miscellaneous manufacturing.

5. Monthly highs, 1978-80; monthly lows, 1982.

6. 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	2000 avg	2000					2001							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^r	June ^r	July ^r	Aug. ^p
Index (1992=100)															
MAJOR MARKETS															
1 Total index	100.0	147.5	148.6	149.0	148.7	148.2	147.3	146.0	145.4	145.0	144.6	144.2	142.7	142.6	141.5
2 Products	60.5	136.2	136.6	136.7	136.3	136.3	136.0	135.0	134.6	134.5	133.8	133.7	132.5	132.5	131.3
3 Final products	46.3	138.8	139.2	139.3	138.8	138.8	139.0	137.8	137.7	137.9	137.2	136.9	135.6	135.8	134.4
4 Consumer goods, total	29.1	123.0	123.8	123.8	122.7	122.4	123.1	121.8	122.3	122.4	122.1	122.2	121.6	122.1	121.2
5 Durable consumer goods	6.1	160.8	160.0	162.8	157.3	154.3	153.4	148.9	150.8	153.6	152.9	155.6	154.5	157.8	155.3
6 Automotive products	2.6	153.2	153.8	156.7	148.0	143.6	140.7	133.8	138.2	145.4	145.1	148.7	148.1	157.1	152.0
7 Autos and trucks	1.7	166.9	169.8	172.7	159.1	153.0	144.1	136.2	143.5	154.9	154.9	162.2	158.9	175.0	166.5
8 Autos, consumer	.9	114.0	120.3	120.5	107.8	103.0	94.3	99.4	100.3	104.0	102.7	105.2	104.0	102.6	99.4
9 Trucks, consumer	.7	221.6	221.8	227.1	212.0	204.3	194.7	175.5	188.6	207.1	208.2	219.9	214.6	245.9	232.6
10 Auto parts and allied goods	.9	131.7	129.1	132.1	130.2	128.2	133.8	128.4	128.7	130.1	129.2	127.7	130.7	129.9	129.6
11 Other	3.5	167.1	165.2	167.7	165.4	163.7	164.7	162.7	162.2	160.5	159.5	161.3	159.8	157.2	157.4
12 Appliances, televisions, and air conditioners	1.0	332.6	325.0	340.5	332.5	332.7	341.7	332.0	322.5	317.1	316.0	328.0	319.3	305.7	320.0
13 Carpeting and furniture	.8	129.7	128.6	131.9	129.8	125.4	127.4	123.9	128.2	127.1	124.0	123.7	124.9	122.1	122.5
14 Miscellaneous home goods	1.6	120.4	119.7	118.1	117.5	117.1	115.5	116.5	115.4	114.7	115.0	115.3	114.2	114.7	111.6
15 Nondurable consumer goods	23.0	114.2	115.2	114.7	114.5	114.6	115.7	114.9	115.3	114.8	114.6	114.2	113.7	113.7	113.0
16 Foods and tobacco	10.3	110.7	111.4	110.5	110.4	110.7	110.1	110.3	110.7	110.1	110.2	109.7	109.3	109.3	108.5
17 Clothing	2.4	85.0	84.2	83.1	82.7	83.2	82.4	82.6	82.8	82.2	81.2	79.8	77.0	77.3	75.7
18 Chemical products	4.5	137.0	139.4	138.4	139.0	138.5	139.0	139.1	141.5	141.5	140.9	143.0	141.7	141.5	141.3
19 Paper products	2.9	111.1	112.4	112.4	113.8	112.5	112.2	113.7	111.1	110.9	111.5	110.7	110.5	110.6	109.1
20 Energy	2.9	116.3	117.1	118.4	115.5	117.3	126.1	119.0	119.2	118.6	117.5	115.2	116.4	116.5	116.8
21 Fuels	.8	113.0	113.1	115.8	113.0	115.5	112.3	112.0	114.7	113.7	114.7	115.6	115.2	115.9	113.2
22 Residential utilities	2.1	117.9	119.0	119.1	116.2	117.6	134.5	122.8	121.3	121.0	118.5	113.9	116.3	116.0	118.4
23 Equipment	17.2	166.1	167.9	168.3	169.1	169.9	168.9	168.0	166.2	166.8	165.3	164.1	161.0	160.6	158.1
24 Business equipment	13.2	194.2	197.8	199.5	200.0	200.6	199.2	197.4	195.3	195.6	193.3	191.9	187.7	187.1	184.1
25 Information processing	5.4	312.2	322.1	327.2	332.3	336.7	335.9	337.4	330.6	327.7	326.7	324.3	316.7	311.5	309.9
26 Computer and office equipment	1.1	1,157.6	1,229.0	1,264.1	1,286.4	1,305.0	1,318.3	1,310.6	1,307.0	1,304.4	1,295.9	1,269.7	1,248.6	1,238.4	1,232.5
27 Industrial	4.0	144.6	147.7	146.5	146.9	147.4	145.8	145.7	141.4	142.3	139.7	138.0	133.1	132.4	129.0
28 Transit	2.5	127.7	126.8	127.7	121.6	121.8	117.4	111.7	114.4	117.8	116.3	117.5	116.4	118.5	116.1
29 Autos and trucks	1.2	145.6	142.8	144.2	131.4	130.4	122.0	115.6	120.9	129.0	126.6	131.7	129.9	135.5	129.9
30 Other	1.3	145.7	144.8	149.3	154.2	148.6	153.5	149.3	153.9	151.2	147.6	144.6	144.9	147.3	144.1
31 Defense and space equipment	3.3	76.2	76.1	73.7	75.3	77.0	77.5	78.5	76.7	77.7	78.0	76.8	76.4	77.0	76.3
32 Oil and gas well drilling	.6	131.8	137.1	132.8	136.5	138.9	139.1	146.7	147.9	150.7	151.2	152.2	150.4	147.7	143.0
33 Manufactured homes	.2	116.2	115.5	109.3	98.8	90.9	83.5	73.5	81.9	83.2	85.2	89.3	94.1	93.2	93.5
34 Intermediate products, total	14.2	128.7	128.8	128.6	128.7	128.5	126.8	126.7	125.5	124.4	123.7	124.0	123.2	122.5	121.9
35 Construction supplies	5.3	143.2	142.7	143.1	142.3	141.6	140.6	140.7	139.9	140.5	139.6	139.3	139.2	138.8	138.1
36 Business supplies	8.9	120.1	120.6	120.0	120.7	120.7	118.5	118.4	117.0	114.9	114.3	114.9	113.8	113.0	112.5
37 Materials	39.5	167.8	170.5	171.3	171.1	169.9	167.8	165.9	165.0	163.9	164.1	163.3	161.2	160.8	159.9
38 Durable goods materials	20.8	227.6	233.8	235.7	235.0	232.9	230.3	226.6	225.2	223.6	223.0	223.6	220.6	220.3	218.2
39 Durable consumer parts	4.0	165.3	168.3	169.0	168.5	161.8	157.6	146.1	149.9	153.1	153.6	158.2	156.1	158.2	157.5
40 Equipment parts	7.6	478.3	505.7	512.1	515.9	521.4	522.3	517.5	514.9	508.2	498.3	493.7	484.4	479.1	473.1
41 Other	9.2	134.6	134.7	135.5	133.7	131.8	129.6	130.1	127.2	125.5	126.9	127.0	125.9	125.9	124.8
42 Basic metal materials	3.1	128.7	127.5	129.2	125.9	124.4	123.6	121.2	118.3	114.5	118.2	117.9	116.1	115.9	114.6
43 Nondurable goods materials	8.9	113.8	112.8	112.7	113.4	110.7	108.6	107.5	107.2	104.6	105.2	103.1	101.1	101.4	100.9
44 Textile materials	1.1	97.9	99.3	95.9	94.0	89.5	90.3	91.0	87.7	87.4	86.3	83.7	82.4	80.9	80.9
45 Paper materials	1.8	115.8	112.8	113.8	117.2	113.4	109.4	110.3	112.4	105.9	111.3	108.5	104.8	107.0	106.8
46 Chemical materials	3.9	117.0	116.8	116.3	115.9	113.7	109.8	108.5	108.2	105.9	104.1	102.2	100.5	99.9	99.5
47 Other	2.1	113.0	110.2	112.0	114.0	111.9	113.9	111.0	110.2	109.1	112.2	110.2	108.8	110.4	109.2
48 Energy materials	9.7	103.4	104.2	104.3	103.9	105.4	104.5	104.4	103.9	104.9	105.8	104.8	104.2	103.0	103.6
49 Primary energy	6.3	98.1	98.9	98.5	97.8	99.3	98.6	100.3	99.3	100.4	101.2	100.5	100.5	99.3	99.8
50 Converted fuel materials	3.3	114.3	115.1	116.6	117.2	118.7	117.3	111.8	113.1	113.7	114.7	112.6	110.3	109.4	110.1
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.1	147.2	148.4	148.7	148.8	148.4	147.8	146.6	145.9	145.1	144.7	144.2	142.7	142.2	141.3
52 Total excluding motor vehicles and parts	95.1	146.3	147.4	147.7	147.8	147.7	147.2	146.5	145.4	144.5	144.1	143.4	141.9	141.3	140.4
53 Total excluding computer and office equipment	98.2	140.4	141.4	141.6	141.2	140.8	139.9	138.6	138.1	137.7	137.3	137.0	135.6	135.5	134.5
54 Consumer goods excluding autos and trucks	27.4	120.6	121.3	121.2	120.7	120.6	121.9	120.8	121.1	120.6	120.3	120.0	119.6	119.3	118.7
55 Consumer goods excluding energy	26.2	123.9	124.5	124.4	123.6	122.9	122.5	122.0	122.6	122.8	122.6	123.0	122.2	122.7	121.6
56 Business equipment excluding autos and trucks	12.0	200.1	204.5	206.3	208.5	209.4	208.9	207.7	204.6	203.8	201.6	199.3	194.8	193.4	190.8
57 Business equipment excluding computer and office equipment	12.1	158.4	160.3	161.2	161.2	161.5	159.9	158.4	156.5	156.8	154.9	154.1	150.6	150.2	147.6
58 Materials excluding energy	29.8	188.5	191.8	193.0	192.8	190.4	187.8	185.1	184.1	182.0	181.9	181.3	178.6	178.5	177.1

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

Monthly data seasonally adjusted

Group	SIC code ²	1992 proportion	2000 avg.	2000					2001								
				Aug	Sept.	Oct	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ¹	June ¹	July ¹	Aug ¹	
				Index (1992=100)													
MAJOR INDUSTRIES																	
59 Total index		100.0	147.5	148.6	149.0	148.7	148.2	147.3	146.0	145.4	145.0	144.6	144.2	142.7	142.6	141.5	
60 Manufacturing		85.4	153.6	154.6	155.1	154.9	154.1	152.6	151.3	150.7	150.0	149.6	149.2	147.4	147.5	146.1	
61 Primary processing		26.5	178.0	180.3	181.2	181.1	178.8	176.1	173.5	173.1	171.1	171.3	170.6	168.6	168.4	167.3	
62 Advanced processing		58.9	139.3	140.5	140.8	140.5	140.5	139.6	139.0	138.4	138.3	137.5	137.3	135.7	135.8	134.3	
63 Durable goods		45.0	193.4	196.9	198.4	197.6	196.7	195.1	192.3	191.1	191.3	190.1	190.1	187.4	187.6	185.5	
64 Lumber and products	24	2.0	118.3	115.5	116.8	114.8	113.2	111.5	108.3	109.1	111.4	110.9	114.0	113.9	114.1	114.7	
65 Furniture and fixtures	25	1.4	142.9	143.8	146.6	147.2	145.0	145.3	144.1	143.8	143.2	142.5	143.5	141.6	140.4	139.0	
66 Stone, clay, and glass products	32	2.1	134.7	136.1	136.5	137.3	134.6	132.4	135.2	134.3	134.3	133.3	134.3	133.5	133.1	132.4	
67 Primary metals	33	3.1	133.7	132.4	133.9	129.0	127.3	126.3	124.0	121.3	117.8	122.4	122.5	120.4	120.4	119.1	
68 Iron and steel	331.2	1.7	131.1	129.7	131.9	123.7	122.0	118.7	116.0	115.5	113.3	118.4	121.9	122.1	121.7	120.8	
69 Raw steel	331PT	1	120.9	123.9	117.7	115.6	106.3	104.6	108.3	109.1	109.2	101.3	109.0	111.8	112.8	112.3	
70 Nonferrous	333-6.9	1.4	136.8	135.7	136.5	135.3	133.6	135.2	133.4	128.2	123.3	127.2	123.4	118.6	119.1	117.6	
71 Fabricated metal products	34	5.0	135.6	136.3	136.0	136.0	134.7	132.9	133.5	130.3	129.8	129.3	128.8	127.5	127.9	127.4	
72 Industrial machinery and equipment	35	8.0	252.8	257.9	260.0	261.5	261.9	262.3	258.4	255.0	255.7	251.0	246.1	240.6	240.0	235.6	
73 Computer and office equipment	357	1.8	1,343.6	1,421.6	1,464.2	1,487.4	1,502.8	1,508.3	1,497.4	1,484.2	1,477.5	1,464.4	1,434.6	1,410.1	1,398.3	1,391.5	
74 Electrical machinery	36	7.3	549.7	580.0	592.2	597.4	604.4	610.2	604.3	593.7	581.0	569.9	565.8	554.9	541.7	536.7	
75 Transportation equipment	37	9.5	131.0	132.4	132.4	129.2	126.8	122.8	116.0	119.8	124.5	123.9	127.0	125.5	129.2	126.7	
76 Motor vehicles and parts	371	4.9	170.5	173.9	175.5	167.2	160.1	151.8	138.6	147.4	156.5	155.4	162.9	160.7	168.6	164.0	
77 Autos and light trucks	371PT	2.6	153.0	156.4	158.8	145.8	140.1	131.5	125.9	131.9	141.8	141.6	147.9	145.0	157.9	150.5	
78 Aerospace and miscellaneous transportation equipment	372-6.9	4.6	93.8	93.5	92.1	93.6	95.4	95.3	94.3	93.5	94.3	94.1	93.2	92.4	92.2	91.6	
79 Instruments	38	5.4	122.2	123.3	123.7	123.5	124.6	123.1	125.0	123.3	122.6	123.1	122.4	120.4	120.7	120.2	
80 Miscellaneous	39	1.3	130.8	130.8	130.9	131.1	130.2	129.4	130.4	127.6	127.6	128.4	126.6	127.9	128.8	125.8	
81 Nondurable goods		40.4	116.9	116.3	116.0	116.3	115.5	114.1	114.0	114.0	112.7	112.8	112.2	111.2	111.1	110.3	
82 Foods	20	9.4	114.7	115.1	114.6	114.8	115.0	114.2	114.1	115.0	114.6	114.2	114.1	113.4	113.0	112.8	
83 Tobacco products	21	1.6	95.3	96.6	94.5	93.7	93.1	94.2	95.2	93.7	92.2	93.8	92.1	93.0	94.3	91.5	
84 Textile mill products	22	1.8	100.1	99.4	98.4	96.7	92.8	94.5	93.0	92.7	92.4	90.7	87.4	87.1	85.0	85.7	
85 Apparel products	23	2.2	91.7	90.7	89.5	89.2	89.2	88.2	88.9	88.7	88.4	88.2	87.9	85.3	85.9	83.4	
86 Paper and products	26	3.6	116.1	113.3	113.7	117.1	114.7	112.7	111.8	112.8	107.7	113.7	110.9	108.8	109.9	108.9	
87 Printing and publishing	27	6.7	109.9	110.4	110.9	111.6	111.2	109.2	109.6	107.7	106.2	105.6	105.3	104.2	103.8	102.8	
88 Chemicals and products	28	9.9	128.3	125.9	125.4	125.8	124.8	122.9	121.8	122.6	121.2	120.1	120.2	118.6	118.2	118.0	
89 Petroleum products	29	1.4	117.1	117.6	117.4	116.5	116.9	114.7	115.1	116.5	115.0	116.7	116.2	116.5	115.6	114.0	
90 Rubber and plastics	30	3.5	142.3	142.1	141.9	141.3	139.1	137.3	138.5	137.3	136.5	136.0	135.0	135.4	136.1	134.9	
91 Leather and products	31	3	69.8	68.8	69.8	68.6	68.9	66.9	67.1	69.3	67.7	65.7	64.0	62.5	61.7	60.6	
92 Mining		6.9	100.0	101.0	100.4	100.1	101.1	99.6	101.0	101.4	102.7	103.5	103.8	103.4	102.3	101.8	
93 Metal	10	5	97.4	95.8	99.3	96.3	93.7	99.5	94.6	91.7	85.4	90.4	91.2	90.3	88.2	86.2	
94 Coal	12	1.0	108.9	109.3	107.0	110.2	108.6	106.1	115.2	110.7	116.6	116.8	116.5	115.2	111.5	111.3	
95 Oil and gas extraction	13	4.8	95.0	96.3	95.7	95.1	96.6	95.2	96.1	96.7	97.7	98.5	98.9	98.6	97.6	97.4	
96 Stone and earth minerals	14	6	126.4	125.0	123.7	124.6	123.2	119.3	121.7	126.4	129.6	129.1	128.2	127.1	128.1	125.7	
97 Utilities		7.7	120.4	122.1	121.7	120.0	121.9	129.1	124.0	121.8	122.0	120.9	119.5	119.6	118.8	120.7	
98 Electric	491.3PT	6.2	123.9	126.1	124.7	124.2	127.3	131.2	126.7	123.9	125.5	127.2	125.0	124.8	123.5	126.8	
99 Gas	491.2PT	1.6	109.3	108.4	110.5	105.8	104.5	120.2	113.7	112.9	109.7	101.2	102.1	102.9	103.3	101.9	
SPECIAL AGGREGATES																	
100 Manufacturing excluding motor vehicles and parts		80.5	152.6	153.5	153.9	154.3	153.8	152.7	152.2	151.1	149.8	149.3	148.5	146.7	146.3	145.1	
101 Manufacturing excluding computers and office equipment		83.6	145.4	146.2	146.5	146.2	145.4	143.9	142.7	142.2	141.5	141.1	140.8	139.2	139.3	137.9	
102 Computers, communications equipment, and semiconductors		5.9	1,195.2	1,281.6	1,310.3	1,334.8	1,358.1	1,368.9	1,351.7	1,334.1	1,312.2	1,283.1	1,260.2	1,233.3	1,206.0	1,189.6	
103 Manufacturing excluding computers and semiconductors		81.1	128.3	128.2	128.4	128.0	127.1	125.6	124.7	124.3	123.8	123.7	123.5	122.2	122.4	121.2	
104 Manufacturing excluding computers, communications equipment, and semiconductors		79.5	125.1	124.9	125.0	124.6	123.6	122.1	121.1	120.8	120.4	120.3	120.2	118.9	119.2	118.1	
Gross value (billions of 1992 dollars, annual rates)																	
MAJOR MARKETS																	
105 Products, total		2,001.9	2,860.5	2,882.9	2,889.1	2,867.4	2,863.2	2,850.2	2,818.1	2,819.8	2,826.9	2,812.9	2,818.9	2,796.7	2,805.7	2,776.3	
106 Final		1,552.1	2,203.4	2,220.5	2,228.1	2,205.4	2,203.7	2,198.2	2,167.1	2,174.5	2,186.0	2,174.7	2,178.7	2,159.1	2,172.4	2,145.6	
107 Consumer goods		1,049.6	1,340.0	1,348.7	1,353.7	1,334.7	1,331.2	1,332.8	1,312.2	1,322.8	1,328.2	1,325.5	1,331.9	1,326.1	1,337.5	1,324.4	
108 Equipment		502.5	865.7	880.8	883.3	880.9	883.3	874.9	864.8	859.8	866.4	856.5	852.8	837.1	838.0	823.0	
109 Intermediate		449.9	656.7	661.5	660.2	661.0	658.6	651.2	649.9	644.5	640.4	637.7	639.6	637.0	632.9	630.1	

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 2000. The recent annual revision is described in an article in the March 2001 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization."

Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

² Standard Industrial Classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

Item	1998	1999	2000	2000			2001						
				Oct.	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
	Private residential real estate activity (thousands of units except as noted)												
NEW UNITS													
1 Permits authorized	1,612	1,664	1,592	1,562	1,614	1,553	1,724	1,663	1,627	1,587	1,621	1,587	1,571
2 One-family	1,188	1,247	1,198	1,212	1,203	1,187	1,283	1,228	1,309	1,218	1,205	1,225	1,211
3 Two-family or more	425	417	394	350	411	366	441	435	418	369	416	362	360
4 Started	1,617	1,641	1,569	1,527	1,559	1,532	1,666	1,623	1,592	1,626	1,610	1,634	1,641
5 One-family	1,271	1,302	1,231	1,218	1,209	1,236	1,336	1,288	1,208	1,295	1,285	1,292	1,278
6 Two-family or more	346	339	338	309	350	296	330	335	384	331	325	342	363
7 Under construction at end of period ¹	971	953	934	971	969	965	985	989	1,002	1,006	1,016	1,012	1,011
8 One-family	659	648	623	659	655	652	669	675	676	682	688	688	688
9 Two-family or more	312	305	310	312	314	313	316	314	326	324	328	324	323
10 Completed	1,474	1,605	1,574	1,509	1,548	1,527	1,424	1,531	1,478	1,569	1,499	1,643	1,574
11 One-family	1,160	1,270	1,242	1,172	1,236	1,228	1,090	1,201	1,207	1,232	1,225	1,275	1,254
12 Two-family or more	315	335	332	337	312	299	334	330	271	337	274	368	320
13 Mobile homes shipped	374	348	250	213	196	176	171 ²	180 ²	179	184 ²	186	198	193
Merchant builder activity in one-family units													
14 Number sold	886	880	877	922	882	1,001	938	959	953	899	882	886	893
15 Number for sale at end of period ¹	300	315	301	301	304	297	295	295	289	293	296	301	305
Price of units sold (thousands of dollars) ²													
16 Median	152.5	161.0	169.0	176.3	174.7	162.0	171.3	169.1	166.3	175.2	175.3	174.3	172.3
17 Average	181.9	195.6	207.0	215.1	210.7	208.1	209.0	211.0	210.2	205.5	211.4	209.0	207.9
EXISTING UNITS (one-family)													
18 Number sold	4,970	5,205	5,113	5,070	5,300	4,940	5,200	5,190	5,430	5,220	5,360	5,330	5,200
Price of units sold (thousands of dollars) ²													
19 Median	128.4	133.3	139.0	138.6	139.5	139.7	137.1	138.6	143.4	143.1	145.0	152.2	151.7
20 Average	159.1	168.3	176.2	176.9	176.5	178.5	175.8	174.6	179.5	179.9	183.6	191.1	190.6
Value of new construction (millions of dollars) ¹													
CONSTRUCTION													
21 Total put in place	703,533	763,914	817,130	820,805	826,746	838,731	859,815	869,334	869,140	870,826 ²	869,574	861,571	854,640
22 Private	550,754	595,667	641,269	644,836	651,066	660,849	673,715	681,826	681,176	677,429 ²	670,838	665,322	653,315
23 Residential	314,514	349,560	375,268	370,256	374,281	379,593	386,088	398,863	395,080	392,160 ²	394,330	391,508	388,874
24 Nonresidential	236,240	246,107	266,001	274,580	276,785	281,256	287,627	282,963	286,096	285,269 ²	276,508	273,814	264,441
25 Industrial buildings	40,547	32,794	31,984	32,125	33,265	31,398	35,878	33,386	34,823	34,662 ²	31,943	32,966	33,269
26 Commercial buildings	95,760	104,531	116,988	121,760	120,587	125,234	125,402	124,568	128,792	124,935 ²	118,601	116,842	111,388
27 Other buildings	39,609	40,906	44,505	45,645	45,628	45,707	46,567	46,264	47,117	46,080 ²	46,643	46,020	44,765
28 Public utilities and other	60,324	67,876	72,523	75,050	77,305	78,917	79,780	78,745	75,364	79,592 ²	79,321	77,986	75,019
29 Public	152,779	168,247	175,861	175,969	175,680	177,883	186,100	187,508	187,964	193,397 ²	198,736	196,249	201,326
30 Military	2,539	2,142	2,334	1,883	2,629	2,107	2,270	2,342	2,131	2,530 ²	2,274	2,477	2,371
31 Highway	45,251	52,024	52,851	48,764	48,858	50,189	55,368	56,204	57,443	57,717 ²	60,437	61,534	61,758
32 Conservation and development	5,415	5,995	6,043	6,815	5,789	6,339	7,381	7,838	7,573	6,332 ²	7,216	6,592	5,955
33 Other	99,575	108,086	114,634	118,507	118,404	119,248	121,081	121,124	120,817	126,818 ²	128,809	125,646	131,242

1. Not at annual rates.

2. Not seasonally adjusted.

3. Recent data on value of new construction may not be strictly comparable with data for previous periods because of changes by the Bureau of the Census in its estimating techniques. For a description of these changes, see *Construction Reports* (C-30-76-5), issued by the Census Bureau in July 1976.

SOURCE: Bureau of the Census estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 19,000 jurisdictions beginning in 1994.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Aug. 2001 ¹
	2000 Aug.	2001 Aug.	2000		2001		2001					
			Sept.	Dec.	Mar.	June	Apr.	May	June	July	Aug.	
CONSUMER PRICES ² (1982=84=100)												
1 All items	3.4	2.7	3.3	2.3	4.0	3.7	.3	.4	.2	-.3	.1	177.5
2 Food	2.7	3.1	4.1	2.1	4.1	3.3	.1	.3	.4	.3	.2	173.9
3 Energy items	13.1	2.8	7.9	3.8	6.0	16.8	1.8	3.1	-.9	-5.6	-1.9	129.4
4 All items less food and energy	2.6	2.7	2.9	2.0	3.5	2.6	.2	.1	.3	.2	.2	186.6
5 Commodities .....	.5	.1	1.7	.0	1.4	-1.6	.0	-.4	.0	.1	-.4	143.8
6 Services	3.6	3.8	3.2	3.2	4.2	4.5	.3	.3	.5	.2	.5	211.2
PRODUCER PRICES (1982=100)												
7 Finished goods	3.4	2.1	2.0	2.9	4.7	.3	.5 ^a	-.1 ^a	-.4	-.9	.4	141.1
8 Consumer foods	1.0	3.9	-1.2	2.7	10.5	.9	.6 ^a	-.6 ^a	.1	-.6	.9	142.6
9 Consumer energy	14.9	2.0	6.4	12.0	9.5	-6.1	1.1 ^a	-.1 ^a	-2.5	-5.8	1.1	97.8
10 Other consumer goods	2.1	1.8	2.4	1.0	2.3	2.3	3 ^a	.3 ^a	.0	.1	-.1	156.6
11 Capital equipment	1.2	.7	1.7	.3	.0	1.2	.2 ^a	-.1	.1	.2	-.1	139.5
Intermediate materials												
12 Excluding foods and feeds	4.5	-.5	3.1	1.2	1.5	-1.2	-.2	.1 ^a	-.2	-1.1	-.5	130.4
13 Excluding energy	2.5	-.7	.3	-.3	1.5	-.9	-.1	.1	-.3	-.4	-.4	136.0
Crude materials												
14 Foods	-4.6	14.0	-8.2	36.5	15.6	-7.1	-.5 ^a	-1.3 ^a	-.1	.6	-.6	108.9
15 Energy	40.2	-14.9	20.0	102.6	-42.4	-43.7	2.1 ^a	-3.7	-11.9	-11.5	-4.4	104.2
16 Other	3.7	-9.5	-8.8	-9.2	-10.8	-13.7	-2.4 ^a	-1.1 ^a	-.2	-.9	-.8	128.4

1. Not seasonally adjusted.

2. Figures for consumer prices are for all urban consumers and reflect a rental-equivalence measure of homeownership.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1998	1999	2000	2000			2001	
				Q2	Q3	Q4	Q1	Q2¹
GROSS DOMESTIC PRODUCT								
1 Total	8,781.5	9,268.6	9,872.9	9,857.6	9,937.5	10,027.9	10,141.7	10,202.6
By source								
2 Personal consumption expenditures	5,856.0	6,250.2	6,728.4	6,674.9	6,785.5	6,871.4	6,977.6	7,044.6
3 Durable goods	693.2	760.9	819.6	813.8	825.4	818.7	838.1	844.7
4 Nondurable goods	1,708.5	1,831.3	1,989.6	1,978.3	2,012.4	2,025.1	2,047.1	2,062.3
5 Services	3,454.3	3,658.0	3,919.2	3,882.8	3,947.7	4,027.5	4,092.4	4,137.6
6 Gross private domestic investment	1,538.7	1,636.7	1,767.5	1,792.4	1,788.4	1,780.3	1,722.8	1,669.9
7 Fixed investment	1,465.6	1,578.2	1,718.1	1,717.0	1,735.9	1,741.6	1,748.3	1,706.5
8 Nonresidential	1,101.2	1,174.6	1,293.1	1,288.3	1,314.9	1,318.2	1,311.2	1,260.2
9 Structures	282.4	283.5	313.6	306.4	321.1	330.9	345.8	338.6
10 Producers' durable equipment	818.9	891.1	979.5	981.8	993.8	987.3	965.4	921.7
11 Residential structures	364.4	403.5	425.1	428.7	421.0	423.4	437.0	446.2
12 Change in business inventories	73.1	58.6	49.4	75.4	52.5	38.7	-25.5	-36.6
13 Nonfarm	72.3	60.1	51.1	74.0	55.3	37.8	-26.2	-35.3
14 Net exports of goods and services	-151.7	-250.9	-364.0	-350.8	-380.6	-390.6	-363.8	-347.4
15 Exports	964.9	989.8	1,102.9	1,099.7	1,131.1	1,121.0	1,117.4	1,079.6
16 Imports	1,116.7	1,240.6	1,466.9	1,450.4	1,511.8	1,511.6	1,481.2	1,427.0
17 Government consumption expenditures and gross investment	1,538.5	1,632.5	1,741.0	1,741.1	1,744.2	1,766.8	1,805.2	1,835.4
18 Federal	539.2	564.0	590.2	601.0	587.0	594.2	605.3	609.9
19 State and local	999.3	1,068.5	1,150.8	1,140.1	1,157.2	1,172.6	1,199.8	1,225.5
By major type of product								
20 Final sales, total	8,708.4	9,210.0	9,823.6	9,782.2	9,884.9	9,989.2	10,167.2	10,239.1
21 Goods	3,232.3	3,418.6	3,644.8	3,636.0	3,677.2	3,670.6	3,718.8	3,715.0
22 Durable	1,524.4	1,618.8	1,735.2	1,735.2	1,753.8	1,740.7	1,755.8	1,737.2
23 Nondurable	1,707.9	1,799.8	1,909.7	1,900.8	1,923.5	1,929.9	1,963.1	1,977.8
24 Services	4,678.6	4,939.1	5,268.5	5,243.1	5,296.1	5,393.0	5,482.8	5,545.7
25 Structures	797.5	852.4	910.3	903.1	911.6	925.6	965.6	978.4
26 Change in business inventories	73.1	58.6	49.4	75.4	52.5	38.7	-25.5	-36.6
27 Durable goods	44.7	35.3	34.7	51.0	33.0	31.5	-31.0	-42.3
28 Nondurable goods	28.5	23.3	14.7	24.4	19.5	7.2	5.5	5.8
MLMO								
29 Total GDP in chained 1996 dollars	8,508.9	8,856.5	9,224.0	9,229.4	9,260.1	9,303.9	9,334.5	9,341.7
NATIONAL INCOME								
30 Total	7,041.4	7,462.1	7,980.9	7,956.1	8,047.2	8,124.0	8,169.7	8,207.9
31 Compensation of employees	4,989.6	5,310.7	5,715.2	5,669.9	5,759.3	5,868.9	5,955.7	6,010.8
32 Wages and salaries	4,192.1	4,477.4	4,837.2	4,798.0	4,875.8	4,973.2	5,049.4	5,099.8
33 Government and government enterprises	692.7	724.3	768.4	768.3	772.6	776.6	788.8	799.6
34 Other	3,499.4	3,753.1	4,068.8	4,029.7	4,103.2	4,196.6	4,260.6	4,300.2
35 Supplement to wages and salaries	797.5	833.4	878.0	872.0	883.5	895.7	906.3	911.0
36 Employer contributions for social insurance	306.9	323.6	343.8	341.8	345.6	350.8	357.1	358.8
37 Other labor income	490.6	509.7	534.2	530.1	537.9	544.9	549.3	552.2
38 Proprietors' income¹	623.8	672.0	715.0	717.9	719.3	725.2	735.2	745.3
39 Business and professional¹	598.2	645.4	684.4	685.4	687.6	693.5	705.4	716.6
40 Farm¹	25.6	26.6	30.6	32.5	31.6	31.7	29.8	28.7
41 Rental income of persons²	138.6	147.7	141.6	141.4	138.3	141.7	139.6	139.0
42 Corporate profits¹	777.4	825.2	876.4	892.8	895.0	847.6	789.8	759.8
43 Profits before tax¹	721.1	776.3	845.4	862.0	858.3	816.5	755.7	738.3
44 Inventory valuation adjustment	18.3	-2.9	-12.4	-14.8	-3.6	-7.3	-1.9	-8.8
45 Capital consumption adjustment	38.0	51.7	43.4	45.5	40.4	38.4	36.0	30.3
46 Net interest	511.9	506.5	532.7	534.1	535.3	540.6	549.4	553.0

1. With inventory valuation and capital consumption adjustments.

2. With capital consumption adjustment.

3. For after-tax profits, dividends, and the like, see table 1.48.

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

2.17 PERSONAL INCOME AND SAVING

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

Account	1998	1999	2000	2000			2001	
				Q2	Q3	Q4	Q1	Q2'
PERSONAL INCOME AND SAVING								
1 Total personal income	7,426.0	7,777.3	8,319.2	8,271.0	8,381.5	8,519.6	8,640.2	8,714.6
2 Wage and salary disbursements	4,192.8	4,472.2	4,837.2	4,798.0	4,875.8	4,973.2	5,049.4	5,099.8
3 Commodity-producing industries	1,038.5	1,088.7	1,163.7	1,151.8	1,173.2	1,195.5	1,206.3	1,204.4
4 Manufacturing	756.6	782.0	830.1	822.0	838.0	852.2	853.3	850.2
5 Distributive industries	948.9	1,021.0	1,095.6	1,086.1	1,102.4	1,125.9	1,140.3	1,148.2
6 Service industries	1,512.7	1,638.2	1,809.5	1,791.7	1,827.6	1,875.2	1,914.0	1,947.6
7 Government and government enterprises	692.7	724.3	768.4	768.3	772.6	776.6	788.8	799.6
8 Other labor income	490.6	509.7	534.2	530.1	537.9	544.9	549.3	552.2
9 Proprietors' income ¹	623.8	672.0	715.0	717.9	719.3	725.2	735.2	745.3
10 Business and professional ¹	598.2	645.4	684.4	685.4	687.6	693.5	705.4	716.6
11 Farm ¹	25.6	26.6	30.6	32.5	31.6	31.7	29.8	28.7
12 Rental income of persons ²	138.6	147.7	141.6	141.4	138.3	141.7	139.6	139.0
13 Dividends	348.3	343.1	379.2	373.3	385.8	396.6	404.8	411.9
14 Personal interest income	964.4	950.0	1,000.6	999.9	1,009.2	1,013.1	1,010.9	1,001.0
15 Transfer payments	983.7	1,019.6	1,069.1	1,066.3	1,074.6	1,089.0	1,123.1	1,139.4
16 Old-age survivors, disability, and health insurance benefits	578.1	588.0	617.3	618.6	620.9	626.5	651.4	660.1
17 LESS: Personal contributions for social insurance	316.3	337.1	357.7	355.8	359.4	364.1	372.1	374.0
18 EQUALS: Personal income	7,426.0	7,777.3	8,319.2	8,271.0	8,381.5	8,519.6	8,640.2	8,714.6
19 LESS: Personal tax and nontax payments	1,070.4	1,159.2	1,288.2	1,277.3	1,300.2	1,329.8	1,345.2	1,351.4
20 EQUALS: Disposable personal income	6,355.6	6,618.0	7,031.0	6,993.7	7,081.3	7,189.8	7,295.0	7,363.2
21 LESS: Personal outlays	6,054.1	6,457.2	6,963.3	6,905.6	7,026.9	7,115.1	7,216.2	7,281.7
22 EQUALS: Personal saving	301.5	160.9	67.7	88.1	54.5	74.7	78.8	81.5
MEMO								
Per capita (chained 1996 dollars)								
23 Gross domestic product	31,449.2	32,441.9	33,490.3	33,549.2	33,587.6	33,661.1	33,698.5	33,639.7
24 Personal consumption expenditures	21,007.2	21,862.6	22,720.7	22,632.8	22,822.4	22,941.7	23,063.1	23,148.7
25 Disposable personal income	22,800.0	23,150.0	23,742.0	23,717.0	23,814.0	24,006.0	24,111.0	24,200.0
26 Saving rate (percent)	4.7	2.4	1.0	1.3	.8	1.0	1.1	1.1
GROSS SAVING								
27 Gross saving	1,647.2	1,707.4	1,785.7	1,799.4	1,807.4	1,799.7	1,754.0	1,750.5
28 Gross private saving	1,375.0	1,348.0	1,323.0	1,345.8	1,329.6	1,332.7	1,307.9	1,321.2
29 Personal saving	301.5	160.9	67.7	88.1	54.5	74.7	78.8	81.5
30 Undistributed corporate profits ¹	189.9	228.7	225.3	238.6	233.9	197.0	147.8	119.5
31 Corporate inventory valuation adjustment	18.3	-2.9	-12.4	-14.8	-3.6	-7.3	-1.9	-8.8
Capital consumption allowances								
32 Corporate	620.2	669.2	727.1	719.1	736.0	749.7	763.8	785.6
33 Noncorporate	264.2	284.1	302.8	299.9	305.2	311.3	317.5	334.6
34 Gross government saving	272.2	359.4	462.8	453.7	477.8	467.1	446.1	429.3
35 Federal	132.0	210.9	315.0	305.0	326.9	320.5	303.7	286.2
36 Consumption of fixed capital	88.2	91.7	96.4	95.9	97.0	97.9	98.4	99.4
37 Current surplus or deficit (-), national accounts	43.8	119.2	218.6	209.1	229.9	222.5	205.3	186.7
38 State and local	140.2	148.5	147.8	148.7	150.9	146.6	142.5	143.2
39 Consumption of fixed capital	99.5	106.4	114.9	114.0	116.1	118.0	120.2	121.9
40 Current surplus or deficit (-), national accounts	40.7	42.1	32.8	34.7	34.8	28.6	22.3	21.3
41 Gross investment	1,616.2	1,634.7	1,655.3	1,690.0	1,651.1	1,649.7	1,633.5	1,607.3
42 Gross private domestic investment	1,538.7	1,636.7	1,767.5	1,792.4	1,788.4	1,780.3	1,722.8	1,669.9
43 Gross government investment	277.1	304.6	318.3	315.0	314.0	322.8	330.9	344.0
44 Net foreign investment	-199.7	-306.6	-430.5	-417.4	-451.3	-453.4	-420.2	-406.6
45 Statistical discrepancy	-31.0	-72.7	-130.4	-109.5	-156.3	-150.0	-120.5	-143.2

1. With inventory valuation and capital consumption adjustments.
 2. With capital consumption adjustment.

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted¹

Item credits or debits	1998	1999	2000	2000			2001	
				Q2	Q3	Q4	Q1 ^a	Q2 ^b
1 Balance on current account	-217,457	-324,364	-444,667	-108,134	-115,305	-116,324	-111,778	-106,498
2 Balance on goods and services	-166,828	-261,838	-375,739	-90,784	-97,340	-100,293	-95,023	-88,938
3 Exports	932,694	957,353	1,065,702	265,822	272,497	270,131	269,092	260,507
4 Imports	-1,099,522	-1,219,191	-1,441,441	-356,606	-369,837	-370,424	-364,115	-349,445
5 Income, net	-6,202	-13,613	-14,792	-4,889	-4,885	642	-5,021	-5,493
6 Investment, net	-1,211	-8,511	-9,621	-3,589	-3,620	1,971	-3,661	-4,156
7 Direct	66,253	67,044	81,231	18,117	21,049	25,703	22,673	23,086
8 Portfolio	-67,464	-75,555	-90,852	-21,706	-24,669	-23,732	-26,334	-27,242
9 Compensation of employees	-4,991	-5,102	-5,171	-1,300	-1,265	-1,329	-1,360	-1,337
10 Unilateral current transfers, net	-44,427	-48,913	-54,136	-12,461	-13,080	-16,673	-11,734	-12,067
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	-422	2,751	-944	-572	114	-359	21	-761
12 Change in U.S. official reserve assets (increase, -)	-6,783	8,747	-290	2,020	-346	-1,410	190	-1,343
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-147	10	-722	-180	-182	-180	-189	-156
15 Reserve position in International Monetary Fund	-5,119	5,484	2,308	2,328	1,300	-1,083	574	-1,015
16 Foreign currencies	-1,517	3,253	-1,876	-128	-1,464	-147	-195	-172
17 Change in U.S. private assets abroad (increase, -)	-352,427	-448,565	-579,718	-95,021	-107,495	-179,779	-243,331	-61,218
18 Bank-reported claims ²	-35,572	-76,263	-138,500	7,455	-18,147	-71,574	-109,789	9,191
19 Nonbank-reported claims	-38,204	-85,700	-163,846	-29,491	-14,585	-44,514	-61,011	13,433
20 U.S. purchase of foreign securities, net	-136,135	-131,217	-124,935	-39,639	-33,129	-24,621	-31,591	-48,240
21 U.S. direct investments abroad, net	-142,516	-155,385	-152,437	-33,346	-41,634	-39,070	-40,940	-35,602
22 Change in foreign official assets in United States (increase, +)	-19,948	43,551	37,619	6,447	12,247	-3,573	4,898	-22,430
23 U.S. Treasury securities	-9,921	12,177	-10,233	-4,000	-9,001	-13,436	-1,027	-20,781
24 Other U.S. government obligations	6,332	20,350	40,909	10,334	14,272	8,196	3,574	9,932
25 Other U.S. government liabilities ³	-3,371	-2,855	-1,987	-1,000	-220	-293	-1,246	-1,138
26 Other U.S. liabilities reported by U.S. banks ⁴	-9,501	12,964	5,803	209	6,884	980	2,594	-11,471
27 Other foreign official assets ⁵	-3,487	915	3,127	904	312	980	1,003	1,028
28 Change in foreign private assets in United States (increase, +)	524,412	770,193	986,599	243,560	209,861	298,894	341,762	210,432
29 U.S. bank-reported liabilities ⁶	39,769	54,232	87,953	53,923	-1,910	43,365	6,890	50,123
30 U.S. nonbank-reported liabilities	23,140	69,075	177,010	24,400	19,078	48,344	130,624	-34,022
31 Foreign private purchases of U.S. Treasury securities, net	48,581	-20,490	-52,792	-20,546	-12,503	-10,395	656	-8,275
32 U.S. currency flows	16,622	22,407	1,129	989	757	6,230	2,311	2,772
33 Foreign purchases of other U.S. securities, net	218,091	343,963	485,644	94,400	128,393	126,643	148,809	132,671
34 Foreign direct investments in United States, net	178,209	301,006	287,655	90,394	76,046	84,707	52,472	67,163
35 Capital account transactions, net ⁶	678	-3,491	705	173	175	184	173	177
36 Discrepancy	71,947	-48,822	696	-48,473	749	2,367	8,065	-18,359
37 Due to seasonal adjustment	.	.	.	-2,380	-9,977	3,856	8,821	-1,868
38 Before seasonal adjustment	71,947	-48,822	696	-46,093	10,726	-1,489	-756	-16,491
MEMO								
Changes in official assets								
39 U.S. official reserve assets (increase, -)	-6,783	8,747	-290	2,020	-346	-1,410	190	-1,343
40 Foreign official assets in United States, excluding line 25 (increase, +)	-16,577	46,406	39,606	7,447	12,467	-3,280	6,144	-21,292
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	-11,531	1,621	11,582	1,639	3,636	164	589	-1,878

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*.

3.11 U.S. FOREIGN TRADE¹

Millions of dollars; monthly data seasonally adjusted

Item	1998	1999	2000	2001						
				Jan. ^a	Feb. ^a	Mar. ^a	Apr. ^a	May ^a	June ^a	July ^a
1 Goods and services, balance	-166,686	-261,838	-375,739	-33,394	-28,675	-32,957	-31,518	-28,210	-29,068	-28,830
2 Merchandise	-246,855	-345,434	-452,207	-39,127	-34,614	-38,781	-37,656	-34,449	-35,553	-35,418
3 Services	79,868	83,596	76,468	5,733	5,939	5,824	6,138	6,239	6,485	6,588
4 Goods and services, exports	933,053	957,353	1,065,702	90,059	90,395	88,636	87,064	87,571	85,898	83,725
5 Merchandise	670,324	684,553	772,210	65,309	65,748	63,884	62,170	62,846	60,848	58,804
6 Services	262,729	272,800	293,492	24,750	24,647	24,752	24,894	24,725	25,050	24,921
7 Goods and services, imports	-1,099,739	-1,219,191	-1,441,441	-123,453	-119,070	-121,593	-118,582	-115,781	-114,966	-112,555
8 Merchandise	-917,179	-1,029,987	-1,224,417	-104,436	-100,362	-102,665	-99,826	-97,295	-96,401	-94,222
9 Services	-182,560	-189,204	-217,024	-19,017	-18,708	-18,928	-18,756	-18,486	-18,565	-18,333

1. Data show monthly values consistent with quarterly figures in the U.S. balance of payments accounts.

SOURCE: *FT900*, U.S. Department of Commerce, Bureau of the Census and Bureau of Economic Analysis.

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1998	1999	2000	2001							
				Feb	Mar.	Apr.	May	June	July	Aug.	Sept. ^a
1 Total	81,761	71,516	67,647	66,486	64,222	64,731	65,254	64,847	65,736	67,852	70,962
2 Gold stock ¹	11,046	11,048	11,046	11,046	11,046	11,046	11,044	11,044	11,044	11,044	11,044
3 Special drawing rights ^{2,3}	10,603	10,336	10,539	10,641	10,379	10,420	10,481	10,409	10,518	10,913	10,919
4 Reserve position in International Monetary Fund ³	24,111	17,950	14,824	14,107	13,777	13,816	14,283	14,619	14,965	15,297	18,404
5 Foreign currencies ⁴	36,001	32,182	31,238	30,692	29,020	29,449	29,446	28,775	29,209	30,598	30,595

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	1998	1999	2000	2001							
				Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. ^a
1 Deposits	167	71	215	196	70	101	86	102	84	80	608
Held in custody											
2 U.S. Treasury securities ²	607,574	632,482	594,094	603,906	609,440	585,710	583,655	586,607	578,573	590,820	587,566
3 Earmarked gold ³	10,343	9,933	9,451	9,343	9,289	9,215	9,154	9,100	9,100	9,100	9,100

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	1999	2000	2001						
			Jan.	Feb.	Mar	Apr.	May	June ^c	July ^c
1 Total ¹	806,318	845,934	866,883	864,593	865,466	855,152	837,296	835,145	845,179
By type									
2 Liabilities reported by banks in the United States ²	138,847	144,658	155,293	155,163	154,641	158,441	143,950	144,142	151,882
3 U.S. Treasury bills and certificates ³	156,177	153,010	158,967	155,667	155,204	144,158	137,933	139,195	143,288
U.S. Treasury bonds and notes									
4 Marketable	422,266	415,964	418,190	418,857	419,106	410,066	410,979	407,736	406,995
5 Nonmarketable ⁴	6,111	5,348	4,923	4,953	4,984	5,017	5,049	5,081	4,846
6 U.S. securities other than U.S. Treasury securities ⁵	82,917	126,954	129,510	129,953	131,531	137,470	139,385	138,991	138,168
By area									
7 Europe ¹	244,805	253,592	259,829	256,180	250,420	247,128	251,505	252,028	262,830
8 Canada	12,503	12,394	11,220	10,794	10,396	10,474	10,967	11,573	11,727
9 Latin America and Caribbean	73,518	76,818	80,115	80,389	79,185	79,457	76,157	79,121	79,376
10 Asia	463,703	488,170	499,925	501,486	511,023	501,092	482,997	478,291	475,482
11 Africa	7,523	9,165	8,965	9,586	9,102	9,341	9,272	9,054	10,574
12 Other countries	4,266	5,795	6,829	6,158	5,340	7,660	6,398	5,078	5,190

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 1988, 20-year maturity issue, and 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 department by banks (including Federal Reserve Banks) and securities dealers in the United States, and on the 1994 benchmark survey 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	1997	1998	1999	2000		2001	
				Sept.	Dec. ¹	Mar. ¹	June
1 Banks' liabilities	117,524	101,125	88,537	78,852	76,345	89,394	107,593
2 Banks' claims	83,038	78,162	67,365	60,355	56,647	73,179	77,423
3 Deposits	28,661	45,985	34,426	26,306	23,292	29,902	32,765
4 Other claims	54,377	32,177	32,939	34,049	33,355	43,277	44,658
5 Claims of banks' domestic customers ²	8,191	20,718	20,826	19,123	24,411	21,105	21,144

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	1998	1999	2000	2001						
				Jan.	Feb.	Mar.	Apr.	May	June ^c	July ^b
BY HOLDER AND TYPE OF LIABILITY										
1 Total, all foreigners	1,347,837	1,408,740	1,515,077	1,606,592	1,568,239	1,537,728	1,531,265	1,533,916 ^c	1,519,942	1,518,754
2 Banks' own liabilities	884,939	971,536	1,045,236	1,123,852	1,084,406	1,076,707	1,094,709	1,116,481 ^c	1,097,211	1,099,244
3 Demand deposits	29,558	42,884	33,365	30,820	35,765	33,893	30,162	29,114	32,879	29,940
4 Time deposits ²	151,761	163,620	188,154	187,365	189,531	182,529	190,804	183,002 ^c	181,695	177,190
5 Other ³	140,752	155,853	173,263	203,269	198,788	200,477	202,423	207,146 ^c	212,874	225,076
6 Own foreign offices ⁴	562,868	609,179	650,454	702,398	660,322	659,808	671,320	697,219 ^c	669,763	667,038
7 Banks' custodial liabilities ⁵	462,898	437,204	469,841	482,740	483,833	461,021	436,556	417,435	422,731	419,510
8 U.S. Treasury bills and certificates ⁶	183,494	185,676	177,846	182,276	179,277	171,755	160,628	155,924	156,440	160,822
9 Short-term agency securities ⁷	n.a.	n.a.	n.a.	66,600	74,281	71,454	69,543	62,425	60,081	61,471
10 Other negotiable and readily transferable instruments ⁸	141,699	132,617	145,840	77,464	73,258	64,517	77,595	80,260	78,052	75,726
11 Other	137,705	118,911	146,155	156,400	157,017	153,295	128,790	118,826	128,158	121,491
12 Nonmonetary international and regional organizations ⁹	11,883	15,276	12,542	10,938	11,578	12,290	12,833	14,668	13,818	11,255
13 Banks' own liabilities	10,850	14,357	12,140	10,595	11,202	11,746	12,344	14,342	13,479	11,020
14 Demand deposits	172	98	41	27	19	23	14	15	28	50
15 Time deposits ²	5,793	10,349	6,246	5,641	4,966	5,302	5,301	3,532	4,228	2,896
16 Other ³	4,885	3,910	5,853	4,927	6,217	6,421	7,029	10,795	9,223	8,074
17 Banks' custodial liabilities ⁵	1,033	919	402	343	376	544	489	326	339	235
18 U.S. Treasury bills and certificates ⁶	636	680	252	294	248	229	170	105	68	78
19 Short-term agency securities ⁷	n.a.	n.a.	n.a.	26	108	137	144	132	134	132
20 Other negotiable and readily transferable instruments ⁸	397	233	149	23	15	177	175	87	137	25
21 Other	0	6	1	0	5	1	0	2	0	0
22 Official institutions ¹⁰	260,060	295,024	297,668	314,260	310,830	309,845	302,599	281,883	283,337	295,170
23 Banks' own liabilities	80,256	97,615	97,054	103,445	99,602	97,068	103,508	96,725	99,724	109,015
24 Demand deposits	3,003	3,341	3,952	3,199	4,444	3,509	2,552	2,522	2,465	2,169
25 Time deposits ²	29,506	28,942	35,638	33,026	29,957	28,001	32,032	26,654 ^c	32,786	28,145
26 Other ³	47,747	65,332	57,464	67,220	65,201	65,558	68,924	67,549 ^c	64,473	78,701
27 Banks' custodial liabilities ⁵	179,804	197,409	200,614	210,815	211,228	212,777	199,091	185,158	183,613	186,155
28 U.S. Treasury bills and certificates ⁶	134,177	156,177	153,010	158,967	155,667	155,204	144,158	137,933	139,195	143,288
29 Short-term agency securities ⁷	n.a.	n.a.	n.a.	45,384	49,594	53,295	51,107	43,193	40,301	39,971
30 Other negotiable and readily transferable instruments ⁸	44,953	41,182	47,366	5,337	5,325	4,064	3,325	3,509	3,647	2,686
31 Other	674	50	238	1,127	642	214	501	523	470	210
32 Banks ¹¹	885,336	900,379	976,164	1,046,398	1,011,364	992,003	965,851	989,845 ^c	969,753	956,415
33 Banks' own liabilities	676,057	728,492	788,471	848,029	814,668	812,764	816,718	845,755 ^c	817,132	810,443
34 Unaffiliated foreign banks	113,189	119,313	138,017	145,631	154,346	152,956	145,398	148,536 ^c	147,369	143,405
35 Demand deposits	14,071	17,583	15,522	14,297	12,600	16,433	13,029	12,143	15,211	12,548
36 Time deposits ²	45,904	48,140	66,936	70,896	77,477	73,017	72,656	70,821 ^c	64,354	64,207
37 Other ³	53,214	53,590	55,559	60,438	64,269	63,506	59,713	65,572	67,804	66,650
38 Own foreign offices ⁴	562,868	609,179	650,454	702,398	660,322	659,808	671,320	697,219 ^c	669,763	667,038
39 Banks' custodial liabilities ⁵	209,279	171,887	187,693	198,369	196,696	179,239	149,133	144,090 ^c	152,621	145,972
40 U.S. Treasury bills and certificates ⁶	35,359	16,796	16,023	14,484	13,909	7,922	7,233	8,535	8,455	9,093
41 Short-term agency securities ⁷	n.a.	n.a.	n.a.	7,569	8,007	2,324	2,824	3,772	3,169	2,535
42 Other negotiable and readily transferable instruments ⁸	45,332	45,695	36,036	31,393	29,868	27,364	25,271	27,856 ^c	27,314	26,546
43 Other	128,588	109,396	135,634	144,923	144,912	141,629	113,805	103,927	113,683	107,798
44 Other foreigners	190,558	198,061	228,703	234,996	234,467	223,590	249,982	247,520 ^c	253,034	255,914
45 Banks' own liabilities	117,776	131,072	147,571	161,783	158,934	155,129	162,139	159,659 ^c	166,876	168,766
46 Demand deposits	12,312	21,862	13,850	13,297	18,702	13,928	14,567	14,434	15,175	15,173
47 Time deposits ²	70,558	76,189	79,334	77,802	77,131	76,209	80,815	81,995 ^c	80,327	81,942
48 Other ³	34,906	33,021	54,387	70,684	63,101	64,992	66,757	63,230 ^c	71,374	71,651
49 Banks' custodial liabilities ⁵	72,782	66,989	81,132	73,213	75,533	68,461	87,843	87,861 ^c	86,158	87,148
50 U.S. Treasury bills and certificates ⁶	13,322	12,023	8,561	8,531	9,453	8,400	9,067	9,351	8,722	8,363
51 Short-term agency securities ⁷	n.a.	n.a.	n.a.	13,621	16,572	15,698	15,468	15,328	16,477	18,833
52 Other negotiable and readily transferable instruments ⁸	51,017	45,507	62,289	40,711	38,050	32,912	48,824	48,808 ^c	46,954	46,469
53 Other	8,443	9,459	10,282	10,350	11,458	11,451	14,484	14,374	14,005	13,483
MEMO										
54 Negotiable time certificates of deposits in custody for foreigners	27,026	30,345	34,217	31,389	30,277	24,518	26,238	25,912	24,884	22,640
55 Repurchase agreements ⁷	n.a.	n.a.	n.a.	125,225	120,444	129,671	119,577	119,901 ^c	126,508	138,057

1. Reporting banks include all types of depository institutions as well as some brokers and dealers. Excludes bonds and notes of maturities longer than one year.

2. Excludes negotiable time certificates deposit, which are included in "Other negotiable and readily transferable instruments."

3. Includes borrowing under repurchase agreements.

4. For U.S. banks, includes amounts owed to own foreign branches and foreign subsidiaries consolidated in 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 bank, and to foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank.

5. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks for foreign customers.

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

7. Data available beginning January 2001.

8. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

9. 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.

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

11. Excludes central banks, which are included in "Official institutions."

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	1998	1999	2000	2001						
				Jan.	Feb.	Mar.	Apr.	May	June	July ^a
AREA										
56 Total, all foreigners	1,347,837	1,408,740	1,515,077	1,606,592	1,568,239	1,537,728	1,531,265	1,533,916 ^b	1,519,942 ^b	1,518,754
57 Foreign countries	1,335,954	1,393,464	1,502,534	1,595,653	1,556,660	1,525,437	1,518,431	1,519,247 ^b	1,506,123 ^b	1,507,498
58 Europe	427,375	441,810	448,712	477,165	447,619	429,911	431,641	464,809 ^b	458,305 ^b	449,781
59 Austria	3,178	2,789	2,692	2,366	2,094	2,178	2,771	2,593	2,026	2,040
60 Belgium ¹²	42,818	44,692	33,399	7,357	5,709	5,432	5,309	5,895	6,270	7,058
61 Denmark	1,437	2,196	3,000	3,391	4,182	2,919	3,412	2,910	3,063	2,596
62 Finland	1,862	1,658	1,411	1,155	1,667	1,286	1,769	1,144	2,395	1,574
63 France	44,616	49,790	37,833	49,045	45,435	42,758	39,125	40,209	40,077	42,710
64 Germany	21,357	24,753	35,519	30,250	30,382	30,862	29,591	30,339	32,357	32,333
65 Greece	2,066	3,748	2,011	1,888	1,963	1,496	1,336	1,525	1,653	2,288
66 Italy	7,103	6,775	5,072	4,997	5,071	5,850	5,269	5,530	6,766	5,876
67 Luxembourg ¹²	n.a.	n.a.	n.a.	27,095	24,234	12,585	14,505	15,046	14,961 ^b	14,568
68 Netherlands	10,793	8,143	7,244	8,504	8,328	7,265	10,337	10,772	9,621 ^b	11,371
69 Norway	710	1,327	2,305	4,762	6,331	8,361	4,806	2,572	4,583	3,539
70 Portugal	3,236	2,228	2,403	2,571	1,949	1,731	1,949	2,041	2,287	2,662
71 Russia	2,439	5,475	19,018	17,233	19,029	18,625	19,917	21,357	22,839	23,966
72 Spain	15,781	10,426	7,787	8,130	8,241	9,500	7,747	7,883	7,410	6,971
73 Sweden	3,027	4,652	6,497	5,648	5,959	6,738	6,025	5,284	5,507	4,111
74 Switzerland	50,654	63,485	74,635	83,098	64,428	54,028	65,998	93,198	73,106 ^b	65,929
75 Turkey	4,286	7,842	7,548	7,783	5,382	5,635	4,549	7,169	5,485	6,192
76 United Kingdom	181,554	172,687	169,484	143,474	134,444	147,300	138,134	139,683	146,385 ^b	137,382
77 Channel Islands & Isle of Man ¹³	n.a.	n.a.	n.a.	36,376	43,087	36,040	36,013	34,742	34,994	35,018
78 Yugoslavia ¹⁴	233	286	276	292	292	292	303	301	297	395
79 Other Europe and other former U.S.S.R. ¹⁵	30,225	28,858	30,578	31,755	28,736	29,030	32,776	34,616	36,223 ^b	41,202
80 Canada	30,212	34,214	30,987	23,927	23,945	24,278	27,972	25,993	25,984	26,387
81 Latin America	121,327	117,495	120,154	118,829	120,331	114,513	117,448	113,410 ^b	117,448 ^b	118,538
82 Argentina	19,014	18,633	19,487	18,944	18,011	12,878	14,610	12,584	16,417	13,297
83 Brazil	15,815	12,865	10,852	10,527	11,409	10,571	10,851	11,257	12,584	14,361
84 Chile	5,015	7,008	5,892	5,645	5,925	5,175	5,449	5,713	5,503 ^b	5,440
85 Colombia	4,624	5,669	4,542	4,536	4,440	4,344	4,618	4,743 ^b	4,633 ^b	4,395
86 Ecuador	1,572	1,956	2,111	2,144	2,254	2,179	2,164	2,115	1,957	2,121
87 Guatemala	1,336	1,626	1,604	1,579	1,535	1,509	1,557	1,585	1,507	1,519
88 Mexico	37,157	30,717	32,169	33,719	34,948	34,084	34,271	33,177	33,339	34,686
89 Panama	3,864	4,415	4,241	3,610	3,861	4,014	3,476	3,639	3,510 ^b	3,694
90 Peru	840	1,142	1,427	1,355	1,459	1,788	1,767	1,532	1,613 ^b	1,596
91 Uruguay	2,486	2,386	3,003	2,765	2,844	3,365	3,410	3,332	3,026	2,980
92 Venezuela	19,894	20,192	24,733	26,995	26,255	27,415	27,847	26,875	26,924 ^b	27,559
93 Other Latin America ¹⁶	9,710	10,886	10,093	7,010	7,120	7,191	7,428	6,858 ^b	6,435 ^b	6,890
94 Caribbean	433,539	461,200	574,980	639,437	626,260	615,346	606,751	601,279 ^b	599,123 ^b	608,494
95 Bahamas	118,085	135,811	189,332	186,179	185,369	174,174	177,530	190,166	187,501 ^b	183,021
96 Bermuda	6,846	7,874	9,641	9,488	8,064	8,401	8,316	7,019	7,815 ^b	8,229
97 British West Indies ¹⁷	302,486	312,278	368,769	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
98 Cayman Islands ¹⁷	n.a.	n.a.	n.a.	422,055	412,349	413,247	402,537	386,569 ^b	385,209 ^b	401,393
99 Cuba	62	75	90	130	84	85	84	84	85	88
100 Jamaica	577	520	815	792	945	1,238	899	1,133	995	1,007
101 Netherlands Antilles	5,010	4,047	5,428	6,558	5,484	4,504	4,515	3,395	3,885	3,201
102 Trinidad and Tobago	473	595	905	797	886	1,048	1,114	1,237	1,272	1,253
103 Other Caribbean ¹⁶	n.a.	n.a.	n.a.	13,438	13,079	12,649	11,757	11,676 ^b	12,361 ^b	10,302
104 Asia	307,960	319,489	305,533	315,129	316,529	320,174	311,164	291,321 ^b	283,551 ^b	283,112
China										
105 Mainland	13,441	12,325	16,533	27,451	31,174	39,928	34,694	23,160	15,395	15,590
106 Taiwan	12,708	13,603	17,352	19,828	18,192	17,891	19,962	18,119	19,862	23,081
107 Hong Kong	20,900	27,701	26,462	27,014	27,662	29,088	26,581	27,348	29,180	26,843
108 India	5,250	7,367	4,530	4,197	4,058	4,547	4,113	4,281	4,043	4,413
109 Indonesia	8,282	6,567	8,514	8,536	9,027	8,605	10,733	10,605	10,571	11,635
110 Israel	7,749	7,488	8,053	7,666	7,262	8,803	7,095	8,282	8,696	8,710
111 Japan	168,563	159,075	150,415	148,730	150,801	146,441	144,857	141,248	137,070 ^b	134,246
112 Korea (South)	12,524	12,988	7,961	7,155	6,273	6,096	5,370	5,380	6,239 ^b	6,829
113 Philippines	3,324	3,268	2,316	1,769	1,422	1,428	1,645	1,660	1,451	1,626
114 Thailand	7,359	6,050	3,117	3,157	3,455	3,252	2,935	3,295	3,310	3,375
115 Middle Eastern oil-exporting countries ¹⁸	15,609	21,314	23,733	22,425	21,594	21,634	20,515	19,644 ^b	20,521 ^b	19,190
116 Other	32,251	41,743	36,547	37,201	35,609	32,461	32,664	28,299 ^b	27,213 ^b	27,574
117 Africa	8,905	9,468	10,824	10,552	10,983	10,564	10,821	10,918	10,507 ^b	12,101
118 Egypt	1,339	2,022	2,621	2,552	2,336	2,282	2,375	2,517	2,227	3,486
119 Morocco	97	179	139	157	139	133	139	116	102	118
120 South Africa	1,522	1,495	1,010	843	914	651	791	706	657	802
121 Congo (formerly Zaïre)	5	14	4	10	10	8	5	2	14 ^b	5
122 Oil-exporting countries ¹⁹	3,088	2,914	4,052	4,317	4,750	4,593	4,753	4,741	4,644	4,350
123 Other	2,854	2,844	2,998	2,673	2,834	2,897	2,758	2,836	2,863 ^b	3,340
124 Other countries	6,636	9,788	11,344	10,614	10,993	10,651	12,634	11,517 ^b	11,205 ^b	9,085
125 Australia	5,495	8,377	10,070	8,854	9,519	9,448	11,382	10,406	9,839 ^b	8,041
126 New Zealand ²⁰	n.a.	n.a.	n.a.	1,035	328	427	501	437	862 ^b	501
127 All other	1,141	1,411	1,274	725	1,146	776	751	674 ^b	504 ^b	543
128 Nonmonetary international and regional organizations	11,883	15,276	12,543	10,939	11,579	12,291	12,834	14,669	13,819	11,256
129 International ²¹	10,221	12,876	11,270	9,024	10,793	11,379	11,335	12,965	12,836	10,241
130 Latin American regional ²²	594	1,150	740	1,493	223	272	327	886	418	441
131 Other regional ²³	1,068	1,250	533	422	534	640	620	518	523	502

¹² Before January 2001, data for Belgium–Luxembourg were combined.¹³ Before January 2001, these data were included in data reported for the United Kingdom.¹⁴ Since December 1992, has excluded Bosnia, Croatia, and Slovenia.¹⁵ Includes the Bank for International Settlements and the European Central Bank. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.¹⁶ Before January 2001, data for "Other Latin America" and "Other Caribbean" were combined in "Other Latin America and Caribbean."¹⁷ Beginning January 2001, data for the Cayman Islands replaced data for the British West Indies.¹⁸ Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).¹⁹ Comprises Algeria, Gabon, Libya, and Nigeria.²⁰ Before January 2001, these data were included in "All other."²¹ Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.²² Principally the Inter-American Development Bank.²³ 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	1998	1999	2000	2001						
				Jan.	Feb.	Mar.	Apr.	May	June ^c	July ^d
1 Total, all foreigners	734,995	793,139	908,242	961,017	912,886	984,855	989,617	996,638 ^e	990,519	974,979
2 Foreign countries	731,378	788,576	903,556	957,790	909,569	982,079	986,862	992,728 ^e	985,821	970,125
3 Europe	233,321	311,686	381,471	422,114	404,511	443,510	442,431	461,023 ^f	452,015	441,780
4 Austria	1,043	2,643	2,926	3,664	2,927	3,101	3,728	3,364	2,870	2,714
5 Belgium ²	7,187	10,193	5,399	4,635	5,300	4,852	4,375	5,627	4,254	9,184
6 Denmark	2,383	1,669	3,272	3,402	3,499	3,242	2,954	2,505	2,268	1,345
7 Finland	1,070	2,020	7,382	6,772	7,102	7,185	8,901	8,800	8,460	8,666
8 France	15,251	29,142	40,035	43,290	44,038	45,555	46,378	42,189 ^f	48,835	56,997
9 Germany	15,923	29,205	36,834	39,744	39,233	45,763	49,061	55,062 ^f	51,241	47,378
10 Greece	575	806	646	526	454	278	265	285	313	369
11 Italy	7,284	8,496	7,629	6,310	6,315	6,976	7,274	6,867 ^f	8,111	5,466
12 Luxembourg ²	n.a.	n.a.	n.a.	2,825	2,659	2,569	2,012	1,876	1,285	914
13 Netherlands	5,697	11,810	17,044	18,865	21,517	22,630	22,699	16,488 ^f	16,993	16,875
14 Norway	827	1,000	5,012	2,971	5,339	8,228	5,296	2,915	6,502	4,379
15 Portugal	669	1,571	1,382	1,109	1,312	1,426	1,535	1,173	1,304	1,050
16 Russia	789	713	517	518	561	1,008	813	715	911	589
17 Spain	5,735	3,796	2,604	3,808	3,959	4,722	3,445	4,275	3,594	3,955
18 Sweden	4,223	3,264	9,226	10,353	10,131	10,286	11,934	10,986	11,049	11,507
19 Switzerland	46,874	79,158	82,085	102,547	97,003	96,489	104,816	137,273	111,492	96,036
20 Turkey	1,982	2,617	3,059	3,301	2,989	2,698	2,770	2,596	2,530	2,499
21 United Kingdom	106,349	115,971	148,292	154,339	139,721	166,667	155,535	149,063 ^f	161,719	161,232
22 Channel Islands & Isle of Man ³	n.a.	n.a.	n.a.	3,067	3,069	3,091	3,151	3,838	3,275	3,417
23 Yugoslavia ⁴	53	50	50	50	49	49	49	59	49	4
24 Other Europe and other former U.S.S.R. ⁵	9,407	7,562	8,077	10,018	7,334	6,695	5,440	5,067 ^f	4,960	7,204
25 Canada	47,037	37,206	39,860	41,654	42,377	43,839	45,091	44,580 ^f	50,150	43,308
26 Latin America	79,976	74,040	76,614	74,462	74,222	73,798	73,841	73,822 ^f	73,732	73,543
27 Argentina	9,552	10,894	11,546	11,319	11,614	11,243	11,541	11,731 ^f	11,913	12,334
28 Brazil	16,184	16,987	20,367	20,372	20,008	20,275	20,286	20,718	21,531	20,935
29 Chile	8,250	6,607	5,816	6,223	5,961	5,823	5,628	5,443 ^f	5,449	5,357
30 Colombia	6,507	4,524	4,370	3,816	3,941	4,022	3,720	3,740	3,641	3,625
31 Ecuador	1,400	760	635	563	584	534	526	482	523	515
32 Guatemala	1,127	1,135	1,246	1,364	1,176	1,176	1,171	1,226 ^f	1,192	1,140
33 Mexico	21,212	17,899	17,430	17,598	17,918	17,762	18,013	17,960 ^f	17,384	17,475
34 Panama	3,584	3,387	2,935	2,775	2,908	3,008	3,158	2,872 ^f	3,086	3,190
35 Peru	3,275	2,529	2,808	2,689	2,673	2,809	2,771	2,534	2,565	2,515
36 Uruguay	1,126	801	675	641	455	366	367	366 ^f	398	410
37 Venezuela	3,089	3,494	3,520	3,306	3,264	3,239	3,154	3,109 ^f	2,982	2,913
38 Other Latin America ⁶	4,670	5,023	5,066	3,796	3,720	3,541	3,506	3,641 ^f	3,068	3,134
39 Caribbean	262,678	281,128	319,512	320,547	299,190	325,134	333,197	324,710 ^f	322,474	317,144
40 Bahamas	96,455	99,066	114,090	109,284	101,284	105,064	112,424	112,802	105,772	100,133
41 Bermuda	5,011	8,007	9,343	8,673	7,133	8,186	6,838	5,507 ^f	5,802	7,236
42 British West Indies ⁷	153,749	167,189	189,315	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
43 Cayman Islands ⁸	n.a.	n.a.	n.a.	187,790	177,338	199,345	200,045	195,790 ^f	200,073	198,436
44 Cuba	0	0	0	117	0	n.a.	1	n.a.	n.a.	n.a.
45 Jamaica	239	295	355	357	331	348	336	396	301	326
46 Netherlands Antilles	6,779	5,982	5,801	9,077	7,156	6,921	9,384	5,738	5,749	5,617
47 Trinidad and Tobago	445	589	608	658	663	710	783	804	946	989
48 Other Caribbean ⁹	n.a.	n.a.	n.a.	4,591	5,285	4,560	3,386	3,673 ^f	3,831	4,407
49 Asia	98,607	75,143	77,887	90,332	81,487	87,626	83,562	81,166 ^f	80,876	86,714
50 China	1,261	2,110	1,606	1,562	1,530	1,338	3,171	2,252	4,387	3,785
51 Mainland	1,041	1,390	2,247	1,037	1,365	1,846	2,253	1,980	2,519	2,906
52 Taiwan	9,080	5,903	6,669	7,458	8,506	11,068	10,461	9,126	9,248	7,488
53 Hong Kong	1,440	1,738	2,178	1,886	1,700	1,827	1,675	1,648	1,634	1,576
54 India	1,942	1,776	1,914	2,075	1,987	2,001	2,033	2,015	1,932	2,011
55 Indonesia	1,166	1,875	2,729	2,343	3,249	2,339	2,526	2,715 ^f	2,417	4,483
56 Israel	46,713	28,641	35,032	38,901	34,778	39,311	32,969	34,436 ^f	32,332	36,953
57 Japan	8,289	9,426	7,776	18,736	14,147	12,186	13,937	11,639	11,224	12,803
58 Korea (South)	1,465	1,410	1,784	1,217	1,172	1,195	1,835	1,788	1,831	2,333
59 Philippines	1,807	1,515	1,381	1,170	1,244	1,258	1,062	1,380	1,541	1,119
60 Thailand	16,130	14,267	9,346	10,549	8,341	9,120	7,936	9,926	8,621	8,531
61 Middle Eastern oil-exporting countries ⁸	8,273	5,092	5,225	3,398	3,468	4,137	3,704	2,261	3,190	2,726
62 Other										
62 Africa	3,122	2,268	2,094	2,176	1,899	2,111	2,035	1,904 ^f	2,132	2,038
63 Egypt	257	258	201	170	271	343	308	466	530	391
64 Morocco	372	352	204	182	185	189	185	185	175	173
65 South Africa	643	622	309	492	544	586	444	289	528	608
66 Congo (formerly Zaire)	0	24	0	19	0	n.a.	n.a.	n.a.	n.a.	n.a.
67 Oil-exporting countries ⁹	936	276	471	582	153	217	267	197	142	130
68 Other	914	736	909	731	746	776	831	767 ^f	757	736
69 Other countries	6,637	7,105	6,118	6,505	5,883	6,061	6,705	5,523	4,442	5,598
70 Australia	6,173	6,824	5,869	6,080	5,587	5,769	6,257	5,211	4,116	5,139
71 New Zealand ¹⁰	n.a.	n.a.	n.a.	283	165	166	269	136	279	360
72 All other	464	281	249	142	131	126	179	176	47	99
73 Nonmonetary international and regional organizations ¹¹	3,617	4,563	4,686	3,363	3,317	2,776	2,755	4,535	4,848	4,854

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.

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

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

4. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.

5. Includes the Bank for International Settlements and European Central Bank. Since December 1992, has included all parts of the former U.S.S.R. (except Russia) and Bosnia, Croatia, and Slovenia.

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	1998	1999	2000	2001						
				Jan.	Feb.	Mar.	Apr.	May ^c	June ^c	July ^p
1 Total	875,891	944,937	1,099,444 ^a	.	.	1,206,603 ^a	.	.	1,185,579	.
2 Banks' claims	734,995	793,139	908,242	961,017	912,886	984,855	989,617	996,638	990,519	974,979
3 Foreign public borrowers	23,542	35,090	37,907	52,990	54,220	49,123	52,357	49,533	52,193	55,762
4 Own foreign offices ²	484,535	529,682	630,137	647,273	610,256	670,909	682,430	709,076	685,943	660,194
5 Unaffiliated foreign banks	106,206	97,186	98,667	101,605	95,647	105,853	95,318	79,947	91,384	94,603
6 Deposits	27,230	34,538	23,886	23,083	22,848	19,948	21,533	19,717	22,106	24,399
7 Other	78,976	62,648	74,781	78,522	72,799	85,905	73,785	60,230	69,278	70,204
8 All other foreigners	120,712	131,181	141,531	159,149	152,763	158,970	159,512	158,082	160,999	164,420
9 Claims of banks' domestic customers ³	140,896	151,798	191,202 ^a	.	.	221,748 ^a	.	.	195,060	.
10 Deposits	79,363	88,006	100,327	.	.	116,370 ^a	.	.	97,778	.
11 Negotiable and readily transferable instruments ⁴	47,914	51,161	78,147	.	.	92,013 ^a	.	.	81,034	.
12 Outstanding collections and other claims	13,619	12,631	12,728 ^a	.	.	13,365 ^a	.	.	16,248	.
MEMO										
13 Customer liability on acceptances	4,520	4,553	4,258	.	.	2,993 ^a	.	.	3,054	.
14 Banks' loans under resale agreements ⁵	n.a.	n.a.	n.a.	122,720	118,705	134,083	126,871	116,938	129,693	131,731
15 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁶	39,978	31,125	53,153	59,893	70,964	67,204	60,796	58,137	66,155	57,228

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

Reporting banks include all types of depository institution as well as some brokers and dealers.

2. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-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.

3. Assets held by reporting banks in the accounts of their domestic customers.

4. Principally negotiable time certificates of deposit and bankers acceptances, and commercial paper.

5. Data available beginning January 2001.

6. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad.

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	1997	1998	1999	2000		2001	
				Sept. ^a	Dec. ^a	Mar. ^a	June ^p
1 Total	276,550	250,418	267,082	262,590	274,089	307,616	301,972
<i>By borrower</i>							
2 Maturity of one year or less	205,781	186,526	187,894	174,083	186,183	195,051	191,706
3 Foreign public borrowers	12,081	13,671	22,811	23,646	21,399	23,741	26,656
4 All other foreigners	193,700	172,855	165,083	150,437	164,784	171,310	165,050
5 Maturity of more than one year	70,769	63,892	79,188	88,507	87,906	112,565	110,266
6 Foreign public borrowers	8,499	9,839	12,013	15,818	15,838	24,951	24,978
7 All other foreigners	62,270	54,053	67,175	72,689	72,068	87,614	85,288
<i>By area</i>							
8 Maturity of one year or less							
9 Europe	58,294	68,679	80,842	69,291	142,465	89,553	80,608
10 Canada	9,917	10,968	7,859	8,219	8,323	7,065	8,639
11 Latin America and Caribbean	97,207	81,766	69,498	65,824	151,861	109,361	110,318
12 Asia	33,964	18,007	21,802	23,448	43,429	20,797	24,124
13 Africa	2,211	1,835	1,122	1,594	2,263	970	971
14 All other ³	4,188	5,271	6,771	5,707	11,717	4,394	4,484
15 Maturity of more than one year							
16 Europe	13,240	14,923	22,951	27,432	57,770	38,257	39,942
17 Canada	2,525	3,140	3,192	3,094	3,174	3,249	3,992
18 Latin America and Caribbean	42,049	33,442	39,051	41,158	82,684	50,110	47,027
19 Asia	10,235	10,018	11,257	13,228	19,536	17,180	15,232
20 Africa	1,236	1,232	1,065	902	1,567	763	774
21 All other ³	1,484	1,137	1,672	2,693	5,954	3,006	3,299

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.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. and Foreign Offices of U.S. Banks¹

Billions of dollars, end of period

Area or country	1997	1998	1999			2000				2001	
			June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June ^P
1 Total	721.8	1051.6	941.2	941.6	945.5	955.7	991.7	955.5	1030.9	1145.4	1136.2
2 G-10 countries and Switzerland	242.8	217.7	234.7	219.4	243.4	272.7	313.8	280.9	304.1	337.0	335.2
3 Belgium and Luxembourg	11.0	10.7	16.2	15.7	14.3	14.2	13.9	13.0	14.2	15.3	13.0
4 France	15.4	18.4	20.7	20.0	29.0	27.3	32.6	29.1	29.6	30.0	35.9
5 Germany	28.6	30.9	32.1	37.4	38.7	37.3	31.5	37.7	45.1	45.2	51.6
6 Italy	15.5	11.5	16.4	15.0	18.1	20.0	20.5	18.6	21.3	20.4	23.7
7 Netherlands	6.2	7.8	13.3	11.7	12.3	17.1	16.1	17.6	18.4	18.8	15.3
8 Sweden	3.3	2.3	2.6	3.6	3.0	3.9	3.5	4.3	3.6	4.7	4.7
9 Switzerland	7.2	8.5	8.3	8.8	10.3	10.1	13.8	10.9	13.2	13.9	13.5
10 United Kingdom	113.4	85.4	85.5	63.5	79.3	101.9	138.2	112.9	118.9	145.3	127.7
11 Canada	13.7	16.8	17.1	17.9	16.3	17.5	18.3	18.7	16.7	15.4	21.4
12 Japan	28.6	25.4	22.6	25.7	22.1	23.5	25.4	18.1	23.0	28.0	28.3
13 Other industrialized countries	65.5	69.0	79.7	71.7	68.4	62.8	75.2	73.8	74.5	75.7	70.1
14 Austria	1.5	1.4	2.8	3.0	3.5	2.6	2.8	3.5	4.1	3.8	3.6
15 Denmark	2.4	2.2	2.9	2.1	2.6	1.5	1.2	1.8	1.9	3.1	2.7
16 Finland	1.3	1.4	.9	.9	.9	.8	1.2	2.8	1.5	1.4	1.2
17 Greece	5.1	5.9	5.9	6.6	6.0	5.7	6.8	6.4	8.3	4.1	3.6
18 Norway	3.6	3.2	3.0	3.8	3.3	3.0	4.6	8.5	8.3	10.2	7.9
19 Portugal	.9	1.4	1.2	1.2	1.0	1.0	2.0	1.5	2.0	1.9	1.4
20 Spain	12.6	13.7	16.6	15.1	12.1	11.3	12.2	10.5	10.3	12.6	12.4
21 Turkey	4.5	4.8	4.9	4.7	4.8	5.1	5.6	5.6	5.9	5.2	4.5
22 Other Western Europe	8.3	10.4	10.3	9.2	6.8	8.4	8.0	8.4	6.5	7.3	6.9
23 South Africa	2.2	4.4	4.7	4.0	3.8	4.9	4.6	4.2	3.6	4.1	3.8
24 Australia	23.1	20.3	26.6	21.1	23.5	18.6	26.3	20.5	22.1	21.9	22.1
25 OPEC ²	26.0	27.1	26.2	30.1	31.4	28.9	32.3	31.8	28.9	28.2	27.0
26 Ecuador	1.3	1.3	1.1	.9	.8	.7	.7	.6	.6	.6	.6
27 Venezuela	2.5	3.2	3.2	3.0	2.8	3.0	2.9	2.9	2.5	2.7	2.6
28 Indonesia	6.7	4.7	5.0	4.4	4.2	3.9	4.1	4.4	4.6	4.4	4.1
29 Middle East countries	14.4	17.0	16.5	21.4	23.1	21.1	24.0	22.7	20.3	20.1	19.3
30 African countries	1.2	1.0	.5	.5	.5	.2	.7	1.2	.8	.5	.4
31 Non-OPEC developing countries	139.2	143.4	148.6	144.6	149.4	154.9	158.3	149.6	145.7	144.5	152.5
Latin America											
32 Argentina	18.4	23.1	22.8	22.8	23.2	22.4	21.6	21.4	21.4	20.8	19.7
33 Brazil	28.6	24.7	25.2	23.5	27.7	28.1	28.3	28.6	28.8	29.4	30.8
34 Chile	8.7	8.2	8.2	7.7	7.4	8.2	8.1	7.3	7.6	7.3	7.0
35 Colombia	3.4	3.2	3.1	2.7	2.5	2.5	2.4	2.4	2.4	2.4	2.4
36 Mexico	17.4	18.9	18.5	19.4	18.7	18.3	20.4	17.5	15.7	16.7	16.3
37 Peru	2.0	2.2	2.1	1.8	1.7	1.9	2.1	2.1	2.0	2.0	2.0
38 Other	4.1	5.4	5.5	5.5	5.9	6.6	6.9	6.4	6.5	8.7	8.2
Asia											
39 China											
40 Mainland	3.2	3.0	5.3	3.3	3.6	4.6	3.8	3.4	2.9	3.4	6.8
41 Taiwan	9.5	13.3	12.6	12.3	12.0	12.6	12.6	12.8	10.8	11.1	10.6
42 India	4.9	5.5	6.7	7.0	7.7	7.9	8.2	5.8	9.1	6.5	11.8
43 Israel	.7	1.1	2.0	1.0	1.8	3.3	1.5	1.1	2.7	2.2	2.0
44 Korea (South)	15.6	13.7	15.3	16.0	15.2	17.3	21.1	20.8	15.0	19.3	18.7
45 Malaysia	5.1	5.6	6.0	6.1	6.1	6.5	6.8	6.9	7.1	6.5	6.7
46 Philippines	5.7	5.1	5.7	5.8	6.2	5.3	5.3	4.7	5.1	5.2	5.4
47 Thailand	5.4	4.7	4.2	4.0	4.1	4.3	4.0	3.9	4.0	4.2	4.2
48 Other Asia	4.3	2.9	2.8	2.9	2.9	2.6	2.5	2.3	2.4	2.2	2.2
Africa											
49 Egypt	.9	1.3	1.4	1.3	1.4	1.4	1.3	1.1	1.1	1.2	1.2
50 Morocco	.6	.5	.5	.5	.4	.3	.3	.4	.3	.3	.3
51 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
52 Other Africa ³	.8	1.0	1.0	1.0	1.0	.9	.9	.8	.7	.7	.7
53 Eastern Europe	9.1	5.5	5.7	5.4	5.2	6.3	9.4	9.0	10.1	9.5	9.5
54 Russia ⁴	5.1	2.2	2.1	2.0	1.6	1.7	1.5	1.4	1.0	1.5	1.5
55 Other	4.0	3.3	3.7	3.4	3.6	4.7	7.9	7.6	9.1	8.0	8.0
56 Offshore banking centers	155.1	134.4	107.5	122.5	114.5	53.9	55.5	53.4	61.8	57.9	46.2
57 Bahamas	24.2	35.4	10.4	18.2	13.7	14.4	8.8	9.3	13.5	7.0	.0
58 Bermuda	9.8	4.6	5.7	8.2	8.0	7.3	6.3	6.3	9.0	7.9	5.7
59 Cayman Islands and other British West Indies	43.4	12.8	7.2	6.3	1.3	.0	5.1	5.9	14.6	14.3	12.6
60 Netherlands Antilles	14.6	2.6	1.3	9.1	1.7	2.5	2.6	1.9	1.9	2.9	1.7
61 Panama ⁵	3.1	3.9	3.9	3.9	3.9	3.4	3.3	2.5	3.2	3.8	3.4
62 Lebanon	.1	.1	.1	.2	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong, China	32.2	23.3	22.0	22.4	21.0	22.2	20.7	20.6	18.7	21.7	22.4
64 Singapore	12.7	11.1	15.2	10.6	10.1	4.1	13.6	12.6	15.2	14.5	12.9
65 Other ⁶	.1	.2	.1	.2	.1	.1	.1	.1	.2	.1	.1
66 Miscellaneous and unallocated ⁷	99.1	495.1	380.2	391.2	387.9	376.1	342.1	351.1	391.2	472.7	478.4

1. The banking offices covered by these data include U.S. offices and foreign branches of U.S. banks, including U.S. banks that are subsidiaries of foreign banks. Offices not covered include U.S. agencies and branches of foreign banks. Beginning March 1994, the data include large foreign subsidiaries of U.S. banks. The data also include other types of U.S. depository institutions as well as some types of brokers and dealers. To eliminate duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution.

These data are on a gross claims basis and do not necessarily reflect the ultimate country risk or exposure of U.S. banks. More complete data on the country risk exposure of U.S. banks are available in the quarterly Country Exposure Lending Survey published by the Federal Financial Institutions Examination Council.

2. Organization of Petroleum Exporting Countries, shown individually; other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates), and Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia. Beginning March 1994 includes Namibia.

4. As of December 1992, excludes other republics of the former Soviet Union.

5. Includes Canal Zone.

6. Foreign branch claims only.

7. Includes New Zealand, Liberia, and 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	1997	1998	1999	1999	2000				2001
				Dec.	Mar.	June	Sept.	Dec.	Mar. ^P
1 Total	57,382	46,570	53,044	53,044	53,489	70,534	76,644	73,904	74,484
2 Payable in dollars	41,543	36,668	37,605	37,605	35,614	47,864	51,451	48,931	46,870
3 Payable in foreign currencies	15,839	9,902	15,415	15,415	17,875	22,670	25,193	24,973	27,614
By type									
4 Financial liabilities	26,877	19,255	27,980	27,980	29,180	44,068	49,895	47,419	48,461
5 Payable in dollars	12,630	10,371	13,883	13,883	12,858	22,803	26,159	25,246	23,369
6 Payable in foreign currencies	14,247	8,884	14,097	14,097	16,322	21,265	23,736	22,173	25,092
7 Commercial liabilities	30,505	27,315	25,064	25,064	24,309	26,466	26,749	26,485	26,023
8 Trade payables	10,904	10,978	12,857	12,857	12,401	13,764	13,918	14,293	12,657
9 Advance receipts and other liabilities	19,601	16,337	12,207	12,207	11,908	12,702	12,831	12,192	13,366
10 Payable in dollars	28,913	26,297	23,722	23,722	22,756	25,061	25,292	23,685	23,501
11 Payable in foreign currencies	1,592	1,018	1,318	1,318	1,553	1,405	1,457	2,800	2,522
By area or country									
Financial liabilities									
12 Europe	18,027	12,589	23,241	23,241	24,050	30,332	36,175	34,172	37,990
13 Belgium and Luxembourg	186	79	31	31	4	163	169	147	112
14 France	1,425	1,097	1,659	1,659	1,849	1,702	1,299	1,480	1,557
15 Germany	1,958	2,063	1,974	1,974	1,880	1,671	2,132	2,168	2,745
16 Netherlands	494	1,406	1,996	1,996	1,970	2,035	2,040	2,016	2,169
17 Switzerland	561	155	147	147	97	137	178	104	116
18 United Kingdom	11,667	5,980	16,521	16,521	16,579	21,463	28,601	26,362	29,241
19 Canada	2,374	693	284	284	313	714	249	411	719
20 Latin America and Caribbean	1,386	1,495	892	892	846	2,874	3,447	4,125	3,651
21 Bahamas	141	7	1	1	1	78	105	6	18
22 Bermuda	229	101	5	5	1	1,016	1,182	1,739	1,837
23 Brazil	143	152	126	126	128	146	132	148	26
24 British West Indies	604	957	492	492	489	463	501	406	410
25 Mexico	26	59	25	25	22	26	35	26	32
26 Venezuela	1	2	0	0	0	0	0	2	1
27 Asia	4,387	3,785	3,437	3,437	3,275	9,453	9,320	7,965	5,389
28 Japan	4,102	3,612	3,142	3,142	2,985	6,024	4,782	6,216	4,779
29 Middle Eastern oil-exporting countries ¹	27	0	4	4	4	5	7	11	15
30 Africa	60	28	28	28	28	33	48	52	38
31 Oil-exporting countries ²	0	0	0	0	0	0	0	0	0
32 All other ³	643	665	98	98	668	662	656	694	674
Commercial liabilities									
33 Europe	10,228	10,030	9,262	9,262	8,646	9,293	9,411	9,629	8,950
34 Belgium and Luxembourg	666	278	140	140	78	178	201	293	251
35 France	764	920	672	672	539	711	716	979	689
36 Germany	1,274	1,392	1,131	1,131	914	948	1,023	1,047	982
37 Netherlands	439	429	507	507	648	562	424	300	373
38 Switzerland	375	499	626	626	536	565	647	502	656
39 United Kingdom	4,086	3,697	3,071	3,071	2,661	2,982	2,951	2,847	2,619
40 Canada	1,175	1,390	1,775	1,775	2,024	2,053	1,889	1,933	1,627
41 Latin America and Caribbean	2,176	1,618	2,310	2,310	2,286	2,607	2,443	2,381	2,166
42 Bahamas	16	14	22	22	9	10	15	31	5
43 Bermuda	203	198	152	152	287	300	377	281	280
44 Brazil	220	152	145	145	115	119	167	114	239
45 British West Indies	12	10	48	48	23	22	19	76	64
46 Mexico	565	347	887	887	805	1,073	1,079	841	792
47 Venezuela	261	202	305	305	193	239	124	284	243
48 Asia	14,966	12,342	9,886	9,886	9,681	10,965	11,133	10,983	11,558
49 Japan	4,500	3,827	2,609	2,609	2,274	2,200	1,998	2,757	2,432
50 Middle Eastern oil-exporting countries ¹	3,111	2,852	2,551	2,551	2,308	3,489	3,706	2,832	3,359
51 Africa	874	794	950	950	943	950	1,220	948	1,072
52 Oil-exporting countries ²	408	393	499	499	536	575	663	483	566
53 Other ³	1,086	1,141	881	881	729	598	653	614	650

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	1997	1998	1999	1999	2000					2001
				Dec.	Mar.	June	Sept.	Dec.	Mar. ⁶	
1 Total	68,128	77,462	76,669	76,669	84,266	80,731	94,803	90,157	109,443	
2 Payable in dollars	62,173	72,171	69,170	69,170	74,331	72,300	82,872	79,558	96,230	
3 Payable in foreign currencies	5,955	5,291	7,472	7,472	9,935	8,431	11,931	10,599	13,213	
By type										
4 Financial claims	36,959	46,260	40,231	40,231	47,798	44,303	58,303	53,031	74,458	
5 Deposits	22,909	30,199	18,566	18,566	23,316	17,462	30,928	23,374	29,119	
6 Payable in dollars	21,060	28,549	16,373	16,373	21,442	15,361	27,974	21,015	26,944	
7 Payable in foreign currencies	1,849	1,650	2,193	2,193	1,874	2,101	2,954	2,359	2,175	
8 Other financial claims	14,050	16,061	21,665	21,665	24,482	26,841	27,375	29,657	45,339	
9 Payable in dollars	11,806	14,049	18,593	18,593	19,659	22,384	20,541	25,142	37,480	
10 Payable in foreign currencies	2,244	2,012	3,072	3,072	4,823	4,457	6,834	4,515	7,859	
11 Commercial claims	31,169	31,202	36,438	36,438	36,468	36,428	36,500	37,126	34,985	
12 Trade receivables	27,536	27,202	32,629	32,629	31,443	31,283	31,530	33,104	30,493	
13 Advance payments and other claims	3,633	4,000	3,809	3,809	5,025	5,145	4,970	4,022	4,492	
14 Payable in dollars	29,307	29,573	34,204	34,204	33,230	34,555	34,357	33,401	31,806	
15 Payable in foreign currencies	1,862	1,629	2,207	2,207	3,238	1,873	2,143	3,725	3,179	
By area or country										
Financial claims										
16 Europe	14,999	12,294	13,023	13,023	16,789	18,254	23,706	23,136	31,946	
17 Belgium and Luxembourg	406	661	529	529	540	317	304	296	430	
18 France	1,015	864	967	967	1,835	1,292	1,477	1,206	3,149	
19 Germany	427	304	504	504	669	576	696	848	1,405	
20 Netherlands	677	875	1,229	1,229	1,981	1,984	2,486	1,396	2,313	
21 Switzerland	434	414	643	643	612	624	626	699	605	
22 United Kingdom	10,337	7,766	7,561	7,561	9,044	11,668	16,191	15,900	21,070	
23 Canada	3,313	2,503	2,553	2,553	3,175	5,799	7,517	4,576	4,854	
24 Latin America and Caribbean	15,543	27,714	18,206	18,206	21,945	14,874	21,691	19,317	28,674	
25 Bahamas	2,308	403	1,593	1,593	1,299	655	1,358	1,353	561	
26 Bermuda	108	39	11	11	11	34	22	19	1,729	
27 Brazil	1,313	835	1,476	1,476	1,646	1,666	1,568	1,827	1,564	
28 British West Indies	10,462	24,388	12,099	12,099	15,814	7,751	15,722	12,596	16,366	
29 Mexico	537	1,245	1,798	1,798	1,979	2,048	2,280	2,448	2,459	
30 Venezuela	36	55	48	48	65	78	101	87	31	
31 Asia	2,133	3,027	5,457	5,457	4,430	3,923	4,002	4,697	7,444	
32 Japan	823	1,194	3,262	3,262	2,021	1,410	1,726	1,631	4,065	
33 Middle Eastern oil-exporting countries ¹	11	9	23	23	29	42	85	80	70	
34 Africa	319	159	286	286	232	320	284	411	423	
35 Oil-exporting countries ²	15	16	15	15	15	39	3	57	42	
36 All other ³	652	563	706	706	1,227	1,133	1,103	894	1,117	
Commercial claims										
37 Europe	12,120	13,246	16,389	16,389	16,118	15,935	16,486	15,938	14,534	
38 Belgium and Luxembourg	328	238	316	316	271	425	393	452	395	
39 France	1,796	2,171	2,236	2,236	2,520	2,693	2,921	3,095	3,480	
40 Germany	1,614	1,822	1,960	1,960	2,034	1,905	2,159	1,982	1,763	
41 Netherlands	597	467	1,429	1,429	1,337	1,242	1,310	1,729	757	
42 Switzerland	554	483	610	610	611	562	684	763	666	
43 United Kingdom	3,660	4,769	5,827	5,827	5,354	4,937	5,193	4,502	4,031	
44 Canada	2,660	2,617	2,757	2,757	3,088	3,250	2,953	3,502	3,393	
45 Latin America and Caribbean	5,750	6,296	5,959	5,959	5,899	5,792	5,788	5,851	5,306	
46 Bahamas	27	24	20	20	15	48	75	37	20	
47 Bermuda	244	536	390	390	404	381	387	376	418	
48 Brazil	1,162	1,024	905	905	849	894	981	957	1,057	
49 British West Indies	109	104	181	181	95	51	55	137	131	
50 Mexico	1,392	1,545	1,678	1,678	1,529	1,565	1,612	1,507	1,418	
51 Venezuela	576	401	439	439	435	466	379	328	292	
52 Asia	8,713	7,192	9,165	9,165	9,101	9,172	8,986	9,630	9,544	
53 Japan	1,976	1,681	2,074	2,074	2,082	1,881	2,074	2,796	2,575	
54 Middle Eastern oil-exporting countries ¹	1,107	1,135	1,625	1,625	1,533	1,241	1,199	1,024	966	
55 Africa	680	711	631	631	716	766	895	672	773	
56 Oil-exporting countries ²	119	165	171	171	82	160	392	180	165	
57 Other ³	1,246	1,140	1,537	1,537	1,546	1,513	1,392	1,572	1,435	

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	1999	2000	2001	2001						
			Jan.– July	Jan.	Feb.	Mar.	Apr.	May	June	July ^a
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	2,340,659	3,605,196	1,877,476	301,650	259,101	285,528	249,747	276,934	259,619	244,897
2 Foreign sales	2,233,137	3,430,306	1,789,946	277,706	249,423	277,473	243,122	259,604	249,196	233,422
3 Net purchases, or sales (–)	107,522	174,890	87,530	23,944	9,678	8,055	6,625	17,330	10,423	11,475
4 Foreign countries	107,578	174,903	87,366	23,906	9,707	7,929	6,647	17,315	10,402	11,460
5 Europe	98,060	164,656	63,524	12,329	13,713	7,983	3,694	9,805	9,296	6,704
6 France	3,813	5,727	6,674	243	1,869	1,041	105	338	3,043	35
7 Germany	13,410	31,752	6,172	2,380	1,217	174	199	1,025	129	1,048
8 Netherlands	8,083	4,915	7,048	2,206	1,379	790	1,112	573	334	654
9 Switzerland	5,650	11,960	2,738	70	775	1,237	139	448	297	–228
10 United Kingdom	42,902	58,736	24,317	3,064	5,120	3,280	598	4,501	4,004	3,750
11 Channel Islands & Isle of Man ¹	n.a.	n.a.	–450	–13	–32	–110	–144	59	–168	–42
12 Canada	–335	5,956	7,692	1,490	468	2,464	1,567	628	127	948
13 Latin America and Caribbean	5,187	–17,812	–1,704	5,445	–4,927	–3,516	–1,168	3,436	–1,039	65
14 Middle East ²	–1,066	9,189	670	–554	264	442	–56	–173	234	513
15 Other Asia	4,445	12,494	18,045	5,565	355	684	2,966	3,532	1,723	3,220
16 Japan	5,723	2,070	6,934	1,002	–672	512	2,048	1,088	1,000	1,956
17 Africa	372	415	–354	–362	52	93	–44	9	–82	–20
18 Other countries	915	5	–507	–7	–218	–221	–312	78	143	30
19 Nonmonetary international and regional organizations	–56	–11	164	38	–29	126	–22	15	21	15
BONDS ³										
20 Foreign purchases	854,692	1,208,386	1,070,976	138,294	147,852	170,098	148,930	169,528 ^r	158,157 ^r	138,117
21 Foreign sales	602,100	871,416	821,492	111,327	108,792	124,000	111,505	129,146	124,724 ^r	111,998
22 Net purchases, or sales (–)	252,592	336,970	249,484	26,967	39,060	46,098	37,425	40,382 ^r	33,433 ^r	26,119
23 Foreign countries	252,994	337,074	249,374	27,065	39,019	45,880	37,399	40,370 ^r	33,414 ^r	26,227
24 Europe	140,674	180,917	136,644	17,397	22,064	26,420	18,169	26,116 ^r	15,298 ^r	11,180
25 France	1,870	2,216	5,435	405	660	1,262	519	817	618	1,154
26 Germany	7,723	4,067	7,781	2,450	1,352	911	1,639	1,500	114	–185
27 Netherlands	2,446	1,130	2,086	664	496	92	–41	509	576	–210
28 Switzerland	4,553	3,973	4,360	321	782	1,564	709	399	294	291
29 United Kingdom	106,344	141,223	105,459	11,251	17,893	20,347	12,477	21,489 ^r	13,133 ^r	8,869
30 Channel Islands & Isle of Man ¹	n.a.	n.a.	959	107	118	101	318	–218	330	203
31 Canada	6,043	13,287	4,421	376	1,031	309	1,158	240	822	485
32 Latin America and Caribbean	58,783	59,444	49,864	4,969	8,009	6,564	7,546	9,167	7,387 ^r	6,222
33 Middle East ¹	1,979	2,076	1,158	726	443	624	129	–395	–24	–345
34 Other Asia	42,817	78,794	56,972	3,514	7,162	11,683	10,329	5,412	10,057 ^r	8,815
35 Japan	17,541	39,356	16,308	910	914	5,570	344	–480	5,598 ^r	3,452
36 Africa	1,411	938	333	29	46	38	–33	14	160	79
37 Other countries	1,287	1,618	–18	54	264	242	101	–184	–286	–209
38 Nonmonetary international and regional organizations	–402	–70	111	–97	41	218	26	12	19	–108
	Foreign securities									
39 Stocks, net purchases, or sales (–)	15,640	–13,088	–44,258	–3,664	–3,130	–14,940	–4,103	–8,098	–5,292 ^r	–5,031 ^r
40 Foreign purchases	1,177,303	1,802,185	909,306	148,111	130,974	134,166	120,099	136,046	123,954	115,956
41 Foreign sales	1,161,663	1,815,273	953,564	151,775	134,104	149,106	124,202	144,144	129,246 ^r	120,987
42 Bonds, net purchases, or sales (–)	–5,676	–4,054	13,527	–1,448	1,994	–1,450	5,487	2,267	1,048	5,629
43 Foreign purchases	798,267	958,932	731,049	120,622	104,237	117,444	93,828	101,383	101,950	91,585
44 Foreign sales	803,943	962,986	717,522	122,070	102,243	118,894	88,341	99,116	100,902	85,956
45 Net purchases, or sales (–), of stocks and bonds	9,964	–17,142	–30,731	–5,112	–1,136	–16,390	1,384	–5,831	–4,244 ^r	598
46 Foreign countries	9,679	–17,278	–30,273	–4,822	–1,175	–16,085	1,396	–5,976	–4,241 ^r	630
47 Europe	59,247	–25,386	–17,556	–5,421	–1,737	–13,650	3,637	–4,803	3,392	1,026
48 Canada	–999	–3,888	3,427	766	1,588	844	–1,406	931	405	299
49 Latin America and Caribbean	–4,726	–15,688	–1,171	775	808	17	1,288	3,047	–6,662 ^r	–444
50 Asia	–42,961	24,488	–12,339	–1,184	–1,439	–3,384	–1,537	–4,379	–485	69
51 Japan	–43,637	20,970	–12,965	57	–2,206	–4,026	–3,194	–3,670	–44	118
52 Africa	710	943	–255	–70	–15	24	96	–132	–47	–111
53 Other countries	–1,592	2,253	–2,379	312	–380	64	–682	–640	–844	–209
54 Nonmonetary international and regional organizations	285	150	–457	–289	39	–305	–12	145	–3	–32

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	1999	2000	2001	2001						
			Jan. – July	Jan.	Feb.	Mar.	Apr.	May	June	July ²
1 Total estimated	–9,953	–54,032	–22,652	–9,064	7,011	4,975	–13,711	3,076	–3,445 ³	–11,494
2 Foreign countries	–10,518	–53,571	–22,173	–8,531	6,972	4,977	–13,517	2,831	–3,237 ⁴	–11,668
3 Europe	–38,228	–50,704	–16,816	–5,000	–337	5,363	–5,599	–498	–2,522 ⁵	–8,223
4 Belgium ²	–81	73	–861	164 ³	–529 ³	–152	240	–216	–25	–343
5 Germany	2,285	–7,304	–2,359	–873	–3,180	1,236	1,769	1,176	–1,517	–970
6 Luxembourg ²	n.a.	n.a.	628	411	9	–401	204	92	145	168
7 Netherlands	2,122	2,140	–3,527	–793	2,808	–3,704	–2,488	–1,730	1,117	1,263
8 Sweden	1,699	1,082	–2,782	218	–1,039	–993	195	–386	–663	–114
9 Switzerland	–1,761	–10,326	267	755	161	–120	116	–912	–3	270
10 United Kingdom	–20,232	–33,669	–6,560	–2,695	937	9,838	–4,736	1,120	–3,180 ⁴	–7,844
11 Channel Islands & Isle of Man ³	n.a.	n.a.	–26	–98	–68	222	–31	–9	22	–64
12 Other Europe and former U.S.S.R	–22,260	–2,700	–1,596	–2,089	564	–563	–868	367	1,582	–589
13 Canada	7,348	–550	–2,289	–2,067	–554	–169	1,248	745	161	–1,653
14 Latin America and Caribbean	–7,523	–4,914	–2,020	2,407	3,620	827	–7,095	140	–3,812	1,893
15 Venezuela	362	1,288	402	227	292	–142	–148	51	–126	248
16 Other Latin America and Caribbean	1,661	–11,581	7,483	3,261	4,279	3,009	–3,228	1,587	–545	–880
17 Netherlands Antilles	–9,546	5,379	–9,905	–1,081	–951	–2,040	–3,719	–1,498	–3,141	2,525
18 Asia	29,359	1,639	–995	–4,641	4,387	–41	–2,928	2,704	3,464	–3,940
19 Japan	20,102	10,580	–2,508	–4,261	1,468	–1,426	3,099	4,658	–3,920	–2,126
20 Africa	–3,021	–414	–171	–91	36	–60	27	–6	–12	–65
21 Other	1,547	1,372	118	861	–180	–943	830	–254	–516	320
22 Nonmonetary international and regional organizations	565	–461	–479	–533	39	–2	–194	245	–208	174
23 International	190	–483	–442	–275	–194	–11	–213	393	–52	–90
24 Latin American Caribbean regional	666	76	25	1	–4	10	25	–4	–2	–1
MEMO										
25 Foreign countries	–10,518	–53,571	–22,173	–8,531	6,972	4,977	–13,517	2,831	–3,237 ⁴	–11,668
26 Official institutions	–9,861	–6,302	–8,969	2,226	667	249	–9,040	913	–3,243	–741
27 Other foreign	–657	–47,269	–13,204	–10,757	6,305	4,728	–4,477	1,918	6 ⁵	–10,927
Oil-exporting countries										
28 Middle East ⁴	2,207	3,483	–2,912	–176	–719	–1,240	–383	–120	316	–590
29 Africa ⁵	0	0	2	–6	0	2	0	1	3	2

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	1998	1999	2000	2001					
				Apr.	May	June	July	Aug	Sept.
	Exchange rates								
COUNTRY/CURRENCY UNIT									
1 Australia/dollar ²	62.91	64.54	58.15	50.16	51.99	51.80	50.89	52.46	50.36
2 Austria/schilling	12.379	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3 Belgium/franc	36.31	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4 Brazil/real	1.1605	1.8207	1.8301	2.1934	2.2926	2.3788	2.4731	2.5122	2.6767
5 Canada/dollar	1.4836	1.4858	1.4855	1.5578	1.5411	1.5245	1.5308	1.5399	1.5679
6 China, P.R./yuan	8.3008	8.2783	8.2784	8.2771	8.2770	8.2770	8.2769	8.2770	8.2768
7 Denmark/krone	6.7030	6.9900	8.0953	8.3657	8.5256	8.7397	8.6442	8.2632	8.1654
8 European Monetary Union/euro ³	n.a.	1.0653	0.9232	0.8925	0.8753	0.8530	0.8615	0.9014	0.9114
9 Finland/markka	5.3473	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 France/franc	5.8995	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11 Germany/deutsche mark	1.7597	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Greece/drachma	295.70	306.30	365.92	n.a.	n.a.	n.a.	n.a.	n.a.	371.43
13 Hong Kong/dollar	7.7467	7.7594	7.7924	7.7993	7.7999	7.7997	7.7999	7.7997	7.7997
14 India/rupee	41.36	43.13	45.00	46.79	46.95	47.04	47.18	47.17	47.75
15 Ireland/pound ²	142.48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
16 Italy/lira	1,736.85	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
17 Japan/yen	130.99	113.73	107.80	123.77	121.77	122.35	124.50	121.37	118.61
18 Malaysia/ringgit	3.9254	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
19 Mexico/peso	9.152	9.553	9.459	9.328	9.148	9.088	9.168	9.133	9.425
20 Netherlands/guilder	1.9837	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 New Zealand/dollar ²	53.61	52.94	45.68	40.69	42.18	41.41	40.81	43.14	41.73
22 Norway/krone	7.5521	7.8071	8.8131	9.0920	9.1380	9.3014	9.2566	8.9427	8.7691
23 Portugal/escudo	180.25	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 Singapore/dollar	1.6722	1.6951	1.7250	1.8118	1.8141	1.8170	1.8233	1.7613	1.7494
25 South Africa/rand	5.5417	6.1191	6.9468	8.0783	7.9789	8.0595	8.2094	8.3115	8.6756
26 South Korea/won	1,400.40	1,189.84	1,130.90	1,327.76	1,298.90	1,295.05	1,305.24	1,285.65	1,293.83
27 Spain/peseta	149.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
28 Sri Lanka/rupee	65.006	70.868	76.964	88.205	90.848	90.371	90.314	89.994	90.157
29 Sweden/krona	7.9522	8.2740	9.1735	10.2035	10.3513	10.7930	10.7603	10.3329	10.6353
30 Switzerland/franc	1.4506	1.5045	1.6904	1.7131	1.7528	1.7856	1.7570	1.6808	1.6338
31 Taiwan/dollar	33.547	32.322	31.260	32.941	33.203	34.328	34.821	34.639	34.575
32 Thailand/baht	41.262	37.887	40.210	45.494	45.525	45.263	45.641	44.907	44.331
33 United Kingdom/pound ²	165.73	161.72	151.56	143.48	142.65	140.20	141.48	143.72	146.38
34 Venezuela/bolivar	548.39	606.82	680.52	710.39	714.86	717.27	722.72	731.97	743.46
	Indexes ⁴								
NOMINAL									
35 Broad (January 1997=100) ⁵	116.48	116.87	119.93	126.97	126.77	127.58	128.07	125.97	126.28
36 Major currencies (March 1973=100) ⁶	95.79	94.07	98.34	105.09	105.03	105.91	106.07	103.77	103.32
37 Other important trading partners (January 1997=100) ⁷	126.03	129.94	130.26	136.30	135.92	136.43	137.37	136.03	137.53
REAL									
38 Broad (March 1973=100) ⁵	99.18 ^f	98.51 ^f	102.17 ^f	108.72 ^f	108.71 ^f	109.59 ^f	109.80 ^f	107.80 ^f	108.27
39 Major currencies (March 1973=100) ⁶	97.21 ^f	96.64 ^f	102.83 ^f	111.05 ^f	110.89 ^f	112.04 ^f	112.14 ^f	109.53 ^f	109.59
40 Other important trading partners (March 1973=100) ⁷	108.09 ^f	107.22 ^f	107.67 ^f	112.44 ^f	112.61 ^f	113.22 ^f	113.58 ^f	112.26 ^f	113.30

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	1936.27
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 February 2001 *Bulletin*, revised index values resulting from the annual 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.

Guide to Statistical Releases and Special Tables

STATISTICAL RELEASES—List Published Semiannually, with Latest Bulletin Reference

	<i>Issue</i>	<i>Page</i>
Anticipated schedule of release dates for periodic releases	June 2001	A72

SPECIAL TABLES—Data Published Irregularly, with Latest Bulletin Reference

<i>Title and Date</i>	<i>Issue</i>	<i>Page</i>
<i>Assets and liabilities of commercial banks</i>		
September 30, 2000	February 2001	A64
December 31, 2000	May 2001	A64
March 31, 2001	August 2001	A64
June 30, 2001	November 2001	A64
<i>Terms of lending at commercial banks</i>		
November 2000	February 2001	A66
February 2001	May 2001	A66
May 2001	August 2001	A66
August 2001	November 2001	A66
<i>Assets and liabilities of U.S. branches and agencies of foreign banks</i>		
June 30, 2000	November 2000	A72
September 30, 2000	February 2001	A72
December 31, 2000	May 2001	A72
March 31, 2001	August 2001	A72
<i>Pro forma balance sheet and income statements for priced service operations</i>		
September 30, 2000	February 2001	A76
March 31, 2001	August 2001	A76
June 30, 2001	October 2001	A64
<i>Residential lending reported under the Home Mortgage Disclosure Act</i>		
1999	September 2000	A64
2000	September 2001	A64
<i>Disposition of applications for private mortgage insurance</i>		
1999	September 2000	A73
2000	September 2001	A73
<i>Small loans to businesses and farms</i>		
1999	September 2000	A76
2000	September 2001	A76
<i>Community development lending reported under the Community Reinvestment Act</i>		
1999	September 2000	A79
2000	September 2001	A79

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities

Consolidated Report of Condition, June 30, 2001

Millions of dollars except as noted

Item	Total	Domestic total	Banks with foreign offices ¹		Banks with domestic offices only ²
			Total	Domestic	Total
1 Total assets	6,272,642	5,514,993	4,254,061	3,496,412	2,018,581
2 Cash and balances due from depository institutions	382,544	256,908	287,424	161,788	95,120
3 Cash items in process of collection, unposted debits, and currency and coin	n.a.	n.a.	122,069	119,801	n.a.
4 Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	97,746	n.a.
5 Currency and coin	n.a.	n.a.	n.a.	22,055	n.a.
6 Balances due from depository institutions in the United States	n.a.	n.a.	36,188	25,863	n.a.
7 Balances due from banks in foreign countries and foreign central banks	n.a.	n.a.	118,198	5,253	n.a.
8 Balances due from Federal Reserve Banks	n.a.	n.a.	10,969	10,870	n.a.
9 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	1,036,802	n.a.	576,570	n.a.	460,233
10 U.S. Treasury securities	54,183	n.a.	32,519	n.a.	21,664
11 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	178,898	n.a.	63,881	n.a.	115,017
12 Issued by U.S. government agencies	4,507	n.a.	1,841	n.a.	2,666
13 Issued by U.S. government-sponsored agencies	174,391	n.a.	62,039	n.a.	112,351
14 Securities issued by states and political subdivisions in the United States	93,526	n.a.	32,030	n.a.	61,496
15 Mortgage-backed securities (MBS)	509,990	n.a.	329,209	n.a.	180,781
16 Pass-through securities	326,312	n.a.	233,112	n.a.	93,200
17 Guaranteed by GNMA	88,795	n.a.	56,190	n.a.	32,606
18 Issued by FNMA and FHLMC	230,338	n.a.	171,832	n.a.	58,506
19 Other pass-through securities	7,179	n.a.	5,090	n.a.	2,088
20 Other mortgage-backed securities (includes CMOs, REMICs, and stripped MBS)	183,678	n.a.	96,097	n.a.	87,581
21 Issued or guaranteed by FNMA, FHLMC or GNMA	115,889	n.a.	66,536	n.a.	49,353
22 Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	6,215	n.a.	4,464	n.a.	1,751
23 All other mortgage-backed securities	61,574	n.a.	25,097	n.a.	36,477
24 Asset-backed securities	78,308	n.a.	29,579	n.a.	48,729
25 Credit card receivables	30,583	n.a.	6,551	n.a.	24,032
26 Home equity lines	18,285	n.a.	14,912	n.a.	3,373
27 Automobile loans	14,482	n.a.	2,429	n.a.	12,053
28 Other consumer loans	1,062	n.a.	546	n.a.	517
29 Commercial and industrial loans	4,928	n.a.	2,688	n.a.	2,240
30 Other	8,966	n.a.	2,453	n.a.	6,513
31 Other debt securities	104,270	n.a.	78,307	n.a.	25,963
32 Other domestic debt securities	35,831	n.a.	14,627	n.a.	21,205
33 Foreign debt securities	68,438	n.a.	63,680	n.a.	4,758
34 Investments in mutual funds and other equity securities with readily determinable fair value	17,628	n.a.	11,045	n.a.	6,582
35 Federal funds sold and securities purchased under agreements to resell	318,818	251,578	240,198	172,957	78,620
36 Total loans and leases (gross) and lease-financing receivables (net)	3,802,973	3,519,894	2,513,223	2,230,145	1,289,750
37 LESS: Unearned income on loans	2,683	2,090	1,403	810	1,289,750
38 LESS: Loans and leases held for sale	138,989	n.a.	107,729	n.a.	31,260
39 Total loans and leases (net of unearned income)	3,661,303	n.a.	2,404,092	n.a.	1,257,211
40 LESS: Allowance for loan and lease losses	64,589	n.a.	43,338	n.a.	21,250
41 Loans and leases, net of unearned income and allowance	3,596,714	n.a.	2,360,754	n.a.	1,235,960
<i>Total loans and leases, gross, by category</i>					
42 Loans secured by real estate	1,720,173	1,688,656	992,747	961,230	727,426
43 Construction and land development	n.a.	182,761	n.a.	94,798	87,963
44 Farmland	n.a.	35,158	n.a.	7,125	28,033
45 One- to four-family residential properties	n.a.	935,481	n.a.	597,869	337,613
46 Revolving, open-end loans, extended under lines of credit	n.a.	134,996	n.a.	93,985	41,010
<i>Closed-end loans secured by one- to four-family residential properties</i>					
47 Secured by first liens	n.a.	690,048	n.a.	435,058	254,990
48 Secured by junior liens	n.a.	110,438	n.a.	68,825	41,613
49 Multifamily (five or more) residential properties	n.a.	60,398	n.a.	32,408	27,989
50 Nonfarm nonresidential properties	n.a.	474,858	n.a.	229,030	245,828
51 Loans to depository institutions and acceptances of other banks	114,556	99,267	101,298	86,008	13,258
52 Commercial banks in the United States	n.a.	n.a.	69,175	68,339	n.a.
53 Other depository institutions in the United States	n.a.	n.a.	8,910	8,895	n.a.
54 Banks in foreign countries	n.a.	n.a.	23,213	8,774	n.a.
55 Loans to finance agricultural production and other loans to farmers	48,608	47,758	12,547	11,697	36,061
56 Commercial and industrial loans	1,017,577	858,620	784,432	625,475	233,145
57 U.S. addressees (domicile)	n.a.	n.a.	634,335	615,570	n.a.
58 Non-U.S. addressees (domicile)	n.a.	n.a.	150,097	9,905	n.a.
59 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	583,715	540,183	340,524	296,992	243,191
60 Credit cards	205,464	189,388	114,927	98,851	90,537
61 Other revolving credit plans	25,932	23,601	20,911	18,580	5,021
62 Other consumer loans (including single-payment, installment, and all student loans)	352,319	327,194	204,686	179,562	147,633
63 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	22,634	22,559	15,064	14,989	7,570
64 All other loans	130,218	103,933	119,686	93,401	10,532
65 Loans to foreign governments and official institutions	5,745	1,988	5,720	1,963	25
66 Other loans	124,473	101,945	113,966	91,438	10,507
67 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	18,849	n.a.
68 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	72,589	n.a.
69 Lease-financing receivables	165,491	158,919	146,925	140,353	18,566
70 Trading assets	313,546	n.a.	311,933	n.a.	1,613
71 Premises and fixed assets (including capitalized leases)	75,690	n.a.	45,714	n.a.	29,976
72 Other real estate owned	3,426	n.a.	1,746	n.a.	1,680
73 Investments in unconsolidated subsidiaries and associated companies	9,315	n.a.	8,180	n.a.	1,135
74 Customers' liability on acceptances outstanding	7,552	n.a.	7,334	n.a.	218
75 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	27,494	n.a.
76 Intangible assets	104,784	n.a.	88,244	n.a.	16,539
77 Goodwill	62,262	n.a.	51,340	n.a.	10,921
78 Other intangible assets	42,522	n.a.	36,904	n.a.	5,618
79 All other assets	284,463	n.a.	218,237	n.a.	66,226

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

Consolidated Report of Condition, June 30, 2001

Millions of dollars except as noted

Item	Total	Domestic total	Banks with foreign offices ¹		Banks with domestic offices only ²
			Total	Domestic	Total
80 Total liabilities, minority interest, and equity capital	6,272,642	n.a.	4,254,061	n.a.	2,018,581
81 Total liabilities	5,718,996	4,961,347	3,892,673	3,135,024	1,826,323
82 Total deposits	4,208,144	3,528,686	2,715,028	2,035,570	1,493,116
83 Individuals, partnerships, and corporations (include all certified and official checks)	3,787,533	3,302,383	2,404,750	1,919,600	1,382,783
84 U.S. government	n.a.	11,095	n.a.	10,133	962
85 States and political subdivisions in the United States	n.a.	155,650	n.a.	65,440	90,210
86 Commercial banks and other depository institutions in the United States	136,299	47,905	118,103	29,709	18,196
87 Banks in foreign countries	88,964	10,144	88,203	9,384	761
88 Foreign governments and official institutions (including foreign central banks)	27,921	1,508	27,716	1,303	205
89 Total transaction accounts	n.a.	648,755	n.a.	357,985	290,770
90 Individuals, partnerships, and corporations (include all certified and official checks)	n.a.	560,928	n.a.	306,998	253,930
91 U.S. government	n.a.	1,223	n.a.	761	462
92 States and political subdivisions in the United States	n.a.	47,449	n.a.	21,324	26,125
93 Commercial banks and other depository institutions in the United States	n.a.	32,124	n.a.	22,188	9,936
94 Banks in foreign countries	n.a.	6,538	n.a.	6,247	291
95 Foreign governments and official institutions (including foreign central banks)	n.a.	494	n.a.	468	26
96 Total demand deposits	n.a.	499,343	n.a.	313,094	186,248
97 Total nontransaction accounts	n.a.	2,879,930	n.a.	1,677,585	1,202,346
98 Individuals, partnerships, and corporations (include all certified and official checks)	n.a.	2,741,454	n.a.	1,612,602	1,128,853
99 U.S. government	n.a.	9,873	n.a.	5,372	500
100 States and political subdivisions in the United States	n.a.	108,201	n.a.	44,117	64,084
101 Commercial banks and other depository institutions in the United States	n.a.	15,782	n.a.	7,521	8,261
102 Banks in foreign countries	n.a.	3,606	n.a.	3,137	469
103 Foreign governments and official institutions (including foreign central banks)	n.a.	1,015	n.a.	836	179
104 Federal funds purchased and securities sold under agreements to repurchase	501,403	451,070	400,568	350,235	100,835
105 Trading liabilities	196,819	n.a.	196,304	n.a.	515
106 Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	532,286	491,926	345,992	305,632	186,294
107 Banks' liability on acceptances executed and outstanding	7,561	5,422	7,342	5,203	219
108 Subordinated notes and debentures to deposits	88,951	n.a.	80,931	n.a.	8,020
109 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	154,287	n.a.
110 All other liabilities	183,832	n.a.	146,508	n.a.	37,324
111 Minority interest in consolidated subsidiaries	7,514	n.a.	6,822	n.a.	691
112 Total equity capital	546,132	n.a.	354,566	n.a.	191,566
MEMO					
113 Trading assets at large banks ²	313,435	165,624	311,903	164,092	1,532
114 U.S. Treasury securities (domestic offices)	n.a.	15,676	n.a.	15,648	29
115 U.S. government agency obligations (excluding MBS)	n.a.	7,691	n.a.	7,210	481
116 Securities issued by states and political subdivisions in the United States	n.a.	1,508	n.a.	1,292	216
117 Mortgage-backed securities	n.a.	9,368	n.a.	9,048	321
118 Other debt securities	n.a.	33,105	n.a.	33,071	33
119 Other trading assets	n.a.	16,897	n.a.	16,792	105
120 Trading assets in foreign offices	86,583	0	86,583	0	0
121 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	142,605	81,378	142,258	81,031	347
122 Total individual retirement (IRA) and Keogh plan accounts	n.a.	161,368	n.a.	78,340	83,028
123 Total brokered deposits	n.a.	221,632	n.a.	105,681	115,951
124 Fully insured brokered deposits	n.a.	159,993	n.a.	65,988	94,005
125 Issued in denominations of less than \$100,000	n.a.	75,538	n.a.	22,075	53,463
126 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	n.a.	84,454	n.a.	43,913	40,541
127 Money market deposit accounts (MMDAs)	n.a.	1,081,492	n.a.	712,708	368,784
128 Other savings deposits (excluding MMDAs)	n.a.	460,530	n.a.	288,348	172,182
129 Total time deposits of less than \$100,000	n.a.	770,871	n.a.	353,222	417,649
130 Total time deposits of \$100,000 or more	n.a.	567,038	n.a.	323,307	243,731
131 Number of banks	8,151	8,151	144	n.a.	8,007

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices, or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because these intra-office transactions are nullified by consolidation, total assets and total liabilities for the entire bank may not equal the sum of assets and liabilities respectively of the domestic and foreign offices.

Foreign offices include branches in foreign countries, Puerto Rico, and U.S.-affiliated insular areas; subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and international banking facility (IBF).

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

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 6–10, 2001

A. Commercial and industrial loans made by all commercial banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴	
				Days	Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment		
LOAN RISK ⁵										
1 All commercial and industrial loans	5.61	103,101	692	399	36.1	10.0	36.4	73.7	Foreign	
2 Minimal risk	4.50	3,747	531	138	17.1	14.0	31.6	50.5	Foreign	
3 Low risk	4.81	25,632	1,689	400	21.2	10.9	46.4	85.7	Foreign	
4 Moderate risk	5.57	29,296	540	578	40.8	8.3	37.0	83.5	Foreign	
5 Other	6.16	22,335	474	336	44.9	6.0	38.3	80.4	Foreign	
By maturiti/repricing interval ⁶										
6 Zero interval	6.01	24,536	449	434	55.0	6.9	22.5	59.9	Prime	
7 Minimal risk	5.99	323	174	321	52.5	6.6	16.9	94.2	Prime	
8 Low risk	4.96	3,279	647	503	34.9	4.6	73.7	95.5	Domestic	
9 Moderate risk	6.09	7,006	332	663	44.4	14.2	38.0	94.4	Prime	
10 Other	7.39	3,139	149	553	74.5	16.3	12.4	91.5	Prime	
11 Daily	5.15	28,828	710	243	28.1	6.8	40.1	65.3	Fed funds	
12 Minimal risk	4.02	1,557	1,651	32	3.0	5.3	34.4	40.6	Fed funds	
13 Low risk	4.50	6,423	3,823	259	13.4	10.3	47.7	69.2	Fed funds	
14 Moderate risk	5.13	9,597	726	322	29.8	4.4	37.4	75.2	Fed funds	
15 Other	5.87	6,629	533	178	50.5	5.3	28.9	66.8	Fed funds	
16 2 to 30 days	5.84	21,778	1,279	391	27.5	19.8	35.8	90.5	Foreign	
17 Minimal risk	4.34	915	1,526	71	8.3	11.2	35.1	59.7	Foreign	
18 Low risk	5.16	7,064	2,389	458	18.6	13.3	37.6	96.4	Foreign	
19 Moderate risk	5.48	5,210	907	473	43.0	10.7	38.6	87.4	Foreign	
20 Other	5.91	4,031	598	417	46.1	6.2	29.6	88.1	Foreign	
21 31 to 365 days	5.42	24,189	1,010	404	26.9	3.3	51.6	87.1	Foreign	
22 Minimal risk	4.83	915	299	229	34.4	33.4	28.7	43.3	Foreign	
23 Low risk	4.73	7,921	1,921	403	15.7	3.0	47.1	94.1	Foreign	
24 Moderate risk	5.31	5,514	654	612	40.6	2.0	45.9	93.9	Foreign	
25 Other	5.94	8,053	2,260	264	25.5	1.1	61.8	83.6	Foreign	
				Months						
26 More than 365 days	7.02	2,461	236	60	79.9	10.3	7.0	48.1		
27 Minimal risk	7.47	29	53	103	92.7	18.5	36.0	25.1		
28 Low risk	6.64	153	120	48	69.9	5.3	22.5	57.2		
29 Moderate risk	6.86	1,778	383	59	80.7	9.8	2.4	40.9		
30 Other	7.89	383	159	72	86.5	14.9	20.3	75.6	Other	
				Weighted-average risk rating ⁵						
				Days						
SIZE OF LOAN (thousands of dollars)										
31 1–99	7.73	2,566	3.3	151	84.7	26.2	3.6	81.6	Prime	
32 100–999	6.89	9,816	3.3	109	72.8	17.3	10.5	83.3	Prime	
33 1,000–9,999	5.62	31,731	3.1	47	37.9	7.2	36.5	72.4	Foreign	
34 10,000 or more	5.30	58,988	2.8	50	26.9	9.6	42.1	72.5	Foreign	
									Average size (thousands of dollars)	
BASE RATE OF LOAN ⁴										
35 Prime ⁷	7.50	22,260	3.2	108	60.1	29.2	3.2	75.4	219	
36 Fed funds	4.55	18,553	2.9	18	31.1	5.9	29.1	46.7	6,139	
37 Other domestic	4.76	11,791	2.7	10	14.1	12.8	80.5	64.8	3,505	
38 Foreign	5.33	35,768	2.9	39	27.3	1.5	52.0	88.8	3,096	
39 Other	5.42	14,729	3.1	112	45.2	4.5	22.5	75.6	502	

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 6-10, 2001—Continued

B. Commercial and industrial loans made by all domestic banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴
				Days	Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	
LOAN RISK ⁵									
1 All commercial and industrial loans	5.68	65,900	464	578	43.2	10.0	29.5	79.8	Foreign
2 Minimal risk	4.99	1,894	273	266	33.8	27.8	28.1	63.6	Foreign
3 Low risk	4.79	19,269	1,341	470	27.8	11.1	45.1	91.5	Foreign
4 Moderate risk	5.73	22,155	424	747	47.1	9.5	33.6	86.6	Prime
5 Other	6.64	11,666	263	602	64.1	10.5	23.5	91.4	Prime
By maturity/repricing interval ⁶									
6 Zero interval	6.18	20,479	385	510	47.8	8.3	26.9	63.0	Prime
7 Minimal risk	5.91	308	166	321	55.1	7.0	17.7	93.9	Prime
8 Low risk	4.95	3,257	647	503	35.1	4.6	74.2	95.5	Domestic
9 Moderate risk	6.04	6,711	323	664	45.1	14.8	39.5	94.1	Prime
10 Other	7.36	2,999	146	548	76.2	16.9	13.0	91.3	Prime
11 Daily	5.63	14,907	380	487	46.7	13.2	35.2	88.7	Prime
12 Minimal risk	5.57	107	120	459	43.5	78.0	4.3	93.9	Domestic
13 Low risk	4.73	3,239	2,130	531	26.6	20.4	60.8	95.1	Domestic
14 Moderate risk	5.47	5,985	468	524	47.8	7.1	42.4	85.2	Prime
15 Other	6.48	3,380	283	362	65.2	10.5	21.0	84.0	Prime
16 2 to 30 days	5.19	13,691	887	514	34.2	6.2	33.6	92.6	Foreign
17 Minimal risk	4.39	638	1,141	90	11.8	16.1	42.0	75.5	Foreign
18 Low risk	4.75	6,113	2,207	477	21.5	4.8	39.4	96.1	Foreign
19 Moderate risk	5.28	4,009	776	565	42.4	5.5	33.8	87.2	Foreign
20 Other	6.48	2,356	378	683	63.4	6.1	23.9	97.6	Foreign
21 31 to 365 days	5.32	13,263	618	602	31.1	5.8	29.6	92.5	Foreign
22 Minimal risk	4.92	805	265	253	39.1	38.0	24.2	39.7	Domestic
23 Low risk	4.81	5,716	1,544	385	20.4	4.1	32.5	95.1	Foreign
24 Moderate risk	5.52	3,481	447	933	38.2	3.2	24.7	97.0	Foreign
25 Other	5.90	2,448	1,039	643	43.9	3.3	41.1	98.0	Foreign
				Months					Prime Other Other Prime Other
26 More than 365 days	7.02	2,461	236	60	79.9	10.3	7.0	48.1	
27 Minimal risk	7.47	29	53	103	92.7	18.5	36.0	25.1	
28 Low risk	6.64	153	120	48	69.9	5.3	22.5	57.2	
29 Moderate risk	6.86	1,778	383	59	80.7	9.8	2.4	40.9	Prime
30 Other	7.89	383	159	72	86.5	14.9	20.3	75.6	Other
				Weighted-average risk rating ⁵	Weighted-average maturity/repricing interval ⁶				Average size (thousands of dollars)
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1-99	7.73	2,538	3.3	152	85.1	26.4	3.4	81.5	Prime
32 100-999	6.99	8,819	3.3	118	75.8	18.1	6.4	83.9	Prime
33 1,000-9,999	5.84	20,686	3.0	62	43.7	8.8	26.3	78.1	Foreign
34 10,000 or more	5.09	33,858	2.6	75	31.2	7.4	39.5	79.6	Foreign
BASE RATE OF LOAN ⁷									
35 Prime ⁷	7.25	17,387	3.3	135	72.8	16.2	1.3	69.3	174
36 Fed funds	4.59	6,298	2.7	40	58.4	17.4	48.0	67.2	4,198
37 Other domestic	4.77	8,023	2.7	9	19.9	18.7	71.3	87.2	2,836
38 Foreign	5.20	22,803	2.6	40	28.8	2.3	31.7	85.6	2,587
39 Other	5.50	11,389	2.9	145	34.6	5.8	28.4	86.1	398

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 6–10, 2001—Continued

C. Commercial and industrial loans made by large domestic banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴
				Days	Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	
LOAN RISK ⁵									
1 All commercial and industrial loans	5.53	59,585	806	555	39.4	8.7	32.0	80.1	Foreign Foreign Foreign Prime *
2 Minimal risk	4.30	1,282	1,801	160	17.2	35.3	38.5	73.6	
3 Low risk	4.67	18,231	3,406	443	25.7	10.6	47.0	92.6	
4 Moderate risk	5.56	20,187	730	711	43.1	7.5	36.4	87.6	
5 Other	6.50	9,937	396	581	60.1	7.6	26.3	92.0	
By maturity/repricing interval ⁶									
6 Zero interval	6.03	17,970	747	524	43.3	6.0	30.2	59.7	Prime Prime Domestic Prime Prime
7 Minimal risk	5.18	184	615	228	31.7	3.3	23.7	98.8	
8 Low risk	4.75	2,921	3,762	490	32.1	3.6	82.4	99.6	
9 Moderate risk	5.86	5,928	564	688	40.2	11.5	44.2	94.6	
10 Other	7.27	2,182	227	625	73.5	12.6	16.0	92.2	
11 Daily	5.52	13,879	427	444	44.2	12.4	37.0	88.9	Prime Domestic Domestic Prime Prime
12 Minimal risk	4.80	77	525	68	22.1	79.5	*	99.6	
13 Low risk	4.59	2,962	3,178	434	24.7	20.8	64.2	95.5	
14 Moderate risk	5.33	5,598	524	482	44.9	6.2	44.9	85.5	
15 Other	6.40	3,140	321	359	63.2	9.0	22.5	83.4	
16 2 to 30 days	5.13	12,766	1,279	517	32.2	5.2	35.9	93.7	Foreign Foreign Foreign Foreign Foreign
17 Minimal risk	4.22	418	3,319	90	4.3	20.3	64.0	100.0	
18 Low risk	4.72	6,019	2,490	475	21.0	4.1	40.0	96.0	
19 Moderate risk	5.20	3,807	1,173	548	39.7	4.1	35.5	87.3	
20 Other	6.45	2,099	580	689	59.9	4.1	26.1	98.1	
21 31 to 365 days	5.14	12,132	3,078	596	26.8	4.9	31.9	94.8	Foreign Domestic Domestic Foreign Foreign
22 Minimal risk	3.98	591	6,095	179	19.8	49.7	30.9	43.3	
23 Low risk	4.69	5,456	5,686	378	17.4	3.2	34.0	96.2	
24 Moderate risk	5.33	3,219	1,915	885	34.4	2.8	25.5	99.0	
25 Other	5.86	2,272	2,577	663	41.7	1.2	44.3	98.9	
				Months					Prime * * Other Prime Other
26 More than 365 days	6.58	1,802	964	53	74.2	6.2	2.4	50.2	
27 Minimal risk	*	*	*	*	*	*	*	*	
28 Low risk	5.26	80	420	37	48.6	.6	*	98.4	
28 Moderate risk	6.60	1,472	1,590	55	78.1	5.2	2.2	42.4	
30 Other	7.28	181	345	47	73.2	19.5	2.8	77.4	
				Weighted-average risk rating ³					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	7.30	1,308	3.5	45	84.8	26.5	1.7	88.8	Prime Prime Foreign Foreign
32 100–999	6.79	6,012	3.4	52	71.2	14.9	5.4	87.3	
33 1,000–9,999	5.78	18,672	3.1	55	41.2	7.9	28.6	78.0	
34 10,000 or more	5.09	33,593	2.6	76	31.0	7.4	39.8	79.6	
									Average size (thousands of dollars)
BASE RATE OF LOAN ⁴									
35 Prime ⁷	7.15	13,550	3.3	137	69.2	12.4	.5	65.4	242
36 Fed funds	4.51	6,157	2.6	4	57.5	17.7	47.7	66.5	6,981
37 Other domestic	4.75	7,949	2.7	8	19.2	18.5	72.0	87.4	6,169
38 Foreign	5.20	22,004	2.6	39	28.0	2.3	32.8	85.3	2,980
39 Other	5.29	9,924	3.0	110	29.0	4.3	31.4	91.1	1,176

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 6–10, 2001—Continued

D. Commercial and industrial loans made by small domestic banks¹

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴
				Days	Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	
LOAN RISK ⁵									
1 All commercial and industrial loans	7.15	6,315	93	805	78.5	22.4	6.2	77.3	Prime
2 Minimal risk	6.43	613	99	496	68.6	12.1	6.2	42.8	Other
3 Low risk	6.80	1,039	115	968	65.4	18.7	10.9	70.8	Prime
4 Moderate risk	7.52	1,967	80	1,137	87.4	29.5	5.4	76.6	Prime
5 Other	7.46	1,729	89	730	87.0	27.2	7.7	87.9	Prime
By maturity/repricing interval ⁶									
6 Zero interval	7.27	2,509	86	392	80.2	24.7	3.6	87.0	Prime
7 Minimal risk	6.98	124	80	470	89.6	12.4	8.9	86.6	Prime
8 Low risk	6.69	336	79	646	60.7	13.2	2.9	59.3	Prime
9 Moderate risk	7.40	783	76	461	82.7	39.4	3.6	91.0	Prime
10 Other	7.63	817	74	341	83.7	28.2	5.0	88.9	Prime
11 Daily	7.16	1,028	154	1,077	79.4	23.1	9.8	86.6	Prime
12 Minimal risk	7.55	30	40	1,419	98.3	74.2	15.2	79.2	Prime
13 Low risk	6.27	277	470	1,684	47.8	15.8	24.4	90.0	Other
14 Moderate risk	7.47	387	184	1,150	89.8	19.2	6.4	80.4	Prime
15 Other	7.57	240	111	388	91.4	29.5	1.8	91.8	Prime
16 2 to 30 days	5.93	924	170	466	60.6	19.7	2.1	78.0	Foreign
17 Minimal risk	4.72	220	508	90	26.3	8.1	.1	28.9	Other
18 Low risk	6.24	94	267	624	58.0	43.4	.9	99.1	Prime
19 Moderate risk	6.77	202	105	894	94.2	32.0	1.6	85.2	Prime
20 Other	6.68	258	99	639	92.1	22.4	5.8	94.2	Prime
21 31 to 365 days	7.18	1,131	65	666	77.4	16.3	4.7	67.6	Other
22 Minimal risk	7.52	214	73	458	92.2	5.8	5.5	30.0	Other
23 Low risk	7.34	260	95	531	85.1	22.2	.2	71.5	Prime
24 Moderate risk	7.77	262	43	1,528	85.0	8.6	15.1	71.8	Other
25 Other	6.40	176	119	296	73.0	30.1	.2	87.7	Other
				Months					
26 More than 365 days	8.21	660	77	80	95.4	21.5	19.6	42.4	
27 Minimal risk	8.12	23	44	109	100.0	23.1	45.0	7.8	
28 Low risk	8.17	72	67	60	93.4	10.4	47.5	11.4	
28 Moderate risk	8.11	307	83	79	93.6	32.0	3.1	33.7	
30 Other	8.43	202	107	93	98.5	10.9	35.9	73.9	Other
				Weighted-average risk rating ⁷					
				Days					
				Weighted-average maturity/repricing interval ⁶					
SIZE OF LOAN (thousands of dollars)									
31 1–99	8.19	1,230	3.1	265	85.5	26.2	5.2	73.8	Prime
32 100–999	7.42	2,807	2.9	259	85.4	24.9	8.4	76.8	Prime
33 1,000–9,999	6.34	2,014	2.9	125	66.9	17.6	4.7	79.1	Prime
34 10,000 or more	*	*	*	*	*	*	*	*	*
									Average size (thousands of dollars)
BASE RATE OF LOAN ²									
35 Prime ⁷	7.58	3,837	3.2	127	85.4	29.4	4.3	82.9	87
36 Fed funds	8.01	141	3.4	1,397	94.6	2.5	60.6	97.5	227
37 Other domestic	7.28	74	3.0	197	95.1	42.1	1.8	69.6	48
38 Foreign	5.31	799	2.8	68	51.6	2.6	2.9	93.1	558
39 Other	6.93	1,465	2.5	386	72.5	15.8	8.1	52.7	73

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 6–10, 2001—Continued

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

Item	Weighted-average effective loan rate (percent) ²	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ³	Amount of loans (percent)				Most common base pricing rate ⁴
				Days	Secured by collateral	Callable	Subject to prepayment penalty	Made under commitment	
LOAN RISK ⁵									
1 All commercial and industrial loans	5.48	37,200	5,258	63	23.6	9.9	48.6	62.9	Foreign
2 Minimal risk	4.00	1,853	14,681	9	*	*	35.3	37.1	Fed funds
3 Low risk	4.88	6,362	7,908	179	1.2	10.2	50.4	68.2	Fed funds
4 Moderate risk	5.06	7,141	3,596	28	21.4	4.8	47.6	73.9	Fed funds
5 Other	5.63	10,669	4,043	64	23.8	1.1	54.4	68.5	Foreign
By maturity/repricing interval ⁶									
6 Zero interval	5.17	4,057	2,790	33	91.6	.2	.3	44.1	Fed funds
7 Minimal risk	*	*	*	*	*	*	*	*	*
8 Low risk	*	*	*	*	*	*	*	*	*
9 Moderate risk	7.28	295	886	170	26.4	.7	4.2	99.3	Prime
10 Other	7.90	140	315	729	37.4	4.3	.7	95.9	Prime
11 Daily	4.64	13,921	9,777	2	8.2	*	45.3	40.3	Fed funds
12 Minimal risk	3.91	1,451	26,116	2	*	*	36.7	36.7	Fed funds
13 Low risk	4.25	3,185	19,917	1	*	*	34.3	42.9	Fed funds
14 Moderate risk	4.56	3,612	8,383	4	.1	*	29.3	58.7	Fed funds
15 Other	5.24	3,249	6,845	1	35.2	*	37.1	48.8	Fed funds
16 2 to 30 days	6.94	8,087	5,053	35	16.4	42.9	39.5	86.8	Prime
17 Minimal risk	*	*	*	*	*	*	*	*	*
18 Low risk	7.83	951	5,090	76	*	68.2	25.7	98.3	Prime
19 Moderate risk	6.17	1,201	2,080	47	44.8	28.3	54.7	88.2	Foreign
20 Other	5.11	1,675	3,263	35	21.8	6.3	37.6	74.7	Fed funds
21 31 to 365 days	5.55	10,927	4,395	163	21.7	.1	78.2	80.4	Foreign
22 Minimal risk	*	*	*	*	*	*	*	*	*
23 Low risk	4.50	2,205	5,220	450	3.5	.1	84.9	91.6	Foreign
24 Moderate risk	4.96	2,033	3,153	61	44.8	*	82.2	88.7	Foreign
25 Other	5.96	5,605	4,645	100	17.5	.2	70.8	77.4	Foreign
				Months					
26 More than 365 days	*	*	*	*	*	*	*	*	*
27 Minimal risk	*	*	*	*	*	*	*	*	*
28 Low risk	*	*	*	*	*	*	*	*	*
29 Moderate risk	*	*	*	*	*	*	*	*	*
30 Other	*	*	*	*	*	*	*	*	*
				Weighted-average risk rating ⁷					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1-99	7.14	28	3.7	19	43.7	16.4	21.3	90.3	Prime
32 100-999	6.00	998	3.5	24	47.1	10.5	46.7	77.8	Foreign
33 1,000-9,999	5.21	11,045	3.3	19	27.0	4.2	55.7	61.8	Foreign
34 10,000 or more	5.58	25,130	3.1	17	21.1	12.4	45.6	62.8	Fed funds
									Average size (thousands of dollars)
BASE RATE OF LOAN ⁴									
35 Prime ⁷	8.43	4,873	3.0	8	14.6	75.6	10.0	97.5	3,064
36 Fed funds	4.53	12,254	3.0	9	17.1	*	19.4	36.2	8,054
37 Other domestic	4.73	3,768	2.0	12	1.6	.2	100.0	17.1	7,041
38 Foreign	5.56	12,965	3.2	36	24.6	*	87.7	94.4	4,738
39 Other	5.16	3,339	4.2	2	81.3	.2	2.1	39.8	4,828

Footnotes appear at end of table.

NOTES TO TABLE 4.23

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

1. As of December 31, 1996, assets of most of the large banks were at least \$7.0 billion. Median total assets for all insured banks were roughly \$62 million. Assets at all U.S. branches and agencies averaged \$1.3 billion.

2. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan amount. The standard error of the loan rate for all commercial and industrial loans in the current survey (line 1, column 1) is 0.23 percentage point. The chances are about two out of three that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of the universe of all banks.

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

4. The most common base pricing rate is that used to price the largest dollar volume of loans. Base pricing rates include the prime rate (sometimes referred to as a bank's "base" or "reference" rate); the federal funds rate; domestic money market rates other than the prime rate and the federal funds rate; foreign money market rates; and other base rates not included in the foregoing classifications.

5. A complete description of these risk categories is available from the Banking Analysis Section, Mail Stop 81, Board of Governors of the Federal Reserve System, Washington, DC 20551. The category "Moderate risk" includes the average loan, under average economic conditions, at the typical lender. The category "Other" includes loans rated "acceptable" as well as special mention or classified loans. The weighted-average risk rating published for loans in rows 31–39 are calculated by assigning a value of "1" to minimal risk loans; "2" to low risk loans; "3" to moderate risk loans; "4" to acceptable risk loans; and "5" to special mention and classified loans. These values are weighted by loan amount and exclude loans with no risk rating. Some of the loans in lines 1, 6, 11, 16, 21, 26, and 31–39 are not rated for risk.

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

7. For the current survey, the average reported prime rate, weighted by the amount of loans priced relative to a prime base rate, was 6.77 percent for all banks; 6.75 percent for large domestic banks; 6.88 percent for small domestic banks; and 6.75 percent for U.S. branches and agencies of foreign banks.

Index to Statistical Tables

References are to pages A3–A71, although the prefix “A” is omitted in this index.

- ACCEPTANCES, bankers (*See* Bankers acceptances)
- Assets and liabilities (*See also* Foreigners)
 - Commercial banks, 15–21, 64–65
 - Domestic finance companies, 32, 33
 - Federal Reserve Banks, 10
 - Foreign-related institutions, 20
- Automobiles
 - Consumer credit, 36
 - Production, 44, 45
- BANKERS acceptances, 5, 10, 22, 23
 - Bankers balances, 15–21 (*See also* Foreigners)
 - Bonds (*See also* U.S. government securities)
 - New issues, 31
 - Rates, 23
- Business activity, nonfinancial, 42
- Business loans (*See* Commercial and industrial loans)
- CAPACITY utilization, 43
- Capital accounts
 - Commercial banks, 15–21, 64–65
 - Federal Reserve Banks, 10
- Certificates of deposit, 23
- Commercial and industrial loans
 - Commercial banks, 15–21, 64–65, 66–71
 - Weekly reporting banks, 17, 18
- Commercial banks
 - Assets and liabilities, 15–21, 64–65
 - Commercial and industrial loans, 15–21, 64–65, 66–71
 - Consumer loans held, by type and terms, 36, 66–71
 - Real estate mortgages held, by holder and property, 35
 - Terms of lending, 64–65
 - Time and savings deposits, 4
- Commercial paper, 22, 23, 32
- Condition statements (*See* Assets and liabilities)
- Construction, 42, 46
- Consumer credit, 36
- Consumer prices, 42
- Consumption expenditures, 48, 49
- Corporations
 - Profits and their distribution, 32
 - Security issues, 31, 61
- Cost of living (*See* Consumer prices)
- Credit unions, 36
- Currency in circulation, 5, 13
- Customer credit, stock market, 24
- DEBT (*See* specific types of debt or securities)
- Demand deposits, 15–21
- Depository institutions
 - Reserve requirements, 8
 - Reserves and related items, 4–6, 12, 64–65
- Deposits (*See also* specific types)
 - Commercial banks, 4, 15–21, 64–65
 - Federal Reserve Banks, 5, 10
- Discount rates at Reserve Banks and at foreign central banks and foreign countries (*See* Interest rates)
- Discounts and advances by Reserve Banks (*See* Loans)
- Dividends, corporate, 32
- EMPLOYMENT, 42
- Euro, 62
- FARM mortgage loans, 35
- Federal agency obligations, 5, 9–11, 28, 29
- Federal credit agencies, 30
- Federal finance
 - Debt subject to statutory limitation, and types and ownership
 - of gross debt, 27
 - Receipts and outlays, 25, 26
 - Treasury financing of surplus, or deficit, 25
 - Treasury operating balance, 25
- Federal Financing Bank, 30
- Federal funds, 23, 25
- Federal Home Loan Banks, 30
- Federal Home Loan Mortgage Corporation, 30, 34, 35
- Federal Housing Administration, 30, 34, 35
- Federal Land Banks, 35
- Federal National Mortgage Association, 30, 34, 35
- Federal Reserve Banks
 - Condition statement, 10
 - Discount rates (*See* Interest rates)
 - U.S. government securities held, 5, 10, 11, 27
- Federal Reserve credit, 5, 6, 10, 12
- Federal Reserve notes, 10
- Federally sponsored credit agencies, 30
- Finance companies
 - Assets and liabilities, 32
 - Business credit, 33
 - Loans, 36
 - Paper, 22, 23
- Float, 5
- Flow of funds, 37–41
- Foreign currency operations, 10
- Foreign deposits in U.S. banks, 5
- Foreign exchange rates, 62
- Foreign-related institutions, 20
- Foreign trade, 51
- Foreigners
 - Claims on, 52, 55–7, 59
 - Liabilities to, 51–4, 58, 60, 61
- GOLD
 - Certificate account, 10
 - Stock, 5, 51
- Government National Mortgage Association, 30, 34, 35
- Gross domestic product, 48, 49
- HOUSING, new and existing units, 46
- INCOME, personal and national, 42, 48, 49
- Industrial production, 42, 44
- Insurance companies, 27, 35
- Interest rates
 - Bonds, 23
 - Commercial banks, 66–71
 - Consumer credit, 36
 - Federal Reserve Banks, 7
 - Money and capital markets, 23
 - Mortgages, 34
 - Prime rate, 22, 66–71
- International capital transactions of United States, 50–61
- International organizations, 52, 53, 55, 58, 59
- Inventories, 48
- Investment companies, issues and assets, 32
- Investments (*See also* specific types)
 - Commercial banks, 4, 15–21, 66–71
 - Federal Reserve Banks, 10, 11
 - Financial institutions, 35
- LABOR force, 42
- Life insurance companies (*See* Insurance companies)

Loans (*See also* specific types)
 Commercial banks, 15–21, 64–65, 66–71
 Federal Reserve Banks, 5–7, 10, 11
 Financial institutions, 35
 Insured or guaranteed by United States, 34, 35

MANUFACTURING

Capacity utilization, 43
 Production, 43, 45
 Margin requirements, 24
 Member banks, reserve requirements, 8
 Mining production, 45
 Mobile homes shipped, 46
 Monetary and credit aggregates, 4, 12
 Money and capital market rates, 23
 Money stock measures and components, 4, 13
 Mortgages (*See* Real estate loans)
 Mutual funds, 13, 32
 Mutual savings banks (*See* Thrift institutions)

NATIONAL defense outlays, 26
 National income, 48

OPEN market transactions, 9

PERSONAL income, 49

Prices
 Consumer and producer, 42, 47
 Stock market, 24
 Prime rate, 22, 66–71
 Producer prices, 42, 47
 Production, 42, 44
 Profits, corporate, 32

REAL estate loans

Banks, 15–21, 35
 Terms, yields, and activity, 34
 Type and holder and property mortgaged, 35

Reserve requirements, 8

Reserves

Commercial banks, 15–21
 Depository institutions, 4–6, 12
 Federal Reserve Banks, 10
 U.S. reserve assets, 51
 Residential mortgage loans, 34, 35
 Retail credit and retail sales, 36, 42

SAVING

Flow of funds, 37–41
 National income accounts, 48

Savings deposits (*See* Time and savings deposits)

Savings institutions, 35, 36, 37–41

Securities (*See also* specific types)

Federal and federally sponsored credit agencies, 30
 Foreign transactions, 60
 New issues, 31
 Prices, 24

Special drawing rights, 5, 10, 50, 51

State and local governments

Holdings of U.S. government securities, 27
 New security issues, 31
 Rates on securities, 23

Stock market, selected statistics, 24

Stocks (*See also* Securities)

New issues, 31
 Prices, 24

Student Loan Marketing Association, 30

TAX receipts, federal, 26

Thrift institutions, 4 (*See also* Credit unions and Savings institutions)

Time and savings deposits, 4, 13, 15–21, 64–65

Trade, foreign, 51

Treasury cash, Treasury currency, 5

Treasury deposits, 5, 10, 25

Treasury operating balance, 25

UNEMPLOYMENT, 42

U.S. government balances

Commercial bank holdings, 15–21
 Treasury deposits at Reserve Banks, 5, 10, 25

U.S. government securities

Bank holdings, 15–21, 27
 Dealer transactions, positions, and financing, 29
 Federal Reserve Bank holdings, 5, 10, 11, 27
 Foreign and international holdings and transactions, 10, 27, 61
 Open market transactions, 9
 Outstanding, by type and holder, 27, 28
 Rates, 23

U.S. international transactions, 50–62

Utilities, production, 45

VETERANS Affairs, Department of, 34, 35

WEEKLY reporting banks, 17, 18

Wholesale (producer) prices, 42, 47

YIELDS (*See* Interest rates)

Federal Reserve Board of Governors and Official Staff

ALAN GREENSPAN, *Chairman*
ROGER W. FERGUSON, JR., *Vice Chairman*

EDWARD W. KELLEY, JR.
LAURENCE H. MEYER

OFFICE OF BOARD MEMBERS

LYNN S. FOX, *Assistant to the Board*
MICHELLE A. SMITH, *Assistant to the Board*
DONALD J. WINN, *Assistant to the Board*
DONALD L. KOHN, *Adviser to the Board*
WINTHROP P. HAMBLEY, *Deputy Congressional Liaison*
NORMAND R.V. BERNARD, *Special Assistant to the Board*
JOHN LOPEZ, *Special Assistant to the Board*
BOB STAHL MOORE, *Special Assistant to the Board*
ROSANNA PIANALTO-CAMERON, *Special Assistant to the Board*
DAVID W. SKIDMORE, *Special Assistant to the Board*

LEGAL DIVISION

J. VIRGIL MATTINGLY, JR., *General Counsel*
SCOTT G. ALVAREZ, *Associate General Counsel*
RICHARD M. ASHTON, *Associate General Counsel*
KATHLEEN M. O'DAY, *Associate General Counsel*
STEPHANIE MARTIN, *Assistant General Counsel*
ANN E. MISBACK, *Assistant General Counsel*
STEPHEN L. SICILIANO, *Assistant General Counsel*
KATHERINE H. WHEATLEY, *Assistant General Counsel*
CARY K. WILLIAMS, *Assistant General Counsel*

OFFICE OF THE SECRETARY

JENNIFER J. JOHNSON, *Secretary*
ROBERT DEV. FRIERSON, *Deputy Secretary*
MARGARET M. SHANKS, *Assistant Secretary*

DIVISION OF BANKING SUPERVISION AND REGULATION

RICHARD SPILLENKOTHEN, *Director*
STEPHEN C. SCHEMERING, *Deputy Director*
HERBERT A. BIERN, *Senior Associate Director*
ROGER T. COLE, *Senior Associate Director*
WILLIAM A. RYBACK, *Senior Associate Director*
GERALD A. EDWARDS, JR., *Associate Director*
STEPHEN M. HOFFMAN, JR., *Associate Director*
JAMES V. HOUP, *Associate Director*
JACK P. JENNINGS, *Associate Director*
MICHAEL G. MARTINSON, *Associate Director*
MOLLY S. WASSOM, *Associate Director*
HOWARD A. AMER, *Deputy Associate Director*
NORAH M. BARGER, *Deputy Associate Director*
BETSY CROSS, *Deputy Associate Director*
DEBORAH P. BAILEY, *Assistant Director*
BARBARA J. BOUCHAR, *Assistant Director*
ANGELA DESMOND, *Assistant Director*
JAMES A. EMBERSIT, *Assistant Director*
CHARLES H. HOLM, *Assistant Director*
HEIDI WILLMANN RICHARDS, *Assistant Director*
WILLIAM G. SPANIEL, *Assistant Director*
DAVID M. WRIGHT, *Assistant Director*
SIDNEY M. SUSSAN, *Adviser*

DIVISION OF BANKING SUPERVISION AND REGULATION—Continued

WILLIAM C. SCHNEIDER, JR., *Project Director,*
National Information Center

DIVISION OF INTERNATIONAL FINANCE

KAREN H. JOHNSON, *Director*
DAVID H. HOWARD, *Deputy Director*
THOMAS A. CONNORS, *Associate Director*
DALE W. HENDERSON, *Associate Director*
RICHARD T. FREEMAN, *Deputy Associate Director*
WILLIAM L. HELKIE, *Deputy Associate Director*
STEVEN B. KAMIN, *Deputy Associate Director*
JON W. FAUST, *Assistant Director*
JOSEPH E. GAGNON, *Assistant Director*
MICHAEL P. LEAHY, *Assistant Director*
NATHAN D. SHEETS, *Assistant Director*
RALPH W. TRYON, *Assistant Director*

DIVISION OF RESEARCH AND STATISTICS

DAVID J. STOCKTON, *Director*
EDWARD C. ETTIN, *Deputy Director*
DAVID W. WILCOX, *Deputy Director*
WILLIAM R. JONES, *Associate Director*
MYRON L. KWAST, *Associate Director*
STEPHEN D. OLINER, *Associate Director*
PATRICK M. PARKINSON, *Associate Director*
LAWRENCE SLIFMAN, *Associate Director*
CHARLES S. STRUCKMEYER, *Associate Director*
MARTHA S. SCANLON, *Deputy Associate Director*
JOYCE K. ZICKLER, *Deputy Associate Director*
J. NELLIE LIANG, *Assistant Director*
S. WAYNE PASSMORE, *Assistant Director*
DAVID L. REIFSCHNEIDER, *Assistant Director*
JANICE SHACK-MARQUEZ, *Assistant Director*
WILLIAM L. WASCHER, *Assistant Director*
ALICE PATRICIA WHITE, *Assistant Director*
GLENN B. CANNER, *Senior Adviser*
DAVID S. JONES, *Senior Adviser*
THOMAS D. SIMPSON, *Senior Adviser*

DIVISION OF MONETARY AFFAIRS

VINCENT R. REINHART, *Director*
DAVID E. LINDSEY, *Deputy Director*
BRIAN F. MADIGAN, *Deputy Director*
RICHARD D. PORTER, *Deputy Associate Director*
WILLIAM C. WHITESSELL, *Assistant Director*

EDWARD M. GRAMLICH

*DIVISION OF CONSUMER
AND COMMUNITY AFFAIRS*

DOLORES S. SMITH, *Director*
GLENN E. LONEY, *Deputy Director*
SANDRA F. BRAUNSTEIN, *Assistant Director*
MAUREEN P. ENGLISH, *Assistant Director*
ADRIENNE D. HURT, *Assistant Director*
IRENE SHAWN McNULTY, *Assistant Director*

*OFFICE OF
STAFF DIRECTOR FOR MANAGEMENT*

STEPHEN R. MALPHRUS, *Staff Director*

MANAGEMENT DIVISION

STEPHEN J. CLARK, *Associate Director, Finance Function*
DARRELL R. PAULEY, *Associate Director, Human Resources
Function*
CHRISTINE M. FIELDS, *Assistant Director, Human Resources
Function*
SHEILA CLARK, *EEO Programs Director*

DIVISION OF SUPPORT SERVICES

ROBERT E. FRAZIER, *Director*
DAVID L. WILLIAMS, *Associate Director*
GEORGE M. LOPEZ, *Assistant Director*

DIVISION OF INFORMATION TECHNOLOGY

RICHARD C. STEVENS, *Director*
MARIANNE M. EMERSON, *Deputy Director*
MAUREEN T. HANNAN, *Associate Director*
RAYMOND H. MASSEY, *Associate Director*
GEARY L. CUNNINGHAM, *Assistant Director*
WAYNE A. EDMONDSON, *Assistant Director*
PO KYUNG KIM, *Assistant Director*
SUSAN F. MARYCZ, *Assistant Director*
SHARON L. MOWRY, *Assistant Director*
DAY W. RADEBAUGH, JR., *Assistant Director*

*DIVISION OF RESERVE BANK OPERATIONS
AND PAYMENT SYSTEMS*

LOUISE L. ROSEMAN, *Director*
PAUL W. BETTGE, *Associate Director*
JEFFREY C. MARQUARDT, *Associate Director*
KENNETH D. BUCKLEY, *Assistant Director*
TILLEN A. G. CLARK, *Assistant Director*
JOSEPH H. HAYES, JR., *Assistant Director*
EDGAR A. MARTINDALE III, *Assistant Director*
MARSHA W. REIDHILL, *Assistant Director*
JEFF J. STEHM, *Assistant Director*

OFFICE OF THE INSPECTOR GENERAL

BARRY R. SNYDER, *Inspector General*
DONALD L. ROBINSON, *Deputy Inspector General*

Federal Open Market Committee and Advisory Councils

FEDERAL OPEN MARKET COMMITTEE

MEMBERS

ALAN GREENSPAN, *Chairman*

WILLIAM J. McDONOUGH, *Vice Chairman*

ROGER W. FERGUSON, JR.
EDWARD M. GRAMLICH
THOMAS M. HOENIG

EDWARD W. KELLEY, JR.
LAURENCE H. MEYER
CATHY E. MINEHAN

MICHAEL H. MOSKOW
WILLIAM POOLE

ALTERNATE MEMBERS

JERRY L. JORDAN
ROBERT D. McTEER, JR.

ANTHONY M. SANTOMERO
GARY H. STERN

JAMIE B. STEWART, JR.

STAFF

DONALD L. KOHN, *Secretary and Economist*
NORMAND R.V. BERNARD, *Deputy Secretary*
LYNN S. FOX, *Assistant Secretary*
GARY P. GILLUM, *Assistant Secretary*
J. VIRGIL MATTINGLY, JR., *General Counsel*
THOMAS C. BAXTER, JR., *Deputy General Counsel*
KAREN H. JOHNSON, *Economist*
VINCENT R. REINHART, *Economist*
DAVID J. STOCKTON, *Economist*

CHRISTINE M. CUMMING, *Associate Economist*
JEFFREY C. FUHRER, *Associate Economist*
CRAIG S. HAKKIO, *Associate Economist*
DAVID H. HOWARD, *Associate Economist*
WILLIAM C. HUNTER, *Associate Economist*
DAVID E. LINDSEY, *Associate Economist*
ROBERT H. RASCHE, *Associate Economist*
LAWRENCE SLIFMAN, *Associate Economist*
DAVID WILCOX, *Associate Economist*

DINO KOS, *Manager, System Open Market Account*

FEDERAL ADVISORY COUNCIL

DOUGLAS A. WARNER, III, *President*
LAWRENCE K. FISH, *Vice President*

LAWRENCE K. FISH, First District
DOUGLAS A. WARNER III, Second District
RONALD L. HANKEY, Third District
DAVID A. DABERKO, Fourth District
L. M. BAKER, JR., Fifth District
L. PHILLIP HUMANN, Sixth District

ALAN G. McNALLY, Seventh District
KATIE S. WINCHESTER, Eighth District
R. SCOTT JONES, Ninth District
CAMDEN R. FINE, Tenth District
RICHARD W. EVANS, JR., Eleventh District
STEVEN L. SCHEID, Twelfth District

JAMES ANNABLE, *Co-Secretary*
WILLIAM J. KORSVIK, *Co-Secretary*

CONSUMER ADVISORY COUNCIL

LAUREN ANDERSON, New Orleans, Louisiana, *Chairman*
DOROTHY BROADMAN, San Francisco, California, *Vice Chairman*

ANTHONY S. ABBATE, Saddlebrook, New Jersey
TERESA A. BRYCE, St. Louis, Missouri
MALCOLM BUSH, Chicago, Illinois
MANUEL CASANOVA, JR., Brownsville, Texas
CONSTANCE K. CHAMBERLIN, Richmond, Virginia
ROBERT M. CHEADLE, Oklahoma City, Oklahoma
MARY ELLEN DOMEIER, New Ulm, Minnesota
LESTER W. FIRSTENBERGER, Hopkinton, Massachusetts
JOHN C. GAMBOA, San Francisco, California
EARL JAROLIMEK, Fargo, North Dakota
WILLIE M. JONES, Boston, Massachusetts
ANNE S. LI, Washington, District of Columbia

J. PATRICK LIDDY, Cincinnati, Ohio
OSCAR MARQUIS, Park Ridge, Illinois
JEREMY NOWAK, Philadelphia, Pennsylvania
NANCY PIERCE, Kansas City, Missouri
MARTA RAMOS, San Juan, Puerto Rico
RONALD A. REITER, San Francisco, California
ELIZABETH RENUART, Boston, Massachusetts
RUSSELL W. SCHRADER, San Francisco, California
FRANK TORRES, JR., Washington, District of Columbia
GARY S. WASHINGTON, Chicago, Illinois
ROBERT L. WYNN II, Madison, Wisconsin

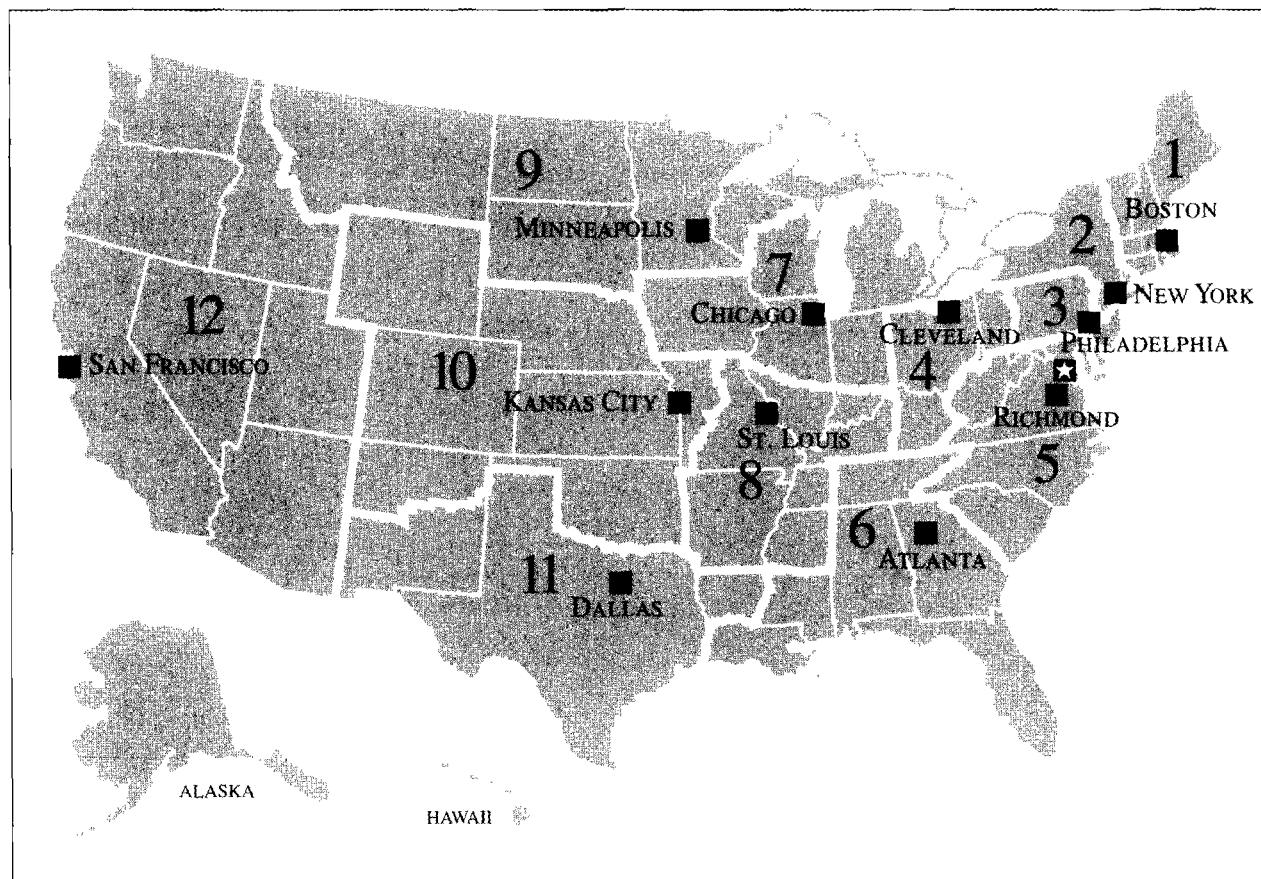
THRIFT INSTITUTIONS ADVISORY COUNCIL

THOMAS S. JOHNSON, New York, New York, *President*
MARK H. WRIGHT, San Antonio, Texas, *Vice President*

TOM R. DORETY, Tampa, Florida
RONALD S. ELIASON, Provo, Utah
D. R. GRIMES, Alpharetta, Georgia
CORNELIUS D. MAHONEY, Westfield, Massachusetts
KAREN L. MCCORMICK, Port Angeles, Washington

JAMES F. MCKENNA, Brookfield, Wisconsin
CHARLES C. PEARSON, JR., Harrisburg, Pennsylvania
HERBERT M. SANDLER, Oakland, California
EVERETT STILES, Franklin, North Carolina
CLARENCE ZUGELTER, Kansas City, Missouri

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

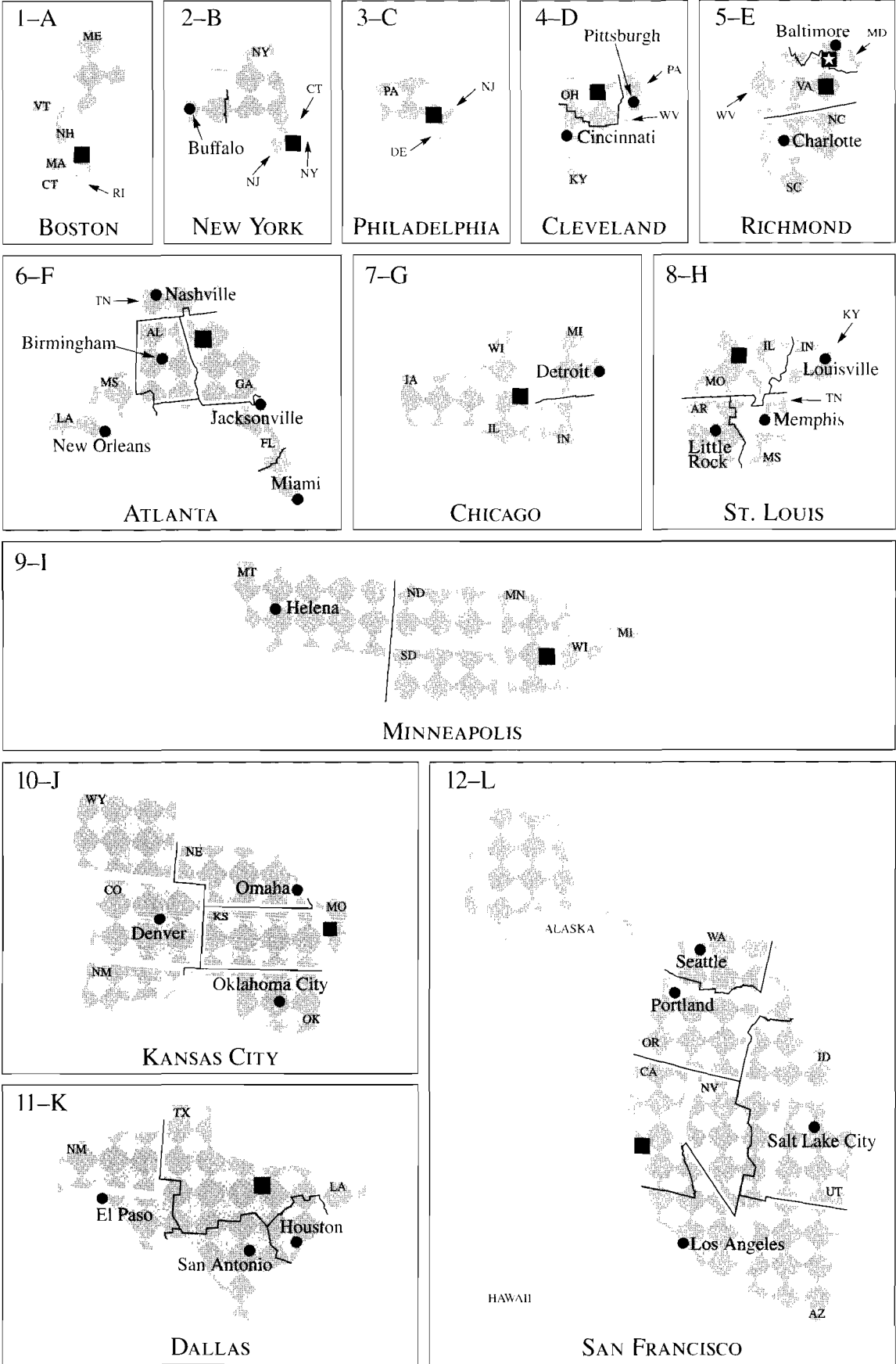
NOTE

The Federal Reserve officially identifies Districts by number and Reserve Bank city (shown on both pages) and by letter (shown on the facing page).

In the 12th District, the Seattle Branch serves Alaska, and the San Francisco Bank serves Hawaii.

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

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



Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK branch, or <i>facility</i>	Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON*	02106	William C. Brainard William O. Taylor	Cathy E. Minehan Paul M. Connolly	
NEW YORK*	10045	Peter G. Peterson Vacancy	William J. McDonough Jamie B. Stewart, Jr.	
Buffalo	14240	Bal Dixit		Barbara L. Walter ¹
PHILADELPHIA	19105	Charisse R. Lillie Glenn A. Schaeffer	Anthony M. Santomero William H. Stone, Jr.	
CLEVELAND*	44101	David H. Hoag Robert W. Mahoney	Jerry L. Jordan Sandra Pianalto	
Cincinnati	45201	George C. Juilfs		Barbara B. Henshaw
Pittsburgh	15230	Charles E. Bunch		Robert B. Schaub
RICHMOND*	23219	Jeremiah J. Sheehan Wesley S. Williams, Jr.	J. Alfred Broaddus, Jr. Walter A. Varvel	
Baltimore	21203	George L. Russell, Jr.		William J. Tignanelli ¹
Charlotte	28230	James F. Goodmon		Dan M. Bechter ¹
ATLANTA	30303	John F. Wieland Paula Lovell	Jack Guynn Patrick K. Barron	
Birmingham	35283	Catherine Sloss Crenshaw		James M. McKee ¹
Jacksonville	32231	Julie K. Hilton		Andre T. Anderson
Miami	33152	Mark T. Soddors		Robert J. Slack ¹
Nashville	37203	Whitney Johns Martin		James T. Curry III
New Orleans	70161	Ben Tom Roberts		Melvyn K. Purcell ¹
Robert J. Musso ¹				
CHICAGO*	60690	Arthur C. Martinez Robert J. Darnall	Michael H. Moskow Gordon R. G. Werkema	
Detroit	48231	Timothy D. Leuliette		David R. Allardice ¹
ST. LOUIS	63166	Charles W. Mueller Walter L. Metcalfe, Jr.	William Poole W. LeGrande Rives	
Little Rock	72203	Vick M. Crawley		Robert A. Hopkins
Louisville	40232	Roger Reynolds		Thomas A. Boone
Memphis	38101	Gregory M. Duckett		Martha Perine Beard
MINNEAPOLIS	55480	James J. Howard Ronald N. Zwieg	Gary H. Stern James M. Lyon	
Helena	59601	Thomas O. Markle		Samuel H. Gane
KANSAS CITY	64198	Terrence P. Dunn Jo Marie Dancik	Thomas M. Hoenig Richard K. Rasdall	
Denver	80217	Kathryn A. Paul		Maryann Hunter ¹
Oklahoma City	73125	Patricia B. Fennell		Dwayne E. Boggs
Omaha	68102	Gladys Styles Johnston		Steven D. Evans
DALLAS	75201	H. B. Zachry, Jr. Patricia M. Patterson	Robert D. McTeer, Jr. Helen E. Holcomb	
El Paso	79999	Beauregard Brite White		Sammie C. Clay
Houston	77252	Edward O. Gaylord		Robert Smith III ¹
San Antonio	78295	Patty P. Mueller		James L. Stull ¹
SAN FRANCISCO	94120	Nelson C. Rising George M. Scalise	Robert T. Parry John F. Moore	
Los Angeles	90051	William D. Jones		Mark L. Mullinix ²
Portland	97208	Nancy Wilgenbusch		Raymond H. Laurence ¹
Salt Lake City	84125	H. Roger Boyer		Andrea P. Wolcott
Seattle	98124	Richard R. Sonstelie		David K. Webb ¹

*Additional offices of these Banks are located at Windsor Locks, Connecticut 06096; East Rutherford, New Jersey 07016; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; Milwaukee, Wisconsin 53202; and Peoria, Illinois 61607.

1. Senior Vice President.

2. Executive Vice President