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Table of Contents

Monetary Policy Report to the Congress

Report submitted to the Congress on July 15, 2003, pursuant to section 2B of the Federal Reserve Act

MONETARY POLICY AND THE ECONOMIC OUTLOOK

The subpar performance of the U.S. economy extended into the first half of 2003. Although accommodative macroeconomic policies and continued robust productivity growth helped to sustain aggregate demand, businesses remained cautious about spending and hiring. All told, real gross domestic product continued to rise in the first half of the year but less quickly than the economy's productive capacity was increasing, and margins of slack in labor and product markets thereby widened further. As a result, underlying inflation remained low—and, indeed, seems to have moved down another notch. In financial markets, longer-term interest rates fell, on net, over the first half of the year as the decline in inflation and the subdued performance of the economy led market participants to conclude that short-term interest rates would be lower than previously anticipated. These lower interest rates helped to sustain a rally in equity prices that had begun in mid-March.

During the first quarter of the year, the economy's prospects were clouded by the uncertainties surrounding the onset, duration, and potential consequences of war in Iraq. War-related concerns provided a sizable boost to crude oil prices; as a result, households faced higher bills for gasoline and heating oil, and many firms were burdened with rising energy costs. These concerns also caused consumer confidence to sag and added to a general disinclination of firms to spend, hire, and accumulate inventories. Caution was apparent in financial markets as well, and investors bid down the prices of equities in favor of less-risky securities.

The swift prosecution of the war in Iraq resolved some of these exceptional uncertainties but by no means all of them. Nonetheless, oil prices receded, and the improvement in the economic climate was sufficient to cause stock prices to rally, risk spreads on corporate securities to narrow, and consumer confidence to rebound. At the same time, the incoming economic data—much of which reflected decisions made before the war—remained mixed, and inflation trended lower. At the conclusion of its May meeting, the Federal Open Market Committee (FOMC) indicated that, whereas the risks to the outlook for economic growth were balanced, the risk of an unwelcome substantial fall in inflation from its already low level, though minor, exceeded that of a pickup in inflation. In the weeks that followed, market participants pushed down the expected future path of the federal funds rate, which contributed to the fall in longer-term interest rates and a further rise in equity prices.

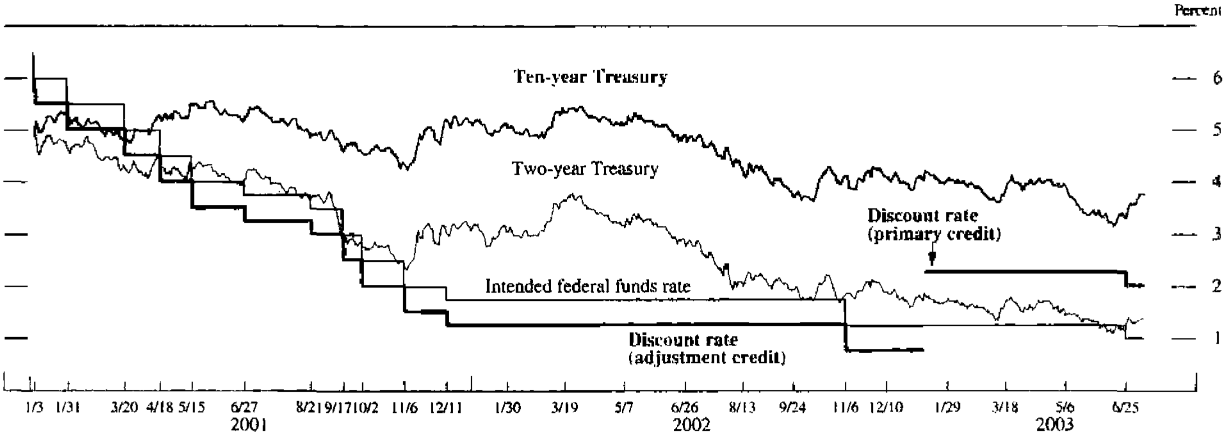
At the time of the June FOMC meeting, the available evidence did not yet compellingly demonstrate that a material step-up in economic growth was under way, though some indicators did point to a firming in spending and a stabilization in the labor and product markets. The Committee concluded that a slightly more expansive monetary policy would be warranted to add further support to the economic expansion. The Committee's assessment and ranking of the risks to the outlook for economic growth and inflation were the same as in May.

The Federal Reserve expects economic activity to strengthen later this year and in 2004, in part because of the accommodative stance of monetary policy and the broad-based improvement in financial conditions. In addition, fiscal policy is likely to be stimulative as the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 go into effect and as defense spending continues to ramp up. Severe budgetary pressures are causing state and local governments to cut spending and to increase taxes and fees, but these actions should offset only a portion of the impetus from the federal sector. Moreover, the continued favorable performance of productivity growth should lift household and business incomes and thereby encourage capital spending. Given the ongoing gains in productivity and the existing margin of resource slack, aggregate demand could grow at a solid pace for some time before generating upward pressure on inflation.

Monetary Policy, Financial Markets, and the Economy over the First Half of 2003

During the weeks before the January meeting of the FOMC, geopolitical developments and the uneven

Selected interest rates



NOTE. The data are daily and extend through July 9, 2003. The dates on the horizontal axis are those of scheduled FOMC meetings and of any intermeeting policy actions. On January 9, 2003, the Federal Reserve changed the main credit program offered at the discount window by terminating the adjustment credit program and beginning the primary credit program.

tone of economic data releases created substantial uncertainty. Businesses had continued to reduce their payrolls and postpone capital expenditures. However, the absence of fresh revelations of lapses in corporate governance or accounting problems and some increased appetite for risk on the part of investors helped push down yields on corporate debt, which encouraged firms to issue bonds to reduce their financing costs and restructure their balance sheets. Meanwhile, moderate gains in household income and historically low mortgage rates underpinned still-considerable demand for housing. Retail sales, particularly those of motor vehicles, also were strong at the end of 2002 despite some drop-off in consumer confidence. Core inflation seemed to be on a declining trend, although the foreign exchange value of the dollar had depreciated, and top-line inflation was being boosted by a sizable run-up in energy prices. The substantial slack in resource utilization, as well as the solid gains in labor productivity, led members to the view that consumer price inflation—by then already very low—was unlikely to increase meaningfully. Against that backdrop, the Committee members continued to believe that economic fundamentals were in place to support a pickup in the growth of economic activity during the year ahead. Accordingly, the FOMC decided at the January meeting to leave interest rates unchanged and assessed the risks as balanced with respect to its dual goals of sustainable economic growth and price stability.

In subsequent weeks, economic performance proved disappointing. The increasing likelihood of war in Iraq was accompanied by a steep rise in crude oil prices and considerable volatility in financial markets. For much of that period, investors sought the relative safety of fixed-income instruments; that preference induced declines in yields on Treasury securities and high-quality corporate bonds and a drop in stock prices. Consumer outlays also softened after January, although low mortgage rates and rising incomes were still providing support for household spending. Businesses continued to trim workforces and cut capital spending.

When the Committee met on March 18, full-scale military conflict in Iraq seemed imminent. In an environment of considerable uncertainty, the FOMC had to weigh whether economic sluggishness was largely related to worries about the war, and hence would lift once the outcome was decided, or was indicative of deep-seated restraints on economic activity. The Committee, which reasoned that it could not make such a distinction in the presence of so much uncertainty, left the funds rate unchanged and declined to characterize the balance of risks with respect to its dual goals. However, the Committee noted that, given the circumstances, heightened surveillance would be particularly informative, and it held a series of conference calls during late March and April to discuss the latest economic developments.

Some of the uncertainty was resolved by the quick end to major military action in Iraq. Equity prices and consumer confidence rose while oil prices and risk spreads on corporate debt fell. Fiscal policy seemed set to become even more stimulative given the prospect of increased spending on defense and homeland security as well as the likely enactment of additional tax cuts. Part of the federal stimulus, however, was thought likely to be offset by the efforts of state and local governments to close their budget gaps.

Economic reports were generally disappointing. Industrial production declined in March, and capacity utilization fell to a twenty-year low. The employment reports for March and April indicated that private nonfarm payrolls had continued to fall. Although order backlogs for nondefense capital goods had risen recently, businesses generally remained reluctant to invest in new capacity.

In light of the financial and policy stimulus already in place, the FOMC left the federal funds rate unchanged at its May meeting. To provide more specific guidance about its views, the FOMC included in its announcement separate assessments of the risks to the outlook for economic growth and inflation as well as the overall balance between the two. The Committee viewed the upside and downside risks to economic growth as balanced, but it perceived a higher probability of an unwelcome substantial fall in inflation than of a pickup in inflation from its current low level. The Committee considered that the overall balance of risks to its dual objectives was weighted toward weakness. That said, members concluded that there was only a remote possibility that resource utilization would remain so low that the disinflation process would cumulate to produce a declining overall price level for an extended period.

Financial market participants reacted strongly to this characterization of risks, believing that the Committee's focus on leaning against appreciable disinflation implied that monetary policy would be more accommodative and remain so for longer than previously thought. Investors pushed down the expected path of the federal funds rate in the weeks following the meeting. Intermediate- and long-term interest rates fell significantly and spurred another round of long-term bond issuance. The resulting decline in real interest rates helped sustain the rally in equity prices.

Between the May and June meetings, a few tentative signs suggested that the pace of economic activity might be firming. Industrial production and retail sales edged up in May, available data indicated that employment had stopped declining, residential investment remained strong, and survey measures of consumer sentiment and business conditions were well above the levels of earlier in the year. Financial conditions had improved markedly, but businesses reportedly remained somewhat averse to new investment projects, in part because of significant unused capacity. They also seemed reluctant to expand their workforces until they viewed a sustained pickup in aggregate demand as more certain.

With inflation already low and inflation expectations subdued, the Committee judged that it would be prudent to add further support for economic expansion, and it lowered the target for the federal funds rate 25 basis points, to 1 percent. The FOMC continued to view the risks to economic growth as balanced and again noted that the minor probability of substantial further disinflation exceeded the probability of a pickup in inflation from its current low level. But because of the considerable amount of economic slack prevailing and the economy's ability to expand without putting upward pressure on prices, the Committee indicated that the small chance of an unwelcome substantial decline in the inflation rate was likely to remain its predominant concern for the foreseeable future.

Economic Projections for 2003 and 2004

The members of the Board of Governors and the Federal Reserve Bank presidents, all of whom participate in the deliberations of the FOMC, expect economic activity to accelerate in the second half of this year and to gather additional momentum in 2004. The central tendency of the FOMC participants' forecasts for the increase in real GDP over the four quarters of 2003 spans a narrow range of 2½ percent to 2¾ percent, which, given the modest increase in real GDP in the first quarter, implies a noticeable pickup in growth as the year progresses. The central tendency for projections of real GDP growth in 2004 spans a range of 3¾ percent to 4¾ percent. The civilian unemployment rate is expected to be between

Economic projections for 2003 and 2004

Percent

Indicator	Federal Reserve Governors and Reserve Bank presidents: Range	Central tendency
	2003	
Change, fourth quarter to fourth quarter[1]		
Nominal GDP	3½–4¾	3¾–4½
Real GDP	2¼–3	2½–2¾
PCE chain-type price index	1–1¾	1¼–1½
Average level, fourth quarter		
Civilian unemployment rate	6–6¼	6–6¼
	2004	
Change, fourth quarter to fourth quarter[1]		
Nominal GDP	4¾–6½	5¼–6¼
Real GDP	3½–5¼	3¾–4¾
PCE chain-type price index	¾–2	1–1½
Average level, fourth quarter		
Civilian unemployment rate	5½–6¼	5½–6

1. Change from average for fourth quarter of previous year to average for fourth quarter of year indicated.

6 percent and 6¼ percent in the fourth quarter of 2003 and to decline to between 5½ percent and 6 percent by the fourth quarter of 2004.

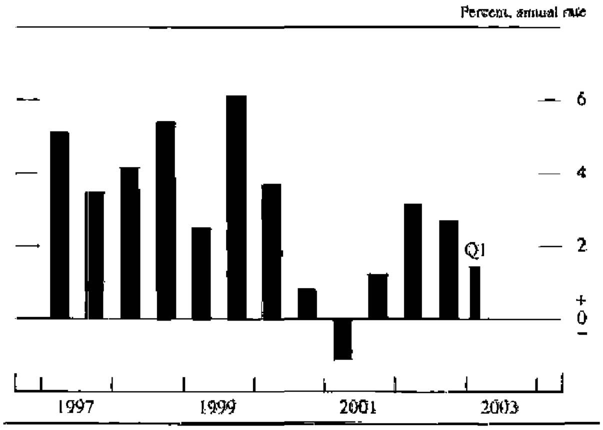
Inflation is anticipated to be quite low over the next year and a half. The chain-type price index for personal consumption expenditures (PCE) rose 1¾ percent over the four quarters of 2002, and most FOMC participants expect inflation to run somewhat lower this year and then to hold fairly steady in 2004. The central tendency of projections for PCE inflation is 1¼ percent to 1½ percent in 2003 and 1 percent to 1½ percent in 2004.

Economic and Financial Developments in 2003

Economic activity in the United States remained sluggish in the first half of 2003. Businesses continued to be reluctant to undertake new projects given the unusual degree of uncertainty in the economic environment, and the softness in activity abroad crimped the demand for U.S. exports. However, consumer spending grew moderately, housing activity retained considerable vigor, and defense spending picked up. Real GDP rose at an annual rate of just 1½ percent in the first quarter and appears to have posted another modest gain in the second quarter. With output growth remaining tepid and labor productivity rising at a fairly robust pace, firms continued to trim payrolls in the first half of 2003, though job losses in the private sector were a little smaller than they had been, on average, in 2002.

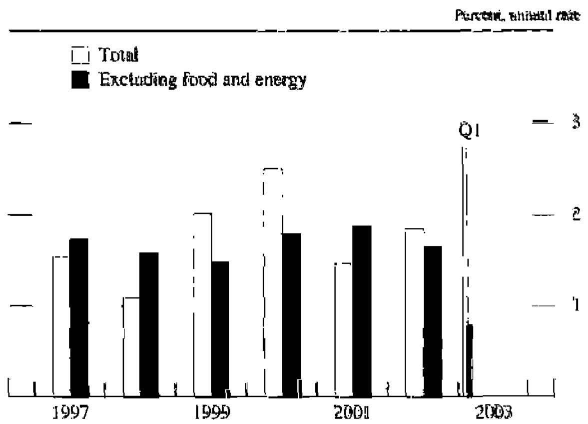
For much of the first half of the year, headline inflation news was shaped by movements in energy

Change in real GDP



NOTE. Here and in subsequent charts, except as noted, change for a given period is measured to its final quarter from the final quarter of the preceding period.

Change in PCE chain-type price index



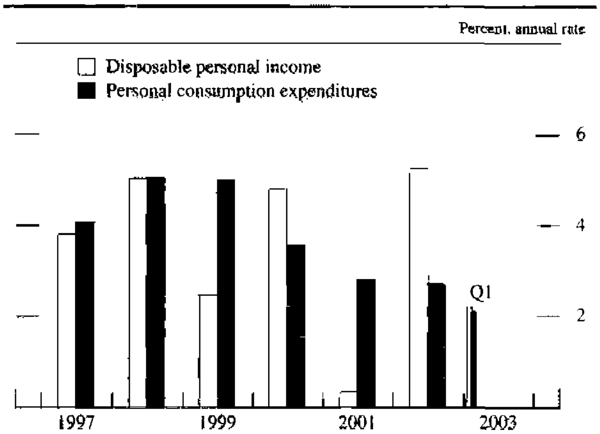
NOTE. The data are for personal consumption expenditures (PCE).

prices, which soared during the winter, retreated during the spring, and more recently firmed. Core inflation—which excludes the direct effects of food and energy prices—was held to a low level by slack in resource utilization and continued sizable advances in labor productivity.

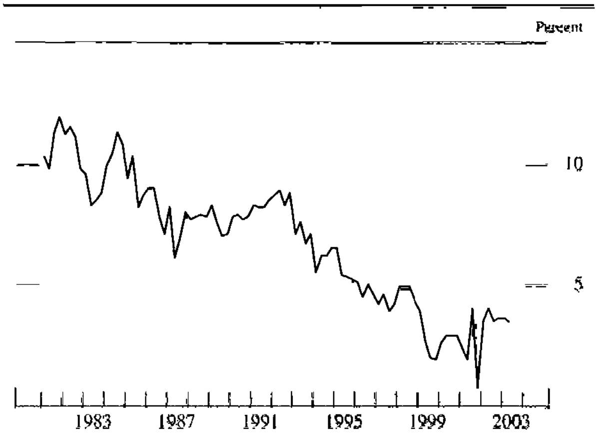
As a result of slow economic growth and the prospect that inflation would remain very subdued, the federal funds rate was maintained at the accommodative level of 1¼ percent for much of the first half of the year. Intermediate- and longer-term yields declined, in some cases to their lowest levels on record. Equity prices, which through mid-March had fallen in response to weaker-than-expected economic news and rising geopolitical tensions, began a broad rally as it became clear that the war in Iraq would begin imminently. The apparent increase in investors' appetite for risk also helped push down risk spreads on corporate bonds and triggered inflows to equity and high-yield bond mutual funds. Since the beginning of the year, the foreign exchange value of the dollar has depreciated nearly 5 percent against the broad group of currencies of our major trading partners.

Households and businesses have taken advantage of the decline in intermediate-term and long-term interest rates from their already low levels, mostly by refinancing debt at ever more favorable rates. Partly as a result, household credit quality was little changed over the first half of the year, and household debt continued to expand at a rapid pace as mortgage interest rates fell to their lowest levels in more than three decades. Business balance sheets strengthened noticeably, and many measures of corporate credit performance showed some improvement. Still, net borrowing by businesses continued to be damped by the softness in investment spending.

Change in real income and consumption



Personal saving rate



NOTE. The data are quarterly; the reading for 2003:Q2 is the average for April and May.

The Household Sector

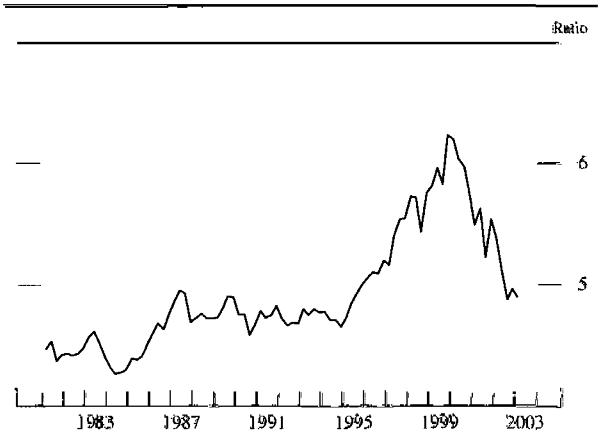
Consumer Spending

Consumer spending continued to increase in the first half of 2003, though not as quickly as in the past few years. In total, real personal consumption expenditures (PCE) rose at an annual rate of 2 percent in the first quarter and likely posted another moderate advance in the second quarter. Purchases of new light motor vehicles were sustained by the automakers' use of increasingly aggressive price and financing incentives. Spending on goods other than motor vehicles rose briskly in the first quarter, though that was largely because of the high level of spending around the turn of the year; the data through May suggest a further increase for this category in the second quarter. In contrast, outlays on services rose only slowly over the first five months of the year as weakness lingered in a number of categories, including air travel and recreation.

The rise in real consumption expenditures so far in 2003 has about matched the growth in real disposable personal income (DPI), which has been restrained by the poor job market and by the surge in consumer energy prices early in the year. Real DPI rose about 2¼ percent at an annual rate between the fourth quarter of 2002 and May after having increased at a considerably faster pace in 2002; the larger increase in real DPI in 2002 in part reflected the effects of the tax cuts enacted in 2001.

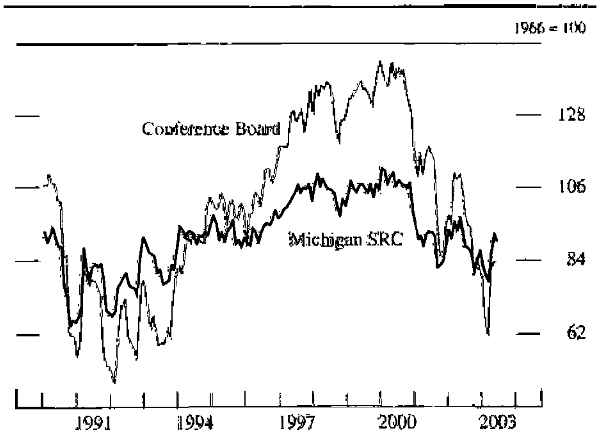
Among other key influences on consumption, household wealth grew about in line with nominal DPI in the fourth quarter of 2002 and the first quarter of 2003 after having fallen sharply over the preceding two years. While the rebound in the stock market in the second quarter should help the wealth-to-income ratio recoup some of the ground it lost earlier, households likely have not yet completed the adjustment of

Wealth-to-income ratio



NOTE. The data are quarterly and extend through 2003:Q1. The wealth-to-income ratio is the ratio of household net worth to disposable personal income.

Consumer sentiment



NOTE. The data are monthly and extend through June 2003.
SOURCE. University of Michigan Survey Research Center and The Conference Board.

their spending to the earlier drop in wealth. Meanwhile, the high level of mortgage refinancing in recent quarters has bolstered consumer spending by allowing homeowners to reduce their monthly payments, pay down more costly consumer debt, and in many cases cash out some of the equity that has accumulated during the upswing in house prices over the past few years. Reflecting these influences, the personal saving rate averaged 3½ percent over the first five months of the year—about the same as the annual average for 2002 but more than 1 percentage point above that for 2001.

Consumer confidence, which has exhibited some sharp swings in recent years, remained volatile in the first half of 2003. After having declined markedly over the second half of 2002, survey readings from both the Michigan Survey Research Center and the Conference Board took another tumble early this year on concerns about the potential consequences of a war in Iraq. With the combat in Iraq largely over and the stock market recovering, confidence rose appreciably, on net, in the spring.

Residential Investment

Housing activity remained robust in the first half of this year, as very low mortgage interest rates apparently offset much of the downward pressure from the soft labor market. In the single-family sector, starts averaged an annual rate of 1.39 million units over the first five months of the year—2 percent greater than the rapid pace for 2002 as a whole. In addition, sales of new and existing homes moved to exceptionally high levels. According to the Michigan survey, consumers' assessments of homebuying conditions currently are very favorable, mainly because of the low mortgage rates.

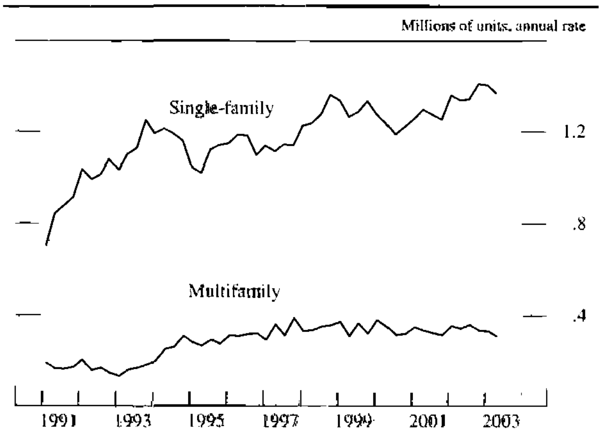
The available indicators provide differing signals on the magnitude of recent increases in home prices, but, in general, they point to smaller gains than those recorded a year or two ago. Notably, over the year ending in the first quarter, the constant-quality price index for new homes rose just 2½ percent, one of the lowest readings of the past few years. Meanwhile, the four-quarter increase in the repeat-sales price index for existing homes, which topped out at 8½ percent in 2001, was 6½ percent in the first quarter. Still, the share of income required to finance the purchase of a new home, adjusted for variations over time in structural characteristics, has continued to move down as mortgage rates have dropped, and it is now very low by historical standards.

Activity in the multifamily sector appears to have slipped somewhat this year, perhaps in part because the strong demand for single-family homes may be cutting into the demand for apartments. Multifamily starts totaled 325,000 units at an annual rate over the first five months of the year, a pace 6 percent below that for 2002 as a whole. In addition, vacancy rates for multifamily rental properties rose further in the first quarter, and apartment rents continued to fall.

Household Finance

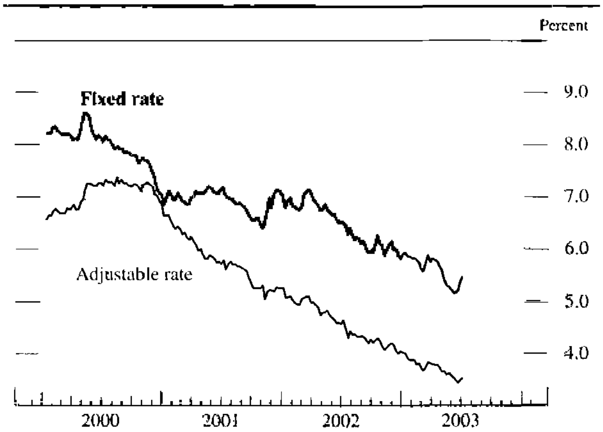
Household real estate debt grew rapidly in the first half of the year with the support of the brisk pace of home sales, rising home prices, and falling mortgage interest rates. Indeed, according to Freddie Mac, the average rate on thirty-year conventional home mortgages fell sharply until June, though it has edged

Private housing starts



NOTE. The data are quarterly; the readings for 2003:Q2 are the averages for April and May.

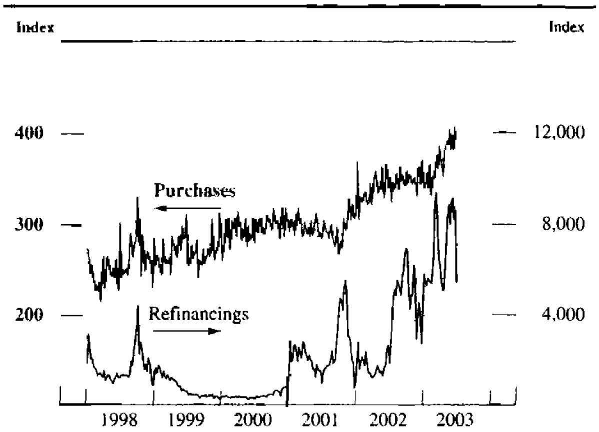
Mortgage rates



NOTE. The data, which are weekly and extend through July 9, 2003, are contract rates on thirty-year mortgages.

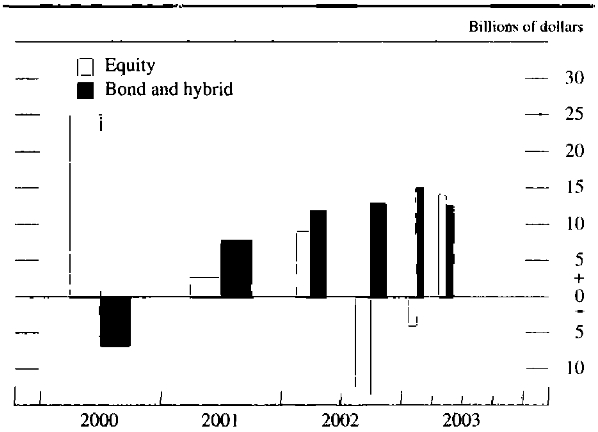
SOURCE. Federal Home Loan Mortgage Corporation.

Mortgage applications for purchases and refinancings



NOTE. The data are weekly and extend through July 4, 2003. The index for purchases is seasonally adjusted by Federal Reserve Board staff.
SOURCE. Mortgage Bankers Association.

Mutual fund investment flows



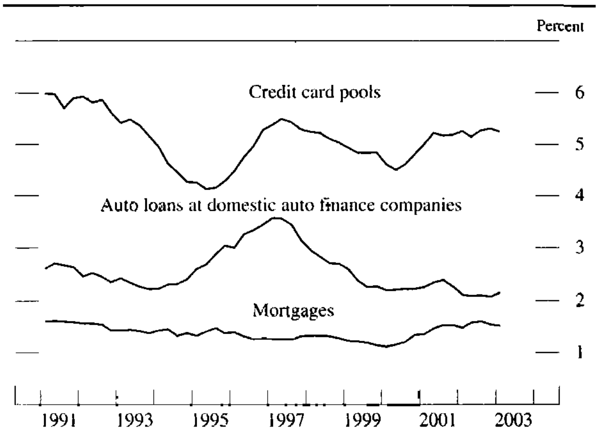
NOTE. Data are expressed at a monthly rate. Estimates for 2003:Q2 are based on monthly data for April and May.
SOURCE. Investment Company Institute.

back up in recent weeks and now stands at about 5½ percent. Applications for mortgages to purchase homes rose well above the already elevated level of last year. Sales of existing homes, in particular, add significantly to the level of mortgage debt because the purchaser's mortgage is typically much larger than the seller's had been. The pace of mortgage refinancing—which adds to borrowing because households often increase the size of their mortgages when they refinance—set consecutive quarterly records in the first and second quarters of 2003 in response to the declines in mortgage rates. According to Freddie Mac, more than 40 percent of the refinancings in the first quarter were "cash-out" refinancings, and the amount of equity extracted likely set a record in the first half of this year. The combination of rising home prices and low interest rates also energized home equity lending during the first half of 2003.

A major use of the proceeds from both cash-out refinancing and home equity loans reportedly has been to pay down credit card and other higher-cost consumer debt. Indeed, in line with those reports, consumer debt advanced at a relatively subdued 4½ percent annual rate in the first quarter. The growth of revolving debt was about 5 percent at an annual rate, and nonrevolving debt expanded at a 3½ percent annual rate. The growth of consumer debt picked up in the spring; the acceleration in part reflected somewhat higher motor vehicle sales that boosted the nonrevolving component, which in turn offset a deceleration in revolving credit. Meanwhile, the average interest rates charged on credit cards and on new car loans at auto finance companies this year have remained near the low end of their recent ranges.

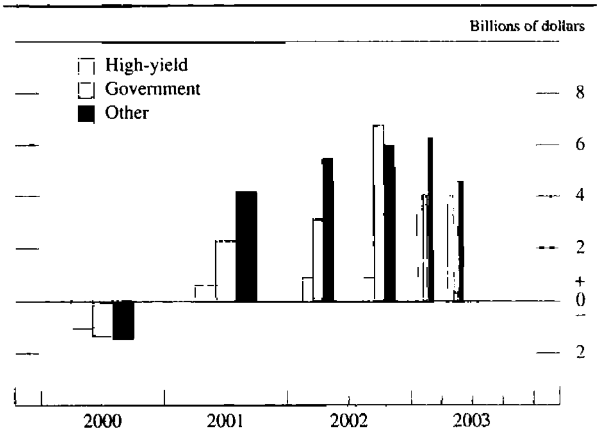
In total, household debt grew at a 10 percent annual rate in the first quarter, a pace about unchanged from

Delinquency rates on selected types of household loans



NOTE. The data are quarterly and extend through 2003:Q1.
SOURCE. For mortgages, the Mortgage Bankers Association; for auto loans, the Big Three automakers; for credit cards, Moody's Investors Service.

Bond mutual fund investment flows



NOTE. Data are expressed at a monthly rate. Estimates for 2003:Q2 are based on monthly data for April and May.
SOURCE. Investment Company Institute.

last year's. Despite the marked rise of this debt over the past several quarters, the aggregate debt-service burden of households ticked down in both the fourth quarter of 2002 and the first quarter of this year—periods during which borrowing rates fell and the average maturity of household debt rose. Although households continued to borrow at a rapid pace in the second quarter, the declines in mortgage interest rates and an elevated level of refinancing imply that the debt-service burden was likely little changed.

The credit quality of household debt remained fairly stable in the first quarter. The delinquency rates both on residential mortgages and on credit card loans edged down in the first quarter, though persistently high delinquencies among subprime borrowers remain a problem area. Delinquency rates on auto loans at captive finance companies have edged up in recent months from their very low levels of the past few years. However, lenders probably anticipated some increase as the plethora of new vehicle loans issued in late 2001 and early 2002 seasoned. The fact that a large number of households declared bankruptcy in the first half of the year suggests that some households continue to experience considerable distress.

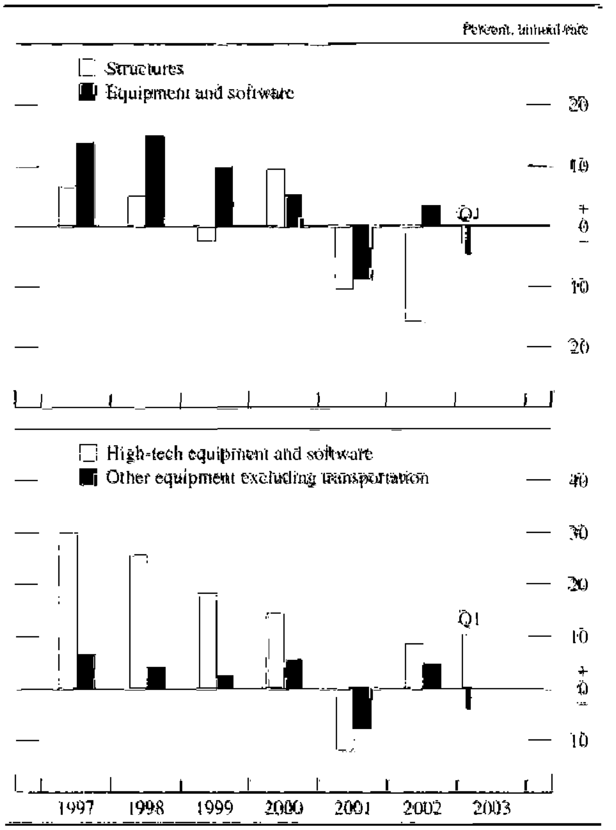
In a continuation of the trend during the second half of 2002, households invested heavily in bond mutual funds—and relatively safe bond funds at that—during the first quarter of 2003 and disinvested from equity funds. However, starting in March, households showed a growing willingness to purchase shares of riskier funds. As corporate credit quality improved and risk-free interest rates fell to record lows, a significantly larger portion of the investment in bond mutual funds flowed into corporate bond funds—including high-yield funds—at the expense of government bond funds. Inflows to equity mutual funds reportedly resumed in mid-March and continued through June.

The Business Sector

Fixed Investment

Investment in equipment and software (E&S) continues to languish. Firms reportedly remain reluctant to undertake new projects because of the uncertainty about the economic outlook and heightened risk aversion in the wake of last year's corporate governance and accounting problems. Excess capacity—in addition to being a factor weighing on nonresidential construction—also is limiting demand for some types of equipment, most notably in the telecommunica-

Change in real business fixed investment



Note. High-tech equipment consists of computers and peripheral equipment and communications equipment.

tions area. But other key determinants of equipment spending are reasonably favorable. The aggressive actions taken by firms over the past few years to boost productivity and trim costs have provided a lift to corporate profits and cash flow. In addition, low interest rates and a rising stock market are helping hold down firms' cost of capital, as is the partial-expensing investment tax incentive. In addition, technological advances continue to depress the relative price of computers at a time when stretched-out replacement cycles have apparently widened the gap between the latest technology and that embodied in many of the machines currently in use.

Real spending on E&S fell at an annual rate of nearly 5 percent in the first quarter. The outlays were restrained by a sharp decline in spending on transportation equipment, especially motor vehicles; excluding that category, spending posted a small gain. Real outlays on high-tech equipment and software rose at an annual rate of about 11 percent in the first quarter, a bit faster than they had in 2002. Real purchases of computers and peripheral equipment remained on the moderate uptrend that has been evident since such spending bottomed out in 2001, and outlays on communications equipment picked up after an extended period of weakness. Meanwhile, investment outside the transportation and high-tech areas dropped back a bit.

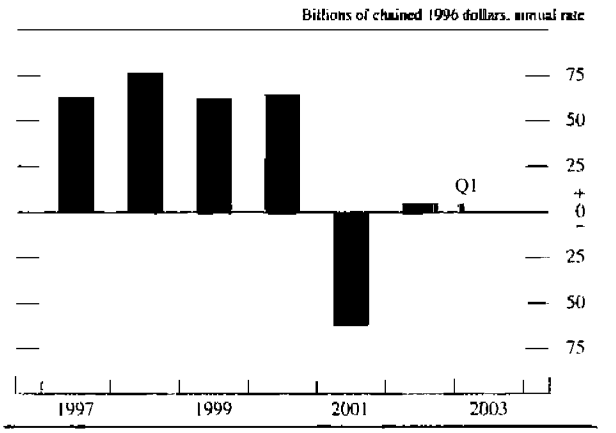
Real E&S spending appears to have turned up in the second quarter, in part because of a step-up in the pace of real computer investment. However, incoming data suggest that outlays on communications equipment did not repeat their first-quarter spurt. The data on shipments of capital goods point to moderate increases in spending outside of high-tech and transportation in the second quarter; moreover, backlogs of unfilled orders for equipment in this broad category have risen some this year after having declined over the preceding two years.

Nonresidential construction remained weak in the first half of 2003. Although real construction outlays were off only a little in the first quarter, they had fallen nearly 16 percent in 2002, and partial data for the second quarter point to continued softness. The downturn in spending has been especially pronounced in the office sector, where vacancy rates have surged and rents have plunged. Spending on industrial facilities also has fallen dramatically over the past couple of years; it has continued to contract in recent quarters and is unlikely to improve much in the absence of a significant rise in factory operating rates. Construction expenditures on other commercial buildings (such as those for retail, wholesale, and warehouse space), which had declined less than did outlays for other major categories of nonresidential construction over the past couple of years, moved up in the first quarter of 2003, but they too have shown some renewed softness lately. One bright spot is the drilling and mining sector, in which outlays have risen sharply this year in response to higher natural gas prices.

Inventory Investment

Most businesses have continued to keep a tight rein on inventories after the massive liquidation in 2001. Real inventory investment in the first quarter was a meager $5 billion at an annual rate and occurred entirely in the motor vehicle industry, where sagging sales and ambitious production early in the year created a noticeable bulge in dealer stocks, especially of light trucks. In the second quarter, the automakers reduced assemblies and expanded incentives to bolster sales, but these steps were sufficient only to reduce stocks a little, and inventories remained high relative to sales through June. Apart from the motor vehicle industry, firms reduced stocks, on net, over the first five months of 2003, and, with only a few exceptions, inventories appear reasonably well aligned with sales.

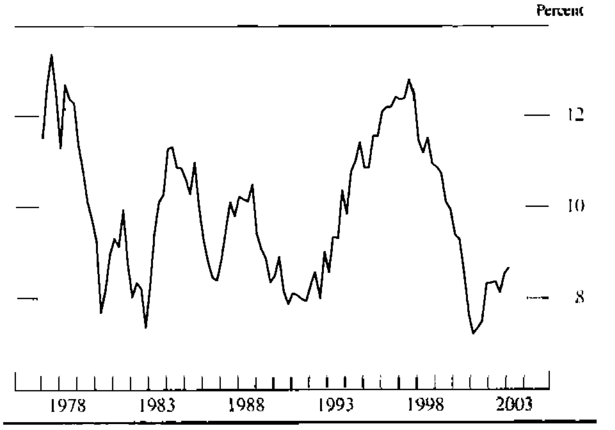
Change in real business inventories



Corporate Profits and Business Finance

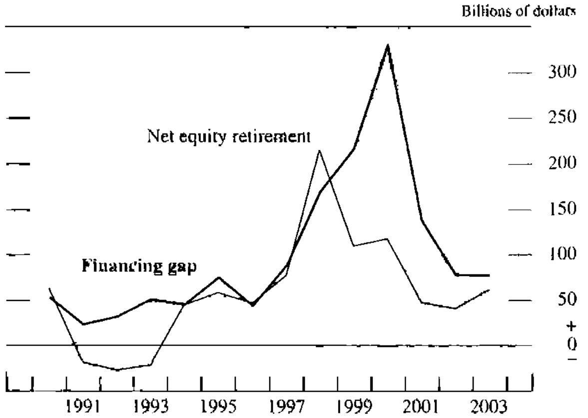
Before-tax profits of nonfarm, nonfinancial corporations grew at a 6½ percent annual rate in the first quarter of 2003, and they constituted 8½ percent of the sector's first-quarter GDP, the highest proportion since the third quarter of 2000. Focusing on the companies that make up the S&P 500, earnings per share for the first quarter were up about 7 percent at a quarterly rate from the fourth quarter of 2002 and were 11 percent higher than four quarters earlier. Although oil companies accounted for the majority of the four-quarter increase, earnings from the financial, utility, and consumer durable sectors were also strong

Before-tax profits of nonfinancial corporations as a percent of sector GDP



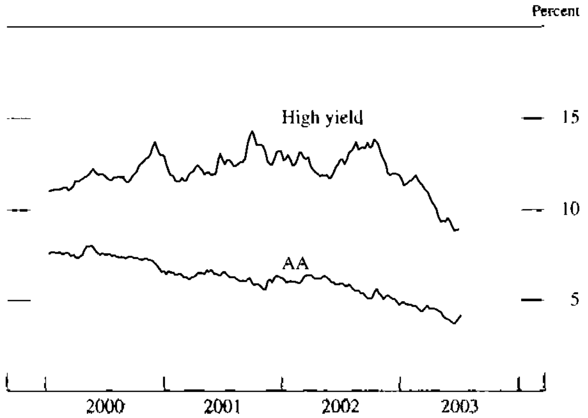
NOTE. The data are quarterly and extend through 2003:Q1. Profits are from domestic operations of nonfinancial corporations, with inventory valuation and capital consumption adjustments.

Financing gap and net equity retirement at nonfarm nonfinancial corporations



NOTE. The data are annual through 2002; for 2003, they are estimates based on data from 2003:Q1. The financing gap is the difference between capital expenditures and internally generated funds. Net equity retirement is the difference between equity retired through share repurchases, domestic cash-financed mergers, or foreign takeovers of U.S. firms and equity issued in public or private markets, including funds invested by venture capital partnerships.

Corporate bond yields



NOTE. The data are weekly averages and extend through July 9 except for the high-yield series, which extends through July 7. The AA rate is calculated from bonds in the Merrill Lynch AA index with seven to ten years of maturity remaining. The high-yield rate is the yield on the Merrill Lynch 175 high-yield index.

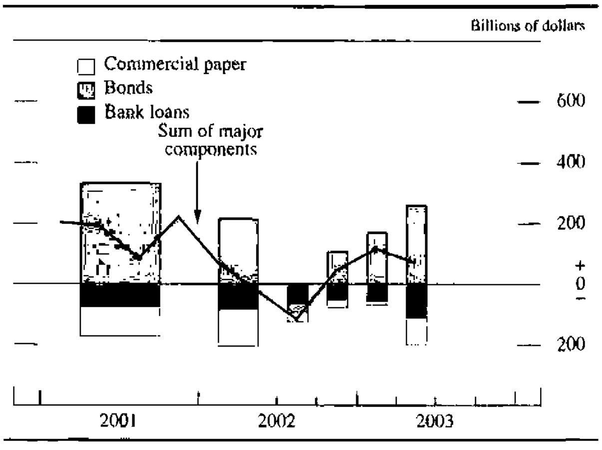
and exceeded the market's conservative expectations by larger-than-usual margins. The recent depreciation of the dollar substantially boosted revenues of U.S. multinational corporations, but the hedging of currency risk likely limited the extent to which sales gains showed through to profits.

Net equity retirements in the first quarter of 2003 were probably a shade larger than in the fourth quarter of 2002, as the decline in gross new issuance more than offset lower gross retirements. Equity retirements from cash-financed mergers were a bit below their pace in the past two years, and share repurchases appear to be running somewhat slower as well. Volatile and declining equity prices in the first quarter brought initial public offerings (IPOs) to a standstill during the first four months of this year. One small IPO was undertaken in May, and another one came to market in June. With regard to seasoned equity offerings, a war-related lull in March and April held the average monthly pace of issuance this year well below last year's level. Most of these offerings have been from energy firms and utilities that have used the proceeds primarily to reduce leverage and increase liquidity.

The net debt growth of nonfinancial corporate business was just 3 percent at an annual rate in the first quarter, as rising profits and lower outlays for fixed and working capital held down corporations' need for external funds. Nonetheless, low interest rates continued to attract firms to the bond market during the first half of 2003, and issuance ran well ahead of its rate of the second half of 2002. Moreover, a large fraction of the issues were from below-investment-grade firms, which likely were responding to the even sharper fall in their borrowing rates than investment-grade firms enjoyed. A substantial portion of the proceeds of recent bond issues have been slated to pay down commercial paper and commercial and industrial (C&I) loans, and each of those components contracted markedly during the first half of the year. Another factor contributing to the weakening in demand for C&I loans this year was the absence of merger and acquisition activity, according to the Federal Reserve's Senior Loan Officer Opinion Survey on Bank Lending Practices.

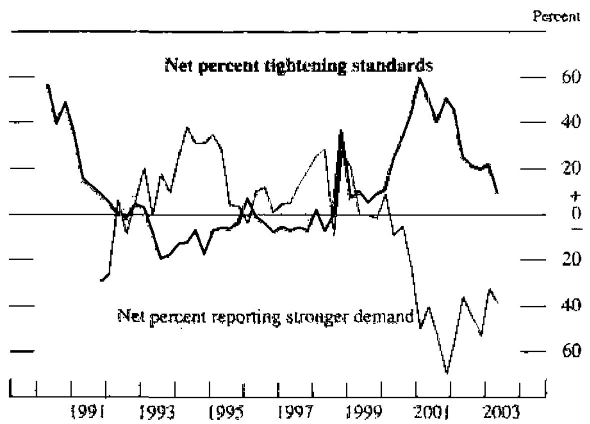
The runoff in C&I loans appears related more to a decrease in demand than to a tightening of supply

Major components of net business financing



NOTE. Seasonally adjusted annual rate for nonfarm nonfinancial corporate business. The sum of major components is quarterly. The data for 2003:Q2 are estimated.

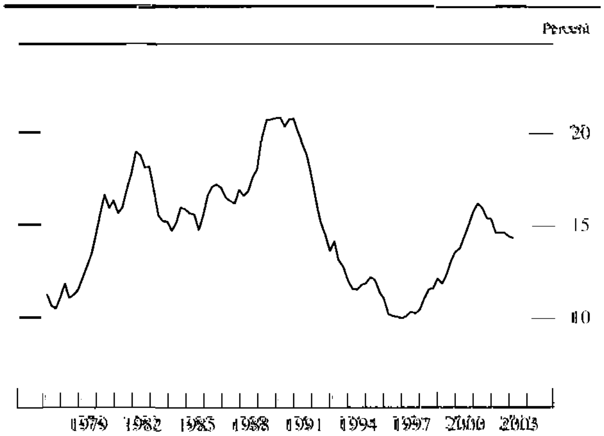
Standards and demand for C&I loans to large and medium-sized firms at domestic banks



NOTE. The data are based on a survey generally conducted four times per year; the last reading is from the April 2003 survey. Large and medium-sized firms are those with annual sales of $50 million or more. Net percentage is the percentage reporting a tightening less the percentage reporting an easing.
SOURCE. Federal Reserve, Senior Loan Officer Opinion Survey on Bank Lending Practices.

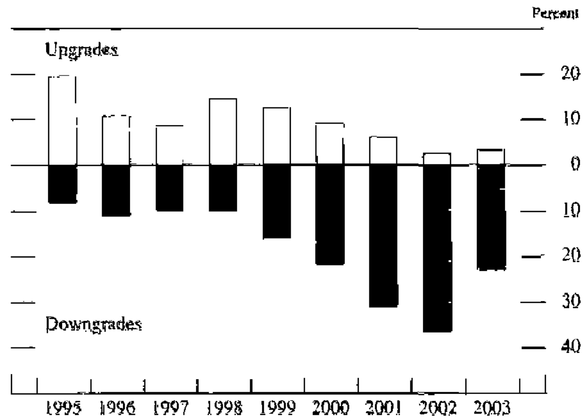
conditions, and bank credit appears to remain available for qualified business borrowers. The net fraction of banks in the Senior Loan Officer Opinion Survey that reported having tightened lending standards and terms on C&I loans during the first part of the year decreased markedly, and the Survey of Small Business by the National Federation of Independent Business showed that the net percentage of small businesses believing credit had become more difficult to obtain hovered near the middle of its recent range. Moreover, in the April Senior Loan Officer Opinion Survey, a number of banks reported that they had eased lending terms in response to increased competition for C&I loans from nonbank lenders. Indeed, data from Loan Pricing Corporation indicate that

Net interest payments of nonfinancial corporations relative to cash flow



NOTE. The data are quarterly and extend through 2003:Q1.

Ratings changes of nonfinancial corporations

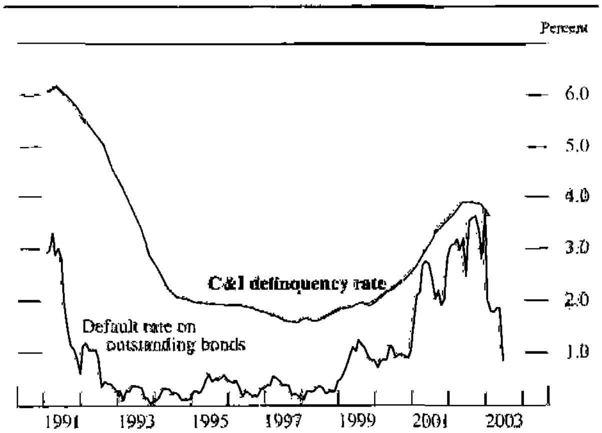


NOTE. Data are at an annual rate; for 2003, they are the annualized values of monthly data through May. Debt upgrades and downgrades are expressed as a percentage of the par value of all bonds outstanding.
SOURCE. Moody's Investors Service.

nonbank financial institutions purchased a record amount of new syndicated loans during the first quarter of this year; the buyers were reportedly attracted in part by improving liquidity in the secondary loan market.

The decline in both short- and long-term interest rates, combined with slow increases in total business debt, contributed to a further reduction in the net interest burden of nonfinancial corporations during the first quarter. Moreover, by issuing bonds and paying down short-term debt, businesses have substantially lengthened the overall maturity of their debt, thus reducing their near-term repayment obligations. These developments, together with higher prof-

Default rate on outstanding bonds and C&I delinquency rate



NOTE. The default rate is monthly and extends through June 2003. The C&I delinquency rate is quarterly and extends through 2003:Q1. The default rate for a given month is the face value of bonds that defaulted in the six months ending in that month divided by the face value of all bonds outstanding at the end of the calendar quarter immediately preceding the six-month period.

itability, have helped most measures of corporate credit performance to improve this year. The number of ratings downgrades continued to exceed upgrades but by a notably smaller margin than last year. The six-month trailing bond default rate declined considerably in the first half of the year. The four-quarter moving average of recovery rates on defaulted bonds improved a bit in the first quarter, although it remained at the low end of its range of the past several years. The delinquency rate on C&I loans at commercial banks also moved down some in the first quarter, albeit to a level well above that of the late 1990s.

Commercial Real Estate

The growth of debt backed by commercial real estate remained robust this year despite some deterioration in that sector's underlying fundamentals. In the first quarter of 2003, the expansion of debt was driven by lending at commercial banks and was spread about equally across broadly defined types of commercial real estate loans. Although the issuance of commercial-mortgage-backed securities (CMBS) slowed somewhat in the first quarter from the rapid pace of the second half of last year, issuance appears to have rebounded strongly in the second quarter.

Despite continued increases in vacancy rates and declines in the rents charged for various types of commercial properties, the credit quality of commercial mortgages has yet to show appreciable signs of deterioration. At commercial banks, delinquency rates on commercial mortgages edged up only slightly in the first quarter of 2003 from their historically low levels of recent years. Delinquency rates on CMBS, which were stable in 2002 at about the midpoint of their recent range, have also risen just a bit this year. Respondents to the April 2003 Senior Loan Officer Opinion Survey attributed the resiliency of the credit quality of commercial real estate loans in part to borrowers' ability to refinance at lower interest rates; they also mentioned that the many borrowers with substantial equity positions in the mortgaged properties have an extra incentive to remain current. Banks also pointed to their having tightened lending standards and terms, including maximum loan-to-value ratios, well in advance of the current downturn.

In line with the assessment that, to date, credit quality in the sector remains good, spreads on CMBS over Treasuries have remained in the lower half of the ranges observed over the past few years. Market reports indicate that CMBS issuers generally have had access to terrorism insurance for the underlying properties, and the cost of that insurance has come down significantly. In addition, newly formed pools that include high-profile properties reportedly have been diversified to further protect investors from losses due to acts of terrorism.

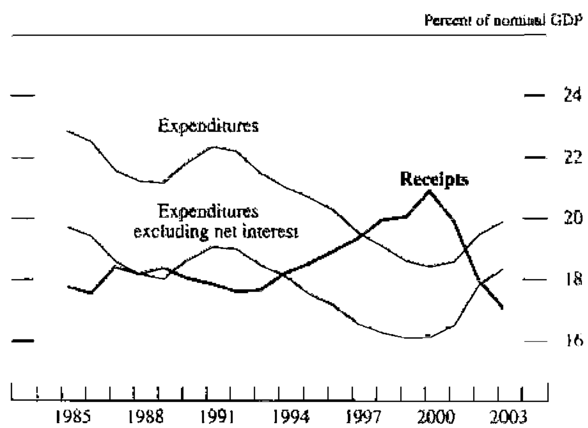
The Government Sector

Federal Government

The federal budget deficit has widened significantly as a consequence of the persistent softness in receipts and legislative actions affecting both spending and taxes. Over the first eight months of the current fiscal year—October to May—the deficit in the unified budget was $292 billion, nearly $150 billion larger than that recorded during the comparable period last year. Moreover, recent policy actions are projected to boost the deficit significantly over the remainder of the fiscal year. In particular, receipts will be reduced appreciably by several provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, including advance refund checks for the 2003 increment to the child tax credit, downward adjustments to withholding schedules for individual taxpayers, and the sweetening of the partial-expensing investment incentive for businesses. In addition, outlays will be boosted by the supplemental appropriations for defense and foreign aid and by additional grants to the states. If the latest projection from the Congressional Budget Office is realized, the unified deficit will increase from $158 billion in fiscal 2002 to more than $400 billion in fiscal 2003.

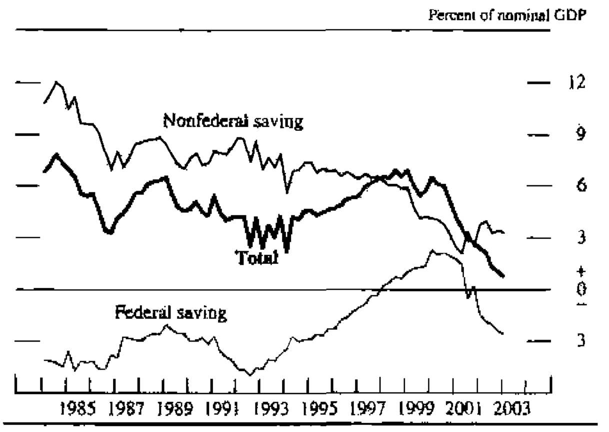
The deterioration in the unified budget has been mirrored in a sharp downswing in federal saving—

Federal receipts and expenditures



NOTE. The budget data are from the unified budget; through 2002 they are for fiscal years (October through September), and GDP is for Q4 to Q3. For 2003, the budget data are for the twelve months ending in May, and GDP is for 2002:Q2 to 2003:Q1.

Net national saving



NOTE. The data are quarterly and extend through 2003:Q1. Nonfederal saving is the sum of personal and net business saving and the current surplus or deficit of state and local governments.

essentially, the unified surplus or deficit adjusted to conform to the accounting practices followed in the national income and product accounts (NIPA). Indeed, net federal saving, which accounts for the depreciation of government capital, fell from a high of a positive 2 percent of GDP in 2000 to a negative 2½ percent of GDP in the first quarter of 2003. With little change, on balance, in nonfederal domestic saving over this period, the downswing in federal saving showed through into net national saving, which was equal to less than 1 percent of GDP in the first quarter, compared with the recent high of 6½ percent of GDP in 1998. If not reversed over the longer haul, such low levels of national saving could eventually impinge on the formation of private capital that contributed to the improved productivity performance of the past half-decade.

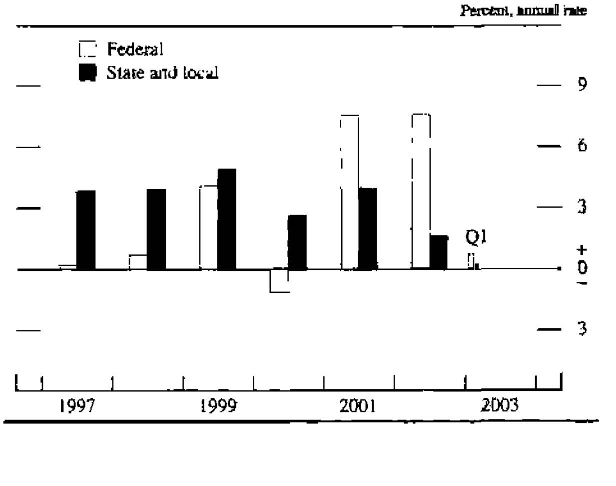
Federal receipts in the first eight months of the current fiscal year were nearly 3 percent lower than during the comparable period of fiscal 2002 after adjusting for some shifts in the timing of payments during the fall of 2001. Individual receipts were especially weak: Although withheld taxes, which tend to move in line with wages and salaries, held up fairly well (after adjusting for changes in tax law) during this period, nonwithheld payments, which are more sensitive to capital income, dropped sharply. This spring's net final payments, which are largely payments on the previous year's liabilities, were exceptionally soft for a second year in a row; in combination with the information on withheld and estimated payments, they imply that individual liabilities continued to shrink as a percentage of the NIPA tax base in 2002. The substantial drop in the ratio of liabilities to NIPA income over the past couple of years reflects in part a reversal of the capital gains bonanza of the late 1990s and the tax reductions enacted in 2001. (Capital gains are not included in the NIPA income measure, which, by design, includes only income from current production.) In addition, the change in the distribution of income in the late 1990s, which concentrated more income in the upper tax brackets, may have been reversed some during the past couple of years.

Federal spending during the first eight months of fiscal year 2003 was 6½ percent higher than during the same period last year; excluding the drop in net interest outlays, spending was more than 7½ percent higher. Spurred by the war in Iraq, defense spending has moved up another 15 percent thus far this year; outlays for homeland security have risen briskly as well. Expenditures for income security programs, which include the temporary extended unemployment compensation program, also have risen at a fairly rapid rate. Though growth in spending on Medicare and Medicaid, taken together, has slowed a bit this year, the rising cost and utilization of medical care continue to put upward pressure on these programs.

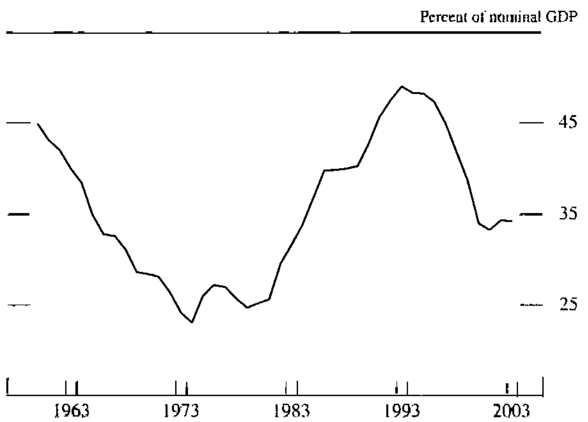
Expenditures for consumption and gross investment, the part of federal spending that is included in GDP, rose just slightly in real terms in the first quarter as a sizable increase in nondefense purchases was nearly offset by a surprising decline in defense spending. The dip in defense spending followed several quarters of large increases; with the supplemental appropriation in place, defense spending in the second quarter appears to have resumed its rapid growth.

Federal debt held by the public advanced at a 2¼ percent annual rate in the first quarter and remained at just below 35 percent of nominal GDP.

Change in real government expenditures on consumption and investment



Federal government debt held by the public



NOTE. Through 2002, the data for debt are year-end figures, and the corresponding value for GDP is for Q4 at an annual rate; the final observation is for 2003:Q1. Excludes securities held as investments of federal government accounts.

During the first half of the year, the Treasury announced several changes in its debt management, including the reintroduction of three-year notes and regular reopenings of certain five-year and ten-year notes, to position itself better to address the widening federal deficit. These steps have the consequences of lengthening the average maturity of its outstanding debt and trimming the size of some of its auctions. The Treasury also noted that it would be increasing the frequency and size of its auctions of inflation-indexed securities.

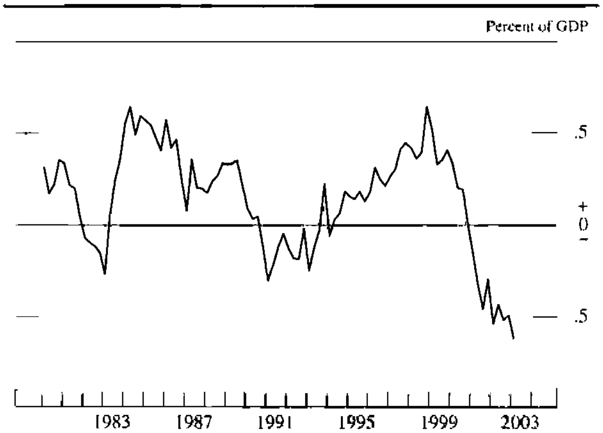
Beginning in February 2003, the Treasury needed to take steps to avoid exceeding the level of the statutory debt ceiling and employed several accounting devices to which market participants have become accustomed. It also temporarily suspended the issuance of the type of Treasury debt instrument in which the proceeds of advance refundings by state and local governments are allowed to be invested. No adverse reaction in financial markets was apparent during this period, however, and a bill increasing the debt ceiling $984 billion, to $7.384 trillion, was enacted on May 23.

State and Local Governments

On the whole, the budget situation at state and local governments remains grim. Like the federal government, states and localities were running sizable budgetary surpluses in the late 1990s and now face large deficits. After having enacted a series of tax reductions in the second half of the 1990s, they subsequently saw their receipts eroded by weak incomes and the falling stock market. At the same time, these entities boosted their outlays considerably, in large part because of rising health care costs and increased demands for security-related spending. The fiscal difficulties have been especially acute at the state level. And although local governments generally have fared somewhat better, many are now facing reductions in assistance from cash-strapped states. According to the NIPA, the state and local sector's aggregate current deficit rose to about $50 billion in 2002—or ½ percent of GDP, the largest annual deficit relative to GDP on record—and that gap exceeded $65 billion at an annual rate in the first quarter of 2003.

Almost all states and most localities are subject to balanced budget and other statutory rules that force them to address fiscal imbalances. These rules typically apply to operating budgets, and governments have taken a variety of actions to meet their budgetary requirements for fiscal 2003 and to pass acceptable budgets for fiscal 2004, which started on July 1 in most states and many localities. Strategies have included drawing upon accumulated reserves, issuing bonds, and, in some cases, using one-time measures such as moving payments into the next fiscal year and selling assets. Increases in taxes and fees also have become more widespread. Still, spending restraint has remained an important component of the adjustment. Governments—especially at the state level—have held the line on hiring and have limited their outlays for a variety of other goods and services. In the NIPA, real expenditures for consumption and gross investment in the state and local sector rose only ½ percent over the year ending in the first quarter, compared with increases averaging more than 3½ percent per year over the preceding five years.

State and local government current surplus or deficit



NOTE. The data, which are quarterly, are on a national income and product account basis and extend through 2003:Q1. The current surplus or deficit excludes social insurance funds.

Available data point to continued softness in such spending in the second quarter.

The pace of gross issuance of municipal bonds remained robust in the first half of the year; it was fueled in part by the needs of state and local governments to finance capital spending, which is not subject to balanced budget requirements. Long-term debt issuance was heavily used for new education and transportation projects. Declining yields on municipal debt and high short-term borrowing demands also provided important impetus to debt issuance. Despite continued fiscal pressures on many state and local governments, the credit quality of municipal bonds has shown some signs of stabilizing. Although the spread of BBB-rated over AAA-rated municipal bond yields has widened somewhat, the number of municipal bond upgrades by S&P has slightly exceeded the number of downgrades so far this year. The yields on municipal bonds declined more slowly than the yields on Treasury securities of comparable maturity over much of the first half of the year; these moves lowered the yield differential from the tax-advantaged status of municipal securities.

The External Sector

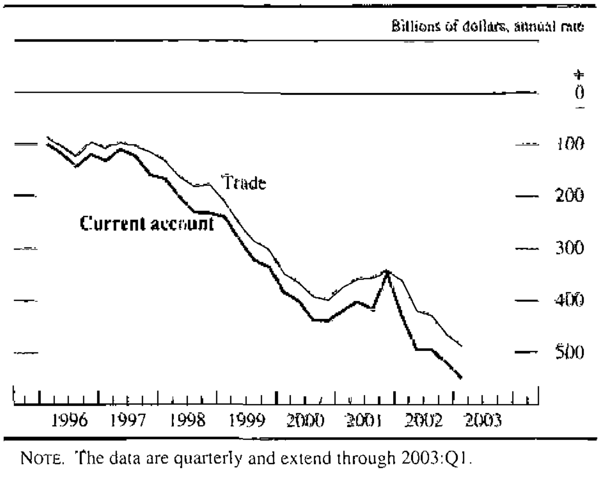
Trade and the Current Account

In the first quarter of 2003, the U.S. current account deficit amounted to $544 billion at an annual rate, or about 5 percent of GDP, a somewhat higher percentage than in any quarter of last year. The deficit on trade in goods and services widened $22 billion in the first quarter, to $486 billion, as the value of imports rose more than that of exports. U.S. net investment income registered a $16 billion surplus in the first quarter, little changed from the previous quarter but significantly larger than the outcome for last year as a whole. The increase over last year is attributable primarily to lower net interest and dividend payments. Net unilateral transfers and other income were a negative $74 billion, down from a negative $67 billion in the fourth quarter.

Real exports of goods and services fell 1¼ percent at an annual rate in the first quarter; this decline, like that in the previous quarter, reflected in part slow economic growth of our major trading partners. Within this total, exports of goods increased nearly 2 percent after declining sharply in the fourth quarter of last year. Moderate increases in most trade categories were partly offset by a decrease in exports of capital goods (particularly aircraft and computers). Meanwhile, real exports of services declined about 8 percent in the first quarter, mainly because of a drop in receipts from foreign travelers. Prices of exported goods and services, which rose nearly 4 percent at an annual rate in the first quarter, were boosted by rising prices of services and industrial supplies (mainly goods with a high energy component). Prices of exported capital goods, automotive products, and consumer goods showed little change in the first quarter.

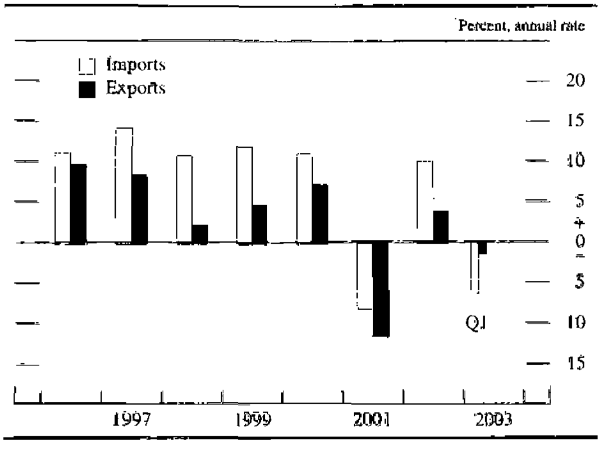
U.S. real imports of goods and services declined 6¼ percent at an annual rate in the first quarter following four quarters of increases. Imports of oil, other industrial supplies, aircraft, and services (primarily U.S. travel abroad) all dropped sharply. Imports of automotive products decreased for the second consecutive quarter, but imports of machinery and consumer goods rose. The price of imported goods jumped 12 percent at an annual rate in the first quarter, mainly resulting from spikes in the prices of natural gas and oil. The price of imported goods excluding fuels rose about 2 percent in the first

U.S. trade and current account balances

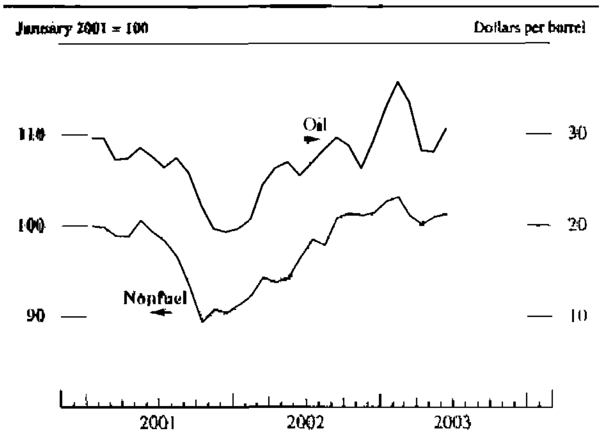


NOTE. The data are quarterly and extend through 2003:Q1.

Change in real imports and exports of goods and services

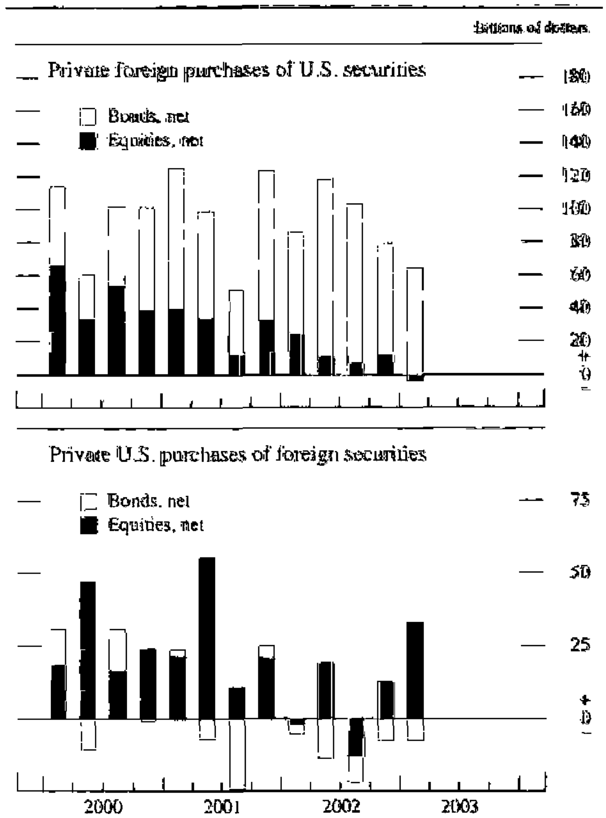


Prices of oil and of nonfuel commodities



NOTE. The data are monthly and extend through June 2003. The oil price is the spot price of West Texas intermediate crude oil. The price of nonfuel commodities is a weighted average of thirty-nine primary-commodity prices from the International Monetary Fund.

U.S. international securities transactions



SOURCE. Department of Commerce and the Federal Reserve Board.

quarter, the fourth consecutive quarter of small increases, in part because of the depreciation of the dollar since early 2002. Slight declines in prices of imported capital goods, automotive products, and consumer goods were offset by small increases in other categories.

The spot price of West Texas intermediate crude oil rose to a twelve-year high of nearly $38 per barrel in mid-March as the United States moved closer to war in Iraq and as a nationwide strike slowed Venezuelan oil production to a trickle. With the commencement of military action in Iraq and the relatively rapid conclusion of the war, prices fell to less than $26 per barrel by late April. Downward pressure on prices was also exerted by increased production from some OPEC countries, particularly Saudi Arabia, Kuwait, and Venezuela, where oil production recovered substantially relative to the first quarter. In early June, oil prices moved back above $30 per barrel after it became apparent that Iraqi exports of oil would return more slowly than market participants had previously expected.

The Financial Account

The U.S. current account deficit continued to be financed in large part by private flows into U.S. bonds and by foreign official inflows. Private foreign purchases of U.S. securities, which slowed in the latter part of 2002, stepped down a bit more in the first quarter of 2003, owing in part to weaker demand for U.S. equities. In contrast, inflows into the United States from official sources, which surged in 2002, picked up further in the first half of 2003 partly in response to downward pressures on the foreign exchange value of the dollar. U.S. residents, who had sold foreign securities on net last year, recorded sizable net purchases in the first quarter of this year: Relatively large purchases of foreign equities outweighed further sales of bonds.

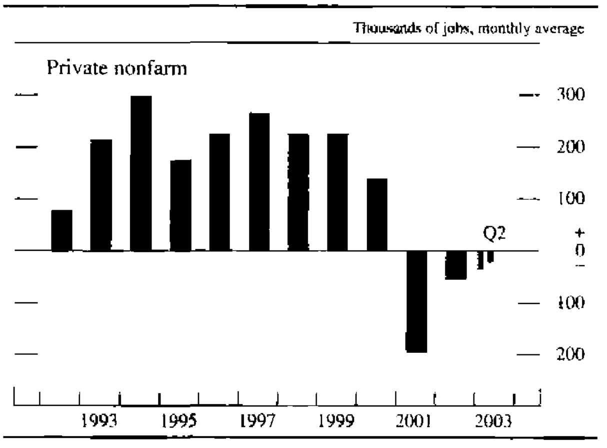
Direct investment into the United States, after being restrained in 2002 by a slowdown of global mergers and acquisitions, picked up in the first quarter of 2003, as merger activity resumed. U.S. direct investment abroad was steady in 2002 and the first quarter of 2003.

The Labor Market

Employment and Unemployment

The demand for labor has weakened further this year, though the pace of job losses appears to have slowed somewhat. After having fallen an average of 55,000 per month in 2002, private payroll employment declined 35,000 per month, on average, in the first quarter of 2003 and 21,000 per month in the second quarter. The civilian unemployment rate, which had

Net change in payroll employment



been fluctuating around 5¾ percent since late 2001, was little changed in the first quarter but moved up in the spring. In June, it stood at 6.4 percent.

The manufacturing sector has continued to shed jobs this year. On average, factory payrolls fell 55,000 per month over the first half of 2003—essentially as fast as over 2002 as a whole. Employment declines were widespread, but the metals, machinery, and computers and electronics industries continued to be especially hard hit. The weakness in manufacturing also cut into employment at help-supply firms and at wholesale trade establishments, although help-supply jobs increased noticeably in May and June.

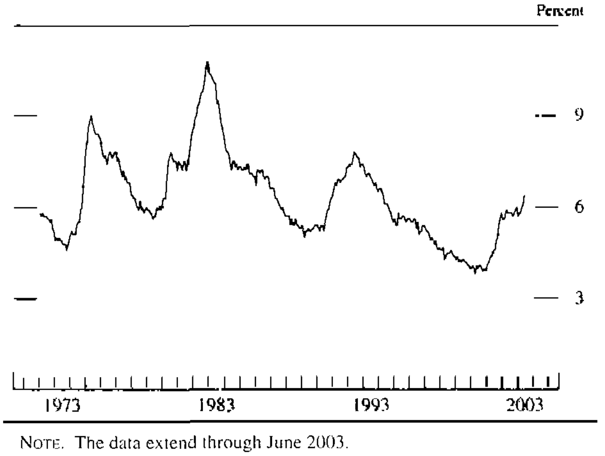
Apart from manufacturing and related industries, private employment increased slightly, on net, in the first half after having been about unchanged in 2002. Employment in the financial activities sector rose briskly, in part because of the boom in mortgage refinancings. Construction employment, which had been essentially unchanged, on net, since 1999, remained soft in the first quarter but posted a sizable gain in the second quarter. Employment in the information sector, which includes telecommunications, publishing, and Internet-related services, continued to decrease, though a shade less rapidly than over the preceding two years. Demand for workers in retail trade, leisure and hospitality, and transportation and utilities remained lackluster.

The unemployment rate was little changed in the first quarter, but it subsequently turned up. In June, it stood at 6.4 percent, ½ percentage point higher than the average in the fourth quarter of 2002 and about 2½ percentage points above the lows reached in 2000. The rise in the unemployment rate over the spring was chiefly driven by the ongoing softness in labor demand. Most recently, it also coincided with an uptick in labor force participation. That uptick notwithstanding, the participation rate has trended down over the past couple of years, a slide mainly reflecting declines for adult men and younger persons.

Productivity and Labor Costs

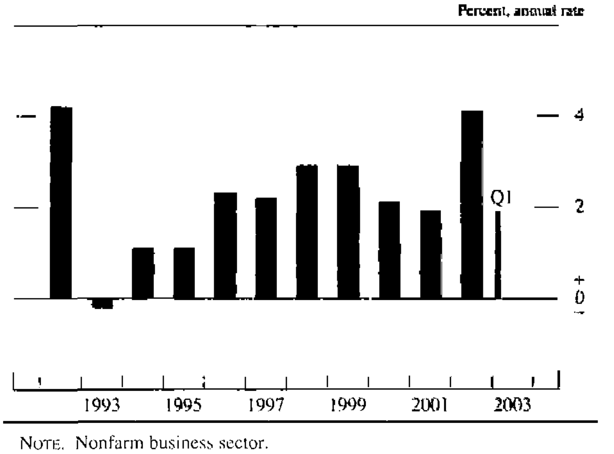
Labor productivity has continued to post solid gains in recent quarters as businesses have remained reluctant to expand their payrolls and instead have focused on cutting costs in an environment of sluggish—and uncertain—demand. According to the currently published data, output per hour worked in the nonfarm business sector rose at an annual rate of 2 percent in the first quarter and 2½ percent over the four quarters ending in the first quarter. Though the recent gains are down from the very rapid increases in late 2001 and 2002, they are similar to those achieved in the second half of the 1990s. However, whereas the

Civilian unemployment rate



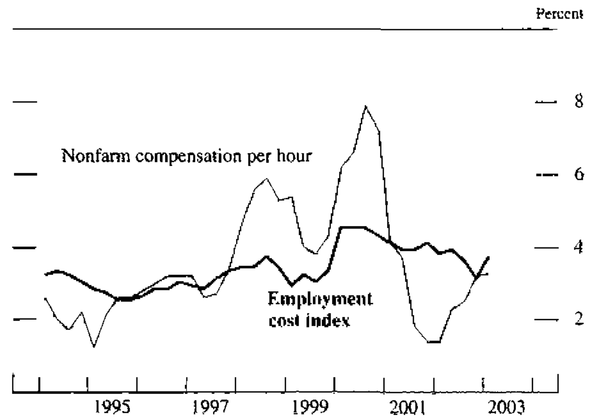
NOTE. The data extend through June 2003.

Change in output per hour



NOTE. Nonfarm business sector.

Measures of change in hourly compensation



NOTE. The data extend through 2003:Q1. For nonfarm compensation, change is over four quarters; for the employment cost index (ECI), change is over the twelve months ending in the last month of each quarter. Nonfarm compensation is for the nonfarm business sector; the ECI is for private industry excluding farm and household workers.

earlier productivity gains were driven importantly by an expansion of the capital stock, the recent gains appear to have come mainly from efficiency-enhancing changes in organizational structures and better use of the capital already in place.

The employment cost index (ECI) for private nonfarm businesses increased about 3¾ percent over the twelve months ending in March—only a shade less than over the preceding year but more than ½ percentage point below the increases of a few years earlier. The deceleration in hourly compensation over the past few years has been concentrated in wages, for which gains slowed from about 4 percent per year in 2000 and 2001 to 3 percent over the year ending this March. The slowing in wage growth primarily reflects the effects of the soft labor market and lower rates of price inflation; in addition, employers may be exerting more restraint on wages to offset some of the upward pressure on total compensation from rising benefit costs. The increase in benefits was especially sharp in the first quarter of 2003; in that period, employers stepped up their contributions to defined-benefit retirement plans in response to declines in the market value of plan assets, and health insurance costs continued to increase rapidly. In total, benefit costs rose 6 percent over the year ending in March.

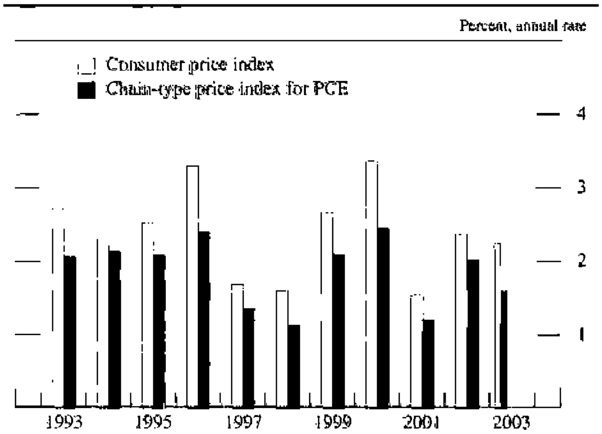
The growth in compensation per hour in the nonfarm business sector—an alternative measure of hourly compensation based on the NIPA—has swung widely in recent years. Fluctuations in the value of stock option exercises, which are excluded from the ECI, likely have contributed importantly to these swings. In any event, the increase in this measure over the year ending in the first quarter was 3¼ percent and roughly in line with the rise indicated by the ECI.

Prices

Headline inflation numbers have been heavily influenced by movements in energy prices, but underlying inflation has remained subdued and according to some measures has even moved somewhat lower. Reflecting the surge in energy prices, the chain-type price index for personal consumption expenditures (PCE) increased at an annual rate of 2¾ percent in the first quarter, about 1 percentage point faster than the increase over 2002 as a whole; this index moved down in April and May as energy prices retreated. PCE prices excluding food and energy—the so-called core PCE price index—were nearly unchanged during the spring, and the twelve-month change in this series stood at 1¼ percent in May, compared with a reading of 1¾ percent over the preceding twelve months.

In the main, the quiescence of underlying inflation reflects continued slack in labor and product markets and the robust productivity gains of recent years. In addition, inflation expectations have remained in check—and, indeed, may have subsided a bit further. For example, according to the Michigan Survey Research Center, the median expectation for inflation over the coming year was running about 2 percent in May and June, compared with 2½ percent to 3 percent over much of the preceding few years. Readings on this measure had been considerably higher earlier in the year, when energy prices were rising, and it is difficult to know whether the decline of late was driven chiefly by the retreat in energy prices during

Change in consumer prices



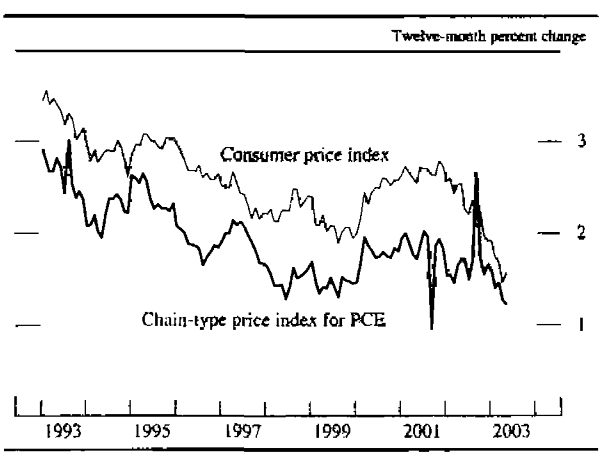
NOTE. Change for 2003 is from December 2002 to May 2003 at an annual rate; changes for earlier periods are from December to December.

the spring. Non-oil import prices posted a sizable increase in the first quarter after having been little changed in 2002, but the first-quarter rise was due largely to a spike in the price of imported natural gas, which should not have much effect on core consumer price inflation. Given the decline in the dollar from its peak in early 2002, non-oil import prices will probably trend up modestly in coming quarters.

PCE energy prices rose sharply in the first quarter but turned down in the spring, a pattern largely mirroring the swings in crude oil prices. Gasoline prices, which had already been elevated in late 2002 by weather-related supply disruptions, increased further early this year as crude oil costs rose and wholesale margins remained large; by June 1, gasoline prices had reversed that increase, and they have changed little, on net, since that time. Natural gas prices also soared in early 2003 as tight inventories were depleted further by unusually cold weather; since the unwinding of February's dramatic spike, prices have held in a narrow range. Inventories of natural gas have increased significantly of late, but they are still low enough to raise concerns about the possibility of future price spikes in the event of a heat wave later this summer or an unusually cold winter. Reflecting the higher natural gas input costs, PCE electricity prices rose substantially over the first five months of 2003 after having fallen some in 2002.

Increases in core consumer prices of both goods and services have slowed over the past year, with the deceleration most pronounced for goods. Prices for core PCE goods fell 2¼ percent over the year ending in May after having decreased 1 percent over the preceding twelve months. Meanwhile, the rise in prices for non-energy services totaled 2¾ percent over the year ending in May, a little less than over the preceding period. Among the major types of services,

Change in consumer prices excluding food and energy



NOTE. The data extend through May 2003.

the price of owner-occupied housing was up only 2½ percent after having risen 4¼ percent over the preceding period. But prices for some other types of services accelerated. Most notably, the prices of financial services provided by banks without explicit charge turned up after having decreased over the preceding two years; because these prices cannot be derived from market transactions and thus must be imputed, they are difficult to measure and tend to be volatile from year to year.

Increases in the core consumer price index (CPI) also have been very small recently, and the twelve-month change in this measure slowed from 2½ percent in May 2002 to 1½ percent in May 2003—a somewhat greater deceleration than in core PCE prices. The greater deceleration in the CPI is primarily accounted for by its narrower scope and different weighting structure than the PCE measure. In particular, it excludes the imputed prices of financial services rendered without explicit charge as well as several other categories for which market prices are not available; these non-market-based prices have accelerated notably recently. In fact, when the non-market categories are stripped from the core PCE index, the remaining components show a deceleration close to that in the core CPI. Another consideration is that housing costs have a much larger weight in the CPI than in the PCE index, partly because of the CPI's narrower coverage. Thus, the smaller price increases for housing services of late have a bigger damping effect on core CPI inflation, just as the hefty increases in this category in 2001 and 2002 tended to lift the CPI relative to the PCE index.

Broader price measures likewise point to low inflation over the year ending in the first quarter. In particular, the chain-type price index for GDP rose only 1½ percent over that period, about the same as during the comparable period four quarters earlier. Meanwhile, the price index for gross domestic purchases—which is defined as the prices paid

Alternative measures of price change
Percent

Price measure	2001 to 2002	2002 to 2003
Chain-type		
Gross domestic product	1.4	1.6
Gross domestic purchases	.8	2.3
Personal consumption expenditures	.9	2.2
Excluding food and energy	1.5	1.5
Chained CPI	.9	2.5
Excluding food and energy	1.9	1.4
Fixed-weight		
Consumer price index	1.3	2.9
Excluding food and energy	2.5	1.8

NOTE. Changes are based on quarterly averages and are measured from Q1 to Q1.

for consumption, investment, and government purchases—increased 2¼ percent, up from ¾ percent during the preceding period. The upswing mainly reflects the effect of higher energy prices and roughly matches the acceleration in total PCE prices; the price indexes for construction and government purchases also recorded somewhat larger increases than they had over the preceding period.

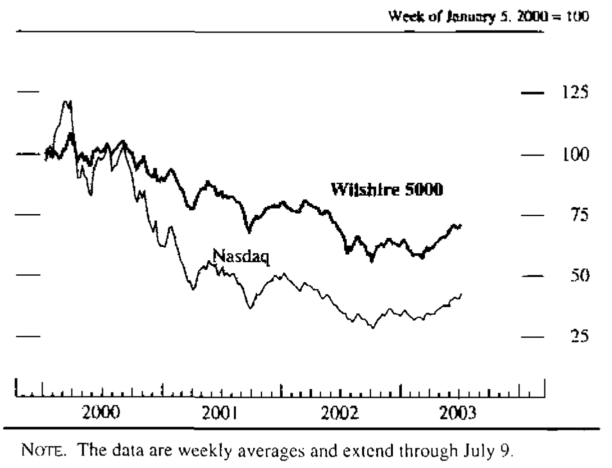
U.S. Financial Markets

On balance, major stock indexes have climbed noticeably this year, government and corporate interest rates have declined, and risk spreads, which had dropped significantly late last year, have fallen further.

Before the War in Iraq

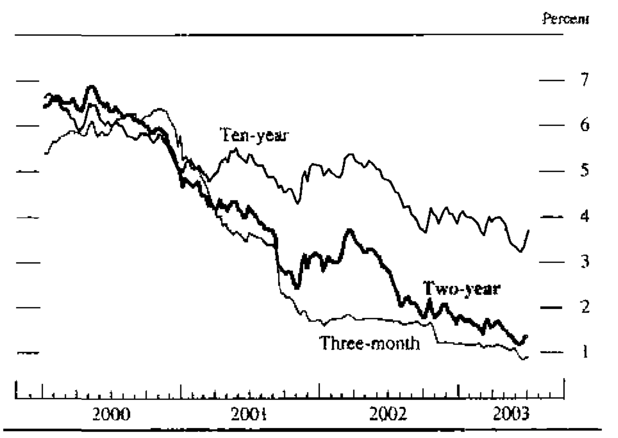
The year began on an optimistic note in financial markets, in part owing to the release of a surprisingly strong report from the Institute for Supply Management and the announcement of a larger-than-expected package of proposed tax cuts, which included elimination of the personal federal income tax on many corporate dividend payments. In addition, yields and risk spreads on corporate bonds had dropped significantly in the fourth quarter of 2002, partly in reaction to the absence of new revelations of accounting irregularities and to the improved outlook for corporate credit quality. Money market futures rates apparently embedded an expectation that the FOMC would begin increasing the federal funds rate as early as mid-summer 2003.

Major stock price indexes



NOTE. The data are weekly averages and extend through July 9.

Interest rates on selected Treasury securities



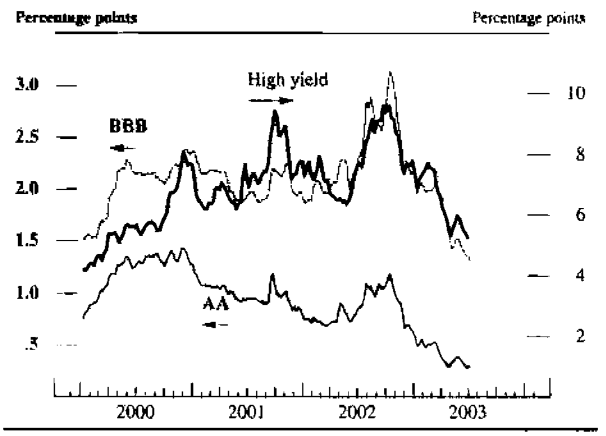
NOTE. The data are weekly averages and extend through July 9.

That short burst of optimism was quickly damped by subsequent economic reports that were decidedly less rosy, a jump in oil prices in response to the looming prospect of war in Iraq, and increased tensions with North Korea. Measures of uncertainty, such as implied volatility, moved up in several markets. Major equity indexes slid and by mid-March were off about 4 percent to 9 percent from the beginning of the year. Investors also came to believe that the onset of FOMC tightening would occur later than they had earlier believed, a shift in perception that was reflected in lower yields on Treasury bonds. Yields on investment-grade corporate bonds fell about in line with those on Treasuries, and investors appeared to be substituting high-quality bonds for equities as part of a broader flight to fixed-income securities over this period. By contrast, yields on below-investment-grade bonds rose a bit, on balance, between mid-January and mid-March, a move that left their risk spreads higher as well.

After the War in Iraq

Once it became clear that military action in Iraq was imminent, a robust rally erupted in both the equity and bond markets, as some of the uncertainties apparently dissipated and investors began to show a greater appetite for riskier assets. Equity indexes jumped about 8 percent in the two weeks bracketing the President's ultimatum to Saddam Hussein, and prices climbed an additional 3 percent through the end of April, partly on the release of generally better-than-expected earnings reports for the first quarter. Gains in share prices were fairly widespread and included technology, defense, petroleum, and especially financial companies.

Spreads of corporate bond yields over the ten-year Treasury yield



NOTE. The data are weekly averages and extend through July 9 except for the high-yield series, which extends through July 7. The spreads compare the yields on Merrill Lynch AA, BBB, and 175 indexes with the yield on the ten-year off-the-run Treasury note.

The easing of tensions also put upward pressure on Treasury yields, but additional disappointing economic data offset the diminished safe-haven demands and left those rates down, on balance, during the period covering the war in Iraq and its immediate aftermath. Yields on corporate bonds also declined, in part because of strengthened corporate balance sheets, the reduction in uncertainty, and perhaps because investors began to search for higher returns. Moreover, according to one widely used measure, spreads on speculative-grade bonds tumbled about 150 basis points, to about 520 basis points, from mid-March until mid-May, and then fluctuated somewhat before ending June near that level. The rally in below-investment-grade bonds was particularly evident in sectors that had previously experienced some of the greatest widening of spreads—telecom, energy trading, and utilities; the interest in these sectors further indicated investors' increased appetite for risk.

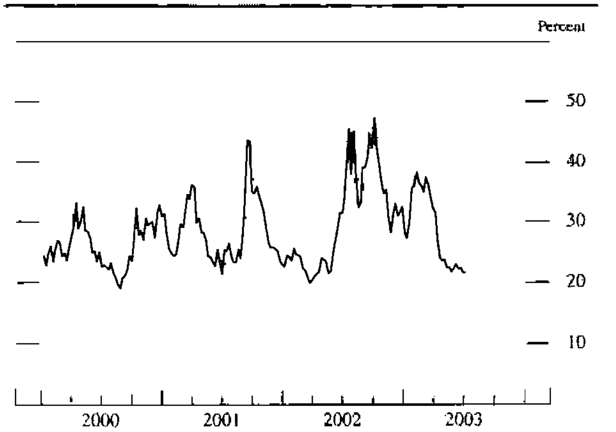
A stubbornly sluggish economy and rapid growth of productivity muted both inflation and inflation expectations, inducing the FOMC to begin pointing to a further substantial decline in inflation as a concern at its May meeting. Market participants took this to imply that short-term rates would be held along a lower path for longer than they had previously expected. This shift in expectations triggered a further decline in intermediate- and long-term yields. With long-term inflation expectations apparently only little changed, the decline in yields translated into a sizable decline in real interest rates.

That drop in real interest rates was among several factors providing a boost to equity prices in May and June. Implied volatility of the S&P 100 index, which had been elevated earlier in the year, fell substantially with the conclusion of major hostilities in Iraq; it is now near the bottom of its range of the past several years. Moreover, downward revisions to analysts' earnings expectations for the year ahead have been the smallest since early 2000. The tax package passed in late May, which included a cut in taxes on capital gains and dividends, may have provided some additional impetus to equity prices.

The FOMC decided on June 25 to reduce the target federal funds rate 25 basis points, to 1 percent, but some observers had been anticipating a cut of 50 basis points. In addition, markets appeared to read the Committee's assessment of economic prospects as more upbeat than expected. Partly as a result, yields on longer-dated Treasury securities reversed a portion of their previous decline in the weeks following the meeting. Yields on high-quality corporate bonds rose about in line with Treasuries over the same period, but yields on speculative-grade bonds edged up only slightly, and risk spreads narrowed further. Forward-looking economic indicators were generally positive, and stock price indexes—the Nasdaq, in particular—continued to trend higher.

On net, the constant-maturity yield on the two-year Treasury note has fallen 24 basis points this year, to 1.37 percent as of July 9, while the yield on the ten-year Treasury bond has fallen 10 basis points, to 3.73 percent. Over the same period, the Wilshire 5000 is up 15½ percent, and the Nasdaq has surged more than 30 percent. As a result of the decline in real interest rates, the spread between the twelve-month forward earnings–price ratio for the

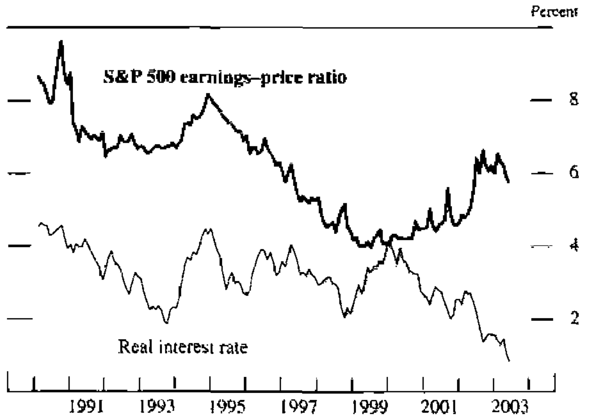
Implied S&P 100 volatility



NOTE. The data are weekly averages and extend through July 9. The series shown is the implied volatility of the S&P 100 stock price index as calculated from the prices of options that expire over the next several months.

SOURCE. Chicago Board Options Exchange.

S&P 500 forward earnings–price ratio
and the real interest rate



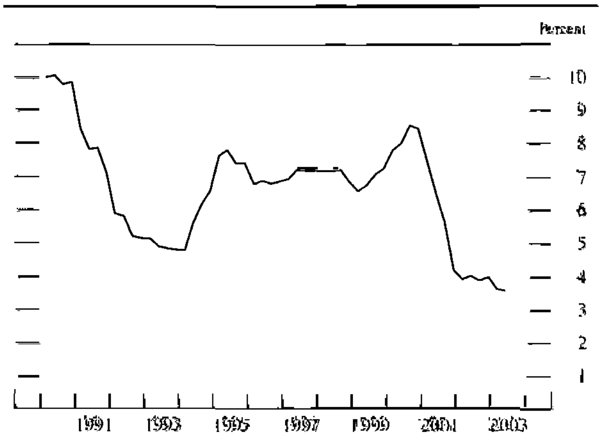
NOTE. The data are monthly and extend through June 2003. The earnings–price ratio is based on I/B/E/S consensus estimates of earnings over the coming year. The real rate is estimated as the difference between the ten-year Treasury rate and the five-year to ten-year expected inflation rate from the FRB Philadelphia survey.

S&P 500 and the real ten-year yield remains wide despite the run-up in stock prices.

Shorter-term Debt Markets

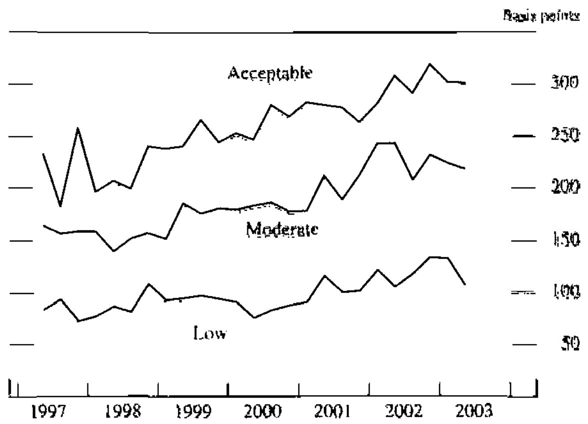
The average interest rate on commercial and industrial loan originations—a substantial majority of which have adjustable interest rates—has fallen to its lowest level since the start of the Federal Reserve's Survey of Terms of Business Lending in 1977. The survey also indicates that risk spreads on these loans receded a bit over the first half of 2003 after having trended up for most of the past several years. Prices in the secondary loan market have risen this year,

Average C&I loan rate, domestic banks



NOTE. The data are quarterly and extend through 2003:Q2.
SOURCE. Federal Reserve, Survey of Terms of Business Lending.

C&I loan rate spreads, by internal risk rating



NOTE. The data are quarterly and extend through 2003:Q2. Spreads are over a market interest rate of comparable maturity. Low-risk loans are those in risk categories "minimal" and "low."
SOURCE. Federal Reserve, Survey of Terms of Business Lending.

reportedly in part because some of the large inflows to high-yield mutual funds were used to purchase distressed loans and because of the expectation that many outstanding loans would continue to be prepaid with the proceeds of bond refinancing.

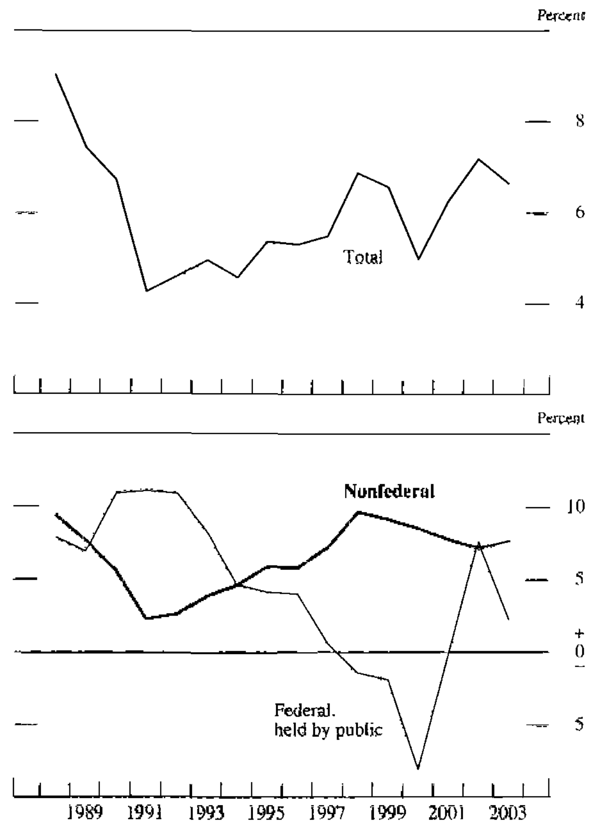
Interest rates on commercial paper also dropped to very low levels in the first half of 2003. Risk spreads in this market were relatively stable and near the bottom of the range observed over the past several years, in part because of businesses' efforts to strengthen their balance sheets and improve their liquidity.

Debt and Financial Intermediation

The debt of all domestic nonfinancial sectors—government, businesses, and households—grew at a 6½ percent annual rate in the first quarter, down from 8 percent in the fourth quarter of 2002 but still well in excess of the growth of nominal GDP. The proportion of the new credit supplied by depository institutions rose significantly in the second half of last year and remained at about 25 percent in the first half of this year. In large part, the jump reflects the sector's support of the booming mortgage market—through both direct lending and the acquisition of mortgage-backed securities—which has more than offset weak business lending. At commercial banks, revenues from mortgage-related activities reportedly helped sustain profits in the first quarter at the elevated levels of the past several years despite some erosion in net interest margins.

The delinquency rate on all loans and leases at banks edged down further during the first quarter, to

Change in domestic nonfinancial debt

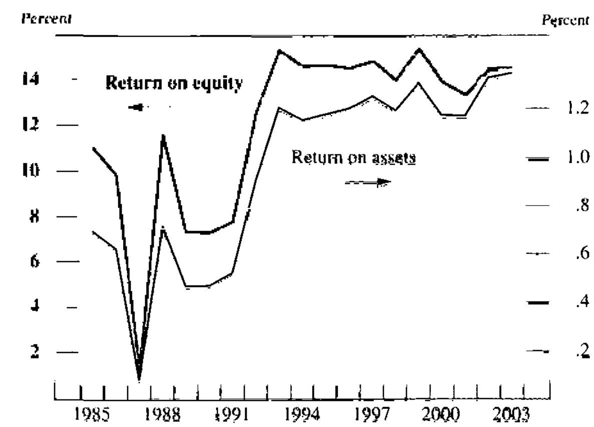


NOTE. The data are annual; the observations for 2003 are annualized values for Q1. The total consists of nonfederal debt and federal debt held by the public. Nonfederal debt consists of the outstanding credit market debt of state and local governments, households, nonprofit organizations, nonfinancial businesses, and farms. Federal debt held by the public excludes securities held as investments of federal government accounts.

its lowest level in two years. Increases in the delinquency rates on commercial real estate loans and non-credit-card consumer loans were offset by declines in those on residential real estate loans, credit card loans, and business loans. For business and credit card loans, however, the delinquency rates at banks remain elevated, and the recent improvement likely reflects, in part, the effect of the tightening of lending standards and terms that has been reported for some time now in the Senior Loan Officer Opinion Survey. On a seasonally adjusted basis, the ratio of loan-loss provisions to assets declined in the final quarter of last year, and it was about unchanged from that still-elevated level in the first quarter of 2003. In addition to the buffer against future losses provided by their high profitability and substantial provisions, virtually all banks—98 percent by assets—remain well capitalized.

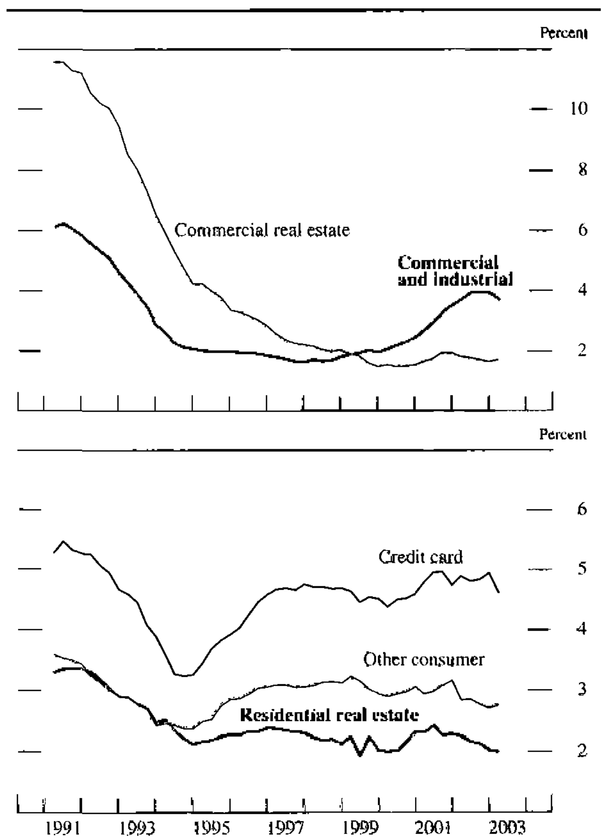
Among nondepository financial institutions, issuers of asset-backed securities provided about 13 percent of the total credit extended to domestic nonfinancial sectors in the first quarter. The share of net lending supplied by mutual funds increased notably to almost 10 percent in the first quarter, and with the continuation of strong flows to bond mutual funds,

Measures of bank profitability



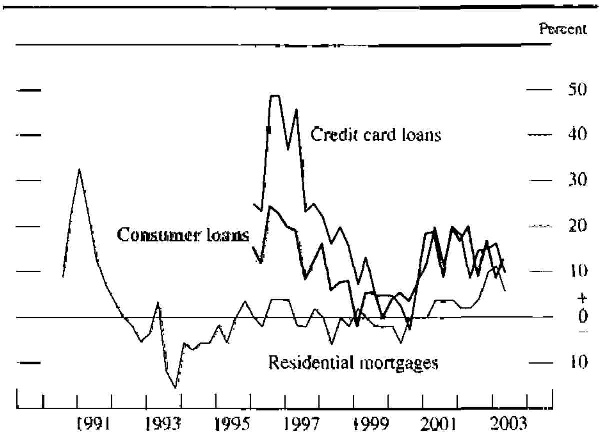
NOTE. Through 2002 the data are annual; for 2003 they are seasonally adjusted data for Q1.
SOURCE. Call Report.

Delinquency rates on selected types of loans at banks



NOTE. The data are quarterly, seasonally adjusted, and extend through 2003:Q1.
SOURCE. Call Report.

Net percentage of domestic banks tightening standards on loans to households

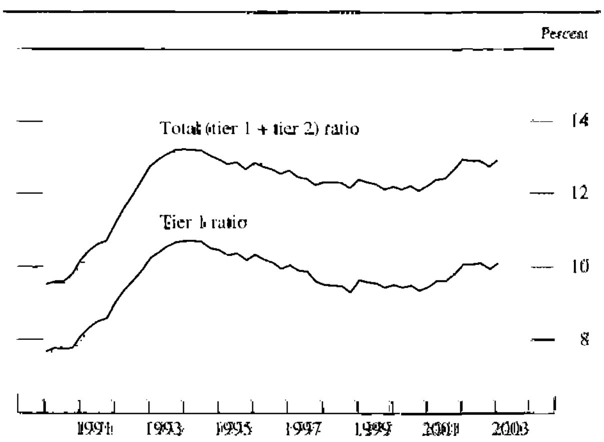


NOTE. The data are based on a survey generally conducted four times per year; the last reading is from the April 2003 survey. Net percentage is the percentage reporting a tightening less the percentage reporting an easing.
SOURCE. Federal Reserve, Senior Loan Officer Opinion Survey on Bank Lending Practices.

they likely were large suppliers in the second quarter as well. Meanwhile, available data suggest that insurance companies likely accounted for about 7 percent of total credit extended during the first half of the year, a proportion near the top of the range seen since the mid-1990s.

Government-sponsored enterprises (GSEs) provided 11 percent of the net lending (net acquisition of credit market instruments) in the first quarter, an amount roughly in line with their level in the second half of 2002. The duration gaps in the portfolios of the housing GSEs were maintained near their targets.

Regulatory capital ratios of commercial banks



NOTE. The data, which are quarterly and extend through 2003:Q1, are ratios of capital to risk-weighted assets. Tier 1 capital consists primarily of common equity and certain perpetual preferred stock. Tier 2 capital consists primarily of subordinated debt, preferred stock not included in tier 1 capital, and a limited amount of loan-loss reserves.
SOURCE. Call Report.

In early June, Freddie Mac replaced its top three executives amid questions about its accounting practices. The spreads on longer-term Freddie Mac debt widened a bit, and its stock price declined sharply; the prices of Fannie Mae securities also declined but to a lesser extent. On net, there appears to be little, if any, spillover into broader financial markets.

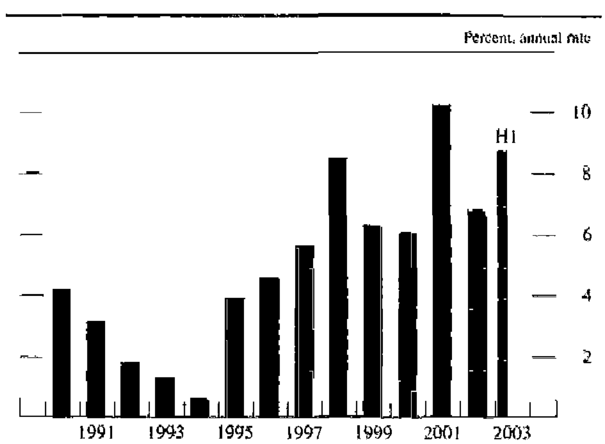
Monetary Aggregates

Through the first half of 2003, the growth rate of M2 was buoyed by several factors and remained elevated. The rising level of mortgage refinancing causes money growth to accelerate because the associated prepayments on mortgage-backed securities that are temporarily held in escrow accounts increase liquid deposits. Demand for M2 was also supported by the decline in short-term market interest rates, which further reduced the opportunity cost of holding money. Precautionary demand for safe and liquid M2 assets also likely buttressed the growth of M2 in the run-up to the war in Iraq.

In contrast, mutual fund flows related to the bond market rally and the post-war pickup in the stock market may have siphoned funds from M2. Retail money market mutual funds and small time deposits both experienced net outflows during the first half of the year. While some of that money continued to feed the extraordinary growth of liquid deposits, it is likely that a portion was redirected to long-term mutual funds.

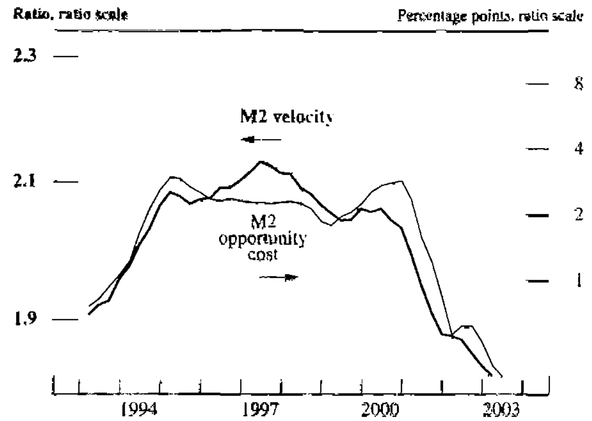
After having weakened significantly in 2002, growth of M3 slowed further in the first half of 2003. Much of this year's slowdown can be attributed to

M2 growth rate



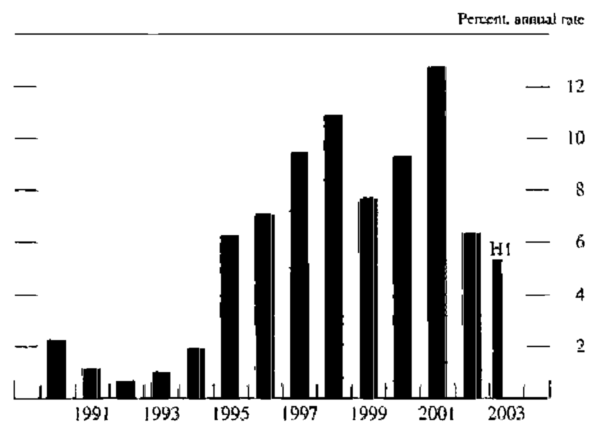
NOTE. M2 consists of currency, travelers checks, demand deposits, other checkable deposits, savings deposits (including money market deposit accounts), small-denomination time deposits, and balances in retail money market funds.

M2 velocity and opportunity cost



NOTE. The data are quarterly. They extend through 2003:Q1 for velocity and 2003:Q2 for opportunity cost. The velocity of M2 is the ratio of nominal gross domestic product to the stock of M2. The opportunity cost of holding M2 is a two-quarter moving average of the difference between the three-month Treasury bill rate and the weighted average return on assets included in M2.

M3 growth rate



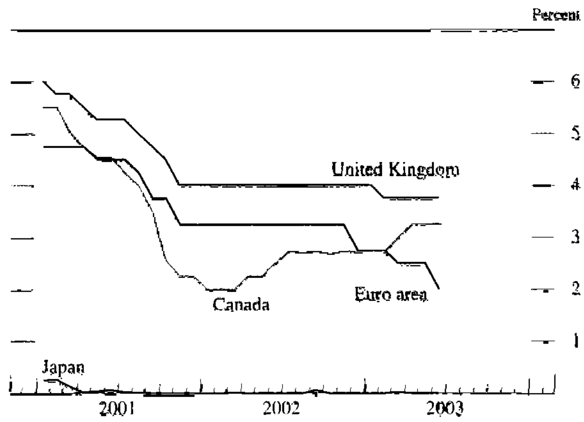
NOTE. M3 consists of M2 plus large-denomination time deposits, balances in institutional money market funds, repurchase-agreement liabilities (overnight and term), and eurodollars (overnight and term).

rapid runoffs of institutional money market mutual funds. The runoffs were, in turn, partially the result of an unwinding of the strength late last year and the fact that interest rates paid by those funds declined faster than the interest rates paid by the underlying assets this year. The drop in institutional money funds has been offset by growth in eurodollar deposits and repurchase agreements.

International Developments

Economic activity abroad was sluggish in the first quarter of 2003, with real output in the euro area and Japan little changed from the previous quarter. Geo-

Official interest rates in selected foreign industrial countries

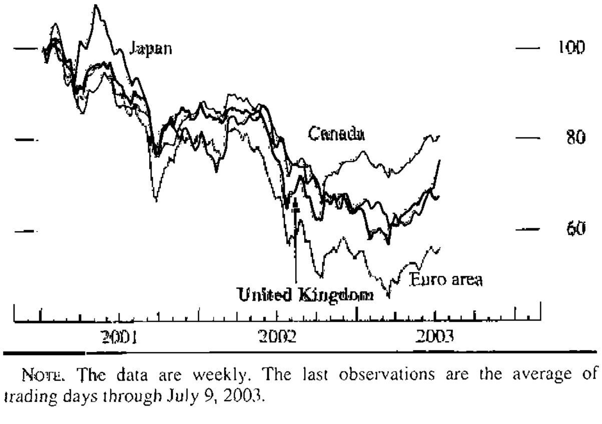


NOTE. The data are as of month-end and extend through June 2003. The interest rates shown are the call money rate for Japan, the overnight rate for Canada, the refinancing rate for the euro area, and the repurchase rate for the United Kingdom.

political uncertainties, higher oil prices, slow growth in the United States, persistent weakness in global high-tech sectors, and continued negative wealth effects from past declines in equity prices all weighed on foreign growth. Foreign economic expansion appeared to remain weak in the second quarter despite the reduction in uncertainty associated with Iraq. Indicators suggest that manufacturing activity abroad has not picked up; instead, industrial production declined in April and May, on average, relative to the first quarter in Japan, Germany, and France. Concerns over the spread of the SARS virus appear to have hurt growth in the second quarter in several Asian developing economies and in Canada.

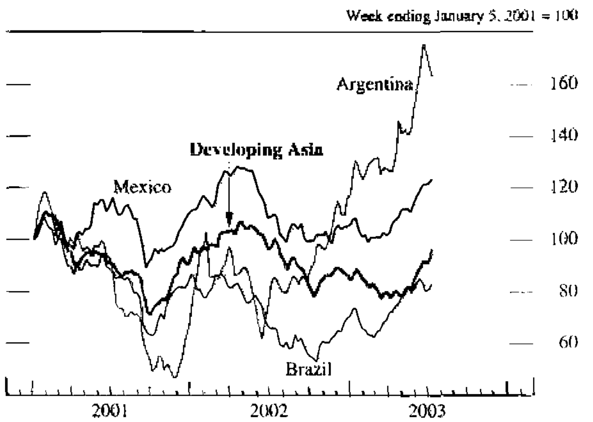
Central banks in several major foreign industrial countries moved to ease monetary policy during the first half of this year. The European Central Bank and

Equity indexes in selected foreign industrial countries



NOTE. The data are weekly. The last observations are the average of trading days through July 9, 2003.

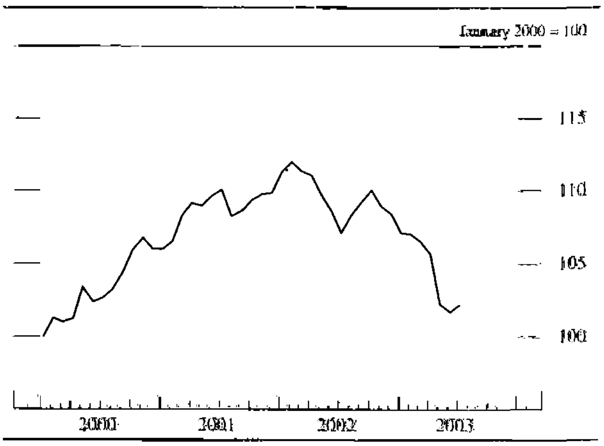
Equity indexes in selected emerging markets



NOTE. The data are weekly. The last observations are the average of trading days through July 9, 2003. Developing Asia consists of China, Hong Kong, India, Indonesia, Malaysia, Pakistan, the Philippines, Singapore, South Korea, Taiwan, and Thailand.

the central banks of the United Kingdom, Sweden, Switzerland, Norway, and New Zealand all cut official interest rates. The pace of monetary easing in Europe picked up toward midyear, when inflation pressures dissipated amid growing slack, currency appreciation vis-à-vis the dollar, and the decline in oil prices after the conflict in Iraq. In contrast, the Bank of Canada raised interest rates twice in the spring, in a continued effort to contain inflation. The Bank of Canada left rates unchanged in June, however, in response to a sharp appreciation of the Canadian dollar and a drop in Canadian inflation in April, some slackening of demand in labor markets in May, and concerns about the pace of activity in the United

U.S. dollar nominal exchange rate, broad index



NOTE. The data are monthly and are in foreign currency units per dollar. The last observation is the average of trading days through July 9, 2003. The broad index is a weighted average of the foreign exchange values of the U.S. dollar against the currencies of a large group of major U.S. trading partners. The index weights, which change over time, are derived from U.S. export shares and from U.S. and foreign import shares.

States. The Bank of Japan (BOJ) maintained short-term interest rates at near-zero levels, further expanded its target for current account balances held by financial institutions at the BOJ, and took some additional measures to add stimulus to the economy.

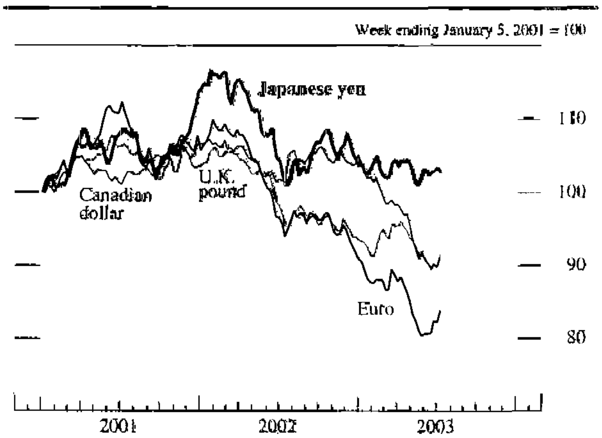
In the first quarter, foreign financial markets were influenced by heightened anxieties ahead of the war in Iraq, but those concerns appeared to diminish as the war proceeded. Foreign equity prices declined in the first quarter, but they have since recovered. Broad stock indexes for the major industrial countries are up on balance since the beginning of the year but, with the exception of Japan, they have gained less than in the United States. Long-term interest rates in most foreign industrial countries fell during the first half of the year because prospects for inflation diminished, growth sputtered, and market participants began to expect that policy interest rates would remain low for an extended period. Asset prices in emerging markets, particularly in Latin America, picked up during the first half of this year; equity prices rose significantly, and risk spreads on emerging-market bonds narrowed. Bonds issued by a number of emerging-market economies included collective action clauses (CACs) that are designed to facilitate a debt restructuring in the event of default; this development had little noticeable effect on spreads.

The dollar's foreign exchange value continued to decrease in the first half of 2003. Since the end of 2002, the dollar has depreciated on a trade-weighted basis nearly 5 percent against the currencies of a broad group of U.S. trading partners. The dollar has declined 13 percent against the Canadian dollar and more than 7 percent on net against the euro but has fallen less than 1 percent versus the Japanese yen. During the first quarter, the dollar appeared to react to concerns about the war in Iraq, falling when news indicated a heightened risk of hostilities and strengthening as concerns appeared to abate. After the resolution in April of major hostilities, the dollar fell further, and market commentary focused more on the financing needs posed by the large and growing U.S. current account deficit.

Industrial Economies

The euro-area economy stagnated in the first quarter of 2003. Consumer spending continued to expand at a modest rate and inventory investment grew, but business fixed investment fell sharply and exports declined. The German economy contracted in the first quarter and continued to underperform the euro-area average, in part owing to a fiscal tightening

U.S. dollar exchange rate against selected major currencies



NOTE. The data are weekly. Last observations are the average of trading days through July 9, 2003. Exchange rates are in foreign currency units per dollar.

undertaken to bring the budget deficit into line with limits set out in the euro area's Stability and Growth Pact. The rise in the exchange value of the euro over the past year has begun to hurt euro-area manufacturers; exports have leveled off while imports have continued to rise. Recent indicators have shown little rebound in the pace of euro-area activity following the conclusion of the Iraq war, and business and consumer sentiment have remained sour. Core inflation has slowed from its 2002 peak, and headline inflation, which was temporarily boosted by oil prices, recently has fallen to the 2 percent upper limit of the ECB's definition of price stability.

Economic growth in the United Kingdom slowed to a crawl in the first quarter, but recent indicators—such as consumer confidence and industrial production—suggest that the pace has been somewhat stronger during the past few months. Growth of consumption has slowed but continues to be held up by a strong labor market and by past gains in housing prices, although lately these prices have decelerated.

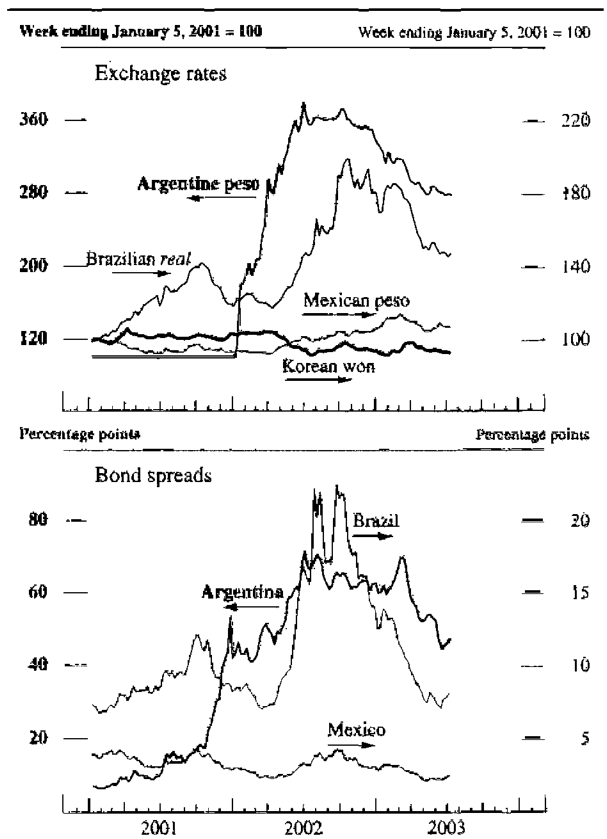
The Japanese economy barely grew in the first quarter after expanding almost 2½ percent in 2002. Business investment continued to grow in the first quarter, and private consumption increased despite stagnating incomes; however, residential and public investment both fell sharply, and exports declined because of the weak global economy. The severity of consumer price deflation lessened somewhat, partly because of the spike in energy prices. Japanese banks continued to be weighed down by bad loans.

Canada's economy maintained a moderate pace of expansion in the first quarter, but recent indicators suggest that growth of real GDP slowed in the second quarter. First-quarter growth was supported by continued strength in domestic demand, as Canada's strong labor and housing markets kept propelling the economy. However, exports declined in the first quarter, largely because of a drop in exports of industrial supplies and forestry products to the United States. More recently, employment declined slightly in April and May, and the unemployment rate moved up. The outbreak of the SARS virus in Toronto hurt Canadian travel and tourism, and weak U.S. demand slowed the Canadian manufacturing sector. In June, employment rebounded, but the gain was almost all in part-time work, and manufacturing employment continued to fall.

Emerging-Market Economies

Economic growth in the Asian developing countries slowed in the first quarter, brought down by weakness in business investment and consumer spending. In South Korea, growth of real GDP turned negative in the first quarter after a rapid expansion in 2002.

U.S. dollar exchange rates and bond spreads for selected emerging markets



NOTE. The data are weekly averages. Last observations are the average of trading days through July 9, 2003. Exchange rates (top panel) are in foreign currency units per dollar. Bond spreads (bottom panel) are the J.P. Morgan Emerging Market Bond Index (EMBI+) spreads over U.S. Treasuries.

Tensions with North Korea contributed to a decline in consumer and business sentiment, but these indicators have stabilized in the past couple of months. The Hong Kong economy also contracted, following strong growth in the second half of last year. The SARS outbreak held down both personal consumption and tourism in the first quarter, and even more negative effects are likely to be seen in the second-quarter data. Although the Chinese economy has also been adversely affected by SARS, it has been sustained by strong export growth and investment. Chinese inflation has moved back into positive territory on a twelve-month basis, largely owing to higher prices for energy and food.

The Mexican economy contracted in the first quarter, and exports and business confidence have declined in recent months. Consumer price inflation has come down recently, a decline helped in part by the net appreciation of the Mexican peso since early March. Measures of inflation expectations suggest that market participants expect the central bank to come close to achieving its inflation target this year.

Brazilian economic growth stagnated in the first quarter largely as a result of the tightening of macroeconomic policies in response to the financial crisis that erupted in mid-2002. The growth slowdown largely reflected a continued weakening in domestic demand, but exports also deteriorated. Monthly inflation has come down since early this year, and Brazil's central bank recently lowered slightly its benchmark interest rate. The Lula administration's efforts to implement social security and tax reforms have bolstered investor confidence. Financial conditions in Brazil have improved markedly: Equity prices have risen more than 20 percent so far this year, the *real* has gained more than 20 percent against the U.S. dollar, and credit spreads on Brazilian government debt have narrowed more than 600 basis points.

The Argentine economy has started to turn around from the sharp contraction that occurred in the wake of the devaluation and default in late 2001, but the level of economic activity remains far below pre-crisis levels, and many of Argentina's structural problems have not been addressed. The Argentine peso appreciated more than 20 percent against the dollar during the first half of the year. In July, Argentina implemented controls on short-term capital inflows in an effort to stabilize the appreciating currency. □

Announcements

FEDERAL OPEN MARKET COMMITTEE DIRECTIVE

The Federal Open Market Committee decided on June 25, 2003, to lower its target for the federal funds rate 25 basis points, to 1 percent. In a related action, the Board of Governors approved a 25 basis point reduction in the discount rate, to 2 percent.

The Committee continues to believe that an accommodative stance of monetary policy, coupled with still robust underlying growth in productivity, is providing important ongoing support to economic activity. Recent signs point to a firming in spending, markedly improved financial conditions, and labor and product markets that are stabilizing. The economy, nonetheless, has yet to exhibit sustainable growth. With inflationary expectations subdued, the Committee judged that a slightly more expansive monetary policy would add further support for an economy that it expects to improve over time.

The Committee perceives that the upside and downside risks to the attainment of sustainable growth for the next few quarters are roughly equal. In contrast, the probability, though minor, of an unwelcome substantial fall in inflation exceeds that of a pickup in inflation from its already low level. On balance, the Committee believes that the latter concern is likely to predominate for the foreseeable future.

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

Voting against the action was Robert T. Parry. President Parry preferred a 50 basis point reduction in the target for the federal funds rate. In taking the discount rate action, the Federal Reserve Board approved the requests submitted by the Boards of Directors of the Federal Reserve Banks of Boston, New York, St. Louis, Kansas City, and San Francisco.

The Federal Reserve Board on June 26, 2003, approved actions by the Boards of Directors of the Federal Reserve Banks of Philadelphia, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, and Dallas, decreasing the discount rate at the banks from 2¼ percent to 2 percent, effective immediately.

APPROVAL OF FINAL RULE MODIFYING REGULATION Y

The Federal Reserve Board on June 30, 2003, announced its approval of a final rule that modifies Regulation Y (Bank Holding Companies and Change in Bank Control) to allow bank holding companies engaged in permissible derivatives activities to transfer title to commodities underlying derivative contracts on an instantaneous, pass-through basis.

The Board will publish its final rule in the *Federal Register* shortly, and the rule will become effective August 4, 2003.

AGENCIES ISSUE ADVANCE NOTICE OF PROPOSED RULEMAKING FOR THE NEW BASEL CAPITAL ACCORD

The Federal Reserve Board on July 11, 2003, decided to issue an interagency advance notice of proposed rulemaking (ANPR) seeking public comment on the implementation of the New Basel Capital Accord in the United States. The Board also decided to seek comment on draft interagency supervisory guidance on internal-ratings based systems for corporate credits and draft guidance on advanced measurement approaches (AMA) for measuring operational risk.

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

The ANPR, developed by the Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision, presents an overview of the proposed implementation in the United States of the advanced approaches to determining capital requirements for credit risk and operational risk. The agencies anticipate that comments will be useful in shaping further refinements to the framework as the Basel Committee completes its work on the New Accord and, after that, in developing a Notice of Proposed Rulemaking to implement the New Accord in the United States.

"The proposed accord would be dramatically more risk sensitive and transparent and would provide a higher degree of market discipline. It would thus contribute to a safer and sounder banking system here and abroad," said Board Vice Chairman Roger W. Ferguson, Jr. "Though it has been in development for some time, it is not cast in stone. I hope the industry and public will provide the U.S. agencies with rigorous comments that can help us think through the remaining issues and, possibly, simplify an admittedly complex framework."

Specifically, the ANPR provides that large, internationally active banking organizations that meet certain size or foreign-exposure thresholds would be required to meet rigorous supervisory standards and implement the advanced internal-ratings-based (A-IRB) approach for credit risk and the AMA for operational risk. It describes the A-IRB approach to credit risk and its application to particular portfolios of credit exposures (wholesale, retail, and equity) as well as the A-IRB approach to credit risk mitigation and for securitization exposures. The ANPR also provides guidance and supervisory standards for the AMA for operational risk, outlines the proposed approaches for supervisory review and disclosure (Pillars 2 and 3 in the New Accord), and seeks comment on certain competitive considerations.

The draft supervisory guidance on internal-ratings-based systems for corporate credits describes the essential components and characteristics of an acceptable A-IRB framework, including rating assignment, validation, quantification, data maintenance, and oversight and control mechanisms. The draft supervisory guidance on the AMA for operational risk sets forth expectations for banking organizations for calculating operational risk exposure under the proposed framework and outlines requirements for governance, measurement, monitoring, and control of operational risk.

Regulators Award Contract to Modernize Collection of Bank Data

The Federal Financial Institutions Examination Council (FFIEC) on June 17, 2003, announced the first step in an interagency effort to modernize and streamline the way that federal bank regulators collect, process, and distribute quarterly bank financial reports.

This step involves awarding a contract, through the Federal Deposit Insurance Corporation (FDIC), to Unisys Corporation, McLean, Virginia. Unisys, with its development team of Microsoft, Pricewaterhouse-Coopers, IDOM, EDGAR Online, UBMatrix, and V-Tech Solutions, will create a flexible solution, based on proven technologies, that incorporates Internet delivery using promising new innovations such as the XBRL business reporting language.

The new business process, which will be phased in through 2004, will consolidate the collection, editing, and access of quarterly bank financial reports into a central data repository, which will be accessible by banking regulators, financial institutions, and the public. The new model is also expected to reduce burden on the industry while providing data to the public in a more timely and flexible manner.

Initial system development and pilot projects will take place over the next eighteen months. During that time the FDIC, the Board of Governors of the Federal Reserve System, and the Office of the Comptroller of the Currency will work with the industry to define data standards, streamline the collection and validation of the data, and prepare for the rollout of the new central data repository. The first reports are expected to be filed under the new system effective with the September 2004 Call Report.

The ten-year, fixed-price contract of $39 million includes short-term systems development costs and long-term operating costs.

Publication of the May 2003 Update to the *Commercial Bank Examination Manual*

The May 2003 update to the *Commercial Bank Examination Manual,* Supplement No. 18, has been published and is now available. The *Manual* comprises the Federal Reserve System's regulatory, supervisory, and examination guidance for state member banks. The new supplement includes the following subjects:

1. *The Interagency Policy Statement on the Internal Audit Function and Its Outsourcing.* The March 17, 2003, policy statement supercedes a 1997 interagency policy statement on internal auditing. This new policy conveys recent developments in internal auditing and addresses supervisory concerns, policies, practices, and procedures about the internal audit function and its outsourcing. Supervisory guidance is also provided on the independence of accountants, especially those who provide both internal and external audit services to institutions.

Provisions of the 2002 Sarbanes–Oxley Act and associated SEC rules are also addressed within the 2003 policy statement. Banking institutions that are subject to section 36 of the Federal Deposit Insurance Act—essentially those with $500 million or more in assets—should comply with the Sarbanes–Oxley Act prohibition on internal audit outsourcing to an external auditor. The examination objectives, examination procedures, and internal control questionnaire were revised to consider the new provisions within this policy statement. (See SR letters 03-5 and 02-20.)

2. *An Interagency Advisory on Mortgage Banking.* This February 25, 2003, advisory highlights various supervisory concerns regarding the valuation and hedging of mortgage-servicing assets and similar mortgage banking assets. Supervisory guidance is also provided on sound risk-management practices pertaining to valuation and modeling processes, management information systems, and internal audit involved with mortgage banking activities. The examination objectives, examination procedures, and internal control questionnaire were also revised. (See SR letter 03-4.)

3. *The Interagency Guidance on Supervisory Account Management and the Allowance for Loan and Lease Losses (ALLL) Methodology for Credit Card Lending.* In addition to setting forth supervisory expectations for credit card credit line management, over-limit practices, minimum payments, negative amortization, and workout and forbearance practices, this January 8, 2003, guidance clarifies various reporting requirements related to income recognition and the ALLL. The credit card lending examination procedures were also revised and expanded. These credit card lending examination procedures also include the credit card lending examination procedures that are currently found in examination modules. The examination objectives and the internal control questionnaire were also revised. (See SR letter 03-1.)

4. *The Board's October 31, 2002, Approval of an Amendment to Regulation A.* This revised rule (effective January 9, 2003) sets forth the Federal Reserve's primary and secondary credit programs, which replace the adjustment and extended credit programs. The seasonal credit program is essentially unchanged.

5. *The Board's November 22, 2002, Approval of Regulation W.* Regulation W (effective April 1, 2003) applies to transactions with affiliates under the statutory provisions of sections 23A and 23B of the Federal Reserve Act. The rule facilitates compliance with these statutes, provides new exemptions, and combines the statutory restrictions on transactions between a member and its affiliates that were found within the previously issued Board interpretations and exemptions. (See SR letter 03-2.)

6. *Examiner Guidance on the Review of Regulatory Reports, Considering the Provisions of the Securities and Exchange Act of 1934 (as amended by the Sarbanes–Oxley Act of 2002).* The Board was given the authority to administer and enforce certain provisions of the 1934 Act and the Sarbanes–Oxley Act with respect to state member banks that have a class of securities registered under section 12(b) or 12(g) of the 1934 Act (registered state member banks). Examiners should consult with a registered state member bank's management to ensure that the required reports have been filed with the Federal Reserve Board pursuant to section 208.36(a) of Regulation H. Some of the most common SEC forms that must be filed under the 1934 Act and the Sarbanes–Oxley Act are listed and discussed.

7. *The Board's January 6, 2003, Revision to Subpart D of Regulation K, Sections 211.41–43.* The definition and detailed components of the allocated transfer-risk reserve (ATRR) are discussed, as stated in the rule (effective February 10, 2003). The rule also provides that international loan fees are to be accounted for in accordance with GAAP.

8. *The Use of the Federal Reserve's Statistically Based Sampling Approach for Loan Reviews at Certain Community Banks.* The use of a statistically based sampling approach to loan reviews is discussed as an alternative to the traditional target-coverage approach. The loan-sampling program is directed toward banks currently having a CAMELS composite and asset-quality rating of 1 or 2 and also having assets of less than $1 billion. Examination objectives and examination procedures are provided. (See SR letter 02-19.)

9. *The FFIEC Interagency Guidance on Authentication in an Electronic Banking Environment.* This August 8, 2001, guidance provides a discussion of the risks and needed risk-management measures and controls pertaining to existing and emerging authentication practices. The processes are addressed for verifying the identity of prospective customers and for the authentication of existing customers who use online systems, such as Internet banking services. (See SR letter 01-20.)

A more detailed summary of changes is included with the update package. The *Manual* and updates, including pricing information, are available from Publications Fulfillment, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551 (or charge by facsimile: 202-728-5886). The *Manual* is also available on the Board's public web site at www.federalreserve.gov/boarddocs/supmanual/.

Publication of the June 2003 Update to the *Bank Holding Company Supervision Manual*

The June 2003 update to the *Bank Holding Company Supervision Manual,* Supplement No. 24, has been published and is now available. The *Manual* comprises the Federal Reserve System's regulatory, supervisory, and inspection guidance for bank holding companies. The new supplement includes the following subjects:

1. *Interagency Policy Statement on the Internal Audit Function and its Outsourcing.* This 2003 policy statement

incorporates recent developments in internal auditing and addresses supervisory concerns, policies, practices, and procedures pertaining to the internal audit function and its outsourcing. Supervisory guidance is provided on the independence of accountants who provide institutions with both internal and external audit services. The policy statement supersedes a 1997 statement.

Provisions of the 2002 Sarbanes–Oxley Act and associated SEC rules are also addressed within the 2003 policy statement. Banking institutions that are subject to section 36 of the Federal Deposit Insurance Act—essentially those with $500 million or more in assets—should comply with the Sarbanes–Oxley Act prohibition on internal audit outsourcing to an external auditor. In addition to FDIC-insured depository institutions, the policy statement applies to U.S. financial holding companies (FHCs), bank holding companies (BHCs), and the U.S. operations of foreign banking organizations. The inspection objectives and inspection procedures have been updated to reflect the revised policy statement. (See SR letters 03-5 and 02-20.)

The Sarbanes–Oxley Act also governs extensions of credit to BHC officials. Insider lending restrictions are imposed on public companies. Except for a few exemptions, the act prohibits a publicly owned BHC (public BHC) and its subsidiaries from extending credit, or arranging for another entity to extend credit, in the form of a personal loan to any director or executive officer of the public BHC.

2. *A February 7, 2003, Board Interpretation of Regulation K for International Banking Organizations.* Effective February 19, 2003, the interpretation applies to the underwriting by foreign banks of securities to be distributed in the United States. The interpretation clarifies that a foreign bank that wishes to engage in such activity must either be a financial holding company (FHC) or have authority to engage in underwriting activity under section 4(c)(8) of the BHC Act. A foreign bank's underwriting of securities to be distributed in the United States is considered an activity conducted in the United States, regardless of the location at which the underwriting risk is assumed and the underwriting fees are booked.

3. *The Board's January 6, 2003, Revision to Subpart D of Regulation K, Sections 211.41–43.* The definition, detailed components, and computation of the allocated transfer-risk reserve (ATRR) are discussed, as stated in the rule (effective February 10, 2003). The rule also provides that international loan fees are to be accounted for in accordance with GAAP.

4. *Board Staff Legal Opinions*

a. *Providing Insurance Claims Administration and Insurance Risk Management Services.* The Board's General Counsel issued a July 10, 2002, opinion that an insurance agency that is owned by an FHC may engage, under section 4(k)(4)(B) of the BHC Act, in certain cited insurance claims administration activities and insurance risk-management services when they are conducted by an insurance agent or broker in connection with its other insurance sales.

b. *Acting as a Third-Party Administrator on Behalf of an Insurance Company.* A BHC that elected to become an FHC asked whether acting as a third-party administrator (TPA), on behalf of an insurance company, is an activity that is permissible for an FHC under the BHC Act. A TPA provides one or more insurance companies with certain administrative and related services that support and assist in the sale of insurance products by the insurance company. The Board's General Counsel issued a July 10, 2002, opinion that opined that an FHC, under section 4(k)(4)(B) of the BHC Act, could provide as a third-party administrator certain listed services to a third-party insurance company in connection with the sale and underwriting of insurance products.

c. *Providing Flood Zone Determination Services.* On July 9, 2002, the Board's Legal Division issued an opinion on the planned provision of flood zone determination services by a BHC's proposed majority-owned joint venture company. The company would provide mortgage lenders with ongoing flood-zone tracking services in connection with making mortgage loans. The flood determination services would be offered as a separate service in connection with providing real estate appraisals. Board staff confirmed that providing such flood zone determination services is an essential part of mortgage lending and within the scope of permissible activities related to extending credit under section 225.28(b)(2) of Regulation Y.

d. *Combined-Balance Discount.* On November 26, 2002, the Board's General Counsel issued an opinion for effecting combined-balance discounts. The General Counsel opined that members of a household or family, taken together, may be considered a "customer" for the purposes of the combined-balance discount safe harbor, as found in section 225.7(b) of Regulation Y. The Board's General Counsel determined that the term "customer," as used in that section, may include separate individuals (1) who are all members of the same "immediate family" (as defined in section 225.41(b)(3) of Regulation Y) and (2) who reside at the same address. A combined-balance discount program cannot be operated in an anti-competitive manner.

A more detailed summary of changes is included with the update package. The *Manual* and updates, including pricing information, are available from Publications Fulfillment, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551 (or charge by facsimile: 202-728-5886). The *Manual* is also available on the Board's public web site at www.federalreserve.gov/boarddocs/supmanual/.

PUBLICATION OF SPANISH-LANGUAGE CONSUMER BROCHURES

The Federal Reserve Board on July 1, 2003, announced the publication of Spanish-language versions of two popular consumer brochures, in both print and electronic formats.

Guía para el consumidor sobre hipotecas a tasa ajustable (ARM) (Consumer Handbook on Adjustable Rate Mortgages) provides an overview of adjustable-rate mortgages (ARMs) and how they work. The guide describes features, such as interest rate and payment caps, that consumers should look for when shopping for an ARM. It also contains a glossary of pertinent terms and a checklist to help consumers shop and compare mortgage offers. Consumers applying for an adjustable-rate mortgage should receive a copy of the guide from their lenders.

Lo que usted debería saber sobre las líneas de crédito con garantía hipotecaria (What You Should Know about Home Equity Lines of Credit) explains how a home equity line of credit differs from a more traditional home equity loan. The guide contains information to help consumers compare interest rates and plan features, and addresses the costs of maintaining the line of credit and repayment options. A glossary and shopping checklist are also included. Consumers applying for a home equity line of credit should receive a copy of this information from their lenders.

Guía para el consumidor sobre hipotecas a tasa ajustable (ARM) is available on the Board's web site at www.federalreserve.gov/pubs/arms/arms_spanish.htm. *Lo que usted debería saber sobre las líneas de crédito con garantía hipotecaria* can be found on the Board's web site at www.federalreserve.gov/pubs/equity/equity_spanish.htm.

Print copies of both publications may be ordered from Publications Fulfillment, Mail Stop 127, Washington, DC 20551 (202-452-3245). The first 100 copies are free of charge.

Discontinuance of Statistical Table 3.20

Publication of table 3.20, "Banks' Own Claims on Unaffiliated Foreigners," in the statistical appendix of the *Federal Reserve Bulletin* was discontinued as of the July 2003 issue. The table was discontinued because the data, as published by maturity, are no longer available.

Minutes of Board Discount Rate Meetings

The Federal Reserve Board on July 3, 2003, released the minutes of its discount rate meetings from March 31 to May 5, 2003.

Enforcement Actions

The Federal Reserve Board on June 16, 2003, announced the execution of a written agreement by and between Southern Commercial Bank, St. Louis, Missouri, and the Federal Reserve Bank of St. Louis.

The Federal Reserve Board on June 24, 2003, announced the issuance of a Consent Order of Assessment of a Civil Money Penalty against the Centennial Bank of the West, Fort Collins, Colorado, a state member bank. Centennial Bank of the West, without admitting to any allegations, consented to the issuance of the order in connection with its alleged violations of the Board's regulations implementing the National Flood Insurance Act.

The order requires Centennial Bank of the West to pay a civil money penalty of $3,000, which will be remitted to the Federal Emergency Management Agency for deposit into the National Flood Mitigation Fund.

The Federal Reserve Board on June 24, 2003, announced the issuance of a Consent Order of Assessment of a Civil Money Penalty against the Community First Bank & Trust, Celina, Ohio, a state member bank.

Community First Bank & Trust, without admitting to any allegations, consented to the issuance of the order in connection with its alleged violations of the Board's regulations implementing the National Flood Insurance Act.

The order requires Community First Bank & Trust to pay a civil money penalty of $5,500, which will be remitted to the Federal Emergency Management Agency for deposit into the National Flood Mitigation Fund.

Staff Changes

The Board of Governors has approved the promotion of James A. Clouse to Deputy Associate Director, and the appointments of Cheryl L. Edwards to Assistant Director and Athanasios Orphanides to Adviser in the Division of Monetary Affairs.

James A. Clouse will continue to have oversight responsibility for the Money and Financial Market Analysis Section, including its work on systemic risk monitoring, the functioning of financial markets, and discount window policies. In addition, Mr. Clouse will take a more active role in the management of the division.

Cheryl L. Edwards will be responsible for the System's Statistics and Reserves application (STAR), the function that coordinates the uniform implementation and reporting of reserve requirements throughout the System. Ms. Edwards joined the Federal

Reserve Bank of New York in 1987 as an economist in the Research Department. From 1988 through 1992, she was an economist and then senior economist in the Open Market Group. She joined the Board's staff in 1993 as an economist in the Monetary and Reserve Analysis Section. Ms. Edwards holds a Ph.D. in economics from the University of Michigan.

Athanasios Orphanides will take an active role in recruiting professional staff, participating in preparing material for FOMC meetings and shaping the division's research agenda. Mr. Orphanides joined the Board in 1990 as an economist in the Monetary Studies Section and was promoted to senior economist in 1996. In recent years, he has focused his work on monetary policy issues, and his papers relying on real-time data have had an important influence on the economic profession's thinking about the conduct of monetary policy in the 1970s. Mr. Orphanides holds a Ph.D. in economics from the Massachusetts Institute of Technology.

The Board of Governors has approved the following changes of assignments in the Office of Board Members and the Office of the Staff Director for Management (OSDM), effective June 29, 2003.

Lynn Fox will become Senior Adviser in the Office of the Staff Director. She will work on a part-time basis for OSDM and the Management Division.

Michelle A. Smith, Assistant to the Board, will assume the role of Acting Division Director for the Office of Board Members. She will continue in her role as head of the Public Affairs Office.

The Division of Reserve Bank Operations and Payment Systems announced the appointments of Dorothy B. LaChapelle and Lisa Hoskins to Assistant Director.

Dorothy B. LaChapelle will lead the division programs responsible for overseeing Reserve Bank financial and cost accounting functions and Reserve Bank budgets. Ms. LaChapelle joined the Board in 1977 as a statistical clerk in the then Division of Data Processing. She resigned from the Board staff in 1979 to pursue her bachelors in business administration from George Mason University, which she received in 1983. She returned to the Board in 1983 and has had positions of increasing responsibility in RBOPS' Information Systems and Reserve Bank Planning and Control sections. She became manager of the Reserve Bank Planning and Control Section in 1999. Ms. LaChapelle is a two-time recipient of the Board's Special Achievement Award for exemplary performance.

Lisa Hoskins will oversee the division's Administration and Information Systems functions. Ms. Hoskins began working in the System in 1985, as a management intern with the New Orleans Branch of the Federal Reserve Bank of Atlanta. She joined the Board in 1988 as a financial services analyst in RBOPS. Over the years, she has had positions of increasing responsibility in the Fiscal Agency and Wholesale Payments sections. Since May 1998, Ms. Hoskins has served as Assistant to the Director, with responsibility for the division's administrative function and various special projects. During this time she also has served as Co-Secretariat to the Committee on Employee Benefits. Ms. Hoskins received a bachelor's degree and master's degree in management from Loyola University in New Orleans.

William R. Jones, Director of the Management Division, retired on Friday, August 1, 2003, after thirty years of service to the Board.

John H. Lopez, Special Assistant to the Board in the Office of Board Members, retired on Friday, August 1, 2003, after four and one-half years of service to the Board and more than thirty-four years of government service. □

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION Y

The Board of Governors of the Federal Reserve System (the Board) is amending 12 C.F.R. Part 225, its Regulation Y (Bank Holding Companies and Change in Bank Control). The amendment would permit bank holding companies to (i) take and make delivery of title to commodities underlying commodity derivative contracts on an instantaneous, pass-through basis; and (ii) enter into certain commodity derivative contracts that do not require cash settlement or specifically provide for assignment, termination, or offset prior to delivery.

Effective August 1, 2003, 12 C.F.R. Part 225 is amended as follows:

Part 225—Bank Holding Companies and Change in Bank Control (Regulation Y)

1. The authority citation for Part 225 continues to read as follows:

Authority: 12 U.S.C. 1817(j)(13), 1818, 1828(o), 1831i, 1831p-1, 1843(c)(8), 1843(k), 1844(b), 1972(1), 3106, 3108, 3310, 3331–3351, 3907, and 3909.

2. Section 225.28 is amended by revising paragraph (b)(8)(ii)(B) to read as follows:

Section 225.28—List of permissible nonbanking activities

* * * * *

(b) * * *

(8) * * *

(ii) * * *

(B) Forward contracts, options, futures, options on futures, swaps, and similar contracts, whether traded on exchanges or not, based on any rate, price, financial asset (including gold, silver, platinum, palladium, copper, or any other metal approved by the Board), nonfinancial asset, or group of assets, other than a bank-ineligible security,[1] if:

(1) A state member bank is authorized to invest in the asset underlying the contract;
(2) The contract requires cash settlement;
(3) The contract allows for assignment, termination, or offset prior to delivery or expiration, and the company—
  (i) makes every reasonable effort to avoid taking or making delivery of the asset underlying the contract; or
  (ii) receives and instantaneously transfers title to the underlying asset, by operation of contract and without taking or making physical delivery of the asset; or
(4) The contract does not allow for assignment, termination, or offset prior to delivery or expiration and is based on an asset for which futures contracts or options on futures contracts have been approved for trading on a U.S. contract market by the Commodity Futures Trading Commission, and the company—
  (i) makes every reasonable effort to avoid taking or making delivery of the asset underlying the contract; or
  (ii) receives and instantaneously transfers title to the underlying asset, by operation of contract and without taking or making physical delivery of the asset.

1. A bank-ineligible security is any security that a state member bank is not permitted to underwrite or deal in under 12 U.S.C. 24 and 335.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

The Royal Bank of Scotland Group plc
Edinburgh, Scotland

The Royal Bank of Scotland plc
Edinburgh, Scotland

RBSG International Holdings Ltd.
Edinburgh, Scotland

Citizens Financial Group, Inc.
Providence, Rhode Island

Order Approving the Acquisition of Bank Holding Companies

The Royal Bank of Scotland Group plc ("RBS Group"), The Royal Bank of Scotland plc ("RBS"), RBSG International Holdings Ltd., and Citizens Financial Group, Inc. ("Citizens") (collectively, "Applicants") have requested the Board's approval under section 3 of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842) to acquire all the voting shares of Port Financial Corp., Brighton, Massachusetts ("Port"), and thereby indirectly acquire Cambridgeport Bank; and up to 9.9 percent of Cambridge Bancorp ("Cambridge"), which controls Cambridge Trust Company, all in Cambridge, Massachusetts.[1]

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (66 *Federal Register* 26,297 (2003)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in section 3 of the BHC Act.

RBS Group, with total consolidated assets equivalent to approximately $663 billion, is the fifth largest banking organization in the world.[2] Citizens, with total consolidated assets of $67 billion, is the 20th largest commercial banking organization in the United States.[3] Citizens operates subsidiary depository institutions in Rhode Island, Massachusetts, Connecticut, New Hampshire, Delaware, and Pennsylvania that control approximately $45.7 billion in deposits, representing approximately 1 percent of total deposits in insured depository institutions in the United States ("total U.S. insured deposits").[4]

Port operates one subsidiary depository institution in Massachusetts that controls $1.1 billion in deposits, representing less than 1 percent of total U.S. insured deposits. On consummation of this proposal, Citizens, with total consolidated assets of $68.5 billion, would remain the 20th largest commercial banking organization in the United States, controlling deposits of $46.8 billion.[5]

Interstate Analysis

Section 3(d) of the BHC Act allows the Board to approve an application by a bank holding company to acquire control of a bank holding company or bank located in a state other than the home state of the applicant if certain conditions are met. The Board may not approve a proposal subject to section 3(d) if, after consummation, the applicant would control more than 10 percent of total U.S. insured deposits.[6] In addition, the Board may not approve a proposal if, after consummation, the applicant would control 30 percent or more of the total deposits in insured depository institutions in any state in which both the applicant and the organization to be acquired operate insured depository institutions, or such higher or lower percentage as established by state law.[7]

For purposes of the BHC Act, the home state of Citizens is Rhode Island and the home state of Port and Cambridge is Massachusetts. Based on a review of all the facts of record, including a review of relevant state statutes, the Board finds that all conditions for an interstate acquisition enumerated in section 3(d) are met in this case.[8] In light of all the facts of record, the Board is permitted to approve the proposal under section 3(d) of the BHC Act.

Factors Under the Bank Holding Company Act

The BHC Act sets forth the factors that the Board must consider when reviewing the formation of bank holding companies or the acquisition of banks. These factors are the competitive effects of the proposal in the relevant geographic markets; the convenience and needs of the community to be served, including the records of perfor-

1. Port controls Brighton Investment Corporation, Brighton, Massachusetts ("Brighton"), which owns 7.16 percent of the voting securities of Cambridge. As part of the proposed transaction, the shares of Cambridge currently held by Brighton would be transferred to Citizens, and Brighton would cease to exist.

2. Foreign asset and ranking data are as of December 31, 2002.

3. Asset and domestic ranking data are as of March 31, 2003.

4. Deposit data are as of June 30, 2002, unless otherwise noted. Insured depository institutions include all insured banks, savings banks, and savings associations.

5. If the total assets of Cambridge were included in the proposal, Citizens would become the 19th largest commercial banking organization in the United States, with total consolidated assets of $69.2 billion, controlling deposits of $47.3 billion, representing approximately 1 percent of total U.S. insured deposits.

6. 12 U.S.C. 1842(d)(2)(A).

7. 12 U.S.C. 1842(d)(2)(B)–(D).

8. Massachusetts imposes a deposit cap of 30 percent and a minimum age requirement of three years. *See* Mass. Gen. Laws ch. 167, § 39B (2003). Citizens would control less than 30 percent of total deposits held by insured depository institutions in Massachusetts, the only state in which Citizens, Port, and Cambridge all operate banks. Citizens is adequately capitalized and adequately managed, as defined by applicable law. In addition, the subsidiary banks of Port and Cambridge have been in existence for the minimum age requirements established by applicable state law. *See* 12 U.S.C. §§ 1842(d)(1)(A) and (B), 1842(d)(2)(A) and (B). Applicants meet the capital and managerial requirements established under applicable law. Finally, Applicants would control less than 10 percent of total U.S. insured deposits.

mance of the insured depository institutions involved in the transaction under the Community Reinvestment Act ("CRA");[9] the financial and managerial resources and future prospects of the companies and banks involved in the proposal; the availability of information to determine and enforce compliance with the BHC Act and other applicable federal banking laws; and, in the case of applications involving a foreign bank such as RBS, whether the foreign bank is subject to comprehensive supervision and regulation on a consolidated basis by its home country supervisor.[10]

The Board has considered these factors in light of a record that includes information provided by Applicants, confidential supervisory and examination information, publicly reported financial and other information, and public comments submitted on the proposal. The Board also has consulted with and considered information provided by the primary home country supervisor of RBS Group and various federal and state supervisory agencies, including the Federal Deposit Insurance Corporation ("FDIC") and the Massachusetts Division of Banks.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or be in furtherance of a monopoly. The BHC Act also prohibits the Board from approving a proposal that would substantially lessen competition in any relevant banking market unless the anticompetitive effects of the proposal in that banking market are clearly outweighed in the public interest by the probable effects of the proposal in meeting the convenience and needs of the community to be served.[11]

The subsidiary depository institutions of Citizens and Port currently compete in the Boston, Massachusetts, banking market ("Boston banking market").[12] Consummation of the proposal would be consistent with the Department of Justice Merger Guidelines ("DOJ Guidelines").[13] Based on all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of banking resources in any relevant banking market, and that competitive considerations are consistent with approval.[14]

Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act, the Board is required to consider its effects on the convenience and needs of the communities to be served and to take into account the records of the relevant insured depository institutions under the CRA. The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of local communities in which they operate, consistent with safe and sound operation, and requires the appropriate federal financial supervisory agency to take into account an institution's record of meeting the credit needs of its entire community, including low- and moderate-income ("LMI") neighborhoods, in evaluating bank expansionary proposals. The Board has carefully considered the convenience and needs factor and the CRA performance records of the subsidiary depository institutions of Citizens, Port, and Cambridge in light of all the facts of record, including public comments on the effect the proposal would have on the communities to be served by the institutions resulting from this proposal.

A commenter opposing the proposal has alleged, based on data submitted under the Home Mortgage Disclosure Act ("HMDA"),[15] that Citizens has engaged in disparate treatment of minority individuals in its assessment areas with respect to home mortgage lending. This commenter also objected to Applicants' past branch closings and the lack of specificity in these applications on possible branch closings. Finally, the commenter expressed concern about Citizens' record of lending to small businesses.

A. Record of Performance under CRA

As provided in the CRA, the Board has evaluated the convenience and needs factor in light of examinations by the appropriate federal supervisors of the CRA performance records of the relevant insured depository institutions. An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation of the institution's overall record of performance under the CRA by its appropriate federal supervisor.[16]

9. 12 U.S.C. § 2901 *et seq.*

10. *See* 12 U.S.C. § 1842(c).

11. *See* 12 U.S.C. § 1842(c)(1).

12. The Boston banking market is defined as the Boston Ranally Metropolitan Area and the town of Lyndeboro in Hillsborough County, New Hampshire.

13. Under the DOJ Guidelines, 49 *Federal Register* 26,823 (1984), a market in which the post-merger Herfindahl–Hirschman Index ("HHI") is between 1000 and 1800 is considered to be moderately concentrated. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger or acquisition increases the HHI by at least 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers or acquisitions for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial institutions.

14. On consummation of the proposal, Citizens would remain the third largest depository institution in the Boston banking market, controlling deposits of $15.2 billion, representing approximately 15 percent of total deposits in insured depository institutions in this market. The HHI would increase 15 points to 1470. These data are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *See Midwest Financial Group,* 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation,* 70 *Federal Reserve Bulletin* 743 (1984).

15. 12 U.S.C. § 2801 *et seq.*

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

Citizens Bank of Massachusetts, Boston, Massachusetts ("CBMA"), and most of Citizens' other subsidiary depository institutions received "outstanding" ratings at their most recent CRA performance examinations by the FDIC, as of October 12, 1999.[17] Cambridgeport Bank received a "satisfactory" rating at its most recent CRA performance examination by the FDIC, as of October 16, 2002. Cambridge Trust Company received a "satisfactory" rating at its most recent performance examination by the FDIC, as of October 29, 2001. In addition, the Board has evaluated substantial information submitted by Citizens concerning the CRA performance of its subsidiary banks ("the Citizens Banks") since their 1999 performance evaluations and has considered the lending policies, practices, and data of Citizens' affiliate, Citizens Mortgage Company ("CMC").[18]

B. HMDA Data and Fair Lending Record

The Board also has carefully considered Citizens' lending record in light of the comments on HMDA data reported by its subsidiaries. Based on 2001 HMDA data, the commenter alleged that the Citizens Banks disproportionately excluded or denied African-American and Hispanic applicants for home mortgage loans in various Metropolitan Statistical Areas ("MSAs") in Rhode Island, Massachusetts, and Connecticut.

Applicants note that the commenter has failed to appropriately reflect the effect of the mortgage lending activities of CMC. HMDA data for 2001 indicate that CMC originated almost 90 percent of the conventional home purchase mortgages attributed to the Citizens Banks by examiners in their CRA evaluation of these banks. If CMC's mortgage lending is included, the percentage of originations to African Americans, Hispanics, and individuals residing in minority census tracts generally exceed or approximate the percentage for the aggregate of lenders in the MSAs cited by the commenter.[19] The Board notes that the Citizens Banks' denial disparity ratios reported for African-American and Hispanic applicants in 2002 were generally lower than, or comparable with, the ratios reported by the aggregate of lenders in each of the markets reviewed.[20]

Importantly, the HMDA data do not indicate that the Citizens Banks have excluded any segment of the population or geographic areas on a prohibited basis. The Board, nevertheless, is concerned when the record of an institution indicates disparities in lending and believes that all banks are obligated to ensure that their lending practices are based on criteria that ensure not only safe and sound lending, but also equal access to credit by creditworthy applicants regardless of their race or income level. The Board recognizes, however, that HMDA data alone provide an incomplete measure of an institution's lending in its community because these data cover only a few categories of housing-related lending. HMDA data, moreover, provide only limited information about covered loans.[21] HMDA data, therefore, have limitations that make them an inadequate basis, absent other information, for concluding that an institution has not assisted adequately in meeting its community's credit needs or has engaged in illegal lending discrimination.

Because of the limitations of HMDA data, the Board has considered these data carefully in light of other information, including examination reports that provide an on-site evaluation of compliance by the Citizens Banks with fair lending laws. Examiners found no evidence of prohibited discrimination or other illegal credit practices at any subsidiary depository institution controlled by Citizens. The record also indicates that Citizens has taken a number of affirmative steps to ensure compliance with fair lending laws. The Citizens Banks have a second-look policy and procedure that employs a two-pronged approach to the review of credit decisions for compliance with its fair lending policy. Under this policy, a committee conducts a weekly review of marginal approvals and denials to measure consistency in the application of investor underwriting guidelines, and the quality control department conducts a quarterly statistically based regression analysis of all applications to identify possible instances or indications of disparate treatment. In addition, Citizens has established a formal fair lending committee and a mandatory, ongoing program in which all employees receive training on compliance with fair lending and other consumer protection laws.

The Board also has considered the HMDA data in light of the Citizens Banks' overall performance under the CRA, which demonstrates that these institutions are active in helping to meet the credit needs of their entire communi-

17. Citizens Bank of Rhode Island, Providence, Rhode Island ("CBRI"); Citizens Bank of Connecticut, New London, Connecticut; and Citizens Bank of New Hampshire, Manchester, New Hampshire, all received "outstanding" ratings at their most recent CRA performance examinations. Citizens Bank of Pennsylvania, Philadelphia, Pennsylvania ("CBPA"), and Citizens Bank, Wilmington, Delaware ("CBDE"), are *de novo* banks that have not yet been rated for performance under the CRA. United States Trust Company, Boston, Massachusetts, a subsidiary of Citizens, is a limited-purpose trust company and, therefore, not subject to the CRA.

18. CMC is a subsidiary of CBRI. CMC's HMDA data were considered in the 1999 evaluation of the lending records of the Citizens Banks by the FDIC.

19. For purposes of this HMDA analysis, "minority census tracts" means census tracts with a minority population of 80 percent or more. The lending data of the aggregate of lenders represent the cumulative lending for all financial institutions that have reported HMDA data in a given market.

20. The denial disparity ratio equals the denial rate of a particular racial category (e.g., African Americans) divided by the denial rate for whites.

21. The data, for example, do not account for the possibility that an institution's outreach efforts may attract a larger proportion of marginally qualified applicants than other institutions attract and do not provide a basis for an independent assessment of whether an applicant who was denied credit was, in fact, creditworthy. Credit history problems and excessive debt levels relative to income (reasons most frequently cited for a credit denial) are not available from HMDA data.

ties.[22] The Board believes that, when viewed in light of the entire record, the HMDA data indicate that the banks' records of performance in helping to serve the credit needs of their communities are consistent with approval of the proposal.

C. Branch Closings

Commenter expressed concern about the possible effect of branch closings that might result from this proposal. The Board has carefully considered the comments on potential branch closings in light of all the facts of record.

Citizens has represented that it will follow its existing branch closure policy before closing or consolidating any branches acquired as a result of this proposal. Under this policy, Citizens will review a number of factors before closing or consolidating a branch, including the impact on the community, the business viability of the branch, the impact on access to credit, and ensuring that the branch closing has no discriminatory effect. The most recent CRA examinations of Citizens' subsidiary depository institutions indicated satisfactory records of opening and closing branches.

The Board also has considered that federal banking law provides a specific mechanism for addressing branch closings.[23] Federal law requires an insured depository institution to provide notice to the public and to the appropriate federal supervisory agency before closing a branch. In addition, the Board notes that the FDIC, as the appropriate federal supervisor of the Citizens Banks, will continue to review the branch closing records of the banks in the course of conducting CRA performance examinations.

D. Small Business Lending

Commenter expressed concerns about CBMA's small business lending in one county in the Boston banking market, alleging that CBMA made few small business loans in LMI census tracts. Applicants responded that one county does not provide a complete picture of Citizens' small business lending efforts and noted that the subject county has only two low-income census tracts, which are both predominantly residential.

The Board notes that CBMA has consistently been the Small Business Administration's top lender in Massachusetts when ranked by number of loans originated. FDIC examiners stated that the percentage of Citizens' small business loans in LMI census tracts in its assessment areas generally exceeded the percentage of small businesses in those census tracts and the small business lending of the aggregate of lenders in these markets. FDIC examiners also reported that CBMA's lending to businesses with less than $1 million in gross annual revenues exceeded the amount of lending to those businesses by the aggregate of lenders in 2000 and 2001.

E. Conclusion on Convenience and Needs Considerations

In reviewing the proposal's effect on the convenience and needs of the communities to be served by the combined organization, the Board has carefully considered the entire record, including the public comments received, reports of examinations of the CRA performance of the institutions involved, and confidential supervisory information from the FDIC. The record and examinations show that the Citizens Banks have a variety of programs in place that are designed to meet the credit and banking needs of their communities, including LMI areas.[24] Based on all the facts of record and for the reasons discussed above, the Board concludes that considerations relating to the convenience and needs factor, including the CRA performance records of the relevant depository institutions, are consistent with approval.

Financial, Managerial, and Other Supervisory Factors

The BHC Act requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved in an acquisition.[25] In assessing the financial and managerial strength of Applicants and the banks to be acquired, the Board has reviewed information provided by Applicants, confidential supervisory and examination information, publicly reported and other financial information, and public comments.[26] In addition, the

22. Commenter also repeated an allegation considered in Applicants' application to acquire CBPA and CBDE (the "Mellon proposal") that Applicants indirectly support predatory lending by a number of unaffiliated consumer lenders through the securitization activities and warehouse lending services of Applicants' subsidiary, Greenwich Capital Markets, Greenwich, Connecticut ("GCM"). Applicants have stated that GCM continues to conduct due diligence reviews in connection with its securitization activities. The Board carefully considered this comment and Applicants' response to the comments in light of all the facts of record in approving the Mellon proposal. *See The Royal Bank of Scotland Group plc,* 88 *Federal Reserve Bulletin* 51 (2002) ("RBS Order"). Commenter has not provided any new information that would warrant a different conclusion in this proposal.

23. Section 42 of the Federal Deposit Insurance Act (12 U.S.C. § 1831r-1), as implemented by the Joint Policy Statement Regarding Branch Closings (64 *Federal Register* 34,844 (1999)), requires that a bank provide the public with at least 30 days' notice and the appropriate federal supervisory agency with at least 90 days' notice before the date of the proposed branch closing. The bank also is required to provide reasons and other supporting data for the closure, consistent with the institution's written policy for branch closings.

24. These programs include the Soft Second Program offered in participation with the Massachusetts Housing Partnership in Boston, which allows income-eligible borrowers the opportunity to reduce the principal amount and monthly payment on their first mortgage, thereby eliminating the need for private mortgage insurance. CBMA offers an affordable mortgage program for LMI borrowers through the Massachusetts Association of Community Organizations for Reform Now with below-market rates, liberal qualifying ratios, and low-downpayment requirements. CBMA's Appleseed Program also offers mortgage refinancing at fixed rates to senior-citizen homeowners victimized by mortgage scams.

25. *See* 12 U.S.C. § 1842(c)(2).

26. Commenter also repeated allegations made in connection with the Mellon proposal that Applicants had inadequate records on human rights and the environment. These assertions were based on actions taken outside the United States, and commenter asserted that the

Board consulted relevant supervisory authorities in the United Kingdom.

In evaluating financial factors in expansion proposals by banking organizations, the Board consistently has considered capital adequacy to be especially important. In addition, the capital ratios of RBS Group on a consolidated basis and RBS would continue to exceed the minimum levels that would be required under the Basel Capital Accord. These ratios are considered equivalent to the capital ratios that would be required of a U.S. banking organization.

The Board also has considered the managerial resources of Applicants, including the examination records of Citizens and its subsidiary depository institutions by the appropriate federal financial supervisory agencies.[27] In addition, the Board has considered the plans of Applicants to implement the proposal, including their available managerial resources and record of successfully integrating acquisitions into existing operations. After reviewing all the facts of record, the Board concludes that Applicants, including the subsidiary depository institutions of Citizens, have adequate managerial resources and appropriate risk-management systems in place. Based on these and all the facts of record, the Board concludes that the financial and managerial resources and future prospects of Applicants and their subsidiary banks are consistent with approval.

Section 3 of the BHC Act also provides that the Board may not approve an application involving a foreign bank unless the bank is subject to comprehensive consolidated supervision or regulation on a consolidated basis by the appropriate authorities in the bank's home country.[28] The home country supervisor of RBS Group is the FSA, which is responsible for the supervision and regulation of United Kingdom financial institutions.

In approving applications under the BHC Act and the International Banking Act (12 U.S.C. §3101 *et seq.*) ("IBA"), the Board previously has determined that United Kingdom banks, including RBS, were subject to home country supervision on a consolidated basis.[29] In this case, the Board finds that the FSA continues to supervise RBS in substantially the same manner as it supervised United Kingdom banks at the time of those determinations. Based on this finding and all the facts of record, the Board concludes that RBS continues to be subject to comprehensive supervision on a consolidated basis by its home country supervisor.

In addition, section 3 of the BHC Act requires the Board to determine that a foreign bank has provided adequate assurances that it will make available to the Board such information on its operations and activities and those of its affiliates that the Board deems appropriate to determine and enforce compliance with the BHC Act.[30] The Board has reviewed the restrictions on disclosure in relevant jurisdictions in which RBS Group operates and has communicated with relevant government authorities concerning access to information. In addition, RBS Group and RBS previously have committed to make available to the Board such information on the operations of RBS Group and its affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act, the IBA, and other applicable federal laws. RBS Group and RBS also previously have committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary to enable RBS Group and its affiliates to make such information available to the Board. In light of these commitments, the Board concludes that RBS Group and RBS have provided adequate assurances of access to any appropriate information that the Board may request. Based on these and all the facts of record, the Board concludes that the supervisory factors it is required to consider are consistent with approval.

Conclusion

Based on the foregoing and in light of all the facts of record, the Board has determined that the applications should be, and hereby are, approved.[31] In reaching this

activities of RBS Group and its affiliates in Indonesia allegedly ignored human rights concerns, damaged the environment, or caused other societal harm. The Board noted in the RBS Order that these contentions contained no allegations of illegality or of actions that would affect the safety and soundness of the institutions involved in the proposal, and that they were outside the limited statutory factors that the Board is authorized to consider when reviewing an application under the BHC Act. *See Western Bancshares, Inc. v. Board of Governors*, 480 F.2d 749 (10th Cir. 1973).

27. Commenter alleged, without providing any material information, that RBS does not have appropriate anti-money-laundering safeguards in place. The Board has considered this allegation in light of supervisory and examination reports on RBS's operations in the United States, consultations with the United Kingdom's Financial Services Authority ("FSA"), and confidential information received from the FSA concerning RBS's record of compliance with anti-money-laundering laws. Commenter also reiterated contentions made in connection with the Mellon proposal, based on press reports, that a CBMA branch might have wired money abroad on behalf of an organization suspected of funding al-Qaida. The Board previously considered this allegation in light of consultations with other federal agencies, confidential information concerning the allegations, Citizens' record of compliance with anti-money-laundering laws, regulations, and government directives related to official sanctions lists. The Board concluded that the Mellon proposal was consistent with approval, and the commenter has presented no new facts that would support a different conclusion in this proposal. *See* RBS Order.

28. 12 U.S.C. § 1842(c)(3)(B). Under Regulation Y, the Board uses the standards enumerated in Regulation K to determine whether a foreign bank that has applied under section 3 of the BHC Act is subject to consolidated home country supervision. *See* 12 C.F.R. 225.13(a)(4). Regulation K provides that a foreign bank will be considered to be subject to comprehensive supervision or regulation on a consolidated basis if the Board determines that the bank is supervised or regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the bank, including its relationship to any affiliates, to assess the bank's overall financial condition and its compliance with law and regulation. *See* 12 C.F.R. 211.24(c)(1).

29. *See* The RBS Order; *see also Abbey National Treasury Services plc*, 87 *Federal Reserve Bulletin* 750 (2001).

30. *See* 12 U.S.C. § 1842(c)(3)(A).

31. Commenter also requested that the Board hold a public hearing on the proposal. Section 3 of the BHC Act does not require the Board to hold a public hearing on an application unless the appropriate supervisory authority for any of the banks to be acquired makes a timely written recommendation of denial of the application. The Board has not received such a recommendation from the appropriate

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 Applicants with all the representations and commitments made in connection with the applications, prior commitments referred to in this order, and the receipt of all other regulatory approvals. These representations, commitments, and conditions are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The transaction shall not be consummated 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 Boston, acting pursuant to delegated authority.

By order of the Board of Governors, effective June 30, 2003.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, Olson, Bernanke, and Kohn.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

supervisory authority. Under its rules, the Board also may, in its discretion, hold a public meeting or hearing on an application to acquire a bank if a meeting or hearing is necessary or appropriate to clarify factual issues related to the application and to provide an opportunity for testimony. 12 C.F.R. 225.16(e). The Board has considered carefully commenter's request in light of all the facts of record. In the Board's view, the public has had ample opportunity to submit comments on the proposal, and in fact, commenter has submitted written comments that the Board has considered carefully in acting on the proposal. The commenter's request fails to demonstrate why its written comments do not present its views adequately or why a meeting or hearing otherwise would be necessary or appropriate. For these reasons, and based on all the facts of record, the Board has determined that a public hearing or meeting is not required or warranted in this case. Accordingly, the request for a public hearing on the proposal is denied.

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Secretary of the Board

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

Section 3

Applicant(s)	Bank(s)	Effective Date
One Rich Hill Mining, L.L.C., Forth Worth, Texas One Rich Hill Land Ltd. Partnership, Forth Worth, Texas	F & M Bancorporation, Tulsa, Oklahoma The F & M Bank and Trust Company, Tulsa, Oklahoma	June 6, 2003

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
AIM Bancshares, Inc., Levelland, Texas	The First National Bank of Littlefield, Littlefield, Texas	Dallas	June 20, 2003
Avest, Inc., Cleburne, Texas Afin, Ltd., Cleburne, Texas	Grandview Bancshares, Inc., Grandview, Texas	Dallas	June 19, 2003
Business Bancshares, Inc., Clayton, Missouri	The Business Bank of St. Louis, Clayton, Missouri	St. Louis	June 19, 2003
CalWest Bancorp, Rancho Santa Margarita, California	South County Bank, N.A., Rancho Santa Margarita, California	San Francisco	June 13, 2003

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Central Georgia Banking Company, Cochran, Georgia	State Bank of Cochran, Cochran, Georgia	Atlanta	June 13, 2003
Centra Ventures, Inc., St. Cloud, Minnesota	Falcon National Bank, Foley, Minnesota	Minneapolis	June 13, 2003
Denison Bancshares, Inc. of Holton, Holton, Kansas	Countryside Bank, Meriden, Kansas	Kansas City	June 9, 2003
East Penn Financial Corporation, Emmaus, Pennsylvania	East Penn Bank, Emmaus, Pennsylvania	Philadelphia	June 2, 2003
Eden Financial Corporation, San Angelo, Texas	Laguna Bancshares, Inc., Big Lake, Texas Laguna Bancshares of Delaware, Inc., Dover, Delaware Big Lake Bank, National Association, Big Lake, Texas	Dallas	June 4, 2003
Equity Bancshares, Inc., Wichita, Kansas	National Bank of Andover, Andover, Kansas	Kansas City	June 11, 2003
First Crockett Bancshares, Inc., Crockett, Texas Crockett Delaware Bancshares, Inc., Wilmington, Delaware	First National Bank of Crockett, Crockett, Texas	Dallas	June 11, 2003
Gemini Bancshares, Inc., Monument, Colorado	Integrity Bank & Trust, Monument, Colorado	Kansas City	May 30, 2003
Guaranty Federal Bancshares, Inc., Springfield, Missouri	Guaranty Federal Savings Bank, Springfield, Missouri	St. Louis	June 11, 2003
Inwood Bancshares, Inc., Dallas, Texas Inwood Delaware, Inc., Dover, Delaware	WB&T Bancshares, Inc., Duncanville, Texas WB&T Delaware, Inc., New Castle, Delaware Western Bank and Trust, Duncanville, Texas	Dallas	June 19, 2003
JDOB, Inc., Sandstone, Minnesota	First National Bank of Hinckley, Hinckley, Minnesota	Minneapolis	June 25, 2003
Liberty Bancshares, Inc., St. Paul, Minnesota Liberty State Bank, St. Paul, Minnesota	First Federal Capital Corporation, La Crosse, Wisconsin First Federal Capital Bank, La Crosse, Wisconsin	Minneapolis	June 9, 2003
Mercantile Bancorp, Inc., Quincy, Illinois	New Frontier Bancshares, Inc., St. Charles, Missouri	St. Louis	June 6, 2003
MNB Holdings Corporation, San Francisco, California	Mission National Bank, San Francisco, California	San Francisco	June 24, 2003
Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft, Munich, Germany	Commerzbank Aktiengesellschaft, Frankfurt, Germany	New York	June 9, 2003
South Shore Mutual Holding Company, Weymouth, Massachusetts	South Shore Co-operative Bank, Weymouth, Massachusetts	Boston	June 23, 2003
South Texas Bancorp, Inc., Hebbronville, Texas	Kingsville State Bancshares, Inc., Kingsville, Texas	Dallas	June 6, 2003
Steele Street Bank Corporation, Denver, Colorado	Steele Street State Bank, Denver, Colorado	Kansas City	June 18, 2003
Tidelands Bancshares, Inc., Mt. Pleasant, South Carolina	Tidelands Bank, Mt. Pleasant, South Carolina	Richmond	June 11, 2003
Union Financial Bancshares, Inc., Union, South Carolina	Provident Community Bank, National Association, Union, South Carolina	Richmond	June 25, 2003

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Bank One Corporation, Chicago, Illinois	To expand its aggregate investment in community welfare and development activities	Chicago	June 20, 2003
Commerzbank Aktiengesellschaft, Frankfurt, Germany	Commerzbank Capital Markets Corporation, New York, New York	New York	June 6, 2003
FNB Corporation, Christiansburg, Virginia	Bedford Bancshares, Inc., Bedford, Virginia	Richmond	June 23, 2003
Heartland Financial USA, Inc., Dubuque, Iowa	HTLF Capital Corp., Dubuque, Iowa	Chicago	June 11, 2003
Inwood Bancshares, Inc., Dallas, Texas Inwood Delaware, Dover, Delaware	Inwood Asset Management, Inc., Dallas, Texas	Dallas	June 13, 2003
Northview Financial Corporation, Northfield, Illinois	Northview Mortgage, LLC., Northfield, Illinois	Chicago	June 18, 2003
Shorebank Corporation, Chicago, Illinois	To conduct the following activities: (1) financial and investment advisory activities; (2) private placement services; and (3) administrative services	Chicago	June 20, 2003

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Danran Holding Ltd., Tel Aviv, Israel Shamdar Holdings Ltd., Tel Aviv, Israel Elran (D.D.) Investments Ltd., Tel Aviv, Israel Elran (D.D.) Holdings Ltd., Tel Aviv, Israel	Signature Bank, New York, New York	New York	June 13, 2003

Applications Approved Under Bank Merger Act By Federal Reserve Banks

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

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
East Penn Bank, Emmaus, Pennsylvania	East Penn Interim Bank, Emmaus, Pennsylvania	Philadelphia	June 2, 2003
JPMorgan Chase Bank, New York, New York Citizens Bank of Massachusetts, Boston, Massachusetts Citizens Bank New Hampshire, Manchester, New Hampshire	Citizens Bank of Connecticut, New London, Connecticut Citizens Bank of Pennsylvania, Philadelphia, Pennsylvania Citizens Bank of Rhode Island, Providence, Rhode Island	New York	May 29, 2003

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

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

Tavera v. Von Nothaus, et al., No. 03-763 (D. Oregon, filed June 5, 2003). Civil rights action for violation of rights in connection with the plaintiff's prosecution for passing "Liberty dollar coins" as lawful money.

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

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

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

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

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

Financial and Business Statistics

INTERNATIONAL STATISTICS

Summary Statistics

Reported by Banks in the United States

Reported by Nonbanking Business Enterprises in the United States

Securities Holdings and Transactions

Interest and Exchange Rates

SPECIAL TABLES

Guide to Tables

SYMBOLS AND ABBREVIATIONS

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

GENERAL INFORMATION

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

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

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the U.S. Treasury.

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

1.10 RESERVES AND MONEY STOCK MEASURES

Percent annual rate of change, seasonally adjusted[1]

Monetary or credit aggregate	2002			2003	2003				
	Q2[r]	Q3[r]	Q4[r]	Q1[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May
Reserves of depository institutions[2]									
1 Total	−13.5	−2.2	1.0	11.3	15.3	2.6	4.5	−4.9	5.3
2 Required	−12.4	−4.9	−1.4	11.4	25.6	−5.2	14.9	−1.9	2.9
3 Nonborrowed	−14.0	−3.7	1.9	12.8	16.9	2.7	4.6	−5.1	4.5
4 Monetary base[3]	7.4	6.9	5.1	7.6	6.7	9.8	6.7	5.3	5.0
Concepts of money[4]									
5 M1	−.6	3.0	4.9	7.4	2.4	20.1	3.2	.3	20.3
6 M2	3.8	8.8	7.0	6.5	6.1	11.3	2.8	4.7	17.6
7 M3	4.0	7.2	7.7	5.1	−.5	5.7	2.9	1.8	13.1
Nontransaction components									
8 In M2[5]	5.0	10.4	7.6	6.3	7.1	8.9	2.7	5.8	16.8
9 In M3 only[6]	4.4	3.8	9.2	2.1	−14.4	−6.2	3.0	−4.6	3.2
Time and savings deposits									
Commercial banks									
10 Savings, including MMDAs	15.1	20.1	16.8	13.6	18.8	16.0	4.3	17.7	23.4
11 Small time[7]	−5.8	−4.0	−7.3	−7.2	−7.1	−7.6	−6.8	−9.3	−11.2
12 Large time[8,9]	12.1	2.0	−5.6	−4.3	14.4	−3.7	9.7	2.6	22.1
Thrift institutions									
13 Savings, including MMDAs	24.3	20.5	20.0	21.9	20.8	26.9	19.4	18.9	40.2
14 Small time[7]	−16.6	−10.5	−6.0	−6.5	−6.4	−10.0	−6.0	−4.9	−9.8
15 Large time[8]	−8.0	−2.6	11.9	8.9	12.3	.0	−8.1	2.0	−10.2
Money market mutual funds									
16 Retail	−11.4	.9	−6.3	−8.8	−15.9	−4.6	−5.5	−19.7	7.7
17 Institution-only	3.9	−.7	2.1	−4.9	−35.0	−19.8	−13.1	−22.4	−20.1
Repurchase agreements and eurodollars									
18 Repurchase agreements[10]	−.7	27.5	45.7	29.8	−22.9	36.4	44.6	18.5	12.7
19 Eurodollars[10]	−1.8	−3.5	28.9	.8	15.3	−31.2	−16.0	11.9	50.4

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding during preceding month or quarter.
2. Figures incorporate adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements (See also table 1.20.)
3. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all weekly reporters whose vault cash exceeds their required reserves) the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.
4. Composition of the money stock measures is as follows:
M1: (1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions, (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float, and (4) other checkable deposits (OCDs), consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.
M2: M1 plus (1) savings (including MMDAs), (2) small-denomination time deposits (time deposits—including retail RPs—in amounts of less than $100,000), and (3) balances in retail money market mutual funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds.
Seasonally adjusted M2 is calculated by summing savings deposits, small-denomination time deposits, and retail money fund balances, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.
M3: M2 plus (1) large-denomination time deposits (in amounts of $100,000 or more), (2) balances in institutional money funds, (3) RP liabilities (overnight and term) issued by all depository institutions, and (4) eurodollars (overnight and term) held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Seasonally adjusted M3 is calculated by summing large time deposits, institutional money fund balances, RP liabilities, and eurodollars, each seasonally adjusted separately, and adding this result to seasonally adjusted M2.
5. Sum of (1) savings deposits (including MMDAs), (2) small time deposits, and (3) retail money fund balances, each seasonally adjusted separately.
6. Sum of (1) large time deposits, (2) institutional money fund balances, (3) RP liabilities (overnight and term) issued by depository institutions, and (4) eurodollars (overnight and term) of U.S. addressees, each seasonally adjusted separately.
7. Small time deposits—including retail RPs—are those issued in amounts of less than $100,000. All IRA and Keogh account balances at commercial banks and thrift institutions are subtracted from small time deposits.
8. Large time deposits are those issued in amounts of $100,000 or more, excluding those booked at international banking facilities.
9. Large time deposits at commercial banks less those held by money market funds, depository institutions, the U.S. government, and foreign banks and official institutions.
10. Includes both overnight and term.

1.11 RESERVE BALANCES OF DEPOSITORY INSTITUTIONS[1]

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	2003			2003						
	Mar.	Apr.	May	Apr. 16	Apr. 23	Apr. 30	May 7	May 14	May 21	May 28
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	701,365	710,451	714,217	711,288	709,715	715,874	708,240	714,344	711,802	720,472
2 Securities held outright	639,323	645,586	649,309	645,669	646,852	647,057	647,419	647,817	650,403	650,852
3 U.S. Treasury[2]	639,313	645,576	649,299	645,659	646,842	647,047	647,409	647,807	650,393	650,842
4 Bills[3]	231,580	235,465	237,126	235,713	235,855	236,035	236,375	236,754	237,390	237,672
5 Notes and bonds, nominal[3]	394,110	395,917	397,882	395,760	396,776	396,776	396,776	396,776	398,707	398,853
6 Notes and bonds, inflation-indexed[3]	12,353	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814
7 Inflation compensation[4]	1,270	1,380	1,477	1,371	1,396	1,422	1,443	1,463	1,482	1,502
8 Federal agency[3]	10	10	10	10	10	10	10	10	10	10
9 Repurchase agreements[5]	23,356	25,792	26,121	26,821	23,893	28,751	20,537	25,644	24,608	31,857
10 Loans to depository institutions	24	30	57	36	28	30	50	51	56	59
11 Primary credit	17	8	4	16	4	0	4	2	2	2
12 Secondary credit	0	0	0	0	0	0	0	0	0	0
13 Seasonal credit	7	22	53	20	24	29	46	49	54	57
14 Float	595	−115	−350	−285	−405	225	113	−7	−869	−413
15 Other Federal Reserve assets	38,066	39,158	39,080	39,046	39,347	39,811	40,120	40,839	37,603	38,116
16 Gold stock	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043
17 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
18 Treasury currency outstanding	34,754	34,830	34,892	34,826	34,840	34,854	34,868	34,882	34,896	34,910
ABSORBING RESERVE FUNDS										
19 Currency in circulation	683,798	687,334	690,706	687,616	687,514	687,208	688,775	689,679	689,890	693,563
20 Reverse repurchase agreements[6]	18,755	20,639	21,137	20,745	20,552	20,949	21,325	20,641	20,415	21,598
21 Foreign official and international accounts	18,715	20,564	21,137	20,745	20,552	20,949	21,325	20,641	20,415	21,598
22 Dealers	40	75	0	0	0	0	0	0	0	0
23 Treasury cash holdings	369	356	351	357	360	350	341	343	350	359
24 Deposits with Federal Reserve Banks, other than reserve balances	16,842	19,183	18,232	17,811	20,679	20,129	18,593	18,775	18,563	17,050
25 U.S. Treasury, general account	5,339	7,533	6,678	6,470	8,927	8,763	7,113	7,139	6,899	5,543
26 Foreign official	163	118	122	120	106	132	102	86	116	160
27 Service-related	11,118	11,261	11,178	10,980	11,313	11,008	11,109	11,291	11,280	11,105
28 Required clearing balances	10,601	10,835	10,849	10,820	10,829	10,829	10,882	10,882	10,819	10,820
29 Adjustments to compensate for float	517	426	329	160	484	179	227	409	461	285
30 Other	221	270	254	241	333	225	269	259	266	242
31 Other liabilities and capital	19,732	20,024	20,300	19,941	20,145	20,165	20,331	20,438	20,280	20,281
32 Reserve balances with Federal Reserve Banks[7]	9,865	10,989	11,626	12,885	8,548	15,170	6,987	12,592	10,443	15,773

Factor	End-of-month figures			Wednesday figures						
	Mar.	Apr.	May	Apr. 16	Apr. 23	Apr. 30	May 7	May 14	May 21	May 28
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	710,555	724,444	719,092	723,322	710,247	724,444	710,520	720,072	713,790	722,207
2 Securities held outright	641,474	647,281	651,127	646,795	646,901	647,281	647,580	647,947	650,735	650,869
3 U.S. Treasury[2]	641,464	647,271	651,117	646,785	646,891	647,271	647,570	647,937	650,725	650,859
4 Bills[3]	232,706	236,249	237,933	235,814	235,895	236,249	236,529	236,877	237,568	237,683
5 Notes and bonds, nominal[3]	394,621	396,776	398,853	396,776	396,776	396,776	396,776	396,776	398,853	398,853
6 Notes and bonds, inflation-indexed[3]	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814
7 Inflation compensation[4]	1,322	1,431	1,517	1,380	1,406	1,431	1,450	1,470	1,489	1,508
8 Federal agency[3]	10	10	10	10	10	10	10	10	10	10
9 Repurchase agreements[5]	31,750	37,501	30,240	38,000	24,500	37,501	22,251	30,752	26,251	32,000
10 Loans to depository institutions	30	35	80	46	30	35	59	60	55	62
11 Primary credit	25	0	15	23	3	0	6	4	1	0
12 Secondary credit	0	0	0	0	0	0	0	0	0	0
13 Seasonal credit	4	35	65	23	27	35	53	56	54	62
14 Float	−1,197	−101	−599	−626	−685	−101	154	302	−1,050	1,172
15 Other Federal Reserve assets	38,499	39,728	38,244	39,107	39,500	39,728	40,476	41,011	37,800	38,103
16 Gold stock	11,043	11,043	11,044	11,043	11,043	11,043	11,043	11,043	11,043	11,043
17 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
18 Treasury currency outstanding	34,798	34,854	34,924	34,826	34,840	34,854	34,868	34,882	34,896	34,910
ABSORBING RESERVE FUNDS										
19 Currency in circulation	685,791	688,723	692,303	688,924	688,475	688,723	690,743	690,950	691,902	694,786
20 Reverse repurchase agreements[6]	19,418	20,814	22,285	19,801	19,991	20,814	20,667	21,073	20,709	21,857
21 Foreign official and international accounts	19,418	20,814	22,285	19,801	19,991	20,814	20,667	21,073	20,709	21,857
22 Dealers	0	0	0	0	0	0	0	0	0	0
23 Treasury cash holdings	373	340	375	361	352	340	342	349	356	375
24 Deposits with Federal Reserve Banks, other than reserve balances	18,474	22,135	17,804	20,138	20,937	22,135	17,564	18,876	19,262	16,303
25 U.S. Treasury, general account	6,746	10,583	6,505	8,821	9,285	10,583	6,050	7,199	7,608	4,825
26 Foreign official	254	313	79	101	105	313	145	122	126	129
27 Service-related	11,263	11,008	11,003	10,980	11,313	11,008	11,109	11,291	11,280	11,105
28 Required clearing balances	10,978	10,829	10,833	10,820	10,829	10,829	10,882	10,882	10,819	10,820
29 Adjustments to compensate for float	285	179	170	160	484	179	227	409	461	285
30 Other	211	231	217	236	234	231	259	264	247	243
31 Other liabilities and capital	20,230	20,049	19,973	19,871	19,804	20,049	20,109	20,053	19,968	19,818
32 Reserve balances with Federal Reserve Banks[7]	14,312	20,479	14,520	22,296	8,770	20,479	9,204	16,895	9,731	17,221

1. Amounts of vault cash held as reserves are shown in table 1.12, line 2.
2. Includes securities lent to dealers, which are fully collateralized by other U.S. Treasury securities.
3. Face value of the securities.
4. Compensation that adjusts for the effect of inflation on the original face value of inflation-indexed securities.
5. Cash value of agreements, which are fully collateralized by U.S. Treasury and federal agency securities.
6. Cash value of agreements, which are fully collateralized by U.S. Treasury securities.
7. Excludes required clearing balances and adjustments to compensate for float.

1.12 RESERVES AND BORROWINGS Depository Institutions[1]

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	2000	2001	2002	2002		2003				
	Dec.	Dec.	Dec.[r]	Nov.[r]	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May
1 Reserve balances with Reserve Banks[2]	7,022	9,053	9,926	9,758	9,926	10,075	9,860	9,840	10,598	11,405
2 Total vault cash[3]	45,246[r]	43,918[r]	43,368	42,236	43,368	46,209	45,942	43,088	41,991	41,636
3 Applied vault cash[4]	31,451	32,024	30,347	29,457	30,347	32,794	32,079	30,757	30,574	30,396
4 Surplus vault cash[5]	13,795[r]	11,894[r]	13,021	12,780	13,021	13,415	13,863	12,331	11,417	11,241
5 Total reserves[6]	38,473	41,077	40,274	39,214	40,274	42,869	41,939	40,597	41,172	41,800
6 Required reserves	37,046	39,428	38,264	37,576	38,264	41,162	39,973	38,961	39,640	40,183
7 Excess reserve balances at Reserve Banks[7]	1,427	1,649	2,009	1,638	2,009	1,707	1,965	1,636	1,532	1,618
8 Total borrowing at Reserve Banks	210	67	80	272	80	27	25	22	29	55
9 Primary	. .	. .	.	.	.	12	21	14	8	3
10 Secondary	. .	.	.	.	.	0	0	0	0	0
11 Seasonal	111	33	45	60	45	13	5	8	21	53
12 Adjustment	99	34	35	211	35	2	. . .	. . .	. .	. .

Reserve classification	Biweekly averages of daily figures for two-week periods ending on dates indicated									
	2003									
	Feb. 5[r]	Feb. 19[r]	Mar. 5[r]	Mar. 19[r]	Apr. 2[r]	Apr. 16	Apr. 30	May 14	May 28	June 11
1 Reserve balances with Reserve Banks[2]	9,400	9,432	10,781	9,502	9,843	9,452[r]	11,852	9,772	13,116	11,041
2 Total vault cash[3]	50,025	46,009	43,570	42,205	43,918	41,682[r]	42,024[r]	41,432	41,968	41,040
3 Applied vault cash[4]	35,383	30,922	32,043	29,379	31,830	29,833	31,136	29,696	31,211	29,857
4 Surplus vault cash[5]	14,642	15,088	11,527	12,826	12,089	11,849[r]	10,889[r]	11,736	10,758	11,183
5 Total reserves[6]	44,783	40,354	42,824	38,881	41,672	39,285[r]	42,987	39,468	44,326	40,898
6 Required reserves	43,203	38,018	41,221	37,215	40,058	37,784	41,436	37,924	42,712	38,918
7 Excess reserve balances at Reserve Banks[7]	1,580	2,335	1,603	1,665	1,614	1,501[r]	1,551	1,543	1,614	1,979
8 Total borrowing at Reserve Banks	34	25	21	32	11	33	29	51	58	69
9 Primary	28	21	17	23	3	15	2	3	2	7
10 Secondary	0	0	0	0	0	0	0	0	0	0
11 Seasonal	6	4	5	9	8	18	27	48	56	63
12 Adjustment	. .		. .	. .		.	. . .	. . .	. . .	. . .

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover. Data are not break-adjusted or seasonally adjusted.
2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.
3. Vault cash eligible to satisfy reserve requirements. It includes only vault cash held by those banks and thrift institutions that are not exempt from reserve requirements. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements.
4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.
5. Total vault cash (line 2) less applied vault cash (line 3).
6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).
7. Total reserves (line 5) less required reserves (line 6).

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Primary credit[1]			Secondary credit[2]			Seasonal credit[3]		
	On 7/18/03	Effective date	Previous rate	On 7/18/03	Effective date	Previous rate	On 7/18/03	Effective date	Previous rate
Boston	2.00	6/25/03	2.25	2.50	6/25/03	2.75	1.05	7/10/03	1.10
New York		6/25/03			6/25/03				
Philadelphia		6/26/03			6/26/03				
Cleveland		6/26/03			6/26/03				
Richmond		6/26/03			6/26/03				
Atlanta		6/26/03			6/26/03				
Chicago		6/26/03			6/26/03				
St. Louis		6/26/03			6/26/03				
Minneapolis		6/26/03			6/26/03				
Kansas City		6/25/03			6/25/03				
Dallas		6/26/03			6/26/03				
San Francisco	2.00	6/25/03	2.25	2.50	6/25/03	2.75	1.05	7/10/03	1.10

Range of rates for primary credit

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Jan. 9, 2003 (beginning of program)	2.25	2.25
2003—June 25	2.00–2.25	2.00
26	2.00	2.00
In effect July 18, 2003	2.00	2.00

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

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1995	5.25	5.25
1996—Jan. 31	5.00–5.25	5.00
Feb. 3	5.00	5.00
1998—Oct. 15	4.75–5.00	4.75
16	4.75	4.75
Nov. 17	4.50–4.75	4.50
19	4.50	4.50
1999—Aug. 24	4.50–4.75	4.75
26	4.75	4.75
Nov. 16	4.75–5.00	4.75
18	5.00	5.00

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
2000—Feb. 2	5.00–5.25	5.25
4	5.25	5.25
Mar. 21	5.25–5.50	5.50
23	5.50	5.50
May 16	5.50–6.00	5.50
19	6.00	6.00
2001—Jan. 3	5.75–6.00	5.75
4	5.50–5.75	5.50
5	5.50	5.50
31	5.00–5.50	5.00
Feb. 1	5.00	5.00
Mar. 20	4.50–5.00	4.50
21	4.50	4.50
Apr. 18	4.00–4.50	4.00
20	4.00	4.00
2001—May 15	3.50–4.00	3.50
17	3.50	3.50

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
2001—June 27	3.25–3.50	3.25
29	3.25	3.25
Aug. 21	3.00–3.25	3.00
23	3.00	3.00
Sept. 17	2.50–3.00	2.50
18	2.50	2.50
Oct. 2	2.00–2.50	2.00
4	2.00	2.00
Nov. 6	1.50–2.00	1.50
8	1.50	1.50
Dec. 11	1.25–1.50	1.25
13	1.25	1.25
2002—Nov. 6	0.75–1.25	0.75
7	0.75	0.75
In effect Jan. 8, 2003 (end of program)	0.75	0.75

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

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

3. Available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of intrayearly movements in their deposits and loans and that cannot be met through special industry lenders. The discount rate on seasonal credit takes into account rates charged by market sources of funds and ordinarily is reestablished on the first business day of each two-week reserve maintenance period.

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

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

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

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

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

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

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

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

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

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS[1]

Millions of dollars

Type of transaction and maturity	2000	2001	2002	2002			2003			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
U.S. TREASURY SECURITIES[2]										
Outright transactions										
Treasury bills										
1 Gross purchases	8,676	15,503	21,421	0	250	0	0	4,161	1,863	3,543
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	477,904	542,736	657,931	62,947	51,394	53,374	71,075	53,860	47,424	51,834
4 For new bills	477,904	542,736	657,931	62,947	51,394	53,374	71,075	53,860	47,424	51,834
5 Redemptions	24,522	10,095	0	0	0	0	0	0	0	0
Others within one year										
6 Gross purchases	8,809	15,663	12,720	0	0	0	0	478	1,318	1,422
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	62,025	70,336	89,108	6,143	3,688	13,448	6,216	3,214	8,334	8,333
9 Exchanges	−54,656	−72,004	−92,075	−5,435	−1,419	−12,059	−6,834	−13,313	−8,211	−7,293
10 Redemptions	3,779	16,802	0	0	0	0	0	0	0	0
One to five years										
11 Gross purchases	14,482	22,814	12,748	0	0	339	0	2,127	710	733
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	−52,068	−45,211	−73,093	−6,143	−2,380	−13,448	−6,216	2,160	−8,334	−8,333
14 Exchanges	46,177	64,519	88,276	5,435	1,308	12,059	6,834	11,817	8,211	7,293
Five to ten years										
15 Gross purchases	5,871	6,003	5,074	0	0	314	0	769	522	0
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	−6,801	−21,063	−11,588	0	722	0	0	−3,877	0	0
18 Exchanges	6,585	6,063	3,800	0	111	0	0	1,497	0	0
More than ten years										
19 Gross purchases	5,833	8,531	2,280	0	0	0	0	0	50	0
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	−3,155	−4,062	−4,427	0	−2,030	0	0	−1,497	0	0
22 Exchanges	1,894	1,423	0	0	0	0	0	0	0	0
All maturities										
23 Gross purchases	43,670	68,513	54,242	0	250	653	0	7,534	4,463	5,699
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	28,301	26,897	0	0	0	0	0	0	0	0
26 Net change in U.S. Treasury securities	15,369	41,616	54,242	0	250	653	0	7,534	4,463	5,699
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
27 Gross purchases	0	0	0	0	0	0	0	0	0	0
28 Gross sales	0	0	0	0	0	0	0	0	0	0
29 Redemptions	51	120	0	0	0	0	0	0	0	0
30 Net change in federal agency obligations	−51	−120	0	0	0	0	0	0	0	0
TEMPORARY TRANSACTIONS										
Repurchase agreements[3]										
31 Gross purchases	890,236	1,497,713	1,143,126	72,000	113,501	112,750	135,749	121,896	95,001	112,251
32 Gross sales	987,501	1,490,838	1,153,876	77,250	101,501	101,750	150,499	119,746	90,151	106,500
Matched sale–purchase agreements										
33 Gross purchases	4,415,905	4,722,667	4,981,624	429,029	378,381	195,565	0	0	0	0
34 Gross sales	4,397,835	4,724,743	4,958,437	425,399	377,535	175,820	0	0	0	0
Reverse repurchase agreements[4]										
35 Gross purchases	0	0	231,272	0	0	231,272	392,530	343,748	388,069	451,149
36 Gross sales	0	0	252,363	0	0	252,363	389,810	343,395	389,469	452,545
37 Net change in temporary transactions	−79,195	4,800	−8,653	−1,620	12,847	9,654	−12,029	2	2,200	2,104
38 Total net change in System Open Market Account	**−63,877**	**46,295**	**45,589**	**−1,620**	**13,096**	**10,307**	**−12,029**	**7,537**	**6,664**	**7,803**

1. Sales, redemptions, and negative figures reduce holdings of the System Open Market Account; all other figures increase such holdings.
2. Transactions exclude changes in compensation for the effects of inflation on the principal of inflation-indexed securities. Transactions include the rollover of inflation compensation into new securities.
3. Cash value of agreements, which are collateralized by U.S. government and federal agency obligations.
4. Cash value of agreements, which are collateralized by U.S. Treasury securities.

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements[1]

Millions of dollars

Account	Wednesday 2003					End of month 2003		
	Apr. 30	May 7	May 14	May 21	May 28	Mar.	Apr	May
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,039	11,039	11,039	11,039	11,039	11,038	11,039	11,040
2 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
3 Coin	1,021	1,003	983	950	920	1,106	1,021	924
4 Securities, repurchase agreements, and loans	684,817	669,890	678,759	677,041	682,931	673,253	684,817	681,447
5 Securities held outright	647,281	647,580	647,947	650,735	650,869	641,474	647,281	651,127
6 U.S. Treasury[2]	647,271	647,570	647,937	650,725	650,859	641,464	647,271	651,117
7 Bills[3]	236,249	236,529	236,877	237,568	237,683	232,706	236,249	237,933
8 Notes and bonds, nominal[3]	396,776	396,776	396,776	398,853	398,853	394,621	396,776	398,853
9 Notes and bonds, inflation-indexed[3]	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814
10 Inflation compensation[4]	1,431	1,450	1,470	1,489	1,508	1,322	1,431	1,517
11 Federal agency[3]	10	10	10	10	10	10	10	10
12 Repurchase agreements[5]	37,501	22,251	30,752	26,251	32,000	31,750	37,501	30,240
13 Loans	35	59	60	55	62	30	35	80
14 Items in process of collection	8,173	9,556	7,078	6,609	10,632	2,129	8,173	5,684
15 Bank premises	1,577	1,578	1,580	1,581	1,581	1,557	1,577	1,579
16 Other assets	38,412	39,141	39,670	36,208	36,514	37,190	38,412	36,689
17 Denominated in foreign currencies[6]	17,579	17,897	18,063	18,174	18,108	17,383	17,579	18,080
18 All other[7]	20,832	21,244	21,607	18,034	18,405	19,807	20,832	18,609
19 **Total assets**	**747,239**	**734,407**	**741,309**	**735,628**	**745,817**	**728,474**	**747,239**	**739,563**
LIABILITIES								
20 Federal Reserve notes, net of F.R. Bank holdings	655,226	657,217	657,396	658,309	661,167	652,467	655,226	658,674
21 Reverse repurchase agreements[8]	20,814	20,667	21,073	20,709	21,857	19,418	20,814	22,285
22 Deposits	43,007	27,872	35,188	29,144	33,558	33,998	43,007	32,470
23 Depository institutions	31,880	21,417	27,603	21,162	28,360	26,787	31,880	25,669
24 U.S. Treasury, general account	10,583	6,050	7,199	7,608	4,825	6,746	10,583	6,505
25 Foreign official	313	145	122	126	129	254	313	79
26 Other	231	259	264	247	243	211	231	217
27 Deferred availability cash items	8,142	8,542	7,599	7,498	9,417	2,362	8,142	6,161
28 Other liabilities and accrued dividends[9]	2,270	2,294	2,333	2,304	2,326	2,232	2,270	2,329
29 **Total liabilities**	**729,460**	**716,592**	**723,589**	**717,964**	**728,326**	**710,476**	**729,460**	**721,919**
CAPITAL ACCOUNTS								
30 Capital paid in	8,545	8,564	8,568	8,562	8,574	8,505	8,545	8,575
31 Surplus	8,380	8,380	8,380	8,380	8,380	8,380	8,380	8,380
32 Other capital accounts	854	871	772	722	537	1,113	854	689
33 **Total capital**	**17,779**	**17,816**	**17,720**	**17,664**	**17,491**	**17,998**	**17,779**	**17,644**
MEMO								
34 Marketable securities held in custody for foreign official and international accounts[3,10]	893,534	895,358	901,212	924,397	928,892	901,060	893,534	931,570
35 U.S. Treasury	713,499	713,153	718,995	740,006	741,441	720,666	713,499	741,378
36 Federal agency	180,035	182,205	182,217	184,391	187,451	180,393	180,035	190,191
	Federal Reserve note and collateral statement							
37 Federal Reserve notes, net of F.R. Bank holdings	655,226	657,217	657,396	658,309	661,167	652,467	655,226	658,674
38 Collateral held against Federal Reserve notes	659,280	661,189	661,356	662,445	665,319	652,467	659,280	662,789
39 Gold certificate account	11,039	11,039	11,039	11,039	11,039	11,038	11,039	11,040
40 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
41 U.S. Treasury and agency securities pledged[11]	646,042	647,950	648,117	649,206	652,080	639,229	646,042	649,549
42 Other eligible assets	0	0	0	0	0	0	0	0
MEMO								
43 Total U.S. Treasury and agency securities[11]	684,782	669,831	678,699	676,986	682,869	673,224	684,782	681,367
44 Less: face value of securities under reverse repurchase agreements[12]	20,821	20,674	21,079	20,715	21,863	19,425	20,821	22,295
45 U.S. Treasury and agency securities eligible to be pledged	663,961	649,157	657,620	656,271	661,006	653,798	663,961	659,072

1. Some of the data in this table also appear in the Board's H.4.1 (503) weekly statistical release. For ordering address, see inside front cover.
2. Includes securities lent to dealers, which are fully collateralized by other U.S. Treasury securities.
3. Face value of the securities.
4. Compensation that adjusts for the effect of inflation on the original face value of inflation-indexed securities.
5. Cash value of agreements, which are fully collateralized by U.S. Treasury and federal agency securities.
6. Valued daily at market exchange rates.
7. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within ninety days.
8. Cash value of agreements, which are fully collateralized by U.S. Treasury securities.
9. Includes exchange-translation account reflecting the daily revaluation at market exchange rates of foreign exchange commitments.
10. Includes U.S. Treasury STRIPS and other zero coupon bonds at face value.
11. Includes face value of U.S. Treasury and agency securities held outright, compensation to adjust for the effect of inflation on the original face value of inflation-indexed securities, and cash value of repurchase agreements.
12. Face value of agreements, which are fully collateralized by U.S. Treasury securities.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loans and Securities

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	2003					2003		
	Apr. 30	May 7	May 14	May 21	May 28	Mar.	Apr.	May
1 **Total loans**	**35**	**59**	**60**	**55**	**62**	**30**	**35**	**80**
2 Within 15 days	28	20	15	42	49	30	28	66
3 16 days to 90 days	7	39	45	13	14	0	7	14
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 **Total U.S. Treasury securities**[1]	**647,271**	**647,570**	**647,937**	**650,725**	**650,859**	**641,464**	**647,271**	**651,117**
6 Within 15 days	46,750	46,850	46,792	51,747	51,749	24,647[r]	46,750[r]	36,449
7 16 days to 90 days	126,284	131,587	132,509	137,386	138,094	146,179	126,284	153,457
8 91 days to 1 year	153,916	157,125	156,610	154,489	153,894	149,328	153,916	154,081
9 Over 1 year to 5 years	188,832	180,504	180,509	180,465	180,470	189,111	188,832	180,472
10 Over 5 years to 10 years	51,538	51,544	51,550	46,663	46,669	52,290	51,538	46,672
11 Over 10 years	79,952	79,960	79,968	79,975	79,983	79,908	79,952	79,987
12 **Total federal agency securities**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
13 Within 15 days	0	0	0	0	0	0	0	0
14 16 days to 90 days	0	0	0	0	0	0	0	0
15 91 days to 1 year	10	10	10	10	10	10	10	10
16 Over 1 year to 5 years	0	0	0	0	0	0	0	0
17 Over 5 years to 10 years	0	0	0	0	0	0	0	0
18 Over 10 years	0	0	0	0	0	0	0	0
19 **Total repurchase agreements**[2]	**37,501**	**22,251**	**30,752**	**26,251**	**32,000**	**31,750**	**37,501**	**30,240**
20 Within 15 days	33,500	18,251	25,752	20,251	29,000	21,750	33,500	22,240
21 16 days to 90 days	4,001	4,000	5,000	6,000	3,000	10,000	4,001	8,000
22 **Total reverse repurchase agreements**[2]	**20,814**	**20,667**	**21,073**	**20,709**	**21,857**	**19,418**	**20,814**	**22,285**
23 Within 15 days	20,814	20,667	21,073	20,709	21,857	19,418	20,814	22,285
24 16 days to 90 days	0	0	0	0	0	0	0	0

Note. Components may not sum to totals because of rounding.

1. Includes the original face value of inflation-indexed securities and compensation that adjusts for the effect of inflation on the original face value of such securities.

2. Cash value of agreements classified by remaining maturity of the agreements.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE[1]

Billions of dollars, averages of daily figures

Item	1999 Dec.	2000 Dec.	2001 Dec.	2002 Dec.[r]	2002 Oct.[r]	2002 Nov.[r]	2002 Dec.[r]	2003 Jan.[r]	2003 Feb.[r]	2003 Mar.[r]	2003 Apr.[r]	2003 May
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]												
1 Total reserves[3]	41.81	38.54	41.24	40.22	39.17	39 76	40.22	40.73	40.82	40.97	40.81	40.99
2 Nonborrowed reserves[4]	41.49	38.33	41.18	40.14	39.03	39 49	40.14	40.70	40.80	40.95	40.78	40.93
3 Required reserves	40.51	37.11	39.60	38.21	37.64	38.12	38.21	39.02	38.86	39.34	39.27	39.37
4 Monetary base[5]	593.16[r]	584.77[r]	635.62[r]	681.90	674.25	677.61	681.90	685.72	691.31	695.14	698.21	701.14
	Not seasonally adjusted											
5 Total reserves[6]	41.89	38.53	41.20	40.13	38.53	39.05	40.13	42.85	41.94	40.60	41.16	41.79
6 Nonborrowed reserves	41.57	38.32	41.13	40.05	38.39	38.78	40.05	42.83	41.91	40.57	41.14	41.73
7 Required reserves[7]	40.59	37.10	39.55	38.12	37.00	37.42	38.12	41.15	39.97	38.96	39.63	40.17
8 Monetary base[8]	600.72	590.06	639.91	686.23	671.43	676.72	686.23	688.33	690.25	693.91	697.81	701.53
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[9]												
9 Total reserves[10]	41.65	38.47	41.08	40.27	38.67	39.21	40.27	42.87	41.94	40.60	41.17	41.80
10 Nonborrowed reserves	41.33	38.26	41.01	40.19	38.53	38.94	40.19	42.84	41.91	40.58	41.14	41.75
11 Required reserves	40.36	37.05	39.43	38.26	37.14	37.58	38.26	41.16	39.97	38.96	39.64	40.18
12 Monetary base[11]	608.02	596.98	648.74	697.15	681.78	687.29	697.15	699.25	701.04	705.04	709.08	712.71
13 Excess reserves[12]	1.30	1.43	1.65	2.01	1.54	1.64	2.01	1.71	1.97	1.64	1.53	1.62
14 Borrowings from the Federal Reserve	.32	.21	.07	.08	.14	.27	.08	.03	.03	02	.03	.06

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 1.10.)

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

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

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

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

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

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

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

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

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

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

1.21 MONEY STOCK MEASURES[1]

Billions of dollars, averages of daily figures

Item	1999 Dec.[r]	2000 Dec.[r]	2001 Dec.[r]	2002 Dec.[r]	2003 Feb.[r]	2003 Mar.[r]	2003 Apr.[r]	2003 May
	Seasonally adjusted							
Measures[2]								
1 M1	1,121.4	1,084.7	1,172.9	1,211.1	1,233.8	1,237.1	1,237.4	1,258.3
2 M2	4,649.7	4,931.3	5,444.4	5,792.0	5,876.0	5,889.9	5,912.8	5,999.3
3 M3	6,534.9	7,099.2	8,004.4	8,519.1	8,556.3	8,576.8	8,589.5	8,683.1
M1 components								
4 Currency[3]	517.7	531.5	581.9	627.3	636.1	640.2	643.1	645.7
5 Travelers checks[4]	8.3	8.0	7.8	7.5	7.6	7.5	7.4	7.5
6 Demand deposits[5]	352.1	306.9	326.1	297.7	306.5	304.4	304.5	315.7
7 Other checkable deposits[6]	243.4	238.2	257.2	278.6	283.6	284.9	282.3	289.4
Nontransaction components								
8 In M2[7]	3,528.3	3,846.7	4,271.6	4,580.9	4,642.2	4,652.8	4,675.4	4,740.9
9 In M3 only[8]	1,885.1	2,167.9	2,559.9	2,727.1	2,680.3	2,686.9	2,676.6	2,683.8
Commercial banks								
10 Savings deposits, including MMDAs	1,288.8	1,422.9	1,734.6	2,047.8	2,107.6	2,115.2	2,146.4	2,188.3
11 Small time deposits[9]	634.6	699.5	634.2	591.1	583.9	580.6	576.1	570.7
12 Large time deposits[10,11]	652.2	718.3	671.1	676.7	682.7	688.2	689.7	702.4
Thrift institutions								
13 Savings deposits, including MMDAs	452.0	454.3	572.4	714.4	743.1	755.1	767.0	792.7
14 Small time deposits[9]	319.5	344.8	339.1	302.1	298.0	296.5	295.3	292.9
15 Large time deposits[10]	91.9	103.0	114.9	117.3	118.5	117.7	117.9	116.9
Money market mutual funds								
16 Retail	833.4	925.2	991.3	925.5	909.7	905.5	890.6	896.3
17 Institution-only	634.8	788.8	1,190.3	1,234.5	1,178.7	1,165.8	1,144.0	1,124.8
Repurchase agreements and eurodollars								
18 Repurchase agreements[12]	335.7	363.5	375.0	470.7	475.7	493.4	501.0	506.3
19 Eurodollars[12]	170.5	194.3	208.6	227.9	224.8	221.8	224.0	233.4
	Not seasonally adjusted							
Measures[2]								
20 M1	1,147.8	1,112.1	1,202.9	1,241.0	1,219.5	1,238.6	1,253.5	1,251.8
21 M2	4,676.8	4,966.7	5,487.4	5,841.4	5,858.0	5,922.4	5,979.6	5,964.6
22 M3	6,577.5	7,153.8	8,076.1	8,596.7	8,586.1	8,638.3	8,651.1	8,658.5
M1 components								
23 Currency[3]	521.7	535.6	585.4	630.6	635.2	639.9	643.3	646.4
24 Travelers checks[4]	8.4	8.1	7.9	7.7	7.7	7.7	7.5	7.5
25 Demand deposits[5]	371.7	326.7	348.1	318.2	298.0	303.3	308.3	308.3
26 Other checkable deposits[6]	246.0	241.6	261.5	284.6	278.7	287.8	294.4	289.5
Nontransaction components								
27 In M2[7]	3,529.0	3,854.7	4,284.4	4,600.4	4,638.4	4,683.8	4,726.1	4,712.8
28 In M3 only[8]	1,900.7	2,187.1	2,588.7	2,755.3	2,728.1	2,716.0	2,671.5	2,693.9
Commercial banks								
29 Savings deposits, including MMDAs	1,288.7	1,427.5	1,742.4	2,060.4	2,096.6	2,126.3	2,170.9	2,177.4
30 Small time deposits[9]	635.6	700.6	635.1	591.7	583.8	579.8	575.1	570.0
31 Large time deposits[10,11]	653.6	718.5	670.0	675.0	678.9	686.0	688.2	708.3
Thrift institutions								
32 Savings deposits, including MMDAs	451.9	455.8	575.0	718.8	739.2	759.1	775.8	788.8
33 Small time deposits[9]	320.0	345.4	339.6	302.5	297.9	296.1	294.8	292.6
34 Large time deposits[10]	92.1	103.0	114.7	117.0	117.8	117.3	117.6	117.9
Money market mutual funds								
35 Retail	832.7	925.3	992.4	927.0	920.9	922.6	909.4	884.1
36 Institution-only	648.6	806.1	1,218.3	1,262.3	1,216.2	1,187.5	1,141.1	1,118.9
Repurchase agreements and eurodollars								
37 Repurchase agreements[12]	334.7	364.2	376.5	472.5	486.9	499.5	497.2	513.6
38 Eurodollars[12]	171.7	195.2	209.1	228.5	228.4	225.7	227.3	235.2

Footnotes appear on following page.

NOTES TO TABLE 1.21

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

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

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

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

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

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 Liabilities[1]

A. All commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002		2003					2003			
	May	Nov.[r]	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May	May 7	May 14	May 21	May 28
	Seasonally adjusted											
Assets												
1 Bank credit	5,492.4[r]	5,837.8	5,894.7	5,889.1	5,965.3	5,995.0	6,028.4	6,115.7	6,082.2	6,116.3	6,110.5	6,132.9
2 Securities in bank credit	1,529.2[r]	1,679.3	1,708.7	1,702.6	1,746.0	1,757.9	1,769.8	1,826.6	1,803.1	1,818.4	1,824.3	1,845.0
3 U.S. government securities	889.7	1,004.3	1,020.1	1,022.6	1,051.0	1,063.5	1,095.4	1,126.9	1,118.3	1,120.6	1,122.5	1,138.4
4 Other securities	639.5[r]	675.0	688.6	680.1	695.0	694.4	674.4	699.7	684.8	697.8	701.9	706.6
5 Loans and leases in bank credit[2]	3,963.3	4,158.5	4,186.0	4,186.5	4,219.3	4,237.2	4,258.6	4,289.1	4,279.1	4,297.8	4,286.2	4,288.0
6 Commercial and industrial	999.3[r]	968.0	966.0	961.5	955.2	949.7	947.8	936.9	939.2	939.8	937.2	936.1
7 Real estate	1,818.7	2,007.9	2,030.0	2,048.1	2,080.8	2,094.7	2,111.0	2,134.2	2,137.5	2,142.0	2,129.4	2,122.9
8 Revolving home equity	178.9	209.2	213.8	217.7	222.2	229.3	233.3	236.9	234.6	235.9	237.2	238.4
9 Other	1,639.7	1,798.8	1,816.1	1,830.4	1,858.6	1,865.4	1,877.8	1,897.2	1,902.9	1,906.1	1,892.2	1,884.5
10 Consumer	568.4[r]	585.6	588.1	591.9	591.8	586.9	583.9	587.9	585.1	587.1	588.2	590.1
11 Security[3]	169.9	185.8	189.5	174.8	181.3	194.1	193.4	199.4	193.0	200.1	198.8	202.4
12 Other loans and leases	407.0[r]	411.2	412.4	410.2	410.3	411.7	422.5	430.8	424.3	428.9	432.6	436.4
13 Interbank loans	287.7	325.5	328.4	307.3	305.0	314.2	307.1	318.6	317.4	327.2	313.6	317.0
14 Cash assets[4]	302.5	315.4	316.9	313.7	318.3	325.8	321.9	325.2	321.1	322.9	322.4	340.4
15 Other assets[5]	482.4	510.1	508.1	508.1	531.9	521.9	527.5	554.1	549.0	551.8	551.0	560.3
16 **Total assets[6]**	**6,489.3[r]**	**6,912.0**	**6,971.4**	**6,941.1**	**7,043.5**	**7,080.2**	**7,109.3**	**7,237.7**	**7,193.8**	**7,242.2**	**7,221.3**	**7,274.5**
Liabilities												
17 Deposits	4,350.2	4,509.3	4,487.4	4,506.9	4,535.4	4,585.7	4,613.4	4,646.5	4,621.3	4,663.7	4,626.4	4,659.8
18 Transaction	610.0	605.9	611.3	608.0	613.7	619.5	632.3	633.5	601.9	634.0	640.1	673.1
19 Nontransaction	3,740.2	3,903.4	3,876.1	3,899.0	3,921.6	3,966.1	3,981.1	4,013.0	4,019.4	4,029.7	3,986.3	3,986.7
20 Large time	1,040.1	1,005.7	978.6	979.4	995.2	1,001.6	985.3	999.0	988.7	998.3	1,001.6	1,002.2
21 Other	2,700.1	2,897.6	2,897.6	2,919.6	2,926.4	2,964.5	2,995.7	3,014.0	3,030.6	3,031.4	2,984.7	2,984.4
22 Borrowings	1,240.4	1,366.1	1,397.3	1,331.2	1,362.7	1,384.2	1,393.0	1,426.2	1,419.6	1,413.1	1,417.8	1,445.0
23 From banks in the U.S.	383.4	421.9	417.5	380.8	388.1	397.4	397.4	389.9	392.6	388.0	385.9	388.3
24 From others	857.0	944.2	979.8	950.4	974.6	986.7	995.6	1,036.4	1,027.0	1,025.1	1,031.9	1,056.7
25 Net due to related foreign offices	88.4[r]	122.0	152.0	161.2	150.6	144.8	151.4	160.9	178.2	155.2	159.5	162.1
26 Other liabilities	342.4	431.5	442.5	446.4	460.0	453.9	458.4	483.4	466.7	490.8	490.0	479.8
27 **Total liabilities**	**6,021.4[r]**	**6,428.8**	**6,479.2**	**6,445.7**	**6,508.6**	**6,568.5**	**6,616.2**	**6,717.0**	**6,685.8**	**6,722.8**	**6,693.7**	**6,746.7**
28 Residual (assets less liabilities)[7]	467.9[r]	483.2	492.2	495.4	534.9	511.7	493.1	520.7	508.0	519.4	527.7	527.9
	Not seasonally adjusted											
Assets												
29 Bank credit	5,487.4[r]	5,853.2	5,928.7	5,906.2	5,968.7	5,983.8	6,023.0	6,111.1	6,083.9	6,112.4	6,101.0	6,122.9
30 Securities in bank credit	1,527.3[r]	1,682.6	1,715.3	1,713.0	1,755.1	1,762.9	1,767.6	1,824.4	1,801.7	1,816.1	1,821.3	1,840.3
31 U.S. government securities	888.1	1,006.0	1,024.4	1,027.4	1,057.4	1,068.5	1,095.3	1,124.9	1,115.4	1,118.5	1,121.0	1,135.0
32 Other securities	639.3[r]	676.5	691.0	685.6	697.8	694.4	672.4	699.4	686.3	697.6	700.3	705.4
33 Loans and leases in bank credit[2]	3,960.1	4,170.6	4,213.4	4,193.2	4,213.6	4,221.0	4,255.4	4,286.7	4,282.2	4,296.3	4,279.7	4,282.6
34 Commercial and industrial	1,003.0[r]	968.0	964.7	955.6	953.2	951.0	951.5	940.7	945.7	943.5	940.4	937.7
35 Real estate	1,821.6	2,012.5	2,034.5	2,048.5	2,076.5	2,085.7	2,107.4	2,138.0	2,140.7	2,147.7	2,133.0	2,126.2
36 Revolving home equity	179.8	209.0	213.4	217.0	222.5	227.2	233.0	238.1	236.0	237.2	238.4	239.5
37 Other	1,641.8	1,803.4	1,821.1	1,831.5	1,854.0	1,858.5	1,874.4	1,899.9	1,904.7	1,910.4	1,894.7	1,886.7
38 Consumer	566.9[r]	588.0	597.0	599.6	595.0	584.6	581.1	586.7	583.7	586.3	587.5	588.9
39 Credit cards and related plans	222.6	231.6	238.5	234.0	225.8	219.6	215.2	220.4	218.4	219.7	219.9	223.6
40 Other	344.3[r]	356.4	358.4	365.6	369.1	365.0	365.9	366.3	365.4	366.6	367.6	365.4
41 Security[3]	163.0	190.2	200.1	181.0	183.0	189.6	192.7	192.3	188.5	192.2	189.7	195.7
42 Other loans and leases	405.6[r]	412.0	417.0	408.5	405.9	409.9	422.7	429.1	423.6	426.7	429.1	434.1
43 Interbank loans	284.8	330.6	335.4	304.0	302.2	320.8	318.3	314.3	318.6	321.8	303.8	307.7
44 Cash assets[4]	299.3	325.2	339.1	329.7	318.8	314.9	320.5	321.4	314.8	316.5	305.2	349.3
45 Other assets[5]	480.5	513.6	512.9	511.9	529.4	521.1	526.9	552.1	552.7	553.7	545.7	552.4
46 **Total assets[6]**	**6,476.2[r]**	**6,946.0**	**7,039.5**	**6,974.9**	**7,041.9**	**7,063.7**	**7,113.1**	**7,222.7**	**7,193.9**	**7,228.2**	**7,179.5**	**7,256.1**
Liabilities												
47 Deposits	4,344.7	4,524.3	4,538.2	4,530.3	4,556.3	4,592.8	4,638.5	4,639.5	4,626.6	4,655.4	4,599.4	4,647.8
48 Transaction	600.3	613.5	644.1	622.0	606.1	611.1	638.2	623.3	591.2	622.0	617.1	669.5
49 Nontransaction	3,744.5	3,910.8	3,894.1	3,908.2	3,950.2	3,981.6	4,000.3	4,016.2	4,035.5	4,033.4	3,982.2	3,978.4
50 Large time	1,045.1[r]	1,009.6	991.3	996.0	1,005.8	1,004.3	989.7	1,002.6	994.0	1,000.7	1,004.1	1,006.7
51 Other	2,699.3	2,901.2	2,902.8	2,912.3	2,944.3	2,977.3	3,010.6	3,013.6	3,041.5	3,032.6	2,978.1	2,971.6
52 Borrowings	1,245.7	1,367.4	1,396.5	1,344.3	1,364.9	1,380.5	1,397.2	1,431.9	1,437.6	1,422.3	1,417.1	1,442.5
53 From banks in the U.S.	385.6	418.6	419.3	385.4	391.6	400.8	401.5	392.2	398.6	391.5	386.7	387.9
54 From others	860.1	948.8	977.2	958.9	973.2	979.7	995.7	1,039.7	1,039.0	1,030.8	1,030.5	1,054.6
55 Net due to related foreign offices	88.3[r]	125.9	158.2	165.3	156.1	142.7	141.7	160.4	173.0	154.4	159.3	166.4
56 Other liabilities	341.9	437.5	449.5	450.2	466.3	450.3	445.9	482.6	460.7	489.1	489.7	484.8
57 **Total liabilities**	**6,020.6[r]**	**6,455.1**	**6,542.3**	**6,490.0**	**6,543.5**	**6,566.3**	**6,623.3**	**6,714.4**	**6,698.0**	**6,721.1**	**6,665.5**	**6,741.5**
58 Residual (assets less liabilities)[7]	455.6[r]	490.8	497.2	484.9	498.4	497.3	489.7	508.3	495.9	507.1	514.0	514.6

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

B. Domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002		2003					2003			
	May	Nov.	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May	May 7	May 14	May 21	May 28
	Seasonally adjusted											
Assets												
1 Bank credit	4,897.5	5,217.8[r]	5,258.7	5,261.1	5,324.4	5,337.2	5,378.1	5,454.1	5,429.0	5,457.3	5,450.7	5,462.7
2 Securities in bank credit	1,299.7	1,431.5	1,447.1	1,439.7	1,472.7	1,480.1	1,498.5	1,544.3	1,528.4	1,538.1	1,539.9	1,558.2
3 U.S. government securities	816.5	910.8	918.2	918.7	940.5	947.1	976.5	1,002.6	998.2	998.3	996.9	1,010.3
4 Other securities	483.2	520.7	528.9	521.0	532.3	533.0	521.9	541.7	530.2	539.9	543.0	547.9
5 Loans and leases in bank credit[2]	3,597.9	3,786.3[r]	3,811.7	3,821.4	3,851.7	3,857.2	3,879.6	3,909.7	3,900.6	3,919.1	3,910.9	3,904.5
6 Commercial and industrial	803.3	789.0[r]	787.6	784.3	781.0	778.0	775.5	767.3	768.0	768.4	767.6	767.6
7 Real estate	1,800.6	1,988.0[r]	2,010.5	2,028.4	2,061.0	2,074.9	2,092.0	2,115.0	2,118.3	2,122.8	2,110.2	2,103.7
8 Revolving home equity	178.9	209.2	213.8	217.7	222.2	229.3	233.3	236.9	234.6	235.9	237.2	238.4
9 Other	1,621.6	1,778.8[r]	1,796.6	1,810.7	1,838.8	1,845.6	1,858.7	1,878.1	1,883.7	1,887.0	1,873.0	1,865.3
10 Consumer	568.4[r]	585.6[r]	588.1	591.9	591.8	586.9	583.9	587.9	585.1	587.1	588.2	590.1
11 Security[3]	88.8	81.1	79.4	71.5	73.2	72.2	72.4	80.9	76.1	82.1	83.3	80.8
12 Other loans and leases	336.7[r]	342.6[r]	346.1	345.4	344.7	345.2	355.8	358.7	353.1	358.7	361.6	362.3
13 Interbank loans	264.5	300.0	298.3	279.1	278.0	286.7	283.1	294.0	293.4	304.2	289.6	290.5
14 Cash assets[4]	256.5	273.0	272.3	273.6	279.6	282.7	276.7	273.0	270.9	271.2	270.1	286.6
15 Other assets[5]	456.3	475.5[r]	472.2	468.8	491.9	486.9	489.5	506.6	504.3	503.3	505.8	510.2
16 **Total assets[6]**	**5,799.5**	**6,190.0**	**6,225.4**	**6,206.0**	**6,297.5**	**6,317.3**	**6,352.2**	**6,452.1**	**6,422.1**	**6,460.4**	**6,440.7**	**6,474.3**
Liabilities												
17 Deposits	3,846.3	4,056.7	4,061.9	4,080.4	4,092.5	4,137.2	4,177.0	4,207.7	4,189.2	4,224.7	4,187.3	4,219.9
18 Transaction	599.4	596.7	602.1	598.2	603.5	608.1	621.0	622.4	590.2	623.4	629.4	662.0
19 Nontransaction	3,247.0	3,460.0	3,459.8	3,482.2	3,489.0	3,529.2	3,556.0	3,585.3	3,599.0	3,601.2	3,557.9	3,557.9
20 Large time	549.0	571.4	569.9	577.6	583.5	583.6	582.1	595.3	594.0	593.8	594.3	598.7
21 Other	2,697.9	2,888.6	2,889.9	2,904.6	2,905.5	2,945.6	2,974.0	2,990.0	3,005.0	3,007.5	2,963.6	2,959.2
22 Borrowings	1,050.9	1,114.9	1,119.4	1,062.1	1,092.7	1,095.9	1,099.1	1,124.4	1,119.4	1,119.1	1,122.6	1,133.2
23 From banks in the U.S.	362.7	396.7	387.5	349.8	357.0	363.7	369.9	358.1	361.4	357.0	355.0	355.7
24 From others	688.2	718.2[r]	731.9	712.3	735.7	732.1	729.2	766.3	758.0	762.1	767.6	777.5
25 Net due to related foreign offices	180.2	196.3	212.1	231.5	229.1	229.2	228.0	238.7	254.1	232.7	237.8	238.1
26 Other liabilities	268.1	332.2[r]	340.3	346.0	355.2	354.1	363.1	373.5	362.9	377.5	378.8	370.2
27 **Total liabilities**	**5,345.5**	**5,700.0**	**5,733.7**	**5,720.0**	**5,769.5**	**5,816.4**	**5,867.2**	**5,944.4**	**5,925.6**	**5,954.0**	**5,926.6**	**5,961.5**
28 Residual (assets less liabilities)[7]	454.0	489.9[r]	491.7	486.0	528.0	501.0	485.0	507.7	496.6	506.4	514.1	512.9
	Not seasonally adjusted											
Assets												
29 Bank credit	4,896.8	5,229.6[r]	5,282.7	5,270.5	5,323.4	5,327.9	5,372.8	5,454.2	5,433.8	5,457.5	5,447.9	5,457.1
30 Securities in bank credit	1,297.9	1,434.8	1,453.7	1,450.1	1,481.9	1,485.1	1,496.3	1,542.1	1,527.1	1,535.8	1,536.8	1,553.5
31 U.S. government securities	814.9	912.5	922.4	923.5	946.8	952.1	976.4	1,000.6	995.3	996.1	995.4	1,006.8
32 Other securities	483.0	522.3	531.3	526.6	535.1	533.0	519.9	541.5	531.8	539.7	541.4	546.7
33 Loans and leases in bank credit[2]	3,598.9	3,794.8[r]	3,829.1	3,820.4	3,841.6	3,842.8	3,876.5	3,912.1	3,906.7	3,921.7	3,911.0	3,903.6
34 Commercial and industrial	809.2	787.7[r]	784.9	778.3	777.6	777.8	780.3	773.0	776.3	774.0	772.8	771.4
35 Real estate	1,803.5	1,992.5[r]	2,015.0	2,028.8	2,056.8	2,065.9	2,088.4	2,118.8	2,121.5	2,128.5	2,113.9	2,107.0
36 Revolving home equity	179.8	209.0	213.4	217.0	222.5	227.2	233.0	238.1	236.0	237.2	238.4	239.5
37 Other	1,623.7	1,783.5[r]	1,801.7	1,811.8	1,834.3	1,838.7	1,855.4	1,880.7	1,885.5	1,891.3	1,875.5	1,867.5
38 Consumer	566.9[r]	588.0[r]	597.0	599.6	595.0	584.6	581.1	586.7	583.7	586.3	587.5	588.9
39 Credit cards and related plans	222.6	231.6	238.5	234.0	225.8	219.6	215.2	220.4	218.4	219.7	219.9	223.6
40 Other	344.3[r]	356.4[r]	358.4	365.6	369.1	365.0	365.9	366.3	365.4	366.6	367.6	365.4
41 Security[3]	83.5	83.4	83.4	70.7	72.0	71.9	71.3	76.1	72.4	76.2	77.8	75.7
42 Other loans and leases	335.8[r]	343.2[r]	348.8	343.0	340.2	342.5	355.5	357.5	352.9	356.7	359.1	360.5
43 Interbank loans	261.6	305.1[r]	305.4	275.9	275.2	293.3	294.3	289.6	294.6	298.8	279.9	281.2
44 Cash assets[4]	254.8	280.4	291.3	286.6	279.1	273.0	277.3	271.0	266.3	266.1	255.0	297.2
45 Other assets[5]	454.3	479.1[r]	475.9	471.2	488.9	485.3	489.0	504.4	507.3	504.3	500.6	502.7
46 **Total assets[6]**	**5,792.0**	**6,218.0**	**6,279.2**	**6,227.7**	**6,289.8**	**6,302.9**	**6,358.3**	**6,443.4**	**6,426.3**	**6,451.0**	**6,407.7**	**6,462.5**
Liabilities												
47 Deposits	3,834.6	4,071.6	4,101.8	4,087.5	4,103.3	4,140.3	4,196.2	4,195.3	4,187.6	4,211.4	4,156.1	4,201.4
48 Transaction	590.1	604.0	634.1	612.0	595.8	600.0	627.5	612.7	580.0	611.9	607.0	658.6
49 Nontransaction	3,244.5	3,467.6	3,467.7	3,475.6	3,507.4	3,540.3	3,568.7	3,582.6	3,607.6	3,599.4	3,549.1	3,542.8
50 Large time	547.4	575.4	572.7	578.9	584.4	582.1	580.2	593.5	592.2	591.0	592.2	596.8
51 Other	2,697.1	2,892.2	2,895.0	2,896.7	2,923.0	2,958.2	2,988.5	2,989.2	3,015.4	3,008.4	2,956.8	2,946.0
52 Borrowings	1,056.3	1,116.2	1,118.5	1,075.2	1,094.9	1,092.2	1,103.2	1,130.1	1,137.3	1,128.3	1,121.8	1,130.7
53 From banks in the U.S.	365.0	393.5	389.2	354.4	360.5	367.1	374.0	360.5	367.4	360.5	355.7	355.3
54 From others	691.3	722.7	729.3	720.8	734.4	725.1	729.2	769.6	769.9	767.9	766.1	775.4
55 Net due to related foreign offices	179.6	201.5	216.6	233.1	233.4	224.9	218.7	237.8	249.0	230.3	237.7	241.7
56 Other liabilities	267.3	339.1	346.1	348.0	360.6	348.8	351.0	372.4	357.0	374.4	378.6	374.7
57 **Total liabilities**	**5,337.8**	**5,728.4**	**5,783.0**	**5,743.8**	**5,792.1**	**5,806.2**	**5,869.1**	**5,935.7**	**5,930.9**	**5,944.4**	**5,894.3**	**5,948.5**
58 Residual (assets less liabilities)[7]	454.2	489.6	496.1	483.9	497.7	496.7	489.2	507.7	495.3	506.5	513.4	514.0

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

C. Large domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002		2003					2003			
	May[r]	Nov.[r]	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May	May 7	May 14	May 21	May 28
	Seasonally adjusted											
Assets												
1 Bank credit	2,638.9	2,832.2	2,861.3	2,858.7	2,905.2	2,902.4	2,922.7	2,987.4	2,969.3	2,991.6	2,983.9	2,992.7
2 Securities in bank credit	664.7	769.6	778.9	773.1	804.2	801.8	808.6	855.1	839.5	846.9	850.9	870.4
3 U.S. government securities	391.0	454.9	457.0	459.8	478.4	475.1	491.8	518.5	512.0	512.5	514.4	528.8
4 Trading account	42.9	47.9	44.6	41.2	54.5	41.8	40.7	43.6	37.8	60.7	35.2	40.4
5 Investment account	348.1	407.0	412.4	418.5	424.0	433.2	451.1	474.9	474.2	451.8	479.2	488.4
6 Other securities	273.7	314.7	321.9	313.3	325.7	326.7	316.8	336.6	327.5	334.3	336.4	341.6
7 Trading account	140.4	161.0	164.9	160.0	172.6	171.6	161.5	183.4	175.5	180.8	182.0	188.5
8 Investment account	133.4	153.7	157.0	153.3	153.1	155.1	155.3	153.2	152.0	153.5	154.5	153.1
9 State and local government	26.9	29.3	29.5	29.4	29.6	30.1	30.9	31.3	30.7	31.2	31.5	31.7
10 Other	106.5	124.4	127.5	123.9	123.5	125.0	124.4	121.9	121.3	122.3	122.9	121.4
11 Loans and leases in bank credit[2]	1,974.1	2,062.6	2,082.4	2,085.6	2,101.0	2,100.6	2,114.0	2,132.3	2,129.8	2,144.8	2,133.0	2,122.3
12 Commercial and industrial	510.3	485.6	483.5	480.8	475.8	472.0	469.6	461.4	462.9	462.9	461.7	460.9
13 Bankers acceptances	.0	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
14 Other	510.3	485.6	483.5	480.8	475.8	472.0	469.6	461.4	462.9	462.9	461.7	460.9
15 Real estate	854.4	970.3	990.6	1,006.7	1,028.3	1,035.2	1,041.4	1,056.8	1,063.8	1,065.6	1,051.4	1,044.7
16 Revolving home equity	112.7	133.0	136.9	140.0	142.5	147.9	150.5	152.8	151.4	152.3	153.0	153.9
17 Other	741.7	837.3	853.7	866.7	885.9	887.3	890.9	903.9	912.4	913.3	898.3	890.8
18 Consumer	289.1	296.6	296.8	296.9	294.9	291.4	289.9	290.1	289.0	290.1	290.3	290.0
19 Security[3]	82.0	73.1	71.3	63.1	64.5	63.6	63.8	71.7	67.1	73.1	74.3	71.5
20 Federal funds sold to and repurchase agreements with broker–dealers	69.8	62.3	60.9	52.4	53.8	52.2	52.0	58.0	54.0	58.7	60.8	56.8
21 Other	12.2	10.8	10.4	10.6	10.7	11.4	11.8	13.8	13.2	14.4	13.6	14.7
22 State and local government	13.1	12.2	11.9	12.0	12.3	12.5	12.4	12.4	12.3	12.4	12.4	12.5
23 Agricultural	9.3	8.2	8.2	8.1	7.8	7.8	7.7	7.5	7.5	7.5	7.5	7.4
24 Federal funds sold to and repurchase agreements with others	19.5	18.9	24.7	23.6	23.6	23.2	24.4	26.2	23.3	28.1	26.6	26.5
25 All other loans	67.7	73.9	74.4	75.4	75.1	76.6	87.6	88.9	86.7	87.7	91.4	91.3
26 Lease-financing receivables	128.7	123.9	120.9	119.0	118.7	118.3	117.3	117.4	117.3	117.4	117.4	117.6
27 Interbank loans	176.6	185.5	183.2	157.0	153.5	162.5	161.6	161.4	165.4	173.7	156.9	152.3
28 Federal funds sold to and repurchase agreements with commercial banks	91.0	91.1	88.7	88.2	83.4	91.9	90.5	92.1	94.7	104.0	86.2	84.3
29 Other	85.6	94.4	94.5	68.8	70.1	70.6	71.1	69.3	70.7	69.8	70.7	68.0
30 Cash assets[4]	143.4	146.8	147.9	147.6	149.0	149.3	141.2	138.5	136.9	137.1	133.4	150.2
31 Other assets[5]	315.1	333.8	330.3	327.1	347.0	339.9	339.8	349.6	346.1	345.8	350.4	354.1
32 **Total assets**[6]	**3,229.5**	**3,453.8**	**3,478.9**	**3,445.7**	**3,510.0**	**3,509.2**	**3,521.2**	**3,592.7**	**3,573.6**	**3,604.1**	**3,580.3**	**3,605.3**
Liabilities												
33 Deposits	1,829.7	1,943.4	1,952.4	1,962.3	1,962.9	1,981.5	2,005.6	2,012.4	2,004.9	2,027.7	1,998.0	2,015.6
34 Transaction	296.6	285.8	289.1	286.3	288.5	288.8	293.8	294.9	274.9	298.9	297.6	317.7
35 Nontransaction	1,533.1	1,657.6	1,663.4	1,675.9	1,674.4	1,692.7	1,711.8	1,717.5	1,730.0	1,728.8	1,700.4	1,697.9
36 Large time	249.4	265.4	261.4	269.7	272.4	267.8	266.0	277.8	278.4	276.3	277.1	280.1
37 Other	1,283.7	1,392.2	1,402.0	1,406.2	1,402.0	1,424.9	1,445.9	1,439.7	1,451.6	1,452.5	1,423.3	1,417.9
38 Borrowings	722.2	741.7	730.4	655.1	682.2	688.5	686.2	703.5	690.3	702.1	698.7	715.9
39 From banks in the U.S.	250.6	269.4	249.4	193.6	196.2	204.7	208.9	200.2	202.4	201.5	194.3	197.3
40 From others	471.6	472.3	481.1	461.4	485.9	483.8	477.4	503.3	487.9	500.6	504.4	518.6
41 Net due to related foreign offices	168.5	185.0	199.7	216.4	216.5	218.5	215.2	226.3	239.8	221.8	225.8	225.3
42 Other liabilities	205.0	265.4	276.0	274.6	278.7	273.7	282.0	290.0	283.2	294.2	293.8	284.3
43 **Total liabilities**	**2,925.4**	**3,135.4**	**3,158.6**	**3,108.3**	**3,140.2**	**3,162.3**	**3,189.0**	**3,232.1**	**3,218.2**	**3,245.9**	**3,216.3**	**3,241.2**
44 Residual (assets less liabilities)[7]	304.1	318.3	320.3	337.4	369.8	346.9	332.3	360.6	355.4	358.2	364.0	364.1

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

C. Large domestically chartered commercial banks—Continued

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002		2003					2003			
	May[r]	Nov.[r]	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May	May 7	May 14	May 21	May 28
	Not seasonally adjusted											
Assets												
45 Bank credit	2,639.6	2,840.5	2,873.8	2,866.0	2,907.3	2,896.3	2,919.2	2,989.1	2,975.2	2,992.0	2,982.4	2,989.8
46 Securities in bank credit	663.6	774.0	784.0	781.7	812.5	804.1	805.0	853.6	838.4	844.9	849.0	866.7
47 U.S. government securities	390.1	457.8	459.8	462.8	483.9	477.3	490.2	517.3	509.4	510.8	514.1	526.4
48 Trading account	42.8	48.2	44.9	41.5	55.1	42.1	40.6	43.5	37.7	60.5	35.2	40.3
49 Investment account	347.3	409.6	414.9	421.3	428.9	435.3	449.6	473.8	471.7	450.2	478.9	486.1
50 Mortgage-backed securities	272.9	325.5	317.8	323.8	330.0	333.2	352.9	378.7	379.2	356.7	383.5	388.7
51 Other	74.4	84.1	97.1	97.5	98.8	102.0	96.7	95.0	92.5	93.6	95.4	97.4
52 One year or less	16.0	23.2	24.1	21.3	22.9	24.4	24.6	23.2	22.6	23.8	23.1	23.2
53 One to five years	45.4	47.4	56.6	58.6	57.4	57.4	55.2	55.2	54.5	54.9	55.1	55.8
54 More than five years	13.0	13.6	16.4	17.5	18.6	20.3	16.9	16.7	15.4	14.9	17.2	18.3
55 Other securities	273.5	316.2	324.3	318.9	328.5	326.8	314.8	336.3	329.1	334.1	334.9	340.4
56 Trading account	140.2	161.8	166.1	162.9	174.1	171.7	160.5	183.2	176.4	180.7	181.1	187.8
57 Investment account	133.3	154.5	158.1	156.0	154.4	155.1	154.3	153.1	152.7	153.4	153.8	152.6
58 State and local government	26.9	29.4	29.7	30.0	29.8	30.1	30.7	31.3	30.9	31.2	31.4	31.6
59 Other	106.4	125.0	128.4	126.1	124.6	125.0	123.6	121.8	121.8	122.2	122.4	121.0
60 Loans and leases in bank credit[2]	1,976.0	2,066.5	2,089.8	2,084.3	2,094.9	2,092.2	2,114.2	2,135.5	2,136.7	2,147.1	2,133.4	2,123.0
61 Commercial and industrial	513.7	485.8	480.9	476.2	473.8	471.9	472.2	464.5	468.2	465.6	464.4	462.4
62 Bankers acceptances	.0	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
63 Other	513.7	485.8	480.9	476.2	473.8	471.9	472.2	464.5	468.2	465.6	464.4	462.4
64 Real estate	857.9	973.0	991.9	1,005.6	1,024.1	1,028.3	1,039.5	1,061.1	1,068.1	1,071.4	1,055.0	1,048.2
65 Revolving home equity	113.5	132.7	136.0	139.1	142.8	146.2	150.4	154.0	152.7	153.4	154.2	154.9
66 Other	427.8	520.5	536.6	546.2	561.0	561.7	570.5	589.1	596.8	599.6	582.9	575.7
67 Commercial	316.5	319.8	319.3	320.2	320.2	320.4	318.6	318.0	318.6	318.3	317.9	317.5
68 Consumer	289.8	295.3	299.3	301.7	298.1	292.0	290.5	291.0	290.0	291.0	291.1	291.0
69 Credit cards and related plans	116.2	114.6	117.3	115.3	109.7	105.9	103.5	103.8	103.0	103.3	102.9	105.1
70 Other	173.6	180.6	182.0	186.4	188.3	186.1	187.0	187.1	187.0	187.7	188.2	185.9
71 Security[3]	76.8	75.1	75.2	62.6	63.5	63.1	62.5	67.1	63.4	67.3	69.1	66.8
72 Federal funds sold to and repurchase agreements with broker–dealers	65.3	64.0	64.3	52.1	52.9	51.8	50.9	54.3	50.9	54.0	56.5	53.1
73 Other	11.4	11.1	10.9	10.6	10.6	11.3	11.6	12.9	12.4	13.3	12.6	13.7
74 State and local government	13.1	12.2	11.9	12.0	12.3	12.5	12.4	12.4	12.3	12.4	12.4	12.5
75 Agricultural	9.4	8.1	8.2	8.2	7.8	7.8	7.6	7.5	7.5	7.5	7.5	7.5
76 Federal funds sold to and repurchase agreements with others	19.5	18.9	24.7	23.6	23.6	23.2	24.4	26.2	23.3	28.1	26.6	26.5
77 All other loans	67.3	74.8	76.5	73.6	71.7	74.4	87.4	88.3	86.5	86.3	89.8	90.8
78 Lease-financing receivables	128.7	123.3	121.2	120.8	120.0	119.1	117.7	117.4	117.6	117.4	117.4	117.4
79 Interbank loans	177.4	187.0	187.7	160.2	151.8	162.6	164.9	162.1	165.9	173.9	155.7	154.3
80 Federal funds sold to and repurchase agreements with commercial banks	91.4	91.8	90.9	90.0	82.5	92.0	92.4	92.5	95.0	104.1	85.6	85.3
81 Other	86.0	95.2	96.8	70.2	69.3	70.6	72.5	69.6	70.9	69.9	70.2	68.9
82 Cash assets[4]	142.6	149.9	159.6	156.4	148.9	144.2	144.0	137.5	134.7	135.2	124.8	156.4
83 Other assets[5]	313.1	337.3	334.1	329.5	344.0	338.3	339.3	347.4	349.2	346.8	345.2	346.7
84 **Total assets[6]**	**3,228.1**	**3,470.6**	**3,511.3**	**3,467.7**	**3,506.9**	**3,496.3**	**3,523.6**	**3,591.8**	**3,580.4**	**3,603.5**	**3,563.6**	**3,602.8**
Liabilities												
85 Deposits	1,825.5	1,950.2	1,968.9	1,963.2	1,966.9	1,979.6	2,013.0	2,008.0	2,002.8	2,022.3	1,983.4	2,010.2
86 Transaction	292.5	289.7	309.4	295.2	284.2	284.4	300.0	290.6	269.2	294.4	286.3	318.0
87 Nontransaction	1,533.0	1,660.6	1,659.5	1,668.0	1,682.7	1,695.2	1,713.1	1,717.4	1,733.7	1,727.8	1,697.1	1,692.2
88 Large time	247.8	269.4	264.3	271.0	273.3	266.4	264.1	276.0	276.7	273.5	275.0	278.1
89 Other	1,285.2	1,391.2	1,395.2	1,397.0	1,409.4	1,428.8	1,449.0	1,441.4	1,457.0	1,454.3	1,422.1	1,414.0
90 Borrowings	727.5	743.0	729.6	668.2	684.4	684.8	690.4	709.2	708.3	711.3	698.0	713.4
91 From banks in the U.S.	252.8	266.1	251.1	198.2	199.7	208.1	213.0	202.6	208.4	205.0	195.0	196.9
92 From nonbanks in the U.S.	474.7	476.9	478.4	470.0	484.6	476.7	477.4	506.6	499.9	506.3	503.0	516.5
93 Net due to related foreign offices	168.0	190.2	204.2	218.0	220.8	214.2	205.9	225.4	234.7	219.4	225.7	229.0
94 Other liabilities	204.2	272.4	281.8	276.6	284.1	268.5	269.8	288.9	277.3	291.1	293.6	288.8
95 **Total liabilities**	**2,925.2**	**3,155.8**	**3,184.5**	**3,125.9**	**3,156.1**	**3,147.1**	**3,179.1**	**3,231.5**	**3,223.1**	**3,244.1**	**3,200.7**	**3,241.3**
96 Residual (assets less liabilities)[7]	302.9	314.8	326.9	341.8	350.7	349.1	344.4	360.3	357.4	359.4	363.0	361.5

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

D. Small domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002		2003					2003			
	May[r]	Nov.[r]	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May	May 7	May 14	May 21	May 28
	Seasonally adjusted											
Assets												
1 Bank credit	2,258.7	2,385.6	2,397.4	2,402.5	2,419.2	2,434.8	2,455.4	2,466.7	2,459.7	2,465.6	2,466.9	2,470.0
2 Securities in bank credit	635.0	661.9	668.1	666.6	668.5	678.3	689.8	689.3	688.9	691.3	689.0	687.8
3 U.S. government securities	425.5	455.9	461.1	459.0	462.0	472.0	484.7	484.1	486.1	485.7	482.4	481.5
4 Other securities	209.5	206.0	207.0	207.7	206.5	206.2	205.1	205.2	202.7	205.5	206.5	206.3
5 Loans and leases in bank credit[2]	1,623.7	1,723.7	1,729.3	1,735.8	1,750.7	1,756.6	1,765.6	1,777.4	1,770.9	1,774.3	1,777.9	1,782.2
6 Commercial and industrial	293.0	303.4	304.1	303.5	305.3	306.0	305.9	305.9	305.1	305.5	305.9	306.8
7 Real estate	946.1	1,017.7	1,019.8	1,021.7	1,032.7	1,039.7	1,050.6	1,058.2	1,054.5	1,057.3	1,058.9	1,059.0
8 Revolving home equity	66.2	76.2	77.0	77.7	79.7	81.4	82.8	84.1	83.2	83.6	84.2	84.5
9 Other	879.9	941.5	942.9	944.0	953.0	958.3	967.8	974.1	971.4	973.7	974.7	974.5
10 Consumer	279.4	288.9	291.3	295.0	296.9	295.5	294.0	297.8	296.1	296.9	297.9	300.1
11 Security[3]	6.8	8.0	8.0	8.4	8.6	8.6	8.6	9.1	9.0	9.0	9.0	9.3
12 Other loans and leases	98.3	105.6	106.0	107.2	107.2	106.8	106.5	106.3	106.0	105.6	106.2	107.0
13 Interbank loans	87.8	114.6	115.1	122.2	124.4	124.2	121.5	132.6	128.0	130.4	132.8	138.2
14 Cash assets[4]	113.1	126.3	124.4	126.0	130.6	133.5	135.5	134.5	133.9	134.1	136.7	136.3
15 Other assets[5]	141.2	141.8	141.8	141.7	144.9	147.0	149.7	157.0	158.2	157.5	155.4	156.0
16 **Total assets[6]**	**2,570.0**	**2,736.2**	**2,746.4**	**2,760.3**	**2,787.5**	**2,808.1**	**2,831.0**	**2,859.4**	**2,848.5**	**2,856.3**	**2,860.4**	**2,869.0**
Liabilities												
17 Deposits	2,016.7	2,113.3	2,109.5	2,118.1	2,129.7	2,155.7	2,171.4	2,195.3	2,184.3	2,196.9	2,189.4	2,204.3
18 Transaction	302.8	310.9	313.0	311.9	315.0	319.3	327.2	327.5	315.3	324.5	331.8	344.3
19 Nontransaction	1,713.9	1,802.5	1,796.4	1,806.2	1,814.6	1,836.4	1,844.2	1,867.8	1,869.0	1,872.4	1,857.5	1,860.0
20 Large time	299.6	306.0	308.4	307.8	311.1	315.7	316.1	317.5	315.5	317.5	317.2	318.7
21 Other	1,414.3	1,496.4	1,488.0	1,498.4	1,503.6	1,520.7	1,528.1	1,550.3	1,553.4	1,554.9	1,540.3	1,541.3
22 Borrowings	328.7	373.2	388.9	407.1	410.6	407.4	412.8	420.9	429.1	417.0	423.8	417.3
23 From banks in the U.S.	112.1	127.3	138.1	156.2	160.8	159.1	161.0	157.9	159.0	155.5	160.7	158.4
24 From others	216.6	245.9	250.8	250.8	249.8	248.3	251.8	263.0	270.1	261.5	263.2	259.0
25 Net due to related foreign offices	11.6	11.3	12.4	15.1	12.6	10.7	12.8	12.4	14.3	10.9	12.1	12.7
26 Other liabilities	63.1	66.8	64.3	71.4	76.5	80.3	81.2	83.6	79.7	83.3	85.0	85.9
27 **Total liabilities**	**2,420.1**	**2,564.6**	**2,575.1**	**2,611.7**	**2,629.3**	**2,654.1**	**2,678.3**	**2,712.2**	**2,707.3**	**2,708.1**	**2,710.3**	**2,720.3**
28 Residual (assets less liabilities)[7]	149.9	171.6	171.3	148.6	158.2	154.0	152.7	147.1	141.2	148.2	150.1	148.8
	Not seasonally adjusted											
Assets												
29 Bank credit	2,257.1	2,389.1	2,408.9	2,404.5	2,416.1	2,431.5	2,453.6	2,465.1	2,458.7	2,465.5	2,465.5	2,467.3
30 Securities in bank credit	634.3	660.8	669.7	668.4	669.4	680.9	691.3	688.5	688.6	690.9	687.9	686.8
31 U.S. government securities	424.8	454.7	462.6	460.7	462.8	474.7	486.2	483.3	485.9	485.4	481.3	480.5
32 Other securities	209.5	206.0	207.0	207.7	206.5	206.2	205.1	205.2	202.7	205.5	206.5	206.3
33 Loans and leases in bank credit[2]	1,622.9	1,728.3	1,739.3	1,736.1	1,746.7	1,750.6	1,762.3	1,776.6	1,770.0	1,774.6	1,777.6	1,780.6
34 Commercial and industrial	295.5	301.9	303.9	302.1	303.8	305.9	308.1	308.5	308.0	308.3	308.4	309.0
35 Real estate	945.7	1,019.5	1,023.1	1,023.2	1,032.8	1,037.6	1,048.8	1,057.7	1,053.4	1,057.1	1,058.8	1,058.8
36 Revolving home equity	66.3	76.4	77.4	77.9	79.7	81.0	82.6	84.1	83.3	83.8	84.2	84.5
37 Other	879.4	943.1	945.7	945.3	953.0	956.6	966.3	973.6	970.1	973.4	974.7	974.3
38 Consumer	277.1	292.7	297.7	297.8	296.9	292.6	290.6	295.7	293.8	295.3	296.3	298.0
39 Credit cards and related plans	106.4	116.9	121.2	118.7	116.1	113.8	111.7	116.6	115.4	116.4	117.0	118.5
40 Other	170.7	175.8	176.5	179.1	180.8	178.9	178.9	179.1	178.4	178.9	179.4	179.5
41 Security[3]	6.7	8.3	8.2	8.1	8.5	8.8	8.8	9.0	9.0	8.8	8.7	8.9
42 Other loans and leases	97.9	106.0	106.3	104.9	104 7	105.7	106.0	105.7	105.8	105.0	105.3	105.8
43 Interbank loans	84.1	118.1	117.7	115.8	123.4	130.7	129.4	127.5	128.7	124.9	124.2	126.9
44 Cash assets[4]	112.2	130.5	131.8	130.2	130.2	128.8	133.2	133.4	131.6	130.9	130.3	140.9
45 Other assets[5]	141.2	141.8	141.8	141.7	144.9	147.0	149.7	157.0	158.2	157.5	155.4	156.0
46 **Total assets[6]**	**2,563.9**	**2,747.4**	**2,767.8**	**2,760.0**	**2,782.9**	**2,806.7**	**2,834.7**	**2,851.6**	**2,845.9**	**2,847.4**	**2,844.1**	**2,859.7**
Liabilities												
47 Deposits	2,009.1	2,121.4	2,132.9	2,124.4	2,136.4	2,160.7	2,183.2	2,187.3	2,184.8	2,189.1	2,172.7	2,191.2
48 Transaction	297.6	314.3	324.7	316.8	311.7	315.6	327.6	322.1	310.9	317.5	320.8	340.6
49 Nontransaction	1,711.5	1,807.1	1,808.2	1,807.5	1,824.7	1,845.1	1,855.6	1,865.2	1,873.9	1,871.6	1,852.0	1,850.6
50 Large time	299.6	306.0	308.4	307.8	311.1	315.7	316.1	317.5	315.5	317.5	317.2	318.7
51 Other	1,411.9	1,501.1	1,499.8	1,499.7	1,513.6	1,529.4	1,539.5	1,547.7	1,558.4	1,554.1	1,534.7	1,532.0
52 Borrowings	328.7	373.2	388.9	407.1	410.6	407.4	412.8	420.9	429.1	417.0	423.8	417.3
53 From banks in the U.S.	112.1	127.3	138.1	156.2	160.8	159.1	161.0	157.9	159.0	155.5	160.7	158.4
54 From others	216.6	245.9	250.8	250.8	249.8	248.3	251.8	263.0	270.1	261.5	263.2	259.0
55 Net due to related foreign offices	11.6	11.3	12.4	15.1	12.6	10.7	12.8	12.4	14.3	10.9	12.1	12.7
56 Other liabilities	63.1	66.8	64.3	71.4	76.5	80.3	81.2	83.6	79.7	83.3	85.0	85.9
57 **Total liabilities**	**2,412.6**	**2,572.7**	**2,598.6**	**2,617.9**	**2,636.0**	**2,659.1**	**2,690.0**	**2,704.2**	**2,707.9**	**2,700.3**	**2,693.6**	**2,707.2**
58 Residual (assets less liabilities)[7]	151.3	174.8	169.3	142.1	146.9	147.6	144.7	147.4	138.0	147.1	150.5	152.5

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002		2003					2003			
	May	Nov.	Dec.	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May	May 7	May 14	May 21	May 28
	Seasonally adjusted											
Assets												
1 Bank credit	594.9[r]	620.0[r]	635.9[r]	628.0	640.9	657.8	650.3	661.7	653.2	659.0	659.8	670.2
2 Securities in bank credit	229.5[r]	247.8[r]	261.6[r]	262.9	273.3	277.8	271.3	282.3	274.7	280.3	284.5	286.8
3 U.S. government securities	73.2	93.5	101.9[r]	103.8	110.6	116.4	118.9	124.3	120.1	122.4	125.6	128.1
4 Other securities	156.3[r]	154.3[r]	159.7[r]	159.1	162.7	161.4	152.5	158.0	154.6	157.9	158.9	158.7
5 Loans and leases in bank credit[2]	365.4	372.2	374.3	365.1	367.6	380.0	379.0	379.4	378.5	378.7	375.3	383.4
6 Commercial and industrial	195.9	179.0[r]	178.4	177.2	174.1	171.7	172.2	169.5	171.2	171.4	169.6	168.5
7 Real estate	18.1	20.0	19.5	19.7	19.7	19.8	19.0	19.2	19.2	19.2	19.2	19.2
8 Security[3]	81.1	104.7	110.1	103.4	108.1	122.0	121.0	118.5	116.9	117.9	115.5	121.6
9 Other loans and leases	70.3[r]	68.6	66.3[r]	64.8	65.6	66.5	66.8	72.2	71.2	70.2	71.1	74.1
10 Interbank loans	23.3	25.5	30.0	28.1	27.0	27.5	24.0	24.7	24.0	23.0	23.9	26.5
11 Cash assets[4]	46.0	42.3	44.6	40.1	38.7	43.0	45.2	52.2	50.2	51.8	52.3	53.8
12 Other assets[5]	26.1	34.6	35.9	39.3	39.9	35.0	38.0	47.5	44.8	48.5	45.1	50.1
13 **Total assets**[6]	**689.8[r]**	**722.0[r]**	**746.1[r]**	**735.1**	**746.1**	**762.9**	**757.1**	**785.6**	**771.7**	**781.8**	**780.7**	**800.2**
Liabilities												
14 Deposits	503.8	452.6	425.5	426.6	442.9	448.4	436.3	438.7	432.1	439.0	439.0	439.9
15 Transaction	10.6	9.2	9.2	9.7	10.3	11.5	11.3	11.0	11.7	10.6	10.7	11.1
16 Nontransaction	493.2	443.3	416.4[r]	416.8	432.6	436.9	425.0	427.7	420.4	428.5	428.4	428.8
17 Borrowings	189.4	251.2	277.9[r]	269.1	270.0	288.3	294.0	301.8	300.3	294.0	295.3	311.8
18 From banks in the U.S.	20.6	25.2	30.0	31.0	31.1	33.7	27.5	31.8	31.2	31.0	31.0	32.6
19 From others	168.8	226.0	247.9	238.1	238.9	254.6	266.4	270.1	269.1	263.0	264.3	279.1
20 Net due to related foreign offices	–91.7[r]	–74.3[r]	–60.1[r]	–70.4	–78.4	–84.4	–76.6	–77.8	–75.9	–77.5	–78.4	–76.0
21 Other liabilities	74.3	99.3	102.1	100.5	104.8	99.9	95.2	109.9	103.8	113.3	111.1	109.6
22 **Total liabilities**	**675.9[r]**	**728.8[r]**	**745.6[r]**	**725.7**	**739.2**	**752.2**	**749.0**	**772.7**	**760.3**	**768.8**	**767.1**	**785.2**
23 Residual (assets less liabilities)[7]	14.0[r]	–6.8[r]	.5[r]	9.4	6.9	10.7	8.1	12.9	11.5	13.0	13.6	15.0
	Not seasonally adjusted											
Assets												
24 Bank credit	590.6[r]	623.6[r]	646.0[r]	635.7	645.3	656.0	650.2	657.0	650.1	654.9	653.1	665.8
25 Securities in bank credit	229.5[r]	247.8[r]	261.6[r]	262.9	273.3	277.8	271.3	282.3	274.7	280.3	284.5	286.8
26 U.S. government securities	73.2	93.5	101.9[r]	103.8	110.6	116.4	118.9	124.3	120.1	122.4	125.6	128.1
27 Trading account	10.1	20.3	30.6	32.6	36.4	37.1	39.5	43.0	42.1	40.7	42.5	45.2
28 Investment account	63.1	73.2	71.3	71.2	74.2	79.3	79.4	81.4	78.0	81.7	83.1	82.9
29 Other securities	156.3[r]	154.3[r]	159.7[r]	159.1	162.7	161.4	152.5	158.0	154.6	157.9	158.9	158.7
30 Trading account	99.9[r]	100.4	101.2[r]	101.9	102.0	101.7	98.1	105.1	102.2	105.0	105.9	105.9
31 Investment account	56.4[r]	53.9[r]	58.4[r]	57.2	60.7	59.7	54.3	52.9	52.3	53.0	53.0	52.8
32 Loans and leases in bank credit[2]	361.2	375.8	384.3	372.8	372.0	378.2	378.9	374.7	375.5	374.6	368.6	379.0
33 Commercial and industrial	193.8	180.3	179.8	177.3	175.6	173.2	171.3	167.7	169.5	169.6	167.6	166.2
34 Real estate	18.1	20.0	19.5	19.7	19.7	19.8	19.0	19.2	19.2	19.2	19.2	19.2
35 Security[3]	79.5	106.8	116.7	110.4	111.0	117.7	121.3	116.2	116.1	116.0	111.9	120.0
36 Other loans and leases	69.8	68.7[r]	68.3	65.5	65.7	67.4	67.2	71.6	70.7	69.9	70.0	73.6
37 Interbank loans	23.3	25.5	30.0	28.1	27.0	27.5	24.0	24.7	24.0	23.0	23.9	26.5
38 Cash assets[4]	44.5	44.7	47.8	43.1	39.7	41.9	43.2	50.5	48.5	50.4	50.2	52.1
39 Other assets[5]	26.2	34.5	37.0	40.7	40.5	35.8	37.8	47.7	45.4	49.4	45.1	49.7
40 **Total assets**[6]	**684.2[r]**	**727.9[r]**	**760.4[r]**	**747.2**	**752.1**	**760.8**	**754.8**	**779.3**	**767.6**	**777.3**	**771.8**	**793.6**
Liabilities												
41 Deposits	510.2	452.7	436.4[r]	442.7	453.0	452.5	442.3	444.1	439.0	444.0	443.3	446.4
42 Transaction	10.2	9.5	10.0	10.0	10.3	11.1	10.7	10.6	11.1	10.1	10.1	10.9
43 Nontransaction	500.0	443.1	426.4	432.7	442.8	441.3	431.6	433.6	427.8	434.0	433.2	435.6
44 Borrowings	189.4	251.2	277.9[r]	269.1	270.0	288.3	294.0	301.8	300.3	294.0	295.3	311.8
45 From banks in the U.S.	20.6	25.2	30.0	31.0	31.1	33.7	27.5	31.8	31.2	31.0	31.0	32.6
46 From others	168.8	226.0	247.9	238.1	238.9	254.6	266.4	270.1	269.1	263.0	264.3	279.1
47 Net due to related foreign offices	–91.3[r]	–75.6[r]	–58.4[r]	–67.8	–77.3	–82.2	–77.0	–77.4	–76.0	–76.0	–78.4	–75.3
48 Other liabilities	74.5	98.4	103.3	102.2	105.7	101.5	94.9	110.2	103.8	114.7	111.1	110.1
49 **Total liabilities**	**682.9[r]**	**726.7[r]**	**759.3[r]**	**746.2**	**751.4**	**760.1**	**754.2**	**778.7**	**767.1**	**776.7**	**771.3**	**793.0**
50 Residual (assets less liabilities)[7]	1.3[r]	1.3[r]	1.1[r]	1.0	.8	.6	.6	.6	.6	.6	.6	.6

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

F. Memo items

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002		2003					2003			
	May	Nov.	Dec.	Jan.	Feb.[r]	Mar.[r]	Apr.	May	May 7	May 14	May 21	May 28
	Not seasonally adjusted											
MEMO												
Large domestically chartered banks, adjusted for mergers												
1 Revaluation gains on off-balance-sheet items[8]	80.8	105.2	112.5	107.6	116.8	115.1	105.7	128.1	120.5	127.2	128.8	130.2
2 Revaluation losses on off-balance-sheet items[8]	62.2	89.0	93.8	86.2	94.9	91.3	81.4	105.1	97.6	105.2	106.4	106.8
3 Mortgage-backed securities[9]	307.3[r]	371.2[r]	363.9[r]	369.6[r]	375.6	380.0	399.3	425.6	425.4	403.8	430.8	435.4
4 Pass-through	210.8	274.6	265.7	271.2	276.5	275.8	288.1[r]	313.8	312.2	290.7	320.1	326.1
5 CMO, REMIC, and other	96.6[r]	96.6[r]	98.2[r]	98.4[r]	99.1	104.1	111.2	111.8	113.3	113.0	110.7	109.4
6 Net unrealized gains (losses) on available-for-sale securities[10]	4.3	11.3	10.7	11.8[r]	11.7	11.7	10.6[r]	12.1	11.5	11.5	12.2	12.1
7 Off-shore credit to U.S. residents[11]	19.6	18.5	18.7	18.3	18.2	18.2	17.5	17.3	17.2	17.2	17.5	17.4
8 Securitized consumer loans[12]	135.8	148.5	150.1	149.7	150.6	152.5	154.2	155.0	154.3	154.1	155.0	156.1
9 Credit cards and related plans	122.3	131.4	133.2	132.2	134.8	136.7	138.7	139.4	139.3	139.2	140.1	139.3
10 Other	13.5	17.0	16.9	17.5	15.8	15.8	15.5	15.5	15.0	14.9	14.9	16.8
11 Securitized business loans[12]	17.1	17.4	17.2	16.9	17.2	16.8	16.5	17.0	17.1	17.1	17.0	16.6
Small domestically chartered commercial banks, adjusted for mergers												
12 Mortgage-backed securities[9]	293.9[r]	307.0[r]	310.5[r]	310.0[r]	315.8	327.1	336.5[r]	335.2	338.2	338.2	333.7	331.3
13 Securitized consumer loans[12]	207.6	198.7	201.3	205.4[r]	204.2	202.8	205.2[r]	205.0	205.4	204.5	204.2	205.4
14 Credit cards and related plans	200.0	189.8	192.5	197.0[r]	195.8	194.3	196.9[r]	196.8	197.1	196.3	196.0	197.2
15 Other	7.6	8.9	8.7	8.5	8.4	8.5	8.3	8.2	8.2	8.2	8.2	8.2
Foreign-related institutions												
16 Revaluation gains on off-balance-sheet items[8]	50.0	63.3	64.1	67.0[r]	67.1	65.2	63.8[r]	73.5	70.8	73.5	74.7	74.2
17 Revaluation losses on off-balance-sheet items[8]	42.8	60.3	60.1	63.0[r]	64.9	63.4	61.6[r]	72.6	68.5	72.5	74.3	73.6
18 Securitized business loans[12]	10.5	7.2	6.8	5.6	4.6	4.1	3.3[r]	3.0	3.0	3.0	3.0	2.9

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. Total amount outstanding.

1.32 COMMERCIAL PAPER OUTSTANDING

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2002		2003			
	1998	1999	2000	2001	2002	Nov.[r]	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.
1 **All issuers**	**1,163,303**	**1,403,023**	**1,619,274**	**1,458,870**	**1,347,997**	**1,377,217**	**1,347,997**	**1,373,133**	**1,346,782**	**1,341,270**	**1,342,147**
Financial companies[1]											
2 Dealer-placed paper, total[2]	614,142	786,643	963,070	967,748	976,163	1,008,028	976,163	983,059	952,868	946,773	961,002
3 Directly placed paper, total[3]	322,030	337,240	312,771	266,276	217,787	211,574	217,787	236,820	239,037	244,504	232,879
4 Nonfinancial companies[4]	227,132	279,140	343,433	224,847	154,047	157,615	154,047	153,254	154,876	149,993	148,266

1. Institutions engaged primarily in commercial, savings, and mortgage banking; sales, personal and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.
2. Includes all financial-company paper sold by dealers in the open market.
3. As reported by financial companies that place their paper directly with investors.
4. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

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

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
2000—Jan. 1	8.50	2000	9.23	2001—Jan	9.05	2002—Jan.	4.75
Feb 3	8.75	2001	6.91	Feb	8.50	Feb.	4.75
Mar 22	9.00	2002	4.67	Mar.	8.32	Mar.	4.75
May 17	9.50			Apr.	7.80	Apr.	4.75
		2000—Jan.	8.50	May	7.24	May	4.75
2001—Jan. 4	9.00	Feb.	8.73	June	6.98	June	4.75
Feb. 1	8.50	Mar.	8.83	July	6.75	July	4.75
Mar 21	8.00	Apr.	9.00	Aug.	6.67	Aug.	4.75
Apr. 19	7.50	May	9.24	Sept.	6.28	Sept.	4.75
May 16	7.00	June	9.50	Oct	5.53	Oct.	4.75
June 28	6.75	July	9.50	Nov	5.10	Nov.	4.35
Aug. 22	6.50	Aug.	9.50	Dec.	4.84	Dec.	4.25
Sept. 18	6.00	Sept.	9.50				
Oct. 3	5.50	Oct.	9.50			2003—Jan.	4.25
Nov. 7	5.00	Nov.	9.50			Feb.	4.25
Dec 12	4.75	Dec.	9.50			Mar.	4.25
						Apr.	4.25
2002—Nov. 7	4.25					May	4.25
						June	4.22
2003—June 27	4.00						

1. The prime rate is one of several base rates that banks use to price short-term business loans. The table shows the date on which a new rate came to be the predominant one quoted by a majority of the twenty-five largest banks by asset size, based on the most recent Call Report. Data in this table also appear in the Board's H.15 (519) weekly and G.13 (415) monthly statistical releases. For ordering address, see inside front cover.

1.35 INTEREST RATES Money and Capital Markets

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

Item	2000	2001	2002	2003 Feb.	2003 Mar.	2003 Apr.	2003 May	2003, week ending May 2	May 9	May 16	May 23	May 30
MONEY MARKET INSTRUMENTS												
1 Federal funds[1,2,3]	6.24	3.88	1.67	1.26	1.25	1.26	1.26	1.28	1.26	1.25	1.27	1.24
2 Discount window primary credit[2,4]	n.a.	n.a.	n.a.	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Commercial paper[3,5,6]												
Nonfinancial												
3 1-month	6.27	3.78	1.67	1.24	1.21	1.22	1.21	1.22	1.20	1.22	1.21	1.23
4 2-month	6.29	3.68	1.67	1.25	1.20	1.21	1.20	1.21	1.20	1.20	1.19	1.20
5 3-month	6.31	3.65	1.69	1.26	1.19	1.20	1.19	1.20	1.19	1.19	1.18	1.21
Financial												
6 1-month	6.28	3.80	1.68	1.25	1.23	1.24	1.24	1.24	1.24	1.24	1.23	1.24
7 2-month	6.30	3.71	1.69	1.25	1.22	1.23	1.22	1.24	1.22	1.23	1.21	1.22
8 3-month	6.33	3.65	1.70	1.25	1.21	1.23	1.20	1.24	1.21	1.21	1.19	1.20
Certificates of deposit, secondary market[3,7]												
9 1-month	6.35	3.84	1.72	1.27	1.25	1.26	1.26	1.26	1.25	1.26	1.26	1.26
10 3-month	6.46	3.71	1.73	1.27	1.23	1.24	1.22	1.24	1.23	1.23	1.21	1.22
11 6-month	6.59	3.66	1.81	1.27	1.20	1.23	1.19	1.22	1.21	1.21	1.16	1.17
12 Eurodollar deposits, 3-month[3,8]	6.45	3.70	1.73	1.26	1.21	1.23	1.21	1.23	1.22	1.22	1.19	1.20
U.S. Treasury bills												
Secondary market[3,5]												
13 4-week	n.a.	2.43	1.60	1.18	1.16	1.14	1.06	1.09	1.06	0.98	1.07	1.17
14 3-month	5.82	3.40	1.61	1.17	1.13	1.13	1.07	1.11	1.09	1.05	1.04	1.09
15 6-month	5.90	3.34	1.68	1.18	1.13	1.14	1.08	1.13	1.11	1.08	1.05	1.07
U.S. TREASURY NOTES AND BONDS												
Constant maturities[9]												
16 1-year	6.11	3.49	2.00	1.30	1.24	1.27	1.18	1.25	1.23	1.20	1.13	1.13
17 2-year	6.26	3.83	2.64	1.63	1.57	1.62	1.42	1.56	1.48	1.44	1.36	1.33
18 3-year	6.22	4.09	3.10	2.05	1.98	2.06	1.75	1.99	1.86	1.76	1.65	1.60
19 5-year	6.16	4.56	3.82	2.90	2.78	2.93	2.52	2.88	2.70	2.52	2.35	2.32
20 7-year	6.20	4.88	4.30	3.45	3.34	3.47	3.07	3.42	3.25	3.07	2.90	2.90
21 10-year	6.03	5.02	4.61	3.90	3.81	3.96	3.57	3.92	3.77	3.56	3.38	3.39
22 20-year	6.23	5.63	5.43	4.87	4.82	4.91	4.52	4.82	4.70	4.51	4.34	4.38
Treasury long-term average[10,11]												
23 25 years and above	n.a.	n.a.	5.41	4.93	4.90	4.99	4.61	4.90	4.81	4.62	4.42	4.46
STATE AND LOCAL NOTES AND BONDS												
Moody's series[12]												
24 Aaa	5.58	5.01[r]	4.87	4.57	4.51	4.60	4.16	4.33	4.06	4.32	4.10	3.98
25 Baa	6.19	5.75	5.64	5.48	5.32	5.34	4.91	5.20	4.99	4.90	4.84	4.63
26 *Bond Buyer* series[13]	5.71	5.15	5.04	4.81	4.76	4.74	4.41	4.58	4.50	4.35	4.30	4.31
CORPORATE BONDS												
27 Seasoned issues, all industries[14]	7.98	7.49	7.10	6.50	6.42	6.32	5.88	6.16	6.03	5.88	5.73	5.75
Rating group												
28 Aaa[15]	7.62	7.08	6.49	5.95	5.89	5.74	5.22	5.56	5.42	5.23	5.01	5.05
29 Aa	7.83	7.26	6.93	6.34	6.28	6.22	5.85	6.09	5.97	5.84	5.72	5.74
30 A	8.11	7.67	7.18	6.63	6.54	6.45	6.08	6.33	6.20	6.08	5.95	5.97
31 Baa	8.37	7.95	7.80	7.06	6.95	6.85	6.38	6.68	6.52	6.39	6.23	6.24
MEMO												
Dividend–price ratio[16]												
32 Common stocks	1.15	1.32	1.61	1.91	1.92	1.81	1.72	1.74	1.73	1.72	1.74	1.70

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

1. The daily effective federal funds rate is a weighted average of rates on trades through New York brokers.
2. Weekly figures are averages of seven calendar days, ending on Wednesday of the current week; monthly figures include each calendar day in the month.
3. Annualized using a 360-day year or bank interest.
4. The rate charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program, which became effective January 9, 2003. This rate replaces that for adjustment credit, which was discontinued after January 8, 2003. For further information, see http://www.federalreserve.gov/boarddocs/press/bcreg/2002/200210312/default.htm. The rate reported is that for the Federal Reserve Bank of New York. Historical series for the rate on adjustment credit is available at: http://www.federalreserve.gov/releases/h15/data.htm.
5. Quoted on a discount basis.
6. Interest rates interpolated from data on certain commercial paper trades settled by the Depository Trust Company. The trades represent sales of commercial paper by dealers or direct issuers to investors (that is, the offer side). See the Board's Commercial Paper web pages (http://www.federalreserve.gov/releases/cp) for more information.
7. An average of dealer offering rates on nationally traded certificates of deposit.
8. Bid rates for eurodollar deposits collected around 9:30 a.m. Eastern time. Data are for indication purposes only.
9. Yields on actively traded issues adjusted to constant maturities.
10. Based on the unweighted average of the bid yields for all Treasury fixed-coupon securities with remaining terms to maturity of 25 years and over.
11. A factor for adjusting the daily long-term average in order to estimate a 30-year rate can be found at http://www.treas.gov/offices/domestic-finance/debt-management/interest-rate/ltcompositeindex.html.
12. General obligation bonds based on Thursday figures; Moody's Investors Service.
13. State and local government general obligation bonds maturing in twenty years are used in compiling this index. The twenty-bond index has a rating roughly equivalent to Moody's A1 rating. Based on Thursday figures.
14. Daily figures are averages of Aaa, Aa, A, and Baa yields from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.
15. Effective December 7, 2001, the Moody's Aaa yield includes yields only for industrial firms. Prior to December 7, 2001, the Aaa yield represented both utilities and industrial.
16. Standard & Poor's corporate series. Common stock ratio is based on the 500 stocks in the price index.

SOURCE: U.S. Department of the Treasury.

1.36 STOCK MARKET Selected Statistics

Indicator	2000	2001	2002	2002 Sept.	2002 Oct.	2002 Nov.	2002 Dec.	2003 Jan.	2003 Feb.	2003 Mar.	2003 Apr.	2003 May
	Prices and trading volume (averages of daily figures)											
Common stock prices (indexes)												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	6,806.46	6,407.95	5,571.46	4,980.65	4,862.70	5,104.89	5,075.76	5,055.78	4,738.56	4,724.22	4,977.45	5,269.96
2 Industrial	809.40	749.46	656.44	589.14	574.45	597 75	593.15	587.78	553.90	558.10	583.74	613.26
3 Transportation	414.73	444.45	430.63	388.19	383.41	405.03	401.39	394.60	367.55	366.90	395.85	425.12
4 Utility	478.99	377.72	260.50	210.76	207.83	229.41	236.71	236.42	214.64	211.45	221.06	238.33
5 Finance	552.48	596.61	554.88	506.05	494.06	523.50	519.72	522.51	485.72	486.71	522.05	549.91
6 Standard & Poor's Corporation (1941–43 = 10)[1]	1,427.22	1,194.18	993.94	867.81	854.63	909.93	899.18	895.84	837.62	846.62	890.03	935.96
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	922.22	879.08	860.11	852.03	807.38	820.62	823.77	824.64	818.84	822.34	837.92	894.74
Volume of trading (thousands of shares)												
8 New York Stock Exchange	1,026,867	1,216,529	1,411,689	1,370,143	1,619,896	1,427,254	1,210,332	1,441,846	1,302,011	1,403,742	1,381,580	1,455,858
9 American Stock Exchange	51,437	68,074	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Customer financing (millions of dollars, end-of-period balances)											
10 **Margin credit at broker–dealers**[3]	**198,790**	**150,450**	**134,380**	**130,210**	**130,570**	**133,060**	**134,380**	**134,910**	**134,030**	**135,910**	**140,450**	**146,380**
Free credit balances at brokers[4]												
11 Margin accounts[5]	100,680	101,640	95,690	98,630	96,620	91,240	95,690	96,430	95,400	90,830	88,770	88,540
12 Cash accounts	84,400	78,040	73,340	67,550	66,780	67,380	73,340	66,200	67,260	68,860	70,080	71,270

	Margin requirements (percent of market value and effective date)[6]					
	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974
13 Margin stocks	70	80	65	55	65	50
14 Convertible bonds	50	60	50	50	50	50
15 Short sales	70	80	65	55	65	50

1. In July 1976 a financial group, composed of banks and insurance companies, was added to the group of stocks on which the index is based. The index is now based on 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.
2. On July 5, 1983, the American Stock Exchange rebased its index, effectively cutting previous readings in half.
3. Since July 1983, under the revised Regulation T, margin credit at broker–dealers has included credit extended against stocks, convertible bonds, stocks acquired through the exercise of subscription rights, corporate bonds, and government securities. Separate reporting of data for margin stocks, convertible bonds, and subscription issues was discontinued in April 1984.
4. Free credit balances are amounts in accounts with no unfulfilled commitments to brokers and are subject to withdrawal by customers on demand.
5. Series initiated in June 1984.
6. Margin requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements on securities are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1, 1971.

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

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

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

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

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

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

Billions of dollars, end of period

Type and holder	1999	2000	2001	2002	2002			2003
					Q2	Q3	Q4	Q1
1 **Total gross public debt**	**5,776.1**	**5,662.2**	**5,943.4**	**6,405.7**	**6,126.5**	**6,228.2**	**6,405.7**	**6,460.8**
By type								
2 Interest-bearing	5,766.1	5,618.1	5,930.8	6,391.4	6,087.0	6,216.3	6,391.4	6,474.0
3 Marketable	3,281.0	2,966.9	2,982.9	3,205.1	3,024.8	3,136.6	3,205.1	3,331.8
4 Bills	737.1	646.9	811.3	888.8	822.5	868.3	888.8	955.0
5 Notes	1,784.5	1,557.3	1,413.9	1,580.8	1,446.9	1,521.5	1,580.8	1,622.9
6 Bonds	643.7	626.5	602.7	588.7	592.9	592.9	588.7	585.7
7 Inflation-indexed notes and bonds[1]	100.7	121.2	140.1	146.9	147.5	138.9	146.9	153.2
8 Nonmarketable[2]	2,485.1	2,651.2	2,947.9	3,186.3	3,062.2	3,079.6	3,186.3	3,142.2
9 State and local government series	165.7	151.0	146.3	153.4	142.8	144.3	153.4	148.8
10 Foreign issues[3]	31.3	27.2	15.4	11.2	13.3	12.5	11.2	12.2
11 Government	31.3	27.2	15.4	11.2	13.3	12.5	11.2	12.2
12 Public	0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	179.4	176.9	181.5	184.8	184.8	185.6	184.8	187.3
14 Government account series[4]	2,078.7	2,266.1	2,574.8	2,806.9	2,691.4	2,707.3	2,806.9	2,763.8
15 Non-interest-bearing	10.0	44.2	12.7	14.3	39.5	12.0	14.3	13.8
By holder[5]								
16 U.S. Treasury and other federal agencies and trust funds	2,064.2	2,270.1	2,572.2	2,757.8	2,686.0	2,701.3	2,757.8	2,763.3
17 Federal Reserve Banks[6]	478.0	511.7	551.7	629.4	590.7	604.2	629.4	641.5
18 Private investors	3,233.9	2,880.4	2,819.5	3,018.5	2,849.8	2,924.8	3,018.5	3,055.6
19 Depository institutions	248.7	201.5	181.5	223.2	204.4	210.4	223.2	152.8
20 Mutual funds	228.6	220.8	257.5	278.1	250.0	253.6	278.1	299.9
21 Insurance companies	123.4	110.2	105.7	117.4	110.3	116.0	117.4	140.3
22 State and local treasuries[7]	266.8	236.2	256.5	274.2	271.7	269.4	274.2	273.4
Individuals								
23 Savings bonds	186.4	184.8	190.3	194.9	192.7	193.3	194.9	196.9
24 Pension funds	321.0	304.1	281.6	284.2	286.0	284.9	284.2	294.6
25 Private	109.8	108.4	104.2	111.4	108.8	110.9	111.4	116.3
26 State and Local	211.2	195.7	177.4	172.8	177.2	174.1	172.8	178.3
27 Foreign and international[8]	1,268.7	1,034.2	1,053.1	1,174.2	1,068.1	1,128.6	1,174.2	1,250.5
28 Other miscellaneous investors[7,9]	590.3	588.7	493.3	n.a.	466.5	471.1	n.a.	n.a.

1. The U.S. Treasury first issued inflation-indexed securities during the first quarter of 1997.
2. Includes (not shown separately) securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.
3. Nonmarketable series denominated in dollars, and series denominated in foreign currency held by foreigners.
4. Held almost entirely by U.S. Treasury and other federal agencies and trust funds.
5. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.
6. U.S. Treasury securities bought outright by Federal Reserve Banks, see *Bulletin* table 1.18.
7. In March 1996, in a redefinition of series, fully defeased debt backed by nonmarketable federal securities was removed from "Other miscellaneous investors" and added to "State and local treasuries." The data shown here have been revised accordingly.
8. Includes nonmarketable foreign series Treasury securities and Treasury deposit funds. Excludes Treasury securities held under repurchase agreements in custody accounts at the Federal Reserve Bank of New York.
9. Includes individuals, government-sponsored enterprises, brokers and dealers, bank personal trusts and estates, corporate and noncorporate businesses, and other investors.

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

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions[1]

Millions of dollars, daily averages

Item	2003			2003, week ending								
	Feb.	Mar.	Apr.	Apr. 2	Apr. 9	Apr. 16	Apr. 23	Apr. 30	May 7	May 14	May 21	May 28
By type of security												
1 U.S. Treasury bills	42,383	48,449	45,958	50,824	47,273	48,767	44,202	41,294	48,151	52,457	47,436	43,048
Treasury coupon securities by maturity												
2 Three years or less	116,714	126,659	118,650r	126,390	100,933	111,472	115,270	143,154	152,603	165,286	156,854	197,753
3 More than three but less than or equal to six years	111,100	117,650	98,983	109,566	110,875	91,447	76,090	108,709	142,386	161,206	127,244	129,030
4 More than six but less than or equal to eleven years	85,141	93,192	72,089	80,619	78,135	73,636	52,114	77,064	91,107	140,383	127,759	115,527
5 More than eleven	20,817	21,768	19,829	17,546	18,625	17,791	20,615	23,356	25,240	36,135	48,728	41,092
6 Inflation-indexed[2]	2,995	2,987	3,092	2,681	2,663	2,579	2,578	4,610	3,658	4,603	4,171	5,284
Federal agency and government-sponsored enterprises												
7 Discount notes	56,333	52,936	52,188	55,959	48,924	49,128	54,850	54,874	60,610	57,864	64,649	56,480
Coupon securities by maturity												
8 Three years or less	11,391	14,229	11,020	11,733	9,836	15,487	7,469	10,293	10,964	12,070	10,625	11,418
9 More than three years but less than or equal to six years	10,878	11,502	9,753	9,029	7,359	11,394	6,077	13,738	8,939	10,909	13,081	8,265
10 More than six years but less than or equal to eleven years	5,875	7,006	5,166	5,528	4,184	6,264	4,935	5,089	6,354	11,403	7,517	5,180
11 More than eleven years	1,071	1,584	647	1,008	695	556	574	606	1,083	1,088	806	1,292
12 Mortgage-backed	204,993	241,417	216,931	177,785	262,926	226,348	178,265	208,109	213,423	340,957	274,423	189,863
Corporate securities												
13 One year or less	111,264	124,603	125,402	127,672	116,708	131,411	134,729	119,717	125,049	122,813	121,051	112,448
14 More than one year	22,114	23,239	20,592	20,756	19,998	19,597	18,935	23,442	24,252	23,979	23,839	19,941
By type of counterparty												
With interdealer broker												
15 U.S. Treasury	176,738	191,462	164,812	178,616	165,695	161,332	141,913	180,206	217,238	256,307	239,215	236,013
16 Federal agency and government-sponsored enterprises	8,572	10,578	8,077	9,517	7,440	8,255	6,256	9,417	9,205	12,318	11,705	9,092
17 Mortgage-backed	61,573	68,952	56,005	52,375	65,872	61,531	44,644	51,151	60,669	84,136	83,652	60,189
18 Corporate	518	488	554	450	593	528	639	513	565	561	520	459
With other												
19 U.S. Treasury	202,410	219,244	193,790r	209,009	192,809	184,361	168,956	217,980	245,907	303,762	272,977	295,721
20 Federal agency and government-sponsored enterprises	76,975	76,678	70,697	73,738	63,558	74,573	67,650	75,183	78,745	81,016	84,971	73,544
21 Mortgage-backed	143,420	172,465	160,926	125,410	197,055	164,817	133,620	156,958	152,754	256,821	190,770	129,674
22 Corporate	132,860	147,355	145,441	147,978	136,114	150,481	153,025	142,646	148,735	146,232	144,369	131,930

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

1. The figures represent purchases and sales in the market by the primary U.S. government securities dealers reporting to the Federal Reserve Bank of New York. Outright transactions include all U.S. government, federal agency, government-sponsored enterprise, mortgage-backed, and corporate securities scheduled for immediate and forward delivery, as well as all U.S. government securities traded on a when-issued basis between the announcement and issue date. Data do not include transactions under repurchase and reverse repurchase (resale) agreements. Averages are based on the number of trading days in the week.

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

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing[1]

Millions of dollars

Item, by type of security	2003			2003, week ending								
	Feb.	Mar.	Apr.	Apr. 2	Apr. 9	Apr. 16	Apr. 23	Apr. 30	May 7	May 14	May 21
	Net outright positions[2]										
1 U.S. Treasury bills	33,405	36,519	21,878	45,980	41,995	15,473	14,430	8,728	11,484	−2,080	9,121
Treasury coupon securities by maturity											
2 Three years or less	−13,349	−11,710	−15,269	−13,477	−13,489	−17,619	−18,824	−11,657	−7,464	−9,227	−13,977
3 More than three years but less than or equal to six years	−30,605	−39,305	−46,833	−42,417	−44,737	−45,186	−45,140	−53,532	−45,717	−46,088	−38,952
4 More than six but less than or equal to eleven years	−13,246	−12,408	−12,234	−11,108	−9,103	−11,431	−12,093	−16,629	−15,158	−9,276	−7,723
5 More than eleven	4,742	5,513	5,442	6,102	6,179	6,447	3,992	4,960	3,931	2,540	3,386
6 Inflation-indexed	2,051	2,502	1,544	1,718	1,747	1,491	1,756	1,131	801	−876	−265
Federal agency and government-sponsored enterprises											
7 Discount notes	56,067	54,393	55,454	55,688	58,847	53,653	57,218	52,029	61,273	62,664	65,205
Coupon securities, by maturity											
8 Three years or less	18,206	19,765	19,419	18,191	17,044	21,148	20,129	19,707	20,045	21,951	20,462
9 More than three years but less than or equal to six years	7,076	4,786	3,770	4,104	2,301	4,592	3,305	4,786	4,363	5,553	5,007
10 More than six but less than or equal to eleven years	1,050	2,292	3,328	2,467	2,467	3,472	3,090	4,527	2,698	6,165	4,296
11 More than eleven	2,261	2,357	2,351	2,584	2,351	2,318	2,335	2,335	2,115	2,238	2,437
12 Mortgage-backed	27,290	44,922	46,326	46,340	41,394	46,185	37,859	59,860	36,798	31,002	44,600
Corporate securities											
13 One year or less	26,844	26,170	29,461	23,967	24,926	35,531	30,292	28,663	26,298	26,662	26,542
14 More than one year	49,821	48,917	48,800	48,240	46,324	48,471	44,341	56,222	59,734	59,672	58,358
	Financing[3]										
Securities in, U.S. Treasury											
15 Overnight and continuing	649,602	655,300	656,984	675,478	651,078	647,614	673,494	650,467	658,335	674,963	733,053
16 Term	711,711	784,955	791,597	721,631	761,654	790,110	801,467	833,145	853,703	904,041	852,721
Federal agency and government-sponsored enterprises											
17 Overnight and continuing	156,551	153,551	152,545	152,954	157,895	155,053	150,786	146,328	147,218	156,168	159,250
18 Term	225,453	239,424	229,326	233,058	228,195	226,628	231,370	230,043	245,895	240,647	240,514
Mortgage-backed securities											
19 Overnight and continuing	41,472	39,251	40,105	38,566	38,380	41,891	44,676	35,912	50,046	41,449	43,397
20 Term	245,796	249,003	244,815	238,006	245,287	241,007	249,090	245,823	243,138	244,968	253,912
Corporate securities											
21 Overnight and continuing	61,244	65,856	66,811	65,940	67,249	66,857	67,275	66,112	65,481	66,830	69,146
22 Term	24,535	25,792	25,873	26,213	25,268	25,200	25,834	27,094	27,003	26,943	26,978
MEMO											
Reverse repurchase agreements											
23 Overnight and continuing	462,703	469,568	461,743	471,313	451,009	446,480	472,923	473,825	443,299	461,384	519,203
24 Term	1,044,314	1,127,240	1,117,241	1,044,426	1,094,613	1,120,931	1,138,122	1,136,101	1,202,046	1,240,502	1,189,810
Securities out, U.S. Treasury											
25 Overnight and continuing	613,714	638,051	621,314	646,310	621,782	609,219	619,018	628,097	632,456	647,324	712,522
26 Term	651,391	717,308	729,460	653,341	704,869	738,073	746,060	750,585	791,361	830,945	759,014
Federal agency and government-sponsored enterprises											
27 Overnight and continuing	302,428	286,453	282,367	275,200	298,578	281,035	274,600	277,302	278,820	308,347	306,901
28 Term	156,795	176,180	175,326	175,608	169,972	178,341	182,232	170,678	185,100	186,157	184,162
Mortgage-backed securities											
29 Overnight and continuing	336,090	328,058	334,764	318,715	312,190	344,936	365,482	321,032	319,815	375,991	370,458
30 Term	149,392	153,495	152,637	152,363	152,014	153,907	160,428	144,276	147,211	157,160	149,444
Corporate securities											
31 Overnight and continuing	138,598	141,619	143,957	142,979	139,104	146,876	142,668	147,458	145,762	146,716	148,460
32 Term	22,083	22,184	22,754	22,155	22,502	22,622	22,529	23,533	24,436	24,722	25,647
MEMO											
Repurchase agreements											
33 Overnight and continuing	1,190,429	1,195,376	1,187,404	1,181,620	1,182,304	1,186,084	1,211,085	1,171,794	1,176,253	1,269,699	1,325,129
34 Term	944,456	1,022,027	1,027,811	951,615	998,909	1,044,691	1,051,033	1,038,380	1,095,866	1,143,555	1,061,290

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

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

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

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

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1999	2000	2001	2002	2002		2003		
					Nov.	Dec.	Jan.	Feb.	Mar.
1 **Federal and federally sponsored agencies**	**1,616,492**	**1,851,632**	**2,121,057**	**2,351,039**	**2,305,945**	**2,351,039**	n.a.	n.a.	n.a.
2 Federal agencies	26,376	25,666	276	2	342	2	26,929	26,408	26,886
3 Defense Department[1]	6	6	6	6	6	6	6	6	6
4 Export–Import Bank[2,3]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration[4]	126	255	26,828	26,828	26,863	26,828	354	152	166
6 Government National Mortgage Association certificates of participation[5]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7 Postal Service[6]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Tennessee Valley Authority	26,370	25,660	270	270	336	270	26,923	26,402	26,880
9 United States Railway Association[6]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 Federally sponsored agencies[7]	1,590,116	1,825,966	2,120,781	2,351,037	2,305,607	2,351,037	n.a.	n.a.	n.a.
11 Federal Home Loan Banks	529,005	594,404	623,740	674,841	674,847	674,841	672,304	684,495	687,573
12 Federal Home Loan Mortgage Corporation	360,711	426,899	565,071	648,894	643,201	648,894	n.a.	n.a.	n.a.
13 Federal National Mortgage Association	547,619	642,700	763,500	851,000	811,700	851,000	860,300	871,000	873,900
14 Farm Credit Banks[8]	68,883	74,181	76,673	85,088	83,884	85,088	85,206	86,045	86,802
15 Student Loan Marketing Association[9]	41,988	45,375	48,350	47,900	48,700	47,900	50,700	50,900	49,100
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 debt**[13]	**42,152**	**40,575**	**39,096**	**37,017**	**37,418**	**37,017**	**35,992**	**35,794**	**35,780**
Lending to federal and federally sponsored agencies									
20 Export–Import Bank[3]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Postal Service[6]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
22 Student Loan Marketing Association	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
23 Tennessee Valley Authority	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 United States Railway Association[6]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other lending[14]									
25 Farmers Home Administration	6,665	5,275	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26 Rural Electrification Administration	14,085	13,126	13,876	14,489	14,209	14,489	14,714	14,750	14,750
27 Other	21,402	22,174	25,220	22,528	23,209	22,528	21,278	21,044	21,030

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.
2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.
3. On-budget since Sept. 30, 1976.
4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.
5. Certificates of participation issued before fiscal year 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; the Department of Health, Education, and Welfare; the Department of Housing and Urban Development; the Small Business Administration; and the Veterans Administration.
6. Off-budget.
7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Includes Federal Agriculture Mortgage Corporation; therefore, details do not sum to total. Some data are estimated.
8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, which is shown on line 17.
9. Before late 1982, the association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 22.
10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.
11. The Farm Credit Financial Assistance Corporation, established in January 1988 to provide assistance to the Farm Credit System, undertook its first borrowing in July 1988.
12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.
13. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Because FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table to avoid double counting.
14. Includes FFB purchases of agency assets and guaranteed loans; the latter are loans guaranteed by numerous agencies, with the amounts guaranteed by any one agency generally being small. The Farmers Home Administration entry consists exclusively of agency assets, whereas the Rural Electrification Administration entry consists of both agency assets and guaranteed loans.

1.45 NEW SECURITY ISSUES State and Local Governments

Millions of dollars

Type of issue or issuer, or use	2000	2001	2002	2002			2003				
				Oct.	Nov.	Dec.	Jan.	Feb.[r]	Mar.[r]	Apr.[r]	May
1 **All issues, new and refunding**[1]	**180,403**	**292,003[r]**	**364,007[r]**	**44,575[r]**	**37,150**	**27,417[r]**	**26,987[r]**	**30,036**	**27,880**	**34,731**	**33,600**
By type of issue											
2 General obligation	64,475	118,554	145,323	18,595	11,023	8,431	8,112	12,732	10,056	14,770	11,856
3 Revenue	115,928	170,047	214,788	24,074	24,942	18,961	17,049	17,304	17,824	19,961	21,744
By type of issuer											
4 State	19,944	30,099	33,931	4,199	2,109	1,670	1,927	3,654	1,277	5,521	2,816
5 Special district or statutory authority[2]	121,185	197,462	259,070	31,793	28,296	20,151	17,979	20,733	19,622	23,828	21,566
6 Municipality, county, or township	39,273	61,040	67,121	6,678	5,570	5,570	5,290	5,649	6,981	5,381	9,218
7 **Issues for new capital**	**154,257**	**200,363[r]**	**243,286[r]**	**30,140[r]**	**26,505[r]**	**19,754[r]**	**18,840[r]**	**20,242**	**15,926**	**24,642**	**19,922**
By use of proceeds											
8 Education	38,665	50,054	57,894	5,209	3,743	5,292	4,823	7,035	5,284	7,580	6,022
9 Transportation	19,730	21,411	22,093	1,476	1,250	1,060	1,417	1,625	1,233	3,479	1,769
10 Utilities and conservation	11,917	21,917	33,404	6,922	8,379	2,031	2,196	176	594	587	1,129
11 Social welfare	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Industrial aid	7,122	6,607	7,227	1,225	821	796	422	1,084	1,707	1,816	3,059
13 Other purposes	47,309	55,733	73,033	6,996	7,189	4,992	7,400	7,178	3,678	8,564	5,555

1. Par amounts of long-term issues based on date of sale.
2. Includes school districts.

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

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	2000	2001	2002	2002				2003			
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 **All issues**[1]	**942,198**	**1,382,003**	**1,262,606**	**118,947**	**82,726**	**105,754**	**107,916**	**109,628**	**113,772**	**136,530**	**114,220**
2 **Bonds**[2]	**807,281**	**1,253,449**	**1,152,171**	**111,652**	**74,893**	**95,821**	**101,038**	**102,501**	**106,633**	**130,637**	**105,858**
By type of offering											
3 Sold in the United States	684,484	1,197,060	1,065,925	107,219	70,696	90,207	95,187	96,275	97,383	125,025	103,273
4 Sold abroad	122,798	56,389	86,246	4,432	4,197	5,614	5,851	6,226	9,250	5,613	2,585
MEMO											
5 Private placements, domestic	18,370	16,385	16,224	65	0	3,525	5,060	4,700	0	0	0
By industry group											
6 Nonfinancial	242,207	445,930	267,183	17,121	14,560	20,500	19,614	27,119	26,222	25,865	21,940
7 Financial	565,074	807,519	884,988	94,531	60,333	75,321	81,424	75,382	80,411	104,773	83,918
8 **Stocks**[3]	**311,941**	**230,632**	**170,673**	**7,295**	**7,833**	**9,933**	**6,878**	**7,127**	**7,139**	**5,893**	**8,362**
By type of offering											
9 Public	134,917	128,554	110,435	7,295	7,833	9,933	6,878	7,127	7,139	5,893	8,362
10 Private placement[4]	177,024	102,078	60,238	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By industry group											
11 Nonfinancial	118,369	77,577	62,115	2,754	3,731	4,533	4,154	3,793	2,679	1,053	1,592
12 Financial	16,548	50,977	48,320	4,541	4,102	5,400	2,724	3,334	4,460	4,840	6,770

1. Figures represent gross proceeds of issues maturing in more than one year; they are the principal amount or number of units calculated by multiplying by the offering price. Figures exclude secondary offerings, employee stock plans, investment companies other than closed-end, intracorporate transactions, Yankee bonds, and private placements listed. Stock data include ownership securities issued by limited partnerships.
2. Monthly data include 144(a) offerings.
3. Monthly data cover only public offerings.
4. Data for private placements are not available at a monthly frequency.

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

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets[1]

Millions of dollars

Item	2001	2002r	2002			2003				
			Oct	Nov.	Dec.	Jan.	Feb	Mar.	Apr.r	May
1 **Sales of own shares**[2]	**1,806,474**	**1,825,890**	**164,959**	**137,914**	**134,383**	**152,647**	**122,321**	**140,643**	**141,465**	**143,217**
2 Redemptions of own shares	1,677,266	1,702,657	167,039	122,125	135,213	138,951	113,643	129,337	112,109	119,065
3 Net sales[3]	129,208	123,233	-2,080	15,789	−830	13,696	8,678	11,306	29,356	24,152
4 **Assets**[4]	**4,689,624**	**4,119,322**	**4,059,765**	**4,249,351**	**4,119,322**	**4,060,568**	**4,031,818**	**4,059,934**	**4,327,560**	**4,563,228**
5 Cash[5]	219,620	208,479	204,019	219,213	208,479	212,792	199,546	214,146	230,032	234,039
6 Other	4,470,004	3,910,843	3,855,746	4,030,138	3,910,843	3,847,776	3,832,272	3,845,788	4,097,528	4,329,189

1. Data include stock, hybrid, and bond mutual funds and exclude money market mutual funds.
2. Excludes reinvestment of net income dividends and capital gains distributions and share issue of conversions from one fund to another in the same group.
3. Excludes sales and redemptions resulting from transfers of shares into or out of money market mutual funds within the same fund family.
4. Market value at end of period, less current liabilities.
5. Includes all U.S. Treasury securities and other short-term debt securities.

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities[1]

Billions of dollars, end of period; not seasonally adjusted

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

1. Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data are amounts carried on the balance sheets of finance companies; securitized pools are not shown, as they are not on the books.
2. Before deduction for unearned income and losses. Excludes pools of securitized assets.

1.52 DOMESTIC FINANCE COMPANIES Owned and Managed Receivables[1]

Billions of dollars, amounts outstanding

Type of credit	2000	2001	2002	2002		2003			
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Seasonally adjusted								
1 **Total**	**1,185.6**	**1,246.6**	**1,270.2**	**1,270.2**	**1,270.2**	**1,274.1**	**1,267.3**	**1,274.4**	**1,280.0**
2 Consumer	464.4	513.3	513.1	513.7	513.1	517.3	510.6	513.6	515.2
3 Real estate	198.9	207.7	216.5	214.2	216.5	215.4	215.6	215.4	220.2
4 Business	522.3	525.6	540.6	542.3	540.6	541.5	541.2	545.4	544.5
	Not seasonally adjusted								
5 **Total**	**1,192.2**	**1,253.7**	**1,277.6**	**1,267.9**	**1,277.6**	**1,276.7**	**1,267.6**	**1,277.7**	**1,283.2**
6 Consumer	468.3	518.1	518.4	517.6	518.4	518.5	510.8	510.2	511.6
7 Motor vehicle loans	141.6	173.9	160.2	159.8	160.2	160.2	162.3	156.0	160.6
8 Motor vehicle leases	108.2	103.5	83.3	85.2	83.3	81.9	80.3	81.8	81.2
9 Revolving[2]	37.6	31.5	38.9	37.0	38.9	38.7	37.3	36.4	37.4
10 Other[3]	40.7	31.1	33.1	31.4	33.1	33.1	32.6	32.9	33.0
Securitized assets[4]									
11 Motor vehicle loans	97.1	131.9	151.9	153.9	151.9	154.3	148.7	152.3	149.7
12 Motor vehicle leases	6.6	6.8	5.7	5.8	5.7	5.7	5.6	6.2	6.1
13 Revolving	19.6	25.0	31.1	30.2	31.1	30.4	30.1	30.7	30.6
14 Other	17.1	14.3	14.0	14.2	14.0	14.2	13.8	13.9	13.0
15 Real estate	198.9	207.7	216.5	214.2	216.5	215.4	215.6	215.4	220.2
16 One- to four-family	130.6	120.1	135.0	132.8	135.0	134.1	134.3	133.9	138.8
17 Other	41.7	41.2	39.5	39.3	39.5	39.6	39.9	40.1	40.3
Securitized real estate assets[4]									
18 One- to four-family	24.7	40.7	39.7	39.9	39.7	39.4	39.1	39.2	38.9
19 Other	1.9	5.7	2.2	2.2	2.2	2.2	2.2	2.2	2.2
20 Business	525.0	527.9	542.7	536.1	542.7	542.8	541.3	552.1	551.4
21 Motor vehicles	75.5	54.0	60.7	58.2	60.7	58.6	60.3	65.3	64.1
22 Retail loans	18.3	16.1	15.4	15.7	15.4	15.1	14.8	16.3	16.8
23 Wholesale loans[5]	39.7	20.3	29.3	26.7	29.3	27.5	30.5	34.0	34.5
24 Leases	17.6	17.6	16.0	15.8	16.0	15.9	15.0	15.0	12.8
25 Equipment	283.5	289.4	292.1	288.4	292.1	292.0	288.9	287.5	286.9
26 Loans	70.2	77.8	83.3	82.2	83.3	80.1	80.3	78.0	79.4
27 Leases	213.3	211.6	208.8	206.2	208.8	211.8	208.6	209.5	207.5
28 Other business receivables[6]	99.4	103.5	102.5	95.7	102.5	104.7	104.4	101.1	102.6
Securitized assets[4]									
29 Motor vehicles	37.8	50.1	50.2	50.4	50.2	50.3	50.9	53.1	53.1
30 Retail loans	3.2	5.1	2.4	2.5	2.4	2.4	2.3	2.2	2.2
31 Wholesale loans	32.5	42.5	45.9	45.6	45.9	46.1	46.8	48.6	48.6
32 Leases	2.2	2.5	1.9	2.3	1.9	1.8	1.8	2.2	2.2
33 Equipment	23.1	23.2	20.2	24.3	20.2	20.1	19.4	21.9	21.4
34 Loans	15.5	16.4	13.0	17.6	13.0	12.9	12.3	12.2	11.8
35 Leases	7.6	6.8	7.2	6.7	7.2	7.2	7.1	9.7	9.6
36 Other business receivables[6]	5.6	7.7	17.1	19.2	17.1	17.1	17.3	23.3	23.2

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

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

1. Owned receivables are those carried on the balance sheet of the institution. Managed receivables are outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator. Data are shown before deductions for unearned income and losses. Components may not sum to totals because of rounding.

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

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

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

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

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

1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	2000	2001	2002	2002 Nov.	2002 Dec.	2003 Jan	2003 Feb	2003 Mar.	2003 Apr.	2003 May
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms[1]										
1 Purchase price (thousands of dollars)	234.5	245.0	261.1	256.7	266.9	278.9	235.1	252.9	266.0	275.3
2 Amount of loan (thousands of dollars)	177.0	184.2	197.0	193.3	205.1	214.0	179.3	184.2	205.0	210.7
3 Loan-to-price ratio (percent)	77.4	77.3	77.8	77.4	79.0	79.3	78.0	76.2	78.8	78.7
4 Maturity (years)	29.2	28.8	28.9	28.4	28.7	28.9	28.3	28.2	29.0	28.8
5 Fees and charges (percent of loan amount)[2]	.70	.67	.62	.61	.64	.79	37	.40	.62	.61
Yield (percent per year)										
6 Contract rate[1]	7.41	6.90	6.35	5.99	5.95	6.00	5.76	5.69	5.83	5.66
7 Effective rate[1,3]	7.52	7.00	6.44	6.08	6.04	6.12	5.82	5.75	5.92	5.75
8 Contract rate (HUD series)[4]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (section 203)[5]	n.a	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 GNMA securities[6]	7.57	6.36	5.81	5.29	5.17	5.18	5.03	4.94	4.97	4.55
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	610,122	707,015	790,800	760,759	790,800	810,609	816,747	815,964	817,894	815,560
12 FHA/VA insured	61,539	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Conventional	548,583	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Mortgage transactions purchased (during period)	154,231	270,384	370,641	47,807	67,891	57,281	40,420	34,304	43,028	43,749
Mortgage commitments (during period)										
15 Issued[7]	163,689	304,084	400,327	53,286	30,769	27,814	52,479	42,005	n.a.	n.a.
16 To sell[8]	11,786	7,586	12,268	520	1,555	2,717	1,241	2,457	n.a.	n.a.
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[8]										
17 Total	385,693	491,719	568,173	549,380	568,173	568,494	561,534	569,522	568,975	572,801
18 FHA/VA insured	3,332	3,506	4,573	4,019	4,573	4,256	3,796	3,540	n.a.	n.a.
19 Conventional	382,361	488,213	563,600	545,361	563,600	564,238	557,738	565,982	n.a.	n.a.
Mortgage transactions (during period)										
20 Purchases	174,043	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Sales	166,901	389,611	547,046	62,354	73,184	48,169	41,831	59,065	51,737	66,175
22 Mortgage commitments contracted (during period)[9]	169,231	417,434	620,981	74,340	91,223	55,057	48,446	69,200	n.a.	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups for purchase of newly built homes; compiled by the Federal Housing Finance Board in cooperation with the Federal Deposit Insurance Corporation.
2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan
3 Average effective interest rate on loans closed for purchase of newly built homes, assuming prepayment at the end of ten years.
4. Average contract rate on new commitments for conventional first mortgages; from U.S. Department of Housing and Urban Development (HUD). Based on transactions on the first day of the subsequent month.
5. Average gross yield on thirty-year, minimum-downpayment first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month.
6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.
7. Does not include standby commitments issued, but includes standby commitments converted.
8. Includes participation loans as well as whole loans.
9. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, whereas the corresponding data for the Federal National Mortgage Association exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING[1]

Millions of dollars, end of period

Type of holder and property	1999	2000	2001	2001	2002			
				Q4	Q1	Q2	Q3	Q4
1 **All holders**	**6,318,668[r]**	**6,890,112[r]**	**7,600,717[r]**	**7,600,717[r]**	**7,764,707[r]**	**7,983,403[r]**	**8,216,087[r]**	**8,485,921**
By type of property								
2 One- to four-family residences	4,787,225[r]	5,205,428[r]	5,738,111[r]	5,738,111[r]	5,875,739[r]	6,049,597[r]	6,247,731[r]	6,459,996
3 Multifamily residences	369,982[r]	405,410[r]	453,569[r]	453,569[r]	461,227[r]	472,710[r]	480,353[r]	498,407
4 Nonfarm, nonresidential	1,058,498[r]	1,170,417[r]	1,292,701[r]	1,292,701[r]	1,309,610[r]	1,340,644[r]	1,364,389[r]	1,401,701
5 Farm	102,964	108,858	116,336	116,336	118,131[r]	120,452[r]	123,614[r]	125,818
By type of holder								
6 Major financial institutions	2,394,271	2,618,969	2,791,076	2,791,076	2,788,410[r]	2,861,012[r]	2,981,490[r]	3,090,033
7 Commercial banks[2]	1,495,420	1,660,054	1,789,819	1,789,819	1,799,118[r]	1,873,362[r]	1,962,198[r]	2,059,267
8 One- to four-family	879,576	965,635	1,023,851	1,023,851	1,017,001[r]	1,070,513[r]	1,143,985[r]	1,222,443
9 Multifamily	67,665	77,803	84,851	84,851	86,676[r]	90,745[r]	90,930[r]	94,178
10 Nonfarm, nonresidential	516,333	582,577	645,619	645,619	659,452[r]	675,119[r]	689,481[r]	704,621
11 Farm	31,846	34,039	35,498	35,498	35,990[r]	36,985[r]	37,802[r]	38,025
12 Savings institutions[3]	668,064	722,974	758,236	758,236	745,998	742,732	773,652[r]	781,378
13 One- to four-family	548,222	594,221	620,579	620,579	605,171	599,402	625,402[r]	631,392
14 Multifamily	59,309	61,258	64,592	64,592	65,199	66,009	68,668	68,679
15 Nonfarm, nonresidential	60,063	66,965	72,534	72,534	75,077	76,768	79,022[r]	80,730
16 Farm	470	529	531	531	551	552	560	577
17 Life insurance companies	230,787	235,941	243,021	243,021	243,293	244,918	245,639	249,387
18 One- to four-family	5,934	4,903	4,931	4,931	4,938	5,162	5,176	5,255
19 Multifamily	32,818	33,681	35,631	35,631	35,671	35,818	35,921	36,470
20 Nonfarm, nonresidential	179,048	183,757	188,376	188,376	188,599	189,850	190,398	193,301
21 Farm	12,987	13,600	14,083	14,083	14,085	14,088	14,144	14,361
22 Federal and related agencies	320,054	344,225	376,999	376,999	385,027	396,091	412,014	437,641
23 Government National Mortgage Association	7	6	8	8	8	8	8	5
24 One- to four-family	7	6	8	8	8	8	8	5
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration[4]	73,871	73,323	72,452	72,452	72,362	71,970	72,030	72,377
27 One- to four-family	16,506	16,372	15,824	15,824	15,665	15,273	15,139	14,908
28 Multifamily	11,741	11,733	11,712	11,712	11,707	11,692	11,686	11,669
29 Nonfarm, nonresidential	41,355	41,070	40,965	40,965	41,134	41,188	41,439	42,101
30 Farm	4,268	4,148	3,952	3,952	3,855	3,817	3,766	3,700
31 Federal Housing Admin. and Dept. of Veterans Affairs	3,712	3,507	3,290	3,290	3,361	3,473	2,973	3,854
32 One- to four-family	1,851	1,308	1,260	1,260	1,255	1,254	1,252	1,262
33 Multifamily	1,861	2,199	2,031	2,031	2,105	2,218	1,721	2,592
34 Resolution Trust Corporation	0	0	0	0	0	0	0	0
35 One- to four-family	0	0	0	0	0	0	0	0
36 Multifamily	0	0	0	0	0	0	0	0
37 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
38 Farm	0	0	0	0	0	0	0	0
39 Federal Deposit Insurance Corporation	152	45	13	13	7	22	13	46
40 One- to four-family	25	7	2	2	1	4	2	7
41 Multifamily	29	9	3	3	1	4	2	9
42 Nonfarm, nonresidential	98	29	8	8	4	14	8	30
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	149,422	155,626	169,908	169,908	176,051	180,491	184,191	190,648
45 One- to four-family	141,195	144,150	155,060	155,060	160,300	164,038	167,006	171,637
46 Multifamily	8,227	11,476	14,848	14,848	15,751	16,453	17,185	19,011
47 Federal Land Banks	34,187	36,326	40,885	40,885	41,981	42,951	44,782	46,257
48 One- to four-family	2,012	2,137	2,406	2,406	2,470	2,527	2,635	2,722
49 Farm	32,175	34,189	38,479	38,479	39,511	40,424	42,147	43,535
50 Federal Home Loan Mortgage Corporation	56,676	59,240	62,792	62,792	59,624	58,872	60,934	63,887
51 One- to four-family	44,321	42,871	40,309	40,309	35,955	34,062	34,616	35,851
52 Multifamily	12,355	16,369	22,483	22,483	23,669	24,810	26,318	28,036
53 Mortgage pools or trusts[5]	2,949,768[r]	3,231,228[r]	3,715,980[r]	3,715,980[r]	3,869,277[r]	3,987,579[r]	4,067,069[r]	4,182,140
54 Government National Mortgage Association	582,263	611,553	591,368	591,368	587,204	583,745	567,386[r]	537,880
55 One- to four-family	565,189	592,624	569,460	569,460	564,108	559,549	542,208[r]	512,090
56 Multifamily	17,074	18,929	21,908	21,908	23,096	24,196	25,178	25,790
57 Federal Home Loan Mortgage Corporation	749,081	822,310	948,409	948,409	1,012,478	1,053,261	1,058,176	1,082,062
58 One- to four-family	744,619	816,602	940,933	940,933	1,005,136	1,045,981	1,050,899	1,072,990
59 Multifamily	4,462	5,708	7,476	7,476	7,342	7,280	7,277	9,072
60 Federal National Mortgage Association	960,883	1,057,750	1,290,351	1,290,351	1,355,404	1,404,594	1,458,945	1,538,287
61 One- to four-family	924,941	1,016,398	1,238,125	1,238,125	1,301,374	1,349,442	1,402,929	1,478,610
62 Multifamily	35,942	41,352	52,226	52,226	54,030	55,152	56,016	59,677
63 Farmers Home Administration[4]	0	0	0	0	0	0	0	0
64 One- to four-family	0	0	0	0	0	0	0	0
65 Multifamily	0	0	0	0	0	0	0	0
66 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
67 Farm	0	0	0	0	0	0	0	0
68 Private mortgage conduits	657,541[r]	739,615[r]	885,852[r]	885,852[r]	914,191[r]	945,979[r]	982,562[r]	1,023,911
69 One- to four-family[6]	455,021	499,834	591,200	591,200	616,300	638,300	669,300	691,900
70 Multifamily	43,192[r]	49,215[r]	57,402[r]	57,402[r]	57,758[r]	59,577[r]	60,227[r]	63,919
71 Nonfarm, nonresidential	159,328[r]	190,566[r]	237,250[r]	237,250[r]	240,134[r]	248,102[r]	253,036[r]	268,092
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others[7]	654,576[r]	695,691[r]	716,661[r]	716,661[r]	721,993[r]	738,721[r]	755,514[r]	776,107
74 One- to four-family	456,009[r]	492,429[r]	506,669[r]	506,669[r]	514,560[r]	525,893[r]	540,187[r]	558,434
75 Multifamily	75,076[r]	75,457[r]	78,252[r]	78,252[r]	78,085[r]	78,639[r]	79,127[r]	79,228
76 Nonfarm, nonresidential	102,274	105,453[r]	107,949[r]	107,949[r]	105,210[r]	109,604[r]	111,005[r]	112,826
77 Farm	21,217	22,352	23,792	23,792	24,138[r]	24,585[r]	25,194[r]	25,619

1. Multifamily debt refers to loans on structures of five or more units.
2. Includes loans held by nondeposit trust companies but not loans held by bank trust departments.
3. Includes savings banks and savings and loan associations.
4. FmHA-guaranteed securities sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:Q4 because of accounting changes by the Farmers Home Administration.
5. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated.
6. Includes securitized home equity loans.
7. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and finance companies.

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

1.55 CONSUMER CREDIT[1]

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	2000	2001	2002[r]	2002 Nov.[r]	2002 Dec.[r]	2003 Jan.[r]	2003 Feb.[r]	2003 Mar.[r]	2003 Apr.
	Seasonally adjusted								
1 **Total**	**1,559,532**	**1,666,816**	**1,726,123**	**1,724,965**	**1,726,123**	**1,741,301**	**1,743,890**	**1,745,039**	**1,752,755**
2 Revolving	667,395	701,285	712,007	716,071	712,007	715,063	718,554	721,168	722,569
3 Nonrevolving[2]	892,137	965,531	1,014,116	1,008,894	1,014,116	1,026,239	1,025,336	1,023,872	1,030,185
	Not seasonally adjusted								
4 **Total**	**1,593,116**	**1,701,856**	**1,761,971**	**1,735,538**	**1,761,971**	**1,756,284**	**1,742,884**	**1,734,777**	**1,741,308**
By major holder									
5 Commercial banks	541,470	558,421	587,165	580,259	587,165	582,065	581,490	575,259	576,202
6 Finance companies	219,848	236,559	232,269	228,241	232,269	232,099	232,291	225,245	230,997
7 Credit unions	184,434	189,570	195,744	196,807	195,744	195,164	194,438	193,082	194,777
8 Savings institutions	64,557	69,070	68,494	67,397	68,494	68,854	69,178	69,537	69,911
9 Nonfinancial business	82,662	67,955	56,894	49,799	56,894	52,838	49,563	48,477	47,705
10 Pools of securitized assets[3]	500,145	580,281	621,405	613,035	621,405	625,266	615,923	623,177	621,716
By major type of credit[4]									
11 Revolving	693,020	727,297	737,998	717,363	737,998	726,511	718,774	714,033	718,769
12 Commercial banks	218,063	224,878	230,990	225,931	230,990	220,535	218,821	212,418	212,828
13 Finance companies	37,627	31,538	38,948	37,015	38,948	38,733	37,348	36,350	37,436
14 Credit unions	22,226	22,265	22,228	21,260	22,228	21,645	21,161	20,830	20,988
15 Savings institutions	16,560	17,767	16,225	15,710	16,225	16,141	16,064	15,979	16,144
16 Nonfinancial business	42,430	29,790	19,221	14,315	19,221	16,547	14,203	13,666	13,112
17 Pools of securitized assets[3]	356,114	401,059	410,386	403,132	410,386	412,911	411,177	414,790	418,262
18 Nonrevolving	900,096	974,559	1,023,973	1,018,175	1,023,973	1,029,773	1,024,110	1,020,744	1,022,539
19 Commercial banks	323,407	333,543	356,175	354,327	356,175	361,529	362,669	362,841	363,374
20 Finance companies	182,221	205,021	193,321	191,226	193,321	193,366	194,944	188,895	193,561
21 Credit unions	162,208	167,305	173,516	175,547	173,516	173,519	173,277	172,252	173,789
22 Savings institutions	47,997	51,303	52,269	51,687	52,269	52,713	53,114	53,558	53,767
23 Nonfinancial business	40,232	38,165	37,673	35,484	37,673	36,291	35,360	34,811	34,593
24 Pools of securitized assets[3]	144,031	179,222	211,019	209,903	211,019	212,355	204,746	208,387	203,454

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 CREDIT[1]

Percent per year except as noted

Item	2000	2001	2002	2002 Oct.	2002 Nov.	2002 Dec.	2003 Jan.	2003 Feb.	2003 Mar.	2003 Apr.
INTEREST RATES										
Commercial banks[2]										
1 48-month new car	9.34	8.50	6.71	n.a.	5.67	n.a.	n.a.	7.11	n.a.	n.a.
2 24-month personal	13.90	13.22	11.59	n.a	10.78	n.a.	n.a.	11.62	n.a.	n.a.
Credit card plan										
3 All accounts	15.71	14.89	13.42	n.a.	13.13	n.a.	n.a.	13.20	n.a.	n.a.
4 Accounts assessed interest	14.91	14.44	13.09	n.a.	12.78	n.a.	n.a.	12.85	n.a.	n.a.
Auto finance companies										
5 New car	6.61	5.65	4.29	2.62	3.41	3.50	3.13	3.99	3.83	2.51
6 Used car	13.55	12.18	10.74	10.59	10.70	10.48	10.37	10.43	10.16	9.91
OTHER TERMS[3]										
Maturity (months)										
7 New car	54.9	55.1	56.8	57.4	57.2	57.5	58.5	59.2	59.5	60.1
8 Used car	57.0	57.5	57.5	57.4	56.9	56.7	57.5	57.7	57.8	57.7
Loan-to-value ratio										
9 New car	92	91	94	96	95	96	96	97	96	97
10 Used car	99	100	100	101	100	100	100	99	99	99
Amount financed (dollars)										
11 New car	20,923	22,822	24,747	26,099	26,104	26,647	26,443	24,864	25,152	27,540
12 Used car	14,058	14,416	14,532	14,702	14,610	14,639	14,499	14,231	14,253	14,475

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 MARKETS[1]

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1997	1998	1999	2000	2001	2001		2002				2003
						Q3	Q4	Q1	Q2	Q3	Q4	Q1
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**789.9**	**1,044.6**	**1,031.4**	**848.4**	**1,134.6**	**1,298.4**	**1,187.6**	**973.1**	**1,643.2**	**1,312.5**	**1,612.8**	**1,338.8**
By sector and instrument												
2 Federal government	23.1	−52.6	−71.2	−295.9	−5.6	209.3	43.4	39.8	526.0	265.7	198.5	79.9
3 Treasury securities	23.2	−54.6	−71.0	−294.9	−5.0	209.7	44.2	41.6	524.2	264.2	198.1	81.5
4 Budget agency securities and mortgages	−.1	2.0	−.2	−1.0	−.5	−.4	−.7	−1.8	1.8	1.6	.4	−1.6
5 Nonfederal	766.8	1,097.2	1,102.6	1,144.3	1,140.2	1,089.0	1,144.1	933.3	1,117.2	1,046.8	1,414.3	1,258.9
By instrument												
6 Commercial paper	13.7	24.4	37.4	48.1	−88.3	−66.1	45.5	−144.4	−81.7	−17.4	−13.2	−15.2
7 Municipal securities and loans	56.9	84.2	54.4	23.6	122.8	83.1	174.6	76.6	196.2	156.8	238.2	162.2
8 Corporate bonds	150.5	235.2	217.8	161.3	340.5	191.4	325.0	253.6	191.4	−29.0	114.4	178.6
9 Bank loans n.e.c.	106.4	109.8	82.9	101.8	−82.0	−23.5	−165.5	−16.4	−192.1	−124.5	3.3	−54.9
10 Other loans and advances	59.5	82.1	46.0	95.0	29.3	59.4	−107.3	−19.2	77.2	77.6	6.4	−6.6
11 Mortgages	322.3	486.6	564.6	567.5	709.2	774.0	737.3	700.0	834.9	914.3	1,068.1	919.1
12 Home	258.3	384.6	424.4	418.2	532.7	561.5	533.1	602.4	658.6	780.4	846.2	783.4
13 Multifamily residential	7.3	23.2	35.7	33.9	47.9	56.4	56.4	29.1	44.2	29.0	70.1	37.2
14 Commercial	53.5	72.2	98.8	108.9	121.1	149.1	141.0	61.6	123.0	91.8	142.9	95.3
15 Farm	3.1	6.5	5.8	6.5	7.5	7.0	6.8	6.9	9.1	13.2	8.8	3.1
16 Consumer credit	57.5	75.0	99.5	147.0	108.7	70.6	134.5	83.0	91.3	69.1	−2.9	75.7
By borrowing sector												
17 Household	332.7	452.6	497.9	553.9	613.7	663.7	608.9	706.9	695.9	768.5	900.8	849.2
18 Nonfinancial business	392.5	576.9	566.2	574.9	420.8	355.6	393.1	157.8	237.8	134.4	303.7	263.4
19 Corporate	291.6	409.2	378.4	380.0	256.5	197.3	243.7	42.2	96.6	−8.7	139.8	148.7
20 Nonfarm noncorporate	94.7	159.7	182.4	184.1	156.8	153.8	141.1	110.3	132.7	128.8	156.3	113.3
21 Farm	6.2	8.0	5.5	10.9	7.5	4.4	8.3	5.3	8.5	14.3	7.6	1.3
22 State and local government	41.5	67.7	38.5	15.5	105.7	69.7	142.1	68.7	183.5	143.9	209.8	146.3
23 Foreign net borrowing in United States	71.8	43.2	25.2	65.7	−37.4	−106.7	16.0	78.8	13.4	−31.9	12.6	21.3
24 Commercial paper	3.7	7.8	16.3	31.7	−14.2	−25.2	5.9	66.8	36.5	3.9	37.3	52.6
25 Bonds	61.4	34.9	14.1	23.9	−12.1	−83.9	29.7	−2.3	−41.0	−23.1	−16.9	−25.6
26 Bank loans n.e.c.	8.5	6.6	.5	11.4	−7.3	4.2	−16.3	13.9	22.0	−11.7	−2.9	−4.0
27 Other loans and advances	−1.8	−6.0	−5.7	−1.3	−3.7	−1.8	−3.3	.3	−4.1	−1.0	−4.9	−1.8
28 **Total domestic plus foreign**	**861.7**	**1,087.8**	**1,056.6**	**914.1**	**1,097.2**	**1,191.7**	**1,203.5**	**1,051.9**	**1,656.5**	**1,280.7**	**1,625.4**	**1,360.1**
	Financial sectors											
29 **Total net borrowing by financial sectors**	**662.2**	**1,085.6**	**1,073.1**	**808.9**	**958.3**	**1,112.7**	**975.9**	**869.1**	**875.5**	**856.7**	**1,093.8**	**1,002.7**
By instrument												
30 Federal government-related	212.9	470.9	592.0	433.5	629.3	818.4	591.8	691.1	487.8	420.8	616.3	452.4
31 Government-sponsored enterprise securities	98.4	278.3	318.2	234.1	290.8	326.2	306.5	191.3	141.7	249.1	321.5	179.7
32 Mortgage pool securities	114.6	192.6	273.8	199.4	338.5	492.2	285.3	499.8	346.1	171.6	294.9	272.7
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	449.3	614.7	481.2	375.4	329.0	294.3	384.1	178.0	387.7	435.9	477.4	550.2
35 Open market paper	166.7	161.0	176.2	127.7	−61.9	−72.2	−13.6	−178.3	−109.1	84.3	−77.3	−53.5
36 Corporate bonds	218.9	310.2	207.1	199.3	341.5	308.9	372.7	354.2	442.0	192.6	675.6	589.2
37 Bank loans n.e.c.	13.3	28.5	−14.4	−.4	13.1	.7	17.7	−.6	31.2	81.9	−107.9	−42.7
38 Other loans and advances	35.6	90.2	107.1	42.5	34.9	58.8	8.9	−3.9	16.7	71.9	−17.5	60.7
39 Mortgages	14.9	24.8	5.1	6.2	1.3	−1.9	−1.6	6.6	7.0	5.3	4.7	−3.5
By borrowing sector												
40 Commercial banking	46.1	72.9	67.2	60.0	52.9	39.7	44.1	24.3	13.3	62.2	100.2	76.1
41 Savings institutions	19.7	52.2	48.0	27.3	7.4	39.4	−68.6	−33.1	−12.1	37.1	−46.7	3.4
42 Credit unions	.1	.6	2.2	0	1.5	1.5	4.4	2.4	2.0	3.1	.4	2.8
43 Life insurance companies	.2	.7	.7	−.7	.6	3.5	1.4	2.4	1.2	2.0	2.5	4.4
44 Government-sponsored enterprises	98.4	278.3	318.2	234.1	290.8	326.2	306.5	191.3	141.7	249.1	321.5	179.7
45 Federally related mortgage pools	114.6	192.6	273.8	199.4	338.5	492.2	285.3	499.8	346.1	171.6	294.9	272.7
46 Issuers of asset-backed securities (ABSs)	202.2	321.4	212.3	189.7	318.0	314.0	430.1	263.7	241.7	198.5	393.5	326.9
47 Finance companies	57.8	57.1	70.3	81.2	−.2	41.8	−25.3	−31.2	80.2	106.4	−4.9	32.5
48 Mortgage companies	−4.6	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
49 Real estate investment trusts (REITs)	39.6	62.7	6.3	2.7	2.5	−2.4	7.8	7.4	25.3	27.7	18.6	17.5
50 Brokers and dealers	8.1	7.2	−17.2	15.6	1.4	12.6	−18.9	−15.7	17.5	15.2	−24.0	38.4
51 Funding corporations	79.9	40.0	91.5	−.4	−55.2	−155.7	9.1	−42.2	18.5	−16.4	37.8	48.1

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS[1]—Continued

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1997	1998	1999	2000	2001	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1
	All sectors											
52 **Total net borrowing, all sectors**	**1,523.9**	**2,173.4**	**2,129.7**	**1,722.9**	**2,055.5**	**2,304.5**	**2,179.4**	**1,921.0**	**2,532.0**	**2,137.3**	**2,719.1**	**2,362.7**
53 Open market paper	184.1	193.1	229.9	207.6	−164.4	−163.5	37.8	−255.9	−154.3	70.8	−53.3	−16.1
54 U.S. government securities	236.0	418.3	520.7	137.6	623.8	1,027.8	635.2	730.9	1,013.8	686.5	814.8	532.3
55 Municipal securities	56.9	84.2	54.4	23.6	122.8	83.1	174.6	76.6	196.2	156.8	238.2	162.2
56 Corporate and foreign bonds	430.8	580.2	439.1	384.4	669.9	416.4	727.4	605.5	592.4	140.5	773.0	742.2
57 Bank loans n.e.c.	128.2	145.0	69.0	112.8	−76.2	−18.5	−164.0	−3.0	−139.0	−54.4	−107.5	−101.6
58 Other loans and advances	93.2	166.3	147.4	136.2	60.4	116.5	−101.8	−22.7	89.7	148.5	−16.0	52.4
59 Mortgages	337.2	511.4	569.7	573.7	710.5	772.1	735.7	706.5	841.9	919.5	1,072.8	915.6
60 Consumer credit	57.5	75.0	99.5	147.0	108.7	70.6	134.5	83.0	91.3	69.1	−2.9	75.7
	Funds raised through mutual funds and corporate equities											
61 **Total net issues**	**218.7**	**166.0**	**191.5**	**235.3**	**302.7**	**146.0**	**397.2**	**439.3**	**279.3**	**−82.5**	**294.1**	**250.5**
62 Corporate equities	−46.5	−113.5	.2	.3	101.3	−14.4	141.3	52.4	179.3	−119.6	87.2	47.5
63 Nonfinancial corporations	−77.4	−215.5	−110.4	−118.2	−47.4	−108.6	−4.2	−9.8	16.1	−140.3	−27.9	−62.0
64 Foreign shares purchased by U.S. residents	57.6	101.3	114.3	103.6	106.8	43.5	74.7	−5.9	79.7	−51.1	51.7	79.9
65 Financial corporations	−26.7	.8	−3.7	14.9	41.9	50.7	70.9	68.1	83.6	71.8	63.4	29.6
66 Mutual fund shares	265.1	279.5	191.2	235.0	201.4	160.4	255.9	386.9	100.0	37.1	206.9	203.0

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.2 through F4. For ordering address, see inside front cover.

1.58 SUMMARY OF FINANCIAL TRANSACTIONS[1]

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

Transaction category or sector	1997	1998	1999	2000	2001	2001		2002				2003
						Q3	Q4	Q1	Q2	Q3	Q4	Q1
NET LENDING IN CREDIT MARKETS[2]												
1 **Total net lending in credit markets**	**1,523.9**	**2,173.4**	**2,129.7**	**1,722.9**	**2,055.5**	**2,304.5**	**2,179.4**	**1,921.0**	**2,532.0**	**2,137.3**	**2,719.1**	**2,362.7**
2 Domestic nonfederal nonfinancial sectors	15.3	259.1	227.0	−102.3	−26.8	67.8	79.1	146.8	310.7	−197.5	198.9	−79.5
3 Household	25.3	127.3	217.1	−134.2	−54.6	12.3	47.2	104.4	282.9	−241.0	217.6	−81.2
4 Nonfinancial corporate business	−12.7	−16.0	−15.6	31.4	−12.4	−5.7	−12.5	40.2	−18.0	27.9	−61.5	49.1
5 Nonfarm noncorporate business	2.6	13.3	−2.9	1.3	2.0	3.3	2.0	3.3	3.3	−2.2	−1.0	−5.2
6 State and local governments	.1	134.5	28.4	−.8	38.1	57.9	42.4	−1.1	42.5	17.8	43.8	−42.1
7 Federal government	5.1	13.5	5.8	7.3	6.0	3.3	7.0	6.2	7.1	7.6	14.2	−.6
8 Rest of the world	259.6	172.5	139.7	225.9	320.6	269.2	432.5	171.8	542.6	463.5	394.8	462.7
9 Financial sectors	1,243.9	1,728.4	1,757.2	1,592.0	1,755.7	1,964.2	1,660.8	1,596.2	1,671.6	1,863.7	2,111.2	1,980.2
10 Monetary authority	38.3	21.1	25.7	33.7	39.9	8.4	85.1	81.6	43.4	67.3	118.7	32.3
11 Commercial banking	324.3	305.6	312.2	357.9	205.2	267.9	314.6	188.9	384.3	624.0	441.6	349.5
12 U.S.-chartered banks	274.9	312.1	318.6	339.5	191.6	242.5	275.0	168.2	343.8	599.9	463.3	305.6
13 Foreign banking offices in United States	40.2	−11.6	−17.0	23.9	−.6	21.1	−7.8	2.1	33.7	21.8	−32.8	23.3
14 Bank holding companies	5.4	−.9	6.2	−12.2	4.2	−1.4	13.6	12.0	1.9	−1.6	.2	20.8
15 Banks in U.S.-affiliated areas	3.7	6.0	4.4	6.7	10.0	5.7	33.9	6.6	4.9	4.0	10.9	−.2
16 Savings institutions	−4.7	36.2	67.7	56.2	42.8	−4.7	73.1	12.3	−23.5	80.3	72.5	193.6
17 Credit unions	16.8	18.9	27.5	28.0	41.5	61.1	60.5	58.3	23.2	44.8	44.4	43.5
18 Bank personal trusts and estates	−25.0	−12.8	27.8	.8	−28.1	−28.0	−28.1	1.0	.9	.8	.8	−19.3
19 Life insurance companies	104.8	76.9	53.5	57.9	130.9	186.9	81.3	260.6	175.1	267.6	143.4	162.2
20 Other insurance companies	25.2	5.8	−3.0	−8.7	9.0	5.1	28.5	36.7	35.4	21.7	49.0	41.7
21 Private pension funds	47.6	−23.4	17.0	33.4	16.3	29.6	−10.5	52.9	29.2	58.4	9.3	22.0
22 State and local government retirement funds	67.1	72.1	46.9	54.6	−17.7	−74.2	−2.7	70.5	−54.5	−10.4	60.7	2.0
23 Money market mutual funds	87.5	244.0	182.0	143.0	246.0	311.8	49.1	−239.1	−88.8	−74.4	301.2	−187.0
24 Mutual funds	80.9	127.3	48.4	21.0	126.0	102.7	139.3	243.3	41.9	162.7	118.4	233.1
25 Closed-end funds	−2.9	5.2	8.5	−6.3	6.9	19.8	16.3	24.4	−2.6	−1.7	17.0	7.7
26 Government-sponsored enterprises	106.3	314.0	291.3	256.4	309.0	274.3	335.3	236.7	129.0	204.4	256.6	257.4
27 Federally related mortgage pools	114.6	192.6	273.8	199.4	338.5	492.2	285.3	499.8	346.1	171.6	294.9	272.7
28 Asset-backed securities issuers (ABSs)	163.8	281.7	194.1	159.9	291.9	288.4	407.3	239.5	219.5	175.9	371.7	303.1
29 Finance companies	23.1	77.3	97.0	108.1	−5.7	−43.3	−100.5	−28.2	39.6	80.0	−22.4	−12.4
30 Mortgage companies	−9.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
31 Real estate investment trusts (REITs)	20.2	−5.1	−2.6	−7.1	6.7	7.8	14.0	26.3	31.8	27.7	6.7	−8.6
32 Brokers and dealers	14.9	6.8	−34.7	68.9	92.4	184.5	−110.5	−219.5	402.8	−208.6	138.8	12.6
33 Funding corporations	50.4	−15.8	124.0	35.0	−95.8	−126.3	23.4	50.1	−61.1	156.6	−312.0	275.2
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 **Net flows through credit markets**	**1,523.9**	**2,173.4**	**2,129.7**	**1,722.9**	**2,055.5**	**2,304.5**	**2,179.4**	**1,921.0**	**2,532.0**	**2,137.3**	**2,719.1**	**2,362.7**
Other financial sources												
35 Official foreign exchange	.7	6.6	−8.7	−.4	4.3	13.7	.2	−3.0	12.9	24.6	4.9	4.9
36 Special drawing rights certificates	−.5	.0	−3.0	−4.0	.0	.0	.0	.0	.0	.0	.0	.0
37 Treasury currency	.5	.6	1.0	2.4	1.3	2.2	.0	.9	.6	2.4	.0	.6
38 Foreign deposits	107.7	6.5	61.0	135.1	28.0	41.5	17.9	−59.1	53.3	51.8	55.7	79.2
39 Net interbank transactions	−19.7	−31.8	15.0	15.1	−28.0	30.6	24.5	3.3	−163.0	58.9	170.0	187.5
40 Checkable deposits and currency	41.2	47.3	151.2	−71.4	204.3	215.0	278.1	−200.5	210.2	208.0	−33.4	272.9
41 Small time and savings deposits	97.1	152.4	45.1	188.8	267.2	230.3	329.7	288.3	215.6	323.4	271.9	260.5
42 Large time deposits	122.5	91.8	131.1	116.2	68.6	19.5	77.8	270.0	34.8	36.8	−125.5	191.4
43 Money market fund shares	155.9	287.2	249.1	233.3	428.6	386.1	379.8	−312.5	100.3	−192.6	337.6	−441.4
44 Security repurchase agreements	120.9	91.3	169.8	113.2	22.3	212.7	−138.3	119.4	362.4	−91.1	29.2	−41.7
45 Corporate equities	−46.5	−113.5	2	.3	101.3	−14.4	141.3	52.4	179.3	−119.6	87.2	47.5
46 Mutual fund shares	265.1	279.5	191.2	235.0	201.4	160.4	255.9	386.9	100.0	37.1	206.9	203.0
47 Trade payables	139.8	106.4	268.6	419.4	−73.0	−137.9	−126.7	190.9	45.0	122.3	135.8	91.9
48 Security credit	111.0	103.2	104.4	146.1	3.1	561.3	−383.7	−190.7	−131.9	−69.6	44.1	181.5
49 Life insurance reserves	59.3	48.0	50.8	50.2	77.2	74.7	119.6	93.9	92.2	119.7	74.3	85.1
50 Pension fund reserves	201.4	217.4	181.8	209.0	210.8	176.4	158.0	137.0	151.0	282.5	203.2	229.9
51 Taxes payable	22.3	19.6	30.7	32.8	17.4	104.9	−55.2	6.0	42.8	53.6	15.1	30.8
52 Investment in bank personal trusts	−53.0	−46.1	−8.1	56.6	−59.9	−57.3	−57.7	−3.7	−2.4	−2.1	−1.3	−65.6
53 Noncorporate proprietors' equity	−40.7	−57.8	−62.4	−11.5	−18.6	−34.3	8.4	1.5	−32.9	−83.9	−46.8	−21.9
54 Miscellaneous	456.7	909.8	1,043.4	1,386.3	613.1	705.6	86.5	76.2	640.6	693.4	33.8	556.1
55 **Total financial sources**	**3,265.8**	**4,291.7**	**4,742.1**	**4,975.4**	**4,124.9**	**4,995.5**	**3,295.5**	**2,778.2**	**4,442.8**	**3,592.9**	**4,182.0**	**4,215.0**
Liabilities not identified as assets (−)												
56 Treasury currency	−.2	−.1	−.7	−1.2	−.1	.9	.0	−1.5	−.9	1.1	−1.1	−.1
57 Foreign deposits	106.2	−8.5	42.6	79.3	8.3	55.3	−38.5	−68.4	105.6	24.1	31.4	117.1
58 Net interbank liabilities	−19.9	3.8	.1	20.4	17.2	7.4	22.6	39.8	−9.5	13.2	−15.1	6.2
59 Security repurchase agreements	63.2	57.7	35.7	122.6	−53.9	106.3	−166.2	156.9	220.6	−280.9	−66.9	−106.8
60 Taxes payable	28.0	19.7	11.7	26.2	22.0	25.4	34.6	16.7	−49.9	21.3	−47.7	−41.9
61 Miscellaneous	−285.4	−206.1	−279.6	−391.4	−251.1	159.3	−341.4	−277.5	98.7	93.8	30.4	−476.6
Floats not included in assets (−)												
62 Federal government checkable deposits	−2.7	2.6	−7.4	9.0	5.7	−20.1	−91.8	15.1	77.1	−40.3	−51.7	153.1
63 Other checkable deposits	−3.9	−3.1	−.8	1.7	4.5	5.0	5.7	6.1	7.1	7.6	8.4	9.0
64 Trade credit	−25.5	−43.3	6.8	34.3	−6.5	−23.1	78.2	−52.7	−57.3	−20.4	−19.1	−37.4
65 **Total identified to sectors as assets**	**3,405.9**	**4,469.0**	**4,933.7**	**5,074.6**	**4,378.8**	**4,679.2**	**3,792.3**	**2,943.6**	**4,051.5**	**3,773.3**	**4,313.3**	**4,592.4**

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

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING[1]

Billions of dollars, end of period

Transaction category or sector	1998	1999	2000	2001	2001		2002				2003
					Q3	Q4	Q1	Q2	Q3	Q4	Q1
					Nonfinancial sectors						
1 **Total credit market debt owed by domestic nonfinancial sectors**	**16,238.9**	**17,305.0**	**18,164.5**	**19,299.7**	**18,922.4**	**19,299.7**	**19,541.3**	**19,857.5**	**20,190.4**	**20,685.1**	**21,009.2**
By sector and instrument											
2 Federal government	3,752.2	3,681.0	3,385.1	3,379.5	3,320.0	3,379.5	3,430.3	3,451.4	3,540.8	3,637.0	3,700.6
3 Treasury securities	3,723.7	3,652.7	3,357.8	3,352.7	3,293.0	3,352.7	3,404.0	3,424.6	3,513.6	3,609.8	3,673.7
4 Budget agency securities and mortgages	28.5	28.3	27.3	26.8	27.0	26.8	26.3	26.8	27.2	27.3	26.9
5 Nonfederal	12,486.7	13,624.0	14,779.4	15,920.2	15,602.4	15,920.2	16,111.0	16,406.1	16,649.6	17,048.1	17,308.6
By instrument											
6 Commercial paper	193.0	230.3	278.4	190.1	201.3	190.1	167.5	148.4	142.2	126.0	127.1
7 Municipal securities and loans	1,402.9	1,457.2	1,480.9	1,603.6	1,557.5	1,603.6	1,627.3	1,681.9	1,708.4	1,770.6	1,815.9
8 Corporate bonds	1,846.0	2,063.9	2,225.1	2,565.6	2,484.4	2,565.6	2,629.0	2,676.9	2,669.6	2,698.2	2,742.9
9 Bank loans n.e.c.	1,150.2	1,233.2	1,335.0	1,253.5	1,287.5	1,253.5	1,240.1	1,195.0	1,162.2	1,171.1	1,146.5
10 Other loans and advances	907.2	953.5	1,059.6	1,088.8	1,110.1	1,088.8	1,089.6	1,106.0	1,116.9	1,124.3	1,128.0
11 Mortgages	5,640.9	6,239.9	6,807.4	7,516.6	7,332.4	7,516.6	7,680.2	7,896.7	8,128.3	8,395.9	8,613.5
12 Home	4,362.9	4,787.2	5,205.4	5,738.1	5,605.0	5,738.1	5,877.2	6,049.6	6,247.9	6,460.0	6,643.6
13 Multifamily residential	307.8	343.8	377.6	425.5	411.4	425.5	432.8	443.9	451.1	468.7	478.0
14 Commercial	873.6	1,006.5	1,115.5	1,236.6	1,201.4	1,236.6	1,252.0	1,282.8	1,305.7	1,341.4	1,365.3
15 Farm	96.6	102.3	108.9	116.3	114.6	116.3	118.1	120.4	123.6	125.8	126.7
16 Consumer credit	1,346.6	1,446.1	1,593.1	1,701.9	1,629.3	1,701.9	1,677.2	1,701.3	1,722.0	1,762.0	1,734.8
By borrowing sector											
17 Households	6,009.6	6,507.8	7,072.7	7,686.4	7,492.5	7,686.4	7,802.0	7,988.1	8,185.0	8,454.4	8,603.3
18 Nonfinancial business	5,338.8	5,939.4	6,514.3	6,935.8	6,849.8	6,935.8	6,989.1	7,047.6	7,070.1	7,144.2	7,214.4
19 Corporate	3,791.2	4,204.0	4,583.9	4,841.1	4,793.1	4,841.1	4,867.2	4,887.7	4,876.2	4,908.5	4,951.8
20 Nonfarm noncorporate	1,383.7	1,566.1	1,750.2	1,907.0	1,870.8	1,907.0	1,934.7	1,968.0	1,999.0	2,039.0	2,067.5
21 Farm	163.9	169.4	180.2	187.7	185.9	187.7	187.1	191.8	194.9	196.6	195.1
22 State and local government	1,138.3	1,176.9	1,192.3	1,298.0	1,260.0	1,298.0	1,319.9	1,370.5	1,394.5	1,449.5	1,490.9
23 **Foreign credit market debt held in United States**	**651.3**	**676.7**	**742.3**	**704.9**	**701.7**	**704.9**	**724.5**	**725.5**	**720.2**	**723.1**	**727.8**
24 Commercial paper	72.9	89.2	120.9	106.7	106.3	106.7	123.6	130.2	134.0	142.8	155.7
25 Bonds	462.6	476.7	500.6	488.4	481.0	488.4	487.9	477.6	471.8	467.6	461.2
26 Bank loans n.e.c.	58.7	59.2	70.5	63.2	67.3	63.2	66.7	72.2	69.3	68.6	67.6
27 Other loans and advances	57.1	51.6	50.3	46.6	47.0	46.6	46.4	45.5	45.0	44.2	43.4
28 **Total credit market debt owed by nonfinancial sectors, domestic and foreign**	**16,890.2**	**17,981.7**	**18,906.9**	**20,004.6**	**19,624.0**	**20,004.6**	**20,265.8**	**20,583.0**	**20,910.6**	**21,408.3**	**21,737.0**
					Financial sectors						
29 **Total credit market debt owed by financial sectors**	**6,543.6**	**7,616.8**	**8,437.6**	**9,393.2**	**9,118.1**	**9,393.2**	**9,589.5**	**9,803.8**	**10,007.8**	**10,317.0**	**10,543.9**
By instrument											
30 Federal government-related	3,292.0	3,884.0	4,317.4	4,944.1	4,796.2	4,944.1	5,116.9	5,238.8	5,344.0	5,498.1	5,611.2
31 Government-sponsored enterprise securities	1,273.6	1,591.7	1,825.8	2,114.0	2,037.4	2,114.0	2,161.8	2,197.2	2,259.5	2,339.9	2,384.8
32 Mortgage pool securities	2,018.4	2,292.2	2,491.6	2,830.1	2,758.8	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.4
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	3,251.6	3,732.8	4,120.1	4,449.1	4,321.9	4,449.1	4,472.6	4,564.9	4,663.8	4,818.9	4,932.7
35 Open market paper	906.7	1,082.9	1,210.7	1,148.8	1,110.2	1,148.8	1,090.9	1,046.9	1,049.5	1,078.7	1,048.4
36 Corporate bonds	1,878.7	2,085.9	2,297.2	2,638.7	2,562.1	2,638.7	2,731.1	2,849.1	2,904.0	3,054.8	3,206.8
37 Bank loans n.e.c.	105.8	91.5	91.1	104.2	97.8	104.2	102.3	110.6	130.3	105.3	92.9
38 Other loans and advances	288.7	395.8	438.3	473.2	467.2	473.2	462.4	470.8	491.2	489.9	495.4
39 Mortgages	71.6	76.7	82.9	84.2	84.6	84.2	85.9	87.6	88.9	90.1	89.2
By borrowing sector											
40 Commercial banks	188.6	230.0	266.7	296.0	281.4	296.0	295.8	310.4	318.9	325.8	325.0
41 Bank holding companies	193.5	219.3	242.5	266.1	272.7	266.1	269.0	264.2	271.8	286.4	302.8
42 Savings institutions	212.4	260.4	287.7	295.1	305.6	295.1	280.5	275.3	286.4	281.4	276.0
43 Credit unions	1.1	3.4	3.4	4.9	3.8	4.9	5.5	6.0	6.8	6.9	7.6
44 Life insurance companies	2.5	3.2	2.5	3.1	2.8	3.1	3.7	4.0	4.5	5.1	6.3
45 Government-sponsored enterprises	1,273.6	1,591.7	1,825.8	2,114.0	2,037.4	2,114.0	2,161.8	2,197.2	2,259.5	2,339.9	2,384.8
46 Federally related mortgage pools	2,018.4	2,292.2	2,491.6	2,830.1	2,758.8	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.4
47 Issuers of asset-backed securities (ABSs)	1,398.0	1,610.3	1,812.0	2,130.0	2,019.5	2,130.0	2,188.1	2,250.0	2,303.0	2,404.3	2,478.1
48 Brokers and dealers	42.5	25.3	40.9	42.3	47.1	42.3	38.4	42.8	46.6	40.6	50.2
49 Finance companies	625.5	695.7	776.9	776.7	771.2	776.7	760.8	784.9	802.9	814.4	813.6
50 Mortgage companies	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
51 Real estate investment trusts (REITs)	158.8	165.1	167.8	170.2	168.3	170.2	172.1	178.4	185.3	190.0	194.4
52 Funding corporations	412.6	504.0	503.7	448.4	433.6	448.4	442.6	432.8	421.5	447.9	462.7
					All sectors						
53 **Total credit market debt, domestic and foreign**	**23,433.8**	**25,598.4**	**27,344.4**	**29,397.8**	**28,742.1**	**29,397.8**	**29,855.3**	**30,386.8**	**30,918.4**	**31,725.2**	**32,281.0**
54 Open market paper	1,172.6	1,402.4	1,610.0	1,445.6	1,417.8	1,445.6	1,382.0	1,325.5	1,325.7	1,347.5	1,331.1
55 U.S. government securities	7,044.2	7,564.9	7,702.5	8,323.6	8,116.2	8,323.6	8,547.2	8,690.2	8,884.8	9,135.1	9,311.8
56 Municipal securities	1,402.9	1,457.2	1,480.9	1,603.6	1,557.5	1,603.6	1,627.3	1,681.9	1,708.4	1,770.6	1,815.9
57 Corporate and foreign bonds	4,187.4	4,626.4	5,022.9	5,692.7	5,527.4	5,692.7	5,848.0	6,003.6	6,045.5	6,220.6	6,410.9
58 Bank loans n.e.c.	1,314.8	1,383.8	1,496.6	1,421.0	1,452.6	1,421.0	1,409.1	1,377.8	1,361.7	1,345.0	1,307.0
59 Other loans and advances	1,253.0	1,400.9	1,548.2	1,608.6	1,624.4	1,608.6	1,598.4	1,622.3	1,653.1	1,658.4	1,666.8
60 Mortgages	5,712.5	6,316.6	6,890.3	7,600.8	7,417.0	7,600.8	7,766.1	7,984.3	8,217.2	8,486.0	8,702.8
61 Consumer credit	1,346.6	1,446.1	1,593.1	1,701.9	1,629.3	1,701.9	1,677.2	1,701.3	1,722.0	1,762.0	1,734.8

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

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES[1]

Billions of dollars except as noted, end of period

Transaction category or sector	1998	1999	2000	2001	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1
CREDIT MARKET DEBT OUTSTANDING[2]											
1 **Total credit market assets**	**23,433.8**	**25,598.4**	**27,344.4**	**29,397.8**	**28,742.1**	**29,397.8**	**29,855.3**	**30,386.8**	**30,918.4**	**31,725.2**	**32,281.0**
2 Domestic nonfederal nonfinancial sectors	3,312.6	3,600.5	3,461.6	3,421.2	3,362.6	3,421.2	3,443.6	3,506.8	3,434.0	3,535.9	3,501.6
3 Household	2,264.1	2,542.1	2,379.3	2,311.1	2,279.7	2,311.1	2,342.9	2,394.4	2,314.9	2,402.0	2,387.9
4 Nonfinancial corporate business	241.5	226.0	249.4	237.1	220.9	237.1	226.3	223.0	230.0	234.2	225.1
5 Nonfarm noncorporate business	67.5	64.6	65.9	67.9	67.4	67.9	68.7	69.6	69.0	68.8	67.5
6 State and local governments	739.4	767.8	767.0	805.1	794.6	805.1	805.6	819.7	820.1	830.9	821.2
7 Federal government	219.0	258.0	265.3	271.3	269.6	271.3	272.9	274.6	276.6	280.1	279.9
8 Rest of the world	2,278.2	2,354.6	2,621.1	2,954.4	2,837.5	2,954.4	3,000.6	3,133.2	3,252.9	3,347.6	3,466.3
9 Financial sectors	17,624.1	19,385.4	20,996.4	22,750.9	22,272.4	22,750.9	23,138.2	23,472.2	23,955.0	24,561.6	25,033.1
10 Monetary authority	452.5	478.1	511.8	551.7	534.1	551.7	575.4	590.7	604.2	629.4	641.5
11 Commercial banking	4,336.1	4,648.3	5,006.3	5,210.5	5,100.6	5,210.5	5,231.3	5,328.3	5,476.2	5,620.2	5,679.0
12 U.S.-chartered banks	3,761.4	4,080.0	4,419.5	4,610.1	4,513.5	4,610.1	4,629.3	4,719.7	4,858.4	5,003.9	5,055.6
13 Foreign banking offices in United States	504.5	487.4	511.3	510.7	509.3	510.7	507.7	512.6	521.2	516.9	519.0
14 Bank holding companies	26.5	32.7	20.5	24.7	21.3	24.7	27.7	28.1	27.7	27.8	33.0
15 Banks in U.S.-affiliated areas	43.8	48.3	55.0	65.0	56.5	65.0	66.6	67.9	68.8	71.6	71.5
16 Savings institutions	964.7	1,032.4	1,088.6	1,131.4	1,118.1	1,131.4	1,134.7	1,130.9	1,153.8	1,166.8	1,215.5
17 Credit unions	324.2	351.7	379.7	421.2	408.4	421.2	434.3	443.2	455.3	463.9	473.2
18 Bank personal trusts and estates	194.1	222.0	222.8	194.7	201.8	194.7	195.0	195.2	195.4	195.6	190.8
19 Life insurance companies	1,828.0	1,886.0	1,943.9	2,074.8	2,054.8	2,074.8	2,136.9	2,180.1	2,250.6	2,286.5	2,323.3
20 Other insurance companies	521.1	518.2	509.4	518.4	511.3	518.4	527.6	536.4	541.9	554.1	564.5
21 Private pension funds	651.2	668.2	701.6	717.9	720.6	717.9	731.2	738.5	753.1	755.4	760.9
22 State and local government retirement funds	704.6	751.4	806.0	788.4	789.0	788.4	806.0	792.4	789.8	804.9	805.4
23 Money market mutual funds	965.9	1,147.8	1,290.9	1,536.9	1,494.9	1,536.9	1,496.9	1,419.3	1,405.7	1,511.6	1,485.5
24 Mutual funds	1,028.4	1,076.8	1,097.8	1,223.8	1,188.2	1,223.8	1,276.8	1,291.6	1,334.5	1,365.4	1,415.3
25 Closed-end funds	98.4	106.9	100.6	107.4	103.3	107.4	113.5	112.9	112.4	116.7	118.6
26 Government-sponsored enterprises	1,252.3	1,543.5	1,807.1	2,114.3	2,026.1	2,114.3	2,163.8	2,199.9	2,252.9	2,320.9	2,375.8
27 Federally related mortgage pools	2,018.4	2,292.2	2,491.6	2,830.1	2,758.8	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.4
28 Asset-backed securities (ABSs) issuers	1,219.4	1,413.6	1,585.4	1,877.3	1,772.5	1,877.3	1,929.4	1,985.7	2,033.0	2,128.9	2,196.8
29 Finance companies	645.5	742.5	850.5	844.8	859.5	844.8	832.4	845.6	857.1	862.0	853.1
30 Mortgage companies	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1
31 Real estate investment trusts (REITs)	45.5	42.9	35.8	42.5	39.0	42.5	49.1	57.0	63.9	65.6	63.5
32 Brokers and dealers	189.4	154.7	223.6	316.0	366.4	316.0	299.6	352.6	335.2	344.4	389.2
33 Funding corporations	152.3	276.0	311.0	216.7	193.0	216.7	217.3	198.2	219.5	175.1	219.3
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 **Total credit market debt**	**23,433.8**	**25,598.4**	**27,344.4**	**29,397.8**	**28,742.1**	**29,397.8**	**29,855.3**	**30,386.8**	**30,918.4**	**31,725.2**	**32,281.0**
Other liabilities											
35 Official foreign exchange	60.1	50.1	46.1	46.8	49.0	46.8	45.7	47.2	53.1	55.8	57.6
36 Special drawing rights certificates	9.2	6.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
37 Treasury currency	19.9	20.9	23.2	24.5	24.5	24.5	24.7	24.8	25.5	25.5	25.6
38 Foreign deposits	642.3	703.6	824.5	908.9	848.0	908.9	894.1	907.4	920.4	934.3	954.1
39 Net interbank liabilities	189.4	202.4	221.2	191.4	174.4	191.4	162.4	132.3	150.7	205.9	223.4
40 Checkable deposits and currency	1,333.3	1,484.5	1,413.1	1,603.2	1,487.1	1,603.2	1,518.1	1,571.9	1,610.7	1,649.3	1,683.4
41 Small time and savings deposits	2,626.5	2,671.6	2,860.4	3,127.6	3,047.6	3,127.6	3,236.7	3,256.4	3,336.8	3,402.4	3,505.9
42 Large time deposits	805.3	936.4	1,052.6	1,121.1	1,094.2	1,121.1	1,178.9	1,188.7	1,199.9	1,175.2	1,212.7
43 Money market fund shares	1,329.7	1,578.8	1,812.1	2,240.7	2,115.4	2,240.7	2,203.3	2,150.3	2,105.9	2,223.9	2,156.2
44 Security repurchase agreements	913.8	1,083.6	1,196.8	1,231.8	1,251.9	1,231.8	1,262.4	1,343.1	1,313.7	1,336.8	1,325.3
45 Mutual fund shares	3,613.1	4,538.5	4,434.6	4,135.5	3,753.1	4,135.5	4,247.0	3,926.6	3,452.3	3,639.4	3,586.8
46 Security credit	572.2	676.6	822.7	825.9	919.9	825.9	778.0	745.6	726.3	738.8	784.5
47 Life insurance reserves	718.3	783.9	819.1	880.0	844.0	880.0	904.2	915.2	927.9	951.4	968.7
48 Pension fund reserves	8,208.4	9,065.3	9,069.0	8,695.8	8,281.0	8,695.8	8,824.7	8,331.9	7,732.0	8,014.2	7,936.1
49 Trade payables	2,073.8	2,342.4	2,761.9	2,688.8	2,705.4	2,688.8	2,714.8	2,716.4	2,764.6	2,812.4	2,814.1
50 Taxes payable	170.7	201.4	234.2	251.6	270.1	251.6	259.4	266.1	282.0	281.0	294.7
51 Investment in bank personal trusts	1,001.0	1,130.4	1,095.8	960.7	916.5	960.7	963.2	893.5	811.6	840.9	806.3
52 Miscellaneous	7,638.0	8,527.4	9,717.9	10,343.0	10,816.7	10,343.0	10,345.1	10,634.3	11,043.4	11,013.6	11,281.9
53 **Total liabilities**	**55,358.7**	**61,602.4**	**65,751.7**	**68,677.5**	**67,343.2**	**68,677.5**	**69,420.1**	**69,440.9**	**69,377.4**	**71,028.1**	**71,900.4**
Financial assets not included in liabilities (+)											
54 Gold and special drawing rights	21.6	21.4	21.6	21.8	22.0	21.8	21.9	22.3	22.8	23.2	22.4
55 Corporate equities	15,548.5	19,545.7	17,606.5	15,267.1	13,684.2	15,267.1	15,292.8	13,393.0	10,993.2	11,833.9	11,370.5
56 Household equity in noncorporate business	4,279.4	4,510.0	4,748.4	4,831.0	4,857.0	4,831.0	4,857.4	4,925.5	4,981.5	5,024.3	5,068.7
Liabilities not identified as assets (−)											
57 Treasury currency	−6.4	−7.1	−8.5	−8.6	−8.6	−8.6	−8.9	−9.1	−8.9	−9.1	−9.2
58 Foreign deposits	542.8	585.7	650.9	715.6	668.9	715.6	698.5	724.9	731.0	738.8	768.1
59 Net interbank transactions	−26.5	−28.5	−4.3	11.1	4.5	11.1	21.9	18.4	16.5	15.3	19.4
60 Security repurchase agreements	230.6	266.4	388.9	348.6	398.7	348.6	401.4	462.1	381.6	356.0	342.6
61 Taxes payable	121.2	129.4	146.3	121.7	167.3	121.7	110.4	163.9	155.2	157.1	141.0
62 Miscellaneous	−1,951.9	−2,395.2	−3,394.2	−3,637.3	−3,125.1	−3,637.3	−3,589.1	−3,609.5	−3,510.4	−3,483.5	−3,527.3
Floats not included in assets (−)											
63 Federal government checkable deposits	−3.9	−9.8	−2.3	−12.3	−4.0	−12.3	−9.6	−9.3	−14.8	−11.7	27.4
64 Other checkable deposits	23.1	22.3	24.0	28.6	19.2	28.6	26.3	31.4	25.8	35.9	34.2
65 Trade credit	84.8	95.6	122.0	115.5	16.4	115.5	56.5	10.0	2.4	78.1	22.6
66 **Totals identified to sectors as assets**	**76,194.3**	**87,020.6**	**90,205.4**	**91,114.5**	**87,769.0**	**91,114.5**	**91,884.7**	**89,998.9**	**87,596.4**	**90,032.6**	**90,543.3**

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

2. Excludes corporate equities and mutual fund shares.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]

Seasonally adjusted

Series	2002			2003	2002			2003	2002			2003
	Q2	Q3	Q4	Q1[r]	Q2	Q3	Q4	Q1[r]	Q2	Q3	Q4	Q1[r]
	Output (1997=100)				Capacity (percent of 1997 output)				Capacity utilization rate (percent)[2]			
1 **Total industry**	**110.5**	**111.4**	**110.4**	**110.5**	**145.9**	**146.2**	**146.6**	**147.0**	**75.7**	**76.2**	**75.3**	**75.2**
2 Manufacturing	111.4	112.3	111.2	111.0	150.9	151.1	151.4	151.7	73.9	74.3	73.5	73.2
3 Manufacturing (NAICS)	111.8	112.6	111.5	111.3	152.2	152.5	152.8	153.2	73.5	73.8	73.0	72.6
4 Durable manufacturing	121.2	122.3	121.4	121.2	172.5	173.4	174.2	175.0	70.2	70.5	69.7	69.3
5 Primary metal	85.6	85.9	86.0	84.0	112.0	111.4	110.8	110.7	76.4	77.1	77.6	75.9
6 Fabricated metal products	99.1	99.5	98.9	97.1	139.3	139.4	139.6	139.8	71.2	71.3	70.8	69.5
7 Machinery	88.6	88.7	86.7	87.2	129.9	129.9	129.9	129.8	68.2	68.3	66.7	67.2
8 Computer and electronic products	219.6	222.6	224.4	227.8	350.1	355.4	360.3	365.9	62.7	62.6	62.3	62.2
9 Electrical equipment, appliances, and components	98.3	97.7	96.8	95.6	129.1	128.6	128.2	128.0	76.1	75.9	75.5	74.7
10 Motor vehicles and parts	116.8	121.7	120.0	120.4	145.9	147.1	148.4	149.9	80.0	82.7	80.8	80.4
11 Aerospace and miscellaneous transportation equipment	87.6	85.9	85.1	85.8	145.5	145.3	145.1	145.1	60.2	59.1	58.7	59.1
12 Nondurable manufacturing	99.7	100.1	98.8	98.5	127.7	127.5	127.3	127.2	78.1	78.5	77.6	77.4
13 Food, beverage, and tobacco products	100.8	100.1	98.8	98.3	125.8	125.7	125.6	125.5	80.2	79.7	78.7	78.4
14 Textile and product mills	83.3	82.9	81.2	79.1	112.3	111.7	111.1	110.6	74.2	74.2	73.1	71.5
15 Paper	94.2	95.7	95.8	93.5	114.2	114.0	113.8	113.5	82.5	84.0	84.2	82.4
16 Petroleum and coal products	103.3	102.3	102.8	102.6	114.9	115.2	115.7	116.1	89.9	88.7	88.9	88.4
17 Chemical	105.3	106.4	104.1	105.4	141.2	141.2	141.3	141.5	74.6	75.3	73.7	74.5
18 Plastics and rubber products	106.6	107.3	105.6	105.3	134.2	133.6	132.9	132.4	79.4	80.4	79.4	79.5
19 Other manufacturing (non-NAICS)	104.6	106.0	106.0	107.0	130.3	129.5	128.7	128.2	80.3	81.8	82.3	83.4
20 Mining	93.4	93.5	93.7	93.1	110.2	110.1	110.2	110.3	84.8	84.9	85.1	84.4
21 Electric and gas utilities	110.2	112.5	111.5	114.3	125.5	127.6	129.7	131.5	87.8	88.2	86.0	86.9
MEMOS												
22 Computers, communications equipment, and semiconductors	290.3	295.5	300.4	306.2	466.7	475.3	483.3	493.3	62.2	62.2	62.2	62.1
23 Total excluding computers, communications equipment, and semiconductors	100.6	101.3	100.3	100.3	130.4	130.5	130.6	130.8	77.1	77.6	76.8	76.6
24 Manufacturing excluding computers, communications equipment, and semiconductors	99.9	100.5	99.4	99.1	132.6	132.6	132.6	132.6	75.3	75.8	75.0	74.7

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]—Continued

Seasonally adjusted

Series	1973	1975	Previous cycle[3]		Latest cycle[4]		2002	2002	2003				
	High	Low	High	Low	High	Low	May	Dec.	Jan.	Feb.[r]	Mar.[r]	Apr.[r]	May[p]
	Capacity utilization rate (percent)[2]												
1 **Total industry**	**88.8**	**74.0**	**86.6**	**70.8**	**85.1**	**78.6**	**75.7**	**74.9**	**75.3**	**75.3**	**74.8**	**74.3**	**74.3**
2 Manufacturing	88.0	71.6	86.3	68.6	85.5	77.2	73.9	73.0	73.3	73.3	73.1	72.5	72.6
3 Manufacturing (NAICS)	88.1	71.4	86.3	67.9	85.5	77.0	73.5	72.5	72.8	72.7	72.4	71.8	71.9
4 Durable manufacturing	88.9	69.6	87.0	63.1	84.5	73.4	70.3	69.1	69.8	69.3	68.7	68.3	68.3
5 Primary metal	100.9	68.9	91.3	47.2	95.3	75.2	76.7	76.1	76.9	77.0	73.8	74.4	73.5
6 Fabricated metal products	91.8	69.6	83.1	61.7	80.1	71.0	71.6	70.4	70.1	69.5	68.9	68.3	68.8
7 Machinery	94.2	74.2	92.8	58.3	84.7	72.9	68.2	66.0	66.8	67.4	67.3	67.0	66.8
8 Computer and electronic products	87.0	66.9	89.8	77.3	81.5	76.4	62.8	62.0	62.3	62.2	62.3	62.1	62.5
9 Electrical equipment, appliances, and components	99.3	68.5	91.9	64.4	87.5	75.0	76.7	75.6	74.7	75.1	74.3	74.0	74.6
10 Motor vehicles and parts	95.3	55.3	96.2	45.2	90.0	56.6	79.3	79.1	82.3	80.1	78.7	77.4	76.3
11 Aerospace and miscellaneous transportation equipment	75.0	66.3	84.6	69.8	88.9	81.9	60.2	58.7	59.3	59.0	59.1	58.9	59.5
12 Nondurable manufacturing	87.5	72.5	85.7	75.6	86.9	81.8	78.1	77.2	77.2	77.4	77.6	76.9	77.1
13 Food, beverage, and tobacco products	85.9	78.0	84.3	80.2	85.5	81.3	80.0	78.3	78.5	78.2	78.4	78.0	78.1
14 Textile and product mills	89.8	62.8	90.1	72.3	91.1	77.1	74.5	72.8	70.7	71.7	72.2	71.2	70.7
15 Paper	97.4	74.7	95.6	81.3	94.0	85.4	83.2	83.5	81.9	81.9	83.3	82.1	82.1
16 Petroleum and coal products	93.2	81.0	92.3	71.1	88.9	82.5	90.0	90.7	88.0	87.7	89.4	87.3	88.5
17 Chemical	85.0	68.9	83.0	67.9	85.6	80.8	74.4	73.2	73.8	74.9	74.8	74.3	74.1
18 Plastics and rubber products	96.3	61.6	90.5	70.5	91.2	77.1	79.5	78.8	79.1	79.5	80.0	79.1	80.0
19 Other manufacturing (non-NAICS)	85.7	75.7	88.1	85.7	90.2	79.1	80.0	82.4	82.0	83.9	84.4	83.4	83.6
20 Mining	93.6	87.6	94.2	78.6	85.6	83.3	84.8	86.4	84.9	84.1	84.1	84.3	85.0
21 Electric and gas utilities	96.2	82.7	87.9	77.2	92.6	84.2	87.7	84.8	87.8	88.4	84.6	84.3	83.4
MEMOS													
22 Computers, communications equipment, and semiconductors	84.5	63.1	89.9	75.6	80.4	74.6	62.3	61.7	61.8	62.1	62.3	62.5	62.5
23 Total excluding computers, communications equipment, and semiconductors	89.1	74.3	86.6	70.5	85.5	78.8	77.1	76.4	76.8	76.8	76.2	75.7	75.7
24 Manufacturing excluding computers communications equipment, and semiconductors	88.3	71.9	86.3	68.1	86.1	77.3	75.3	74.5	74.9	74.8	74.6	73.9	74.0

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

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

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

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

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data seasonally adjusted

Group	1992 proportion	2002 avg.	2002 May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	2003 Jan.	Feb.[r]	Mar.[r]	Apr.[r]	May[p]
			Index (1997=100)												
MAJOR MARKETS															
1 **Total IP**	**100.0**	**110.5**	**110.4**	**110.8**	**111.6**	**111.3**	**111.2**	**110.6**	**110.8**	**109.9**	**110.7**	**110.7**	**110.1**	**109.4**	**109.6**
Market groups															
2 Final products and nonindustrial supplies	60.8	109.3	109.3	109.6	110.1	109.8	109.8	109.1	109.3	108.2	109.1	109.3	108.8	108.1	108.2
3 Consumer goods	29.0	107.5	107.3	107.8	108.5	107.8	107.9	107.0	107.8	106.6	107.7	107.8	107.3	106.6	106.5
4 Durable	5.8	117.3	117.2	118.6	120.0	119.3	118.7	117.0	121.0	117.8	120.5	118.5	117.9	117.0	116.3
5 Automotive products	2.5	125.4	124.2	127.4	130.6	130.6	129.3	125.9	132.4	125.9	131.3	128.8	127.4	126.1	124.4
6 Home electronics	0.4	142.9	143.8	135.3	137.0	135.4	142.6	140.1	142.1	145.3	152.7	145.9	152.0	155.0	156.6
7 Appliances, furniture, carpeting	1.3	106.9	109.1	107.5	106.9	104.5	104.6	104.9	107.1	107.7	105.4	105.5	105.7	105.7	107.1
8 Miscellaneous goods	1.6	98.5	98.9	100.2	99.2	98.3	97.8	98.2	98.3	98.7	98.7	96.9	96.2	95.0	94.8
9 Nondurable	23.2	104.1	103.9	104.1	104.6	103.8	104.2	103.6	103.3	102.8	103.4	104.1	103.7	103.0	103.1
10 Non-energy	20.2	102.6	102.2	102.8	102.8	102.4	102.6	102.0	101.3	100.8	101.1	101.6	101.8	101.1	101.1
11 Foods and tobacco	10.4	99.5	100.0	100.2	99.8	99.2	99.1	98.7	97.9	97.4	97.6	97.2	97.4	96.8	96.9
12 Clothing	2.4	72.4	72.9	72.9	73.2	71.3	72.1	70.2	70.6	69.9	69.7	69.1	68.0	66.4	66.0
13 Chemical products	4.6	119.1	116.8	118.3	119.5	119.0	119.5	118.3	118.0	116.9	117.9	120.2	120.6	120.1	119.9
14 Paper products	2.9	108.1	106.2	107.2	107.1	108.4	109.8	110.0	108.8	109.0	108.3	110.2	111.1	109.9	110.4
15 Energy	3.0	112.0	112.5	110.9	114.0	111.6	112.8	111.8	114.0	113.3	115.7	117.2	113.8	113.3	113.3
16 Business equipment	13.2	107.3	108.0	108.0	107.3	108.1	106.9	106.0	106.1	104.6	105.6	105.9	105.5	104.9	104.9
17 Transit	2.5	81.2	82.0	81.1	80.2	81.1	79.7	77.3	77.9	75.4	75.7	74.5	73.9	73.1	72.7
18 Information processing	5.4	153.8	154.9	154.9	153.5	153.7	152.1	153.1	152.8	152.7	155.1	156.3	158.0	157.9	159.3
19 Industrial and other	5.3	91.5	91.9	92.2	92.0	92.9	92.0	91.2	91.1	89.7	90.4	90.8	89.9	89.2	88.9
20 Defense and space equipment	3.4	101.2	100.6	101.2	101.2	101.9	102.0	102.5	101.7	102.3	104.1	104.8	105.1	104.7	106.4
21 Construction supplies	5.4	104.0	104.6	104.5	104.4	104.8	104.5	104.2	103.8	102.4	102.3	101.8	101.4	100.5	100.8
22 Business supplies	9.1	121.9	121.5	121.8	123.2	122.6	123.6	123.1	122.5	121.9	122.8	123.7	122.5	121.5	121.7
23 Materials	39.2	112.2	112.2	112.6	113.8	113.6	113.4	112.8	113.1	112.4	113.0	112.8	112.0	111.5	111.7
24 Non-energy	29.6	115.8	115.8	116.4	117.2	117.4	117.2	116.7	116.7	115.6	116.0	115.9	115.4	114.7	114.9
25 Durable	20.7	128.0	127.8	128.6	129.4	130.0	129.5	129.5	129.7	128.1	129.1	128.6	127.6	126.9	127.4
26 Consumer parts	4.0	110.8	110.1	110.4	113.4	112.3	112.4	111.7	114.6	111.1	113.8	111.9	110.8	109.7	109.7
27 Equipment parts	7.5	182.6	182.3	183.6	184.2	186.3	185.7	185.7	185.3	184.4	186.0	186.2	185.9	186.1	187.5
28 Other	9.2	97.1	97.2	97.9	97.7	98.3	97.7	98.0	97.2	96.4	96.3	96.3	95.1	94.5	94.8
29 Nondurable	8.9	97.0	97.3	97.6	98.4	98.2	98.3	97.1	97.0	96.5	96.2	96.4	96.7	95.8	95.7
30 Textile	1.1	77.6	78.2	78.5	79.6	77.8	78.4	77.2	77.0	75.3	74.1	74.2	73.8	72.9	72.0
31 Paper	1.8	94.8	94.8	93.6	95.8	96.1	96.7	96.8	96.9	95.8	94.4	93.6	94.7	93.1	93.5
32 Chemical	4.0	99.1	100.4	100.6	101.3	100.7	100.2	98.2	97.9	97.3	98.3	99.2	99.4	98.8	98.4
33 Energy	9.6	98.7	98.5	98.6	101.0	99.3	99.1	98.4	99.4	99.7	100.9	100.8	99.2	99.2	99.4
SPECIAL AGGREGATES															
34 Total excluding computers, communication equipment, and semiconductors	94.7	100.5	100.5	100.8	101.5	101.2	101.2	100.5	100.6	99.8	100.5	100.5	99.8	99.1	99.2
35 Total excluding motor vehicles and parts	94.3	110.0	110.1	110.3	110.8	110.5	110.5	110.0	109.8	109.3	109.8	110.1	109.5	108.9	109.2
			Gross value (billions of 1996 dollars, annual rates)												
36 **Final products and nonindustrial supplies**	**100.0**	**2,793.1**	**2,802.2**	**2,809.9**	**2,828.0**	**2,821.5**	**2,817.8**	**2,793.6**	**2,817.8**	**2,783.5**	**2,808.6**	**2,807.2**	**2,792.6**	**2,774.3**	**2,775.4**
37 Final products	77.2	2,018.6	2,021.4	2,028.7	2,042.2	2,038.1	2,031.4	2,010.8	2,037.3	2,010.7	2,032.1	2,028.9	2,020.7	2,008.2	2,008.1
38 Consumer goods	51.9	1,384.6	1,384.8	1,390.2	1,404.1	1,395.9	1,394.3	1,379.1	1,402.0	1,384.1	1,399.9	1,395.8	1,389.5	1,379.6	1,378.3
39 Equipment total	25.3	624.9	628.1	629.9	627.9	633.6	627.7	622.6	624.4	615.8	620.9	622.5	620.9	618.8	620.5
40 Nonindustrial supplies	22.8	774.4	780.9	781.3	785.9	783.5	786.6	783.2	780.5	772.8	776.4	778.3	771.8	766.0	767.2

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]—Continued

Monthly data seasonally adjusted

Group	NAICS code[2]	1992 pro-por-tion	2002 avg.	2002								2003				
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[r]	Mar.[r]	Apr.[r]	May[p]
				Index (1997=100)												
INDUSTRY GROUPS																
41 Manufacturing	.	85.4	111.4	111.4	111.9	112.3	112.4	112.1	111.4	111.6	110.6	111.1	111.1	110.9	110.1	110.3
42 Manufacturing (NAICS)	.	79.1	111.7	111.9	112.2	112.7	112.8	112.4	111.7	112.0	110.8	111.5	111.3	111.0	110.2	110.4
43 Durable manufacturing	.	43.0	121.1	121.2	121.8	122.2	122.7	122.0	121.5	122.2	120.5	121.9	121.3	120.5	119.9	120.2
44 Wood products	321	1.5	100.5	101.0	102.2	101.9	102.5	100.7	99.2	98.3	96.9	97.4	96.5	95.3	96.7	96.7
45 Nonmetallic mineral products	327	2.0	107.9	107.7	106.6	107.7	108.5	109.8	109.3	110.2	108.0	109.7	108.0	108.0	106.8	107.7
46 Primary metal	331	2.7	85.6	85.9	86.2	85.0	87.6	85.0	87.6	86.2	84.1	85.0	85.2	81.7	82.4	81.5
47 Fabricated metal products	332	5.3	99.0	99.7	99.3	99.7	99.3	99.4	99.8	98.7	98.3	97.9	97.1	96.3	95.5	96.2
48 Machinery	333	5.7	87.9	88.5	88.9	88.4	89.4	88.2	86.8	87.4	85.8	86.7	87.4	87.3	86.9	86.6
49 Computer and electronic products	334	8.8	220.4	220.0	220.8	221.5	223.0	223.2	224.2	224.5	224.5	226.6	227.5	229.1	229.8	232.5
50 Electrical equipment, appliances, and components	335	2.5	97.7	98.9	98.7	98.4	98.0	96.5	96.6	97.0	96.9	95.7	96.1	95.0	94.6	95.4
51 Motor vehicles and parts	3361–3	5.7	117.3	115.8	118.6	122.1	122.0	121.1	118.3	123.9	117.8	122.9	120.0	118.4	116.7	115.5
52 Aerospace and miscellaneous transportation equipment	3364–9	4.5	87.6	87.6	86.9	85.7	86.3	85.7	85.5	84.8	85.2	86.0	85.6	85.7	85.4	86.3
53 Furniture and related products	337	1.5	101.3	101.5	101.6	101.4	100.5	101.4	100.7	100.6	98.9	98.8	98.6	97.3	96.4	96.4
54 Miscellaneous	339	2.8	109.5	110.2	110.7	110.6	110.2	109.1	109.3	108.6	110.0	109.5	109.4	108.7	107.2	107.5
55 Nondurable manufacturing	.	36.1	99.5	99.7	99.9	100.4	100.0	100.0	99.1	98.9	98.3	98.2	98.5	98.7	97.8	97.9
56 Food, beverage, and tobacco products	311,2	10.9	100.2	100.6	100.9	100.5	100.0	99.9	99.5	98.6	98.3	98.5	98.2	98.3	97.8	97.9
57 Textile and product mills	313,4	1.8	82.5	83.6	83.4	83.9	82.5	82.3	81.3	81.7	80.8	78.4	79.2	79.7	78.4	77.7
58 Apparel and leather	315,6	2.2	72.2	72.7	72.6	73.0	71.2	71.8	70.2	70.5	69.7	69.7	69.0	68.0	66.4	65.9
59 Paper	322	3.3	94.4	95.0	94.7	95.2	95.8	96.1	95.7	96.8	95.0	93.0	93.0	94.5	93.0	92.9
60 Printing and support	323	2.8	97.8	96.2	95.5	98.4	98.6	99.9	99.5	98.4	98.9	99.1	97.7	96.4	95.4	96.4
61 Petroleum and coal products	324	1.4	102.9	103.4	102.4	103.0	102.7	101.0	99.4	103.9	105.0	102.0	101.8	103.9	101.6	103.1
62 Chemical	325	10.3	105.1	105.0	105.7	106.9	106.2	106.1	104.6	104.2	103.4	104.4	106.0	105.9	105.3	105.0
63 Plastics and rubber products	326	3.4	106.0	106.7	107.4	107.5	107.3	107.2	106.4	105.8	104.6	104.9	105.3	105.7	104.4	105.3
64 Other manufacturing (non-NAICS)	1133,5111	4.3	105.5	104.2	105.5	105.0	105.8	107.1	106.7	105.4	105.9	105.3	107.5	108.1	106.7	106.8
65 Mining	21	6.6	93.8	93.4	93.5	94.4	93.9	92.2	92.3	93.6	95.2	93.6	92.8	92.8	93.1	93.9
66 Utilities	2211,2	10.1	110.2	110.1	110.1	113.7	110.4	113.3	112.1	112.1	110.5	115.0	116.3	111.7	111.8	111.0
67 Electric	2211	8.6	111.8	111.2	111.4	115.7	112.2	115.8	113.7	113.3	112.2	116.8	118.0	113.6	113.7	112.6
68 Natural gas	2212	1.6	97.5	104.4	103.2	102.7	100.8	99.9	103.6	105.8	101.6	105.4	107.5	101.2	102.1	102.1
69 Manufacturing excluding computers, communications equipment, and semiconductors	...	78.0	99.8	99.9	100.2	100.6	100.6	100.4	99.7	99.8	98.8	99.3	99.2	98.9	98.0	98.2
70 Manufacturing excluding motor vehicles and parts	.	77.6	110.9	111.0	111.3	111.4	111.5	111.3	110.8	110.5	109.9	110.1	110.3	110.2	109.5	109.8

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

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

2. North American Industry Classification System.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted[1]

Item credits or debits	2000[r]	2001[r]	2002[r]	2002				2003
				Q1[r]	Q2[r]	Q3[r]	Q4[r]	Q1[p]
1 Balance on current account	−411,458	−393,745	−480,861	−106,728	−122,827	−122,724	−128,586	−136,112
2 Balance on goods and services	−375,384	−357,819	−418,038	−90,057	−104,888	−106,980	−116,116	−121,567
3 Exports	1,070,054	1,007,580	974,107	236,442	243,696	247,815	246,151	247,848
4 Imports	−1,445,438	−1,365,399	−1,392,145	−326,499	−348,584	−354,795	−362,267	−369,415
5 Income, net	19,605	10,689	−3,970	−733	−4,458	−1,747	2,966	2,571
6 Investment, net	24,191	15,701	1,271	550	−3,106	−481	4,306	3,942
7 Direct	94,929	106,485	93,475	23,924	21,410	21,914	26,225	24,477
8 Portfolio	−70,738	−90,784	−92,204	−23,374	−24,516	−22,395	−21,919	−20,535
9 Compensation of employees	−4,586	−5,012	−5,241	−1,283	−1,352	−1,266	−1,340	−1,371
10 Unilateral current transfers, net	−55,679	−46,615	−58,853	−15,938	−13,481	−13,997	−15,436	−17,116
11 Change in U.S. government assets other than official reserve assets, net (increase, −)	−941	−486	−32	133	42	−27	−180	37
12 Change in U.S. official reserve assets (increase, −)	−290	−4,911	−3,681	390	−1,843	−1,416	−812	83
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	−722	−630	−475	−109	−107	−132	−127	897
15 Reserve position in International Monetary Fund	2,308	−3,600	−2,632	652	−1,607	−1,136	−541	−644
16 Foreign currencies	−1,876	−681	−574	−153	−129	−148	−144	−170
17 Change in U.S. private assets abroad (increase, −)	−568,567	−344,542	−175,272	−35,750	−126,766	31,155	−43,910	−76,017
18 Bank-reported claims[2]	−148,657	−134,945	−21,357	−148	−69,254	52,999	−4,954	−24,392
19 Nonbank-reported claims	−138,790	−4,997	−31,880	−1,886	−16,210	−11,862	−1,922	3,134
20 U.S. purchase of foreign securities, net	−121,908	−84,637	15,801	5,367	−5,843	21,641	−5,364	−25,785
21 U.S. direct investments abroad, net	−159,212	−119,963	−137,836	−39,083	−35,459	−31,623	−31,670	−28,974
22 Change in foreign official assets in United States (increase, +)	37,724	5,104	94,860	6,106	47,552	8,992	32,210	35,870
23 U.S. Treasury securities	−10,233	10,745	43,144	−1,039	15,138	1,415	27,630	18,099
24 Other U.S. government obligations	40,909	20,920	30,377	7,296	6,568	10,885	5,628	9,380
25 Other U.S. government liabilities[2]	−1,825	−2,309	137	−597	365	464	−95	−694
26 Other U.S. liabilities reported by U.S. banks[2]	5,746	−29,978	17,594	−280	24,575	−4,607	−2,094	7,759
27 Other foreign official assets[3]	3,127	5,726	3,608	726	906	835	1,141	1,326
28 Change in foreign private assets in United States (increase, +)	988,415	760,427	612,123	140,707	173,690	132,486	165,238	152,782
29 U.S. bank-reported liabilities[4]	116,971	118,379	91,126	−7,446	23,948	20,448	54,176	25,003
30 U.S. nonbank-reported liabilities	170,672	67,489	72,142	46,771	24,610	−8,102	8,863	32,636
31 Foreign private purchases of U.S. Treasury securities, net	−76,949	−7,438	96,217	11,789	14,218	57,505	12,705	13,487
32 U.S. currency flows	1,129	23,783	21,513	4,525	7,183	2,556	7,249	4,927
33 Foreign purchases of other U.S. securities, net	455,318	406,633	291,492	74,461	104,187	45,880	66,964	50,944
34 Foreign direct investments in United States, net	321,274	151,581	39,633	10,607	−456	14,199	15,281	25,785
35 Capital account transactions, net[5]	−799	−1,062	−1,285	−277	−286	−364	−358	−340
36 Discrepancy	−44,084	−20,785	−45,852	−4,581	30,438	−48,102	−23,602	23,697
37 Due to seasonal adjustment	...	...	...	8,579	2,091	−12,409	1,744	8,916
38 Before seasonal adjustment	−44,084	−20,785	−45,852	−13,160	28,347	−35,693	−25,346	14,781
MEMO								
Changes in official assets								
39 U.S. official reserve assets (increase, −)	−290	−4,911	−3,681	390	−1,843	−1,416	−812	83
40 Foreign official assets in United States, excluding line 25 (increase, +)	39,549	7,413	94,723	6,703	47,187	8,528	32,305	36,564
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	12,000	−1,725	−8,132	−8,532	838	−1,289	851	...

1. Seasonal factors are not calculated for lines 11–16, 18–20, 22–35, and 38–41.
2. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.
3. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.
4. Reporting banks included all types of depository institutions as well as some brokers and dealers.
5. Consists of capital transfers (such as those of accompanying migrants entering or leaving the country and debt forgiveness) and the acquisition and disposal of nonproduced nonfinancial assets.

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1999	2000	2001	2002		2003					
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June[p]
1 **Total**	**71,516**	**67,647**	**68,654**	**75,690**	**79,006**	**78,434**	**78,579**	**80,049**	**80,405**	**82,287**	**81,660**
2 Gold stock[1]	11,048	11,046	11,045	11,043	11,043	11,043	11,043	11,043	11,043	11,044[r]	11,044
3 Special drawing rights[2,3]	10,336	10,539	10,774	11,855	12,166	11,298	11,368	11,392	11,476	11,880	11,720
4 Reserve position in International Monetary Fund[2]	17,950	14,824	17,854	20,480	21,979	21,953	21,686	22,858	22,738	23,214	23,210
5 Foreign currencies[4]	32,182	31,238	28,981	32,312	33,818	34,140	34,482	34,756	35,148	36,149	35,686

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 BANKS[1]

Millions of dollars, end of period

Asset	1999	2000	2001	2002		2003					
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June[p]
1 **Deposits**	**71**	**215**	**61**	**78**	**136**	**102**	**224**	**254**	**313**	**79**	**898**
Held in custody											
2 U.S. Treasury securities[2]	632,482	594,094	592,630	669,092	678,106	683,837	700,341	710,955	702,041	727,142	747,089
3 Earmarked gold[3]	9,933	9,451	9,099	9,045	9,045	9,045	9,045	9,045	9,040	9,031	9,004

1. Excludes deposits and U.S. Treasury securities held for international and regional organizations.
2. Marketable U.S. Treasury bills, notes, and bonds and nonmarketable U.S. Treasury securities, in each case measured at face (not market) value.
3. Held in foreign and international accounts and valued at $42.22 per fine troy ounce; not included in the gold stock of the United States.

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	2000	2001	2002			2003			
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.[p]
1 **Total**[1]	**975,303**	**987,567**	**1,047,933**	**1,069,536**	**1,082,290**	**1,090,034**	**1,109,422**	**1,118,854**	**1,115,440**
By type									
2 Liabilities reported by banks in the United States[2]	144,593	123,425	136,721	138,496	141,018	140,071	149,463	148,778	150,546
3 U.S. Treasury bills and certificates[3]	153,010	161,719	188,474	190,111	190,375	194,762	196,344	206,153	200,462
U.S. Treasury bonds and notes									
4 Marketable	450,832	454,306	446,152	462,729	469,437	468,682	471,223	471,705	469,288
5 Nonmarketable[4]	5,348	3,411	3,078	3,097	2,769	2,786	2,803	2,821	2,839
6 U.S. securities other than U.S. Treasury securities[5]	221,520	244,706	273,508	275,103	278,691	283,733	289,589	289,397	292,305
By area									
7 Europe[1]	240,325	243,448	254,425	265,831	273,136	273,174	280,721	277,422	271,829
8 Canada	13,727	13,440	10,300	10,975	11,079	10,455	9,796	9,813	9,705
9 Latin America and Caribbean	70,442	71,103	64,289	63,002	63,244	62,016	63,220	62,965	63,131
10 Asia	626,016	635,179	692,195	701,016	706,130[r]	718,000	727,124	742,599	742,306
11 Africa	14,690	15,167	15,524	15,602	15,338	14,589	15,939	15,215	15,834
12 Other countries	10,101	9,228	11,198	13,108	13,361	11,798	12,620	10,838	12,633

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes current value of zero-coupon Treasury bond issues to foreign governments as follows: Mexico, beginning March 1990, 30-year maturity issue; Venezuela, beginning December 1990, 30-year maturity issue; Argentina, beginning April 1993, 30-year maturity issue.
5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.

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

3.16 LIABILITIES TO, AND CLAIMS ON, FOREIGNERS Reported by Banks in the United States[1]

Payable in Foreign Currencies

Millions of dollars, end of period

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

1. Data on claims exclude foreign currencies held by U.S. monetary authorities.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of the domestic customers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States[1]

Payable in U.S. dollars

Millions of dollars, end of period

Item	2000	2001	2002	2002			2003			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.r	Apr.p
BY HOLDER AND TYPE OF LIABILITY										
1 **Total, all foreigners**	**1,511,410**	**1,636,538**	**1,818,240r**	**1,834,387r**	**1,776,074r**	**1,818,240r**	**1,783,978**	**1,945,083r**	**2,007,773**	**2,064,952**
2 Banks' own liabilities	1,077,636	1,181,097	1,274,227	1,305,674	1,242,279	1,274,227	1,241,101	1,390,064r	1,452,668	1,499,066
By type of liability										
3 Deposits[2]	221,248	191,742	171,802	164,057	165,306	171,802	165,384	729,978r	754,107	826,168
4 Other	171,401	197,064	249,954	263,717	256,726	249,954	271,711	660,086r	698,561	672,898
5 Of which: repurchase agreements[3]	0	151,143	190,134	200,313	190,283	190,134	210,349	306,017	338,528	378,839
6 Banks' custody liabilities[4]	433,774	455,441	544,013r	528,713r	533,795r	544,013r	542,877	555,019	555,105	565,886
By type of liability										
7 U.S. Treasury bills and certificates[5]	177,846	186,115	229,480r	223,538r	226,272r	229,480r	231,366	233,814	245,814	242,527
8 Other negotiable and readily transferable instruments[6]	145,840	139,807	163,657r	159,985r	156,453r	163,657r	160,802	172,225	169,899	179,939
9 Of which: negotiable time certificates of deposit held in custody for foreigners	34,217	20,440	26,040r	29,154r	26,391r	26,040r	25,596	27,876	28,400	30,821
10 Of which: short-term agency securities[7]	0	59,781	73,078	68,834	66,226	73,078	67,933	74,851	73,651	77,004
11 Other	110,088	129,519	150,876r	145,190r	151,070r	150,876r	150,709	148,980	139,392	143,420
12 Nonmonetary international and regional organizations[8]	12,543	10,830	13,467r	13,067r	12,219r	13,467r	14,624	12,085	9,377	8,983
13 Banks' own liabilities	12,140	10,169	12,362	12,454	11,443	12,362	13,921	11,439	9,331	8,930
14 Deposits[2]	6,287	3,791	5,769	6,178	5,245	5,769	5,298	6,305	5,039	5,261
15 Other	5,853	6,378	6,593	6,276	6,198	6,593	8,623	5,134	4,292	3,669
16 Banks' custody liabilities[4]	403	661	1,105r	613r	776r	1,105r	703	646	46	53
17 U.S. Treasury bills and certificates[5]	252	600	1,089	597	760	1,089	687	621	4	33
18 Other negotiable and readily transferable instruments[6]	149	61	16r	16r	16r	16r	16	25	30	20
19 Other	2	0	0	0	0	0	0	0	12	0
20 Official institutions[9]	297,603	285,144	331,393r	325,195	328,607	331,393r	334,833	345,807	354,931	351,008
21 Banks' own liabilities	96,989	83,824	90,822	91,550	93,558	90,822	93,790	98,178	95,278	95,203
22 Deposits[2]	39,525	22,668	20,629	17,736	17,525	20,629	17,162	25,430	21,952	23,967
23 Other	57,464	61,156	70,193	73,814	76,033	70,193	76,628	72,748	73,326	71,236
24 Banks' custody liabilities[4]	200,614	201,320	240,571r	233,645	235,049	240,571r	241,043	247,629	259,653	255,805
25 U.S. Treasury bills and certificates[5]	153,010	161,719	190,375	188,474	190,111	190,375	194,762	196,344	206,153	200,462
26 Other negotiable and readily transferable instruments[6]	47,366	38,531	50,132r	44,391	44,137	50,132r	45,285	50,763	52,615	55,189
27 Other	238	1,070	64	780	801	64	996	522	885	154
28 Banks[10]	972,932	1,053,084	1,164,864	1,184,129	1,127,288	1,164,864	1,118,064	1,137,559r	1,165,412	1,209,655
29 Banks' own liabilities	821,306	914,492	969,975	996,584	934,125	969,975	923,313	943,871r	984,516	1,019,289
30 Deposits[2]	82,426	68,656	52,738	48,053	51,088	52,738	49,286	584,017r	614,022	687,275
31 Other	53,893	53,545	64,766	70,631	62,790	64,766	70,021	359,854r	370,494	332,014
32 Banks' custody liabilities[4]	151,626	138,592	194,889	187,545	193,163	194,889	194,751	193,688	180,896	190,366
33 U.S. Treasury bills and certificates[5]	16,023	11,541	21,308	19,253	18,887	21,308	20,240	18,166	20,730	21,989
34 Other negotiable and readily transferable instruments[6]	36,036	24,059	46,773	48,250	47,836	46,773	48,618	52,120	48,346	51,753
35 Other	99,567	102,992	126,808	120,042	126,440	126,808	125,893	123,402	111,820	116,624
36 Other foreigners[11]	228,332	287,480	308,516r	311,996r	307,960r	308,516r	316,457	449,632r	478,053	495,306
37 Banks' own liabilities	147,201	172,612	201,068	205,086	203,153	201,068	210,077	336,576r	363,543	375,644
38 Deposits[2]	93,010	96,627	92,666	92,090	91,448	92,666	93,638	114,226r	113,094	109,665
39 Other	54,191	75,985	108,402	112,996	111,705	108,402	116,439	222,350	250,449	265,979
40 Banks' custodial liabilities	81,131	114,868	107,448r	106,910r	104,807r	107,448r	106,380	113,056	114,510	119,662
41 U.S. Treasury bills and certificates[5]	8,561	12,255	16,708r	15,214r	16,514r	16,708r	15,677	18,683	18,927	20,043
42 Other negotiable and readily transferable instruments[6]	62,289	77,156	66,736r	67,328r	64,464r	66,736r	66,883	69,317	68,908	72,977
43 Other	10,281	25,457	24,004r	24,368r	23,829r	24,004r	23,820	25,056	26,675	26,642
MEMO										
44 Own foreign offices[12]	684,987	792,291	852,471	877,900	820,247	852,471	804,006	911,571r	948,628	996,038

1. Reporting banks include all types of depository institutions as well as some banks/financial holding companies and brokers and dealers. Excludes bonds and notes of maturities longer than one year. Effective February 2003, coverage is expanded to include liabilities of brokers and dealers to affiliated foreign offices.
2. Non-negotiable deposits and brokerage balances.
3. Data available beginning January 2001.
4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks for foreign customers. Effective February 2003, also includes loans to U.S. residents in managed foreign offices of U.S. reporting institutions.
5. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.
6. Principally bankers acceptances, commercial paper, negotiable time certificates of deposit, and short-term agency securities.
7. Data available beginning January 2001.
8. Principally the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank. Excludes "holdings of dollars" of the International Monetary Fund.
9. Foreign central banks, foreign central governments, and the Bank for International Settlements.
10. Excludes central banks, which are included in "Official institutions." Includes positions with affiliated banking offices also included in memo line (44) below.
11. As of February 2003, includes positions with affiliated non-banking offices also included in memo line (44) below.
12. For U.S. banks, includes amounts owed to own foreign branches and foreign subsidiaries consolidated in the quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts owed to the head office or parent foreign office, and to foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank. Effective February 2003, includes amounts owed to affiliated foreign offices of U.S. brokers and dealers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States[1]—Continued

Payable in U.S. dollars

Millions of dollars, end of period

Item	2000	2001	2002[r]	2002			2003			
				Oct.[r]	Nov.[r]	Dec.[r]	Jan.	Feb.[r]	Mar.[r]	Apr.[p]
AREA OR COUNTRY										
45 **Total, all foreigners**	**1,511,410**	**1,636,538**	**1,818,240**	**1,834,387**	**1,776,074**	**1,818,240**	**1,783,978**	**1,945,083**	**2,007,773**	**2,064,952**
46 **Foreign countries**	**1,498,867**	**1,625,708**	**1,804,773**	**1,821,320**	**1,763,855**	**1,804,773**	**1,769,354**	**3,865,996**	**3,996,792**	**4,111,938**
47 Europe	446,788	521,331	627,535	658,589	615,353	627,535	566,318	708,269	726,094	722,328
48 Austria	2,692	2,922	2,473	3,053	2,442	2,473	2,186	2,330	2,125	2,110
49 Belgium[13]	33,399	6,557	8,610	7,419	8,031	8,610	8,858	5,454	7,742	6,668
50 Denmark	3,000	3,626	4,880	3,004	3,339	4,880	6,497	6,603	6,751	2,160
51 Finland	1,411	1,446	1,693	5,170	2,646	1,693	2,583	1,861	845	939
52 France	37,833	49,056	39,636	38,511	40,748	39,636	36,731	39,679	39,885	41,279
53 Germany	35,519	22,375	34,394	31,554	32,021	34,394	31,940	39,653	43,617	42,456
54 Greece	2,011	2,307	2,975	3,358	3,348	2,975	3,205	2,908	2,002	1,378
55 Italy	5,072	6,354	4,826	5,109	5,642	4,826	4,421	4,812	5,000	6,450
56 Luxembourg[13]	0	16,894	28,623	25,677	27,744	28,623	30,538	35,998	32,926	36,765
57 Netherlands	7,047	12,411	10,705	7,926	7,907	10,705	12,094	16,258	13,708	15,207
58 Norway	2,305	3,727	18,867	18,895	14,677	18,867	17,723	10,936	14,163	13,866
59 Portugal	2,403	4,033	3,574	3,219	3,091	3,574	3,448	2,879	2,802	2,906
60 Russia	19,018	20,800	23,147	24,407	25,444	23,147	24,378	27,648	28,918	30,656
61 Spain	7,787	8,811	14,030	12,822	15,574	14,030	14,850	16,042	13,919	14,177
62 Sweden	6,497	3,375	4,654	4,855	3,857	4,654	3,767	4,006	4,611	6,816
63 Switzerland	74,635	66,403	131,489	182,116	141,175	131,489	105,350	119,422	114,442	100,321
64 Turkey	7,548	7,474	12,130	11,225	11,748	12,130	12,754	11,973	10,996	11,541
65 United Kingdom	167,757	204,396	181,838	184,432	182,057	181,838	168,424	278,738	301,249	306,644
66 Channel Islands and Isle of Man[14]	0	36,059	45,728	40,070	38,935	45,728	26,327	23,024	21,715	21,404
67 Yugoslavia[15]	276	309	301	316	332	301	353	337	332	237
68 Other Europe and other former U.S.S.R.[16]	30,578	41,996	52,962	45,451	44,595	52,962	49,891	57,708	58,346	58,348
69 Canada	30,982	27,251	24,956	26,568	24,275	24,956	27,880	28,600	31,989	29,206
70 Latin America	120,041	118,025	107,030	106,781	103,892	107,030	106,090	103,836	104,483	106,548
71 Argentina	19,451	10,704	11,217	12,090	11,643	11,217	11,252	10,543	10,654	9,954
72 Brazil	10,852	14,169	10,037	11,587	10,275	10,037	10,586	10,989	12,151	11,240
73 Chile	5,892	4,939	6,064	5,826	5,360	6,064	5,591	5,806	5,712	5,061
74 Colombia	4,542	4,695	4,158	3,847	4,644	4,158	4,147	4,886	4,453	4,721
75 Ecuador	2,112	2,390	2,299	2,149	2,252	2,299	2,397	2,239	2,369	2,248
76 Guatemala	1,601	1,882	1,381	1,500	1,386	1,381	1,436	1,474	1,397	1,529
77 Mexico	32,166	39,871	36,141	34,654	32,604	36,141	36,876	34,736	36,010	38,433
78 Panama	4,240	3,610	3,842	3,479	3,586	3,842	3,969	4,109	3,678	3,660
79 Peru	1,427	1,359	1,363	1,300	1,360	1,363	1,364	1,361	1,331	1,375
80 Uruguay	3,003	3,172	2,806	2,582	2,603	2,806	2,681	2,458	2,751	2,886
81 Venezuela	24,730	24,974	21,883	21,656	22,310	21,883	19,951	19,594	18,206	19,105
82 Other Latin America[17]	10,025	6,260	5,839	6,111	5,869	5,839	5,840	5,641	5,771	6,336
83 Caribbean	573,337	194,814	193,318	190,690	179,690	193,318	206,210	210,983	223,153	211,562
84 Bahamas	189,298	178,472	162,179	159,850	145,976	162,179	170,120	165,928	175,721	161,208
85 Bermuda	9,636	10,539	23,813	23,147	25,754	23,813	27,426	38,086	40,552	43,422
86 British West Indies[18]	367,197	0	0	0	0	0	0	0	0	0
87 Cayman Islands[18]	0	440,038	498,957	491,970	488,995	498,957	511,973	524,084	551,635	629,329
88 Cuba	90	88	91	92	94	91	93	207	91	91
89 Jamaica	794	1,182	829	856	828	829	883	851	996	929
90 Netherlands Antilles	5,428	3,264	5,001	5,274	5,458	5,001	6,329	4,527	4,420	4,592
91 Trinidad and Tobago	894	1,269	1,405	1,471	1,580	1,405	1,359	1,384	1,373	1,320
92 Other Caribbean[17]	0	12,135	11,341	10,831	11,488	11,341	11,057	11,654	11,770	12,322
93 Asia	305,554	294,496	318,008	314,697	316,468	318,008	318,818	319,650	326,718	318,609
China										
94 Mainland	16,531	10,498	15,504	15,853	14,488	15,504	13,544	13,694	17,618	14,994
95 Taiwan	17,352	17,633	18,626	23,216	23,549	18,626	22,147	24,040	20,099	21,274
96 Hong Kong	26,462	26,494	33,034	30,104	31,334	33,034	36,777	35,758	32,964	34,437
97 India	4,530	3,708	7,953	7,196	7,507	7,953	8,074	8,836	8,672	9,267
98 Indonesia	8,514	12,383	14,109	12,315	12,915	14,109	12,858	12,419	11,943	12,039
99 Israel	8,053	7,870	7,185	9,105	8,882	7,185	9,593	10,159	11,736	10,821
100 Japan	150,415	155,314	161,330	162,042	163,980	161,330	162,110	166,409	176,338	166,060
101 Korea (South)	7,955	9,019	8,932	6,288	6,548	8,932	7,410	7,044	6,730	6,859
102 Philippines	2,316	1,772	1,793	1,589	1,462	1,793	1,364	1,528	1,764	1,549
103 Thailand	3,117	4,743	7,605	7,022	8,698	7,605	6,666	5,033	5,287	5,739
104 Middle Eastern oil-exporting countries[19]	23,763	20,035	16,364	14,352	11,633	16,364	15,176	12,197	9,858	10,370
105 Other	36,546	25,027	25,573	25,615	25,472	25,573	23,099	22,533	23,709	25,200
106 Africa	10,824	11,365	12,240	11,905	11,989	12,240	11,177	14,390	12,980	13,591
107 Egypt	2,621	2,778	2,652	2,545	2,493	2,652	2,494	3,624	3,549	3,607
108 Morocco	139	274	306	335	254	306	259	346	283	210
109 South Africa	1,010	839	1,114	662	701	1,114	725	2,406	1,807	2,019
110 Congo (formerly Zaire)	4	4	2	0	2	2	3	5	3	4
111 Oil-exporting countries[20]	4,052	4,377	4,370	4,635	4,983	4,370	4,126	4,552	3,987	4,146
112 Other	2,998	3,093	3,796	3,728	3,556	3,796	3,570	3,457	3,351	3,605
113 Other countries	11,341	6,253	11,388	9,289	11,705	11,388	9,831	11,532	9,574	12,474
114 Australia	10,070	5,599	9,332	7,548	9,339	9,332	8,237	9,120	6,842	9,854
115 New Zealand[21]	0	242	1,796	1,257	2,120	1,796	1,320	1,940	2,175	2,123
116 All other	1,271	412	260	484	246	260	274	472	557	497
117 Nonmonetary international and regional organizations	12,543	10,830	13,467	13,067	12,219	13,467	14,624	12,085	9,377	8,983
118 International[22]	11,270	9,331	11,282	11,295	10,246	11,282	12,859	10,217	7,955	7,899
119 Latin American regional[23]	740	480	507	560	477	507	372	547	686	296
120 Other regional[24]	533	935	1,611	1,134	1,423	1,611	1,299	1,216	633	614

13. Before January 2001, data for Belgium–Luxembourg were combined.
14. Before January 2001, these data were included in data reported for the United Kingdom.
15. In February 2003, Yugoslavia changed its name to Serbia and Montenegro. Data for other entities of the former Yugoslavia recognized as independent states by the United States are reported under "Other Europe."
16. Includes the Bank for International Settlements and the European Central Bank.
17. Before January 2001, data for "Other Latin America" and "Other Caribbean" were combined in "Other Latin America and Caribbean."
18. Beginning January 2001, data for the Cayman Islands replaced data for the British West Indies.
19. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
20. Comprises Algeria, Gabon, Libya, and Nigeria.
21. Before January 2001, these data were included in "All other."
22. Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.
23. Principally the Inter-American Development Bank.
24. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States[1]

Payable in U.S. dollars

Millions of dollars, end of period

Area or country	2000	2001	2002	2002			2003			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.[p]
1 **Total, all foreigners**	**904,642**	**1,055,069**	**1,080,271**	**1,151,438**	**1,094,649**	**1,080,271**	**1,083,390**	**1,138,619[r]**	**1,219,025[r]**	**1,234,275**
2 **Foreign countries**	**899,956**	**1,050,123**	**1,076,594**	**1,148,738**	**1,091,331**	**1,076,594**	**1,080,231**	**2,270,528[r]**	**2,429,990[r]**	**2,459,298**
3 Europe	378,115	461,176	484,047	542,565	489,943	484,047	446,105	522,959	543,358[r]	541,394
4 Austria	2,926	4,981	3,603	3,876	4,224	3,603	4,334	4,142[r]	4,538	4,875
5 Belgium[2]	5,399	6,391	6,044	5,590	5,784	6,044	6,273	6,605[r]	7,971	8,439
6 Denmark	3,272	1,105	1,109	1,534	940	1,109	1,563	1,098	1,449	1,044
7 Finland	7,382	10,350	8,518	14,821	9,028	8,518	9,832	9,191	9,462	11,893
8 France	40,035	60,620	47,705	47,065	54,089	47,705	45,914	48,595	46,658[r]	54,926
9 Germany	36,834	29,902	22,481	21,101	22,103	22,481	23,395	22,525	22,259[r]	19,844
10 Greece	646	330	477	388	331	477	296	295	314	234
11 Italy	7,629	4,205	3,753	3,984	3,945	3,753	3,177	3,002	4,212	4,726
12 Luxembourg[2]	0	1,267	3,407	2,818	3,224	3,407	3,901	4,360	3,149	4,472
13 Netherlands	17,043	15,908	23,133	13,284	15,572	23,133	19,188	16,508	21,835	18,784
14 Norway	5,012	6,236	13,885	11,848	11,464	13,885	18,606	9,809	11,091	11,672
15 Portugal	1,382	1,603	2,226	2,000	2,134	2,226	2,356	2,342	1,929	2,260
16 Russia	517	594	877	858	787	877	1,025	728	1,107	699
17 Spain	2,603	3,260	5,371	3,159	4,752	5,371	4,154	3,452	2,577	3,008
18 Sweden	9,226	12,544	15,889	15,366	15,239	15,889	15,329	15,458	16,310	16,860
19 Switzerland	82,085	87,333	126,958	184,039	134,425	126,958	87,562	101,202	106,935[r]	81,560
20 Turkey	3,059	2,124	2,112	2,622	2,532	2,112	2,021	2,069	2,280	2,441
21 United Kingdom	144,938	201,183	173,996	195,256	182,805	173,996	167,820	237,752	237,497[r]	247,035
22 Channel Islands and Isle of Man[3]	0	4,478	17,457	7,281	11,304	17,457	24,393	27,767	34,994	38,611
23 Yugoslavia[4]	50	0	0	0	0	0	0	0	0	0
24 Other Europe and other former U.S.S.R.[5]	8,077	6,762	5,046	5,675	5,261	5,046	4,966	6,059	6,791	8,010
25 Canada	39,837	54,421	60,584	56,705	58,809	60,584	65,085	66,132	57,831	59,090
26 Latin America	76,561	69,762	56,642	59,261	58,257	56,642	54,482	55,412	55,942[r]	54,617
27 Argentina	11,519	10,763	6,783	7,608	7,253	6,783	6,663	6,615	6,149	6,077
28 Brazil	20,567	19,434	15,419	16,863	15,871	15,419	14,520	15,329	15,899[r]	15,324
29 Chile	5,815	5,317	5,250	5,142	5,358	5,250	5,077	5,220	5,228	5,271
30 Colombia	4,370	3,602	2,614	2,834	2,758	2,614	2,406	2,710	2,650[r]	2,587
31 Ecuador	635	495	457	451	451	457	439	428	460[r]	445
32 Guatemala	1,244	1,495	892	907	889	892	896	831	970	841
33 Mexico	17,415	16,522	15,658	15,367	15,828	15,658	15,268	14,993	14,788[r]	14,625
34 Panama	2,933	3,061	1,915	2,021	1,961	1,915	1,730	1,856	1,882	1,959
35 Peru	2,807	2,185	1,411	1,504	1,484	1,411	1,403	1,438	1,399	1,447
36 Uruguay	673	447	255	319	292	255	255	300	324	322
37 Venezuela	3,518	3,077	3,254	3,389	3,231	3,254	3,202	3,171	3,293	3,188
38 Other Latin America[6]	5,065	3,364	2,734	2,856	2,881	2,734	2,623	2,521	2,900	2,531
39 Caribbean	319,403	370,945	373,712	373,472	372,683	373,712	402,454	381,394[r]	434,477[r]	448,057
40 Bahamas	114,090	101,034	95,584	96,151	93,839	95,584	97,456	86,313	92,186	86,031
41 Bermuda	9,260	7,900	9,902	12,196	9,902	9,902	12,511	17,031	23,339	21,346
42 British West Indies[7]	189,289	0	0	0	0	0	0	0	0	0
43 Cayman Islands[7]	0	250,376	257,075	252,908	257,645	257,075	281,641	265,643[r]	307,700[r]	329,369
44 Cuba	0	0	0	0	0	0	0	0	0	0
45 Jamaica	355	418	321	429	393	321	304	349	381	376
46 Netherlands Antilles	5,801	6,729	6,690	7,427	6,744	6,690	6,445	7,657	6,750	7,008
47 Trinidad and Tobago	608	931	889	920	912	889	865	965	881	846
48 Other Caribbean[6]	0	3,557	3,251	3,441	3,248	3,251	3,232	3,436	3,240	3,081
49 Asia	77,829	85,882	93,455	109,359	104,181	93,455	103,096	101,450	114,185[r]	116,993
China										
50 Mainland	1,606	2,073	1,057	8,515	6,575	1,057	4,799	1,884	9,418	7,819
51 Taiwan	2,247	4,407	3,772	8,599	7,034	3,772	6,563	5,695	8,259	5,349
52 Hong Kong	6,669	9,995	7,258	5,778	6,849	7,258	6,490	5,652	4,987	4,767
53 India	2,178	1,348	1,235	999	921	1,235	1,128	1,170	960	1,050
54 Indonesia	1,914	1,752	1,238	1,390	1,360	1,238	1,223	1,059	1,023	992
55 Israel	2,729	4,396	4,660	4,710	3,836	4,660	5,182	3,328	3,110	4,014
56 Japan	34,974	34,125	47,600	42,252	47,071	47,600	48,818	56,265	58,391	63,241
57 Korea (South)	7,776	10,622	11,118	19,439	14,293	11,118	14,473	13,936	13,045[r]	14,834
58 Philippines	1,784	2,587	2,137	1,843	1,555	2,137	2,424	1,533	2,040	1,862
59 Thailand	1,381	2,499	1,167	1,205	756	1,167	830	696	1,382	1,252
60 Middle Eastern oil-exporting countries[8]	9,346	7,882	7,952	9,253	8,251	7,952	8,004	6,405	7,110	6,874
61 Other	5,225	4,196	4,261	5,376	5,680	4,261	3,162	3,827	4,460	4,939
62 Africa	2,094	2,095	1,977	1,790	1,693	1,977	1,945	1,992	2,051	1,850
63 Egypt	201	416	487	326	428	487	511	544	558	551
64 Morocco	204	106	53	50	52	53	53	45	49	42
65 South Africa	309	710	617	554	435	617	545	577	565	468
66 Congo (formerly Zaire)	0	0	0	0	0	0	0	0	0	0
67 Oil-exporting countries[9]	471	167	222	233	225	222	240	224	257	215
68 Other	909	696	598	627	553	598	596	602	622	574
69 Other countries	6,117	5,842	6,177	5,586	5,765	6,177	7,064	5,925	7,151	7,648
70 Australia	5,868	5,455	5,566	5,088	5,303	5,566	6,212	5,403	6,350	6,887
71 New Zealand[10]	0	349	569	485	439	569	833	507	705	640
72 All other	249	38	42	13	23	42	19	15	96	121
73 Nonmonetary international and regional organizations[11]	4,686	4,946	3,677	2,700	3,318	3,677	3,159	3,355	4,030	4,626

1. Reporting banks include all types of depository institutions as well as bank/financial holding companies and brokers and dealers. Effective February 2003, coverage is expanded to include claims of brokers and dealers on affiliated foreign offices and cross-border brokerage balances.
2. Before January 2001, combined data reported for Belgium–Luxembourg.
3. Before January 2001, data included in United Kingdom.
4. In February 2003, Yugoslavia changed its name to Serbia and Montenegro. Data for other entities of the former Yugoslavia recognized as independent states by the United States are reported under "Other Europe."
5. Includes the Bank for International Settlements and the European Central Bank.
6. Before January 2001, "Other Latin America" and "Other Caribbean" were reported as combined "Other Latin America and Caribbean."
7. Beginning 2001, Cayman Islands replaced British West Indies in the data series.
8. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
9. Comprises Algeria, Gabon, Libya, and Nigeria.
10. Before January 2001, included in "All other."
11. Excludes the Bank for International Settlements, which is included in "Other Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States[1]

Payable in U.S. dollars

Millions of dollars, end of period

Type of claim	2000	2001	2002	2002			2003			
				Oct.	Nov.	Dec.	Jan.	Feb.[r]	Mar.[r]	Apr.[p]
1 **Total claims reported by banks**	**1,095,869**	**1,254,863**	**1,298,412[r]**	.	. . .	**1,298,412[r]**	. .	. .	**261,698**	
2 Banks' own claims on foreigners	904,642	1,055,069	1,080,271	1,151,438	1,094,649	1,080,271	1,083,390	1,138,619	1,219,025	1,234,275
3 Foreign official institutions[2]	37,907	49,404	48,750	63,404	56,300	48,750	62,004	39,677	50,957	47,837
4 Foreign banks[3]	725,380	849,491	868,631	917,047	874,469	868,631	854,787	835,110	873,291	888,378
5 Other foreigners[4]	141,355	156,174	162,890	170,987	163,880	162,890	166,599	263,832	294,777	298,060
6 Claims on banks' domestic customers[5]	191,227	199,794	218,141[r]	. .	. . .	218,141[r]		.	261,698	. .
7 Non-negotiable deposits	100,352	93,565	80,269[r]	.	. .	80,269[r]		. . .	98,891	.
8 Negotiable CDs	. . .	. . .	. . .	. .	. .	. .	. .	. .	87,925	. .
9 Other short-term negotiable instruments[6]	78,147	90,412	131,780[r]	. . .	. . .	131,780[r]	.	. .	58,025	. . .
10 Other claims	12,728	15,817	6,092[r]	. .	. .	6,092[r]	.	. . .	16,857	.
MEMO										
11 Non-negotiable deposits[7]	. . .	.	. .	. .		. .	. . .	354,153	371,860	394,368
12 Negotiable CDs[7]	.	. . .	. . .	. .		. .	. . .	2,221	2,621	1,741
13 Other short-term negotiable instruments[7]		.	. . .	. . .	. .	.	. .	17,775	21,306	14,652
14 Other claims[7]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	764,470	823,238	823,514
15 Own foreign offices[8]	630,137	749,124	787,198	822,172	775,527	787,198	768,492	806,238	847,355	854,911
16 Loans collateralized by repurchase agreements[9]	.	137,979	161,585	166,176	156,299	161,585	185,804	245,798	287,043	311,728

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

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

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

3. Includes positions with affiliated banking offices also included in memo line (15) below.

4. As of February 2003, includes positions with affiliated non-banking offices also included in memo line (15) below.

5. Assets held by reporting banks in the accounts of their domestic customers. Effective March 2003, includes balances in off-shore sweep accounts.

6. Primarily bankers acceptances and commercial paper. Prior to February 2003, also includes negotiable certificates of deposit.

7. Data available beginning February 2003.

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

9. Data available beginning January 2001.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States

Millions of dollars, end of period

Type of liability, and area or country	1999[r]	2000[r]	2001[r]	2001		2002			
				Sept.[r]	Dec.[r]	Mar.[r]	June[r]	Sept.[r]	Dec.
1 **Total**	**53,020**	**73,904**	**66,679**	**53,476**	**66,679**	**74,887**	**70,431**	**68,225**	**67,664**
By type									
2 Financial liabilities	27,980	47,419	41,034	27.502	41,034	46,408	42,826	41,311	39,561
3 Short-term negotiable securities[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4 Other liabilities[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Of which:									
5 Borrowings[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Repurchase agreements[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By currency									
7 U.S. dollars	n.a.	25,246	18.763	n.a.	n.a.	20,454	22,050	18,913	18,844
8 Foreign currency[2]	n.a.	22,173	22,271	n.a.	n.a.	25,954	20,776	22,398	20,717
9 Canadian dollars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11 United Kingdom pounds sterling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Japanese yen	n.a.	n.a.	n.a.	n.a	n.a.	n.a.	n.a.	n.a.	n.a.
13 All other currencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By area or country									
Financial liabilities									
14 Europe	23,241	34,172	31,806	22,083	31,806	39,379	35,004	34.809	34,335
15 Belgium–Luxembourg	31	147	154	76	154	119	120	232	144
16 France	1,659	1,480	2,841	1,538	2,841	3,531	4,071	3,517	5,243
17 Germany	1,974	2,168	2,344	1,994	2,344	2,982	2,622	2,865	2,923
18 Netherlands	1,996	2,016	1,954	1,998	1,954	1.946	1,935	1,915	1,825
19 Switerzerland	147	104	94	92	94	84	61	61	61
20 United Kingdom	16,521	26,362	22,852	14.819	22,852	28,694	24,338	24,303	22.531
MEMO:									
21 Euro area[3]	n.a.	7,587	8,798	n.a.	n.a.	9,991	10,107	10,369	11,211
22 Canada	284	411	955	436	955	1,067	1,078	583	591
23 Latin America and Caribbean	892	4,125	2.858	414	2,858	1,547	1.832	1,088	1,504
24 Bahamas	1	6	157	5	157	5	5	0	23
25 Bermuda	5	1,739	960	47	960	836	626	588	990
26 Brazil	126	148	35	22	35	35	38	65	65
27 British West Indies[4]	492	406	1,627	243	1,627	612	1,000	377	365
28 Cayman Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
29 Mexico	25	26	36	24	36	27	25	26	31
30 Venezuela	0	2	2	3	2	1	5	1	1
31 Asia	3,437	7,965	5,042	3,869	5,042	4,020	4,498	4,450	2,932
32 Japan	3,142	6,216	3,269	3,442	3,269	3,299	2,387	2,447	1,832
33 Middle Eastern oil-exporting countries[5]	4	12	10	9	10	15	14	16	14
34 Africa	28	52	53	28	53	122	120	128	131
35 Oil-exporting countries[6]	0	0	5	5	5	91	91	91	91
36 All other[7]	98	694	320	672	320	273	294	253	68

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States—Continued

Millions of dollars, end of period

Type of liability, and area or country	1999[r]	2000[r]	2001[r]	2001		2002			
				Sept.[r]	Dec.[r]	Mar.[r]	June[r]	Sept.[r]	Dec.
37 Commercial liabilities	25,040	26,485	25,645	25,974	25,645	28,479	27,605	26,914	28,103
38 Trade payables	12,834	14,293	11,781	11,690	11,781	15,119	14,205	13,819	14,699
39 Advance payments and other liabilities	n.a.	12,192	13,864	n.a.	n.a.	13,360	13,400	13,095	13,404
By currency									
40 Payable in U.S. dollars	23,722	23,685	24,162	23,891	24,162	26,715	26,004	25,621	26,243
41 Payable in foreign currencies[2]	1,318	2,800	1,483	2,083	1,483	1,764	1,601	1,293	1,860
42 Canadian dollars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
43 Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
44 United Kingdom pounds sterling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
45 Japanese yen	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
46 All other currencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By area or country									
Commercial liabilities									
47 Europe	9,262	9,629	9,219	8,836	9,219	8,168	8,015	8,065	8,257
48 Belgium–Luxembourg	140	293	99	160	99	105	94	134	141
49 France	672	979	734	891	734	713	827	718	765
50 Germany	1,131	1,047	905	955	905	584	570	855	807
51 Netherlands	507	300	1,163	343	1,163	236	312	506	590
52 Switzerland	626	502	790	683	790	648	749	592	433
53 United Kingdom	3,071	2,847	2,279	2,296	2,279	2,747	2,551	2,317	2,649
MEMO									
54 Euro area[3]	n.a.	4,518	5,141	n.a.	n.a.	3,673	3,718	4,258	4,200
55 Canada	1,775	1,933	1,622	1,557	1,622	1,802	2,027	1,570	1,588
56 Latin America and Caribbean	2,310	2,381	2,727	2,878	2,727	3,515	2,817	2,923	3,073
57 Bahamas	22	31	52	44	52	23	12	14	51
58 Bermuda	152	281	591	570	591	433	422	468	538
59 Brazil	145	114	290	312	290	277	320	290	253
60 British West Indies[4]	48	76	45	28	45	67	46	47	36
61 Cayman Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
62 Mexico	887	841	899	883	899	1,518	1,015	1,070	1,170
63 Venezuela	305	284	166	242	166	281	204	327	177
64 Asia	9,886	10,983	10,517	11,096	10,517	13,116	12,866	12,462	13,382
65 Japan	1,775	1,933	1,622	1,557	1,622	1,802	2,027	1,570	1,588
66 Middle Eastern oil-exporting countries[5]	2,493	2,832	2,639	3,002	2,598	3,289	3,432	3,857	3,979
67 Africa	950	948	836	938	836	1,000	916	876	827
68 Oil-exporting countries[6]	499	483	436	471	436	454	349	445	405
69 All other[7]	881	611	724	669	724	878	964	1,018	976
MEMO									
70 Financial liabilities to foreign affiliates[8]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

1. Data available beginning March 2003.
2. Foreign currency detail available beginning March 2003.
3. Comprises Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain. As of December 2001, also includes Greece.
4. Beginning March 2003, data for the Cayman Islands replaced data for the British West Indies.
5. Comprises Bahrain, Iran, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
6. Comprises Algeria, Gabon, Libya, and Nigeria.
7. Includes nonmonetary international and regional organizations.
8. Data available beginning March 2003. Includes financial liabilities to foreign affiliates of insurance underwriting subsidiaries of Bank/Financial Holding Companies and other financial intermediaries. These data are not included in lines 1–6 above.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States

Millions of dollars, end of period

Type of claim, and area or country	1999[r]	2000[r]	2001[r]	2001		2002			
				Sept.[r]	Dec.[r]	Mar.[r]	June[r]	Sept.[r]	Dec.
1 **Total**	**76,642**	**90,157**	**113,082**	**93,988**	**113,082**	**115,969**	**116,608**	**112,784**	**102,566[r]**
By type									
2 Financial claims	40,231	53,031	81,287	60,015	81,287	85,359	87,331	84,038	71,389[r]
3 Non-negotiable deposits	n.a.	23,374	29,801	n.a.	n.a.	41,813	42,136	38,074	27,064[r]
4 Negotiable securities	n.a.	29,657	51,486	n.a.	n.a.	43,546	45,195	45,964	44,325[r]
Of which:									
5 Negotiable CDs[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Other claims	21,665	29,657	51,486	37,624	51,486	43,568	45,188	45,959	44,064[r]
Of which:									
7 Loans[1]	n.a.	n.a.	n.a.	n.a	n.a.	n.a.	n.a.	n.a.	n.a.
8 Repurchase agreements[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By currency									
9 U.S. dollars	n.a.	46,157	74,471	n.a.	n.a.	79,722	82,353	79,307	65,070[r]
10 Foreign currency[2]	n.a.	6,874	6,816	n.a.	n.a.	5,637	4,978	4,731	6,319[r]
11 Canadian dollars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 United Kingdom pounds sterling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Japanese yen	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
15 All other currencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By area or country									
Financial claims									
16 Europe	13,023	23,136	26,118	23,069	26,118	36,032	37,003	32,139	29,018[r]
17 Belgium–Luxembourg	529	296	625	372	625	751	797	656	722
18 France	967	1,206	1,450	1,682	1,450	3,489	3,921	3,854	3,247
19 Germany	504	848	1,068	1,112	1,068	4,114	3,972	4,292	4,245[r]
20 Netherlands	1,229	1,396	2,138	954	2,138	3,253	3,995	4,024	3,648
21 Switerzerland	643	699	589	665	589	308	1,010	1,135	383
22 United Kingdom	7,561	15,900	16,510	15,670	16,510	17,982	16,133	11,454	10,663[r]
MEMO:									
23 Euro area[3]	n.a.	5,580	8,626	n.a.	n.a.	16,903	18,689	18,542	17,281[r]
24 Canada	2,553	4,576	6,193	4,254	6,193	5,471	5,537	5,485	5,013[r]
25 Latin America and Caribbean	18,206	19,317	41,201	26,099	41,201	34,979	37,489	38,800	29,612[r]
26 Bahamas	1,593	1,353	976	649	976	1,197	1,332	715	1,038[r]
27 Bermuda	11	19	918	80	918	611	704	1,157	724[r]
28 Brazil	1,476	1,827	2,127	2,065	2,127	1,892	2,036	2,226	2,286[r]
29 British West Indies[4]	12,099	12,596	32,965	19,234	32,965	27,328	29,569	30,837	21,528[r]
30 Cayman Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
31 Mexico	1,798	2,448	3,075	2,910	3,075	2,777	2,823	2,871	2,921[r]
32 Venezuela	48	87	83	80	83	79	60	71	104[r]
33 Asia	5,457	4,697	6,430	5,274	6,430	6,414	5,754	6,041	5,358[r]
34 Japan	3,262	1,631	1,604	1,761	1,604	2,051	1,146	1,481	1,277[r]
35 Middle Eastern oil-exporting countries[5]	23	80	135	100	135	79	78	88	79[r]
36 Africa	286	411	414	428	414	390	431	379	395[r]
37 Oil-exporting countries[6]	15	57	49	83	49	51	64	29	25[r]
38 All other[7]	706	894	931	891	931	2,073	1,117	1,194	1,993[r]

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States—Continued

Millions of dollars, end of period

Type of claim, and area or country	1999[r]	2000[r]	2001[r]	2001		2002			
				Sept.[r]	Dec.[r]	Mar.[r]	June[r]	Sept.[r]	Dec.
39 Commercial claims	36,411	37,126	31,795	33,973	31,795	30,610	29,277	28,746	31,177[r]
40 Trade receivables	32,602	33,104	27,513	29,240	27,513	25,845	24,716	24,171	26,385[r]
41 Advance payments and other claims	3,809	4,022	4,282	4,733	4,282	4,765	4,561	4,575	4,792[r]
By currency									
42 Payable in U.S. dollars	34,204	33,401	29,393	31,240	29,393	26,864	25,361	25,441	26,481[r]
43 Payable in foreign currencies[2]	2,207	3,725	2,402	2,733	2,402	3,746	3,916	3,305	4,696[r]
44 Canadian dollars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
45 Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
46 United Kingdom pounds sterling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
47 Japanese yen	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
48 All other currencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By area or country									
Commercial claims									
49 Europe	16,389	15,938	14,022	14,364	14,022	12,935	12,314	12,680	14,187[r]
50 Belgium–Luxembourg	316	452	268	353	268	272	207	254	269[r]
51 France	2,236	3,095	2,921	3,061	2,921	2,883	2,828	2,972	3,164[r]
52 Germany	1,960	1,982	1,658	1,973	1,658	1,198	1,163	1,158	1,202[r]
53 Netherlands	1,429	1,729	529	843	529	642	832	1,089	1,490[r]
54 Switzerland	610	763	611	514	611	436	472	404	503[r]
55 United Kingdom	5,827	4,502	3,833	3,564	3,833	3,579	3,387	3,236	3,727[r]
MEMO									
56 Euro area[3]	n.a.	8,819	7,961	n.a.	n.a.	7,237	7,106	7,707	8,580[r]
57 Canada	2,757	3,502	2,818	3,076	2,818	2,760	2,752	2,623	2,790[r]
58 Latin America and Caribbean	5,959	5,851	4,859	5,567	4,859	4,912	4,530	4,324	4,346
59 Bahamas	20	37	42	35	42	42	28	35	31
60 Bermuda	390	376	369	526	369	422	214	270	287
61 Brazil	905	957	954	1,176	954	837	829	862	750
62 British West Indies[4]	181	137	95	124	95	73	26	12	19
63 Cayman Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
64 Mexico	1,678	1,507	1,391	1,427	1,391	1,225	1,283	1,184	1,259
65 Venezuela	439	328	288	301	288	312	316	340	288
66 Asia	9,165	9,630	7,849	8,697	7,849	7,513	7,309	6,778	7,324
67 Japan	2,074	2,796	2,006	2,437	2,006	1,975	2,064	2,083	2,341
68 Middle Eastern oil-exporting countries[5]	1,573	1,024	850	892	833	657	889	819	818
69 Africa	631	672	645	838	645	630	605	637	584
70 Oil-exporting countries[6]	171	180	88	170	88	109	94	107	95
71 All other[7]	1,537	1,533	1,602	1,431	1,602	1,860	1,767	1,704	1,946
MEMO									
72 Financial claims on foreign affiliates[8]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

1. Data available beginning March 2003.
2. Foreign currency detail available beginning March 2003.
3. Comprises Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain. As of December 2001, also includes Greece.
4. Beginning March 2003, data for the Cayman Islands replaced data for the British West Indies.
5. Comprises Bahrain, Iran, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
6. Comprises Algeria, Gabon, Libya, and Nigeria.
7. Includes nonmonetary international and regional organizations.
8. Data available beginning March 2003. Includes financial liabilities to foreign affiliates of insurance underwriting subsidiaries of Bank/Financial Holding Companies and other financial intermediaries. These data are not included in lines 1–8 above.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction, and area or country	2001	2002	2003 Jan.–Apr.	2002 Oct.	2002 Nov.	2002 Dec.	2003 Jan.	2003 Feb.	2003 Mar.	2003 Apr.p
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	3,051,332	3,202,907	888,010	297,181	264,359	216,659	216,695	201,372	236,668	233,275
2 Foreign sales	2,934,942	3,153,465	885,684	293,565	257,879	214,243	219,477	203,461	233,828	228,918
3 Net purchases, or sales (–)	**116,390**	**49,442**	**2,326**	**3,616**	**6,480**	**2,416**	**–2,782**	**–2,089**	**2,840**	**4,357**
4 Foreign countries	**116,187**	**49,495**	**2,370**	**3,610**	**6,473**	**2,400**	**–2,759**	**–2,091**	**2,860**	**4,360**
5 Europe	88,099	33,006	1,321	2,187	4,407	4,883	–2,187	1,898	1,360	250
6 France	5,914	2,127	645	982	–323	676	206	270	1,816	–1,647
7 Germany	8,415	–127	–1,029	276	31	518	–64	–67	–780	–118
8 Netherlands	10,919	4,535	–148	760	629	792	366	–75	651	–1,090
9 Switzerland	3,456	2,656	–1,638	–176	1,581	909	–724	–990	–22	98
10 United Kingdom	38,493	15,173	–302	1,403	2,062	784	–2,761	1,938	–258	779
11 Channel Islands and Isle of Man[1]	–698	–255	–17	94	23	–22	–2	–17	–42	44
12 Canada	10,984	7,433	4,802	342	47	746	1,480	–1,594	2,376	2,540
13 Latin America and Caribbean	–5,154	–15,436	–5,658	–2,874	2,692	–2,348	–3,089	–2,261	–1,538	1,230
14 Middle East[2]	1,789	–1,293	–151	–90	–232	71	–72	–21	–51	–7
15 Other Asia	20,726	22,682	4,466	3,985	–775	–894	1,288	2,773	478	–73
16 Japan	6,788	12,337	416	–7	–961	–1,131	561	1,008	–60	–1,093
17 Africa	–366	–72	68	–22	–16	–20	38	–9	–29	68
18 Other countries	109	3,175	–2,478	82	350	–38	–217	–2,877	264	352
19 Nonmonetary international and regional organizations	**203**	**–53**	**–44**	**6**	**7**	**16**	**–23**	**2**	**–20**	**–3**
BONDS[3]										
20 Foreign purchases	1,942,690	2,549,825	1,051,129	217,402	259,305	207,380	228,445	207,458	307,651	307,575
21 Foreign sales	1,556,745	2,172,047	894,341	185,366	218,351	178,510	180,749	184,557	263,306	265,729
22 Net purchases, or sales (–)	**385,945**	**377,778**	**156,788**	**32,036**	**40,954**	**28,870**	**47,696**	**22,901**	**44,345**	**41,846**
23 Foreign countries	**385,379**	**377,515**	**156,756**	**31,632**	**40,914**	**28,684**	**47,840**	**23,066**	**44,414**	**41,436**
24 Europe	195,412	167,572	89,996	16,532	17,116	10,526	27,942	16,318	20,746	24,990
25 France	5,028	3,771	1,659	1,089	383	–434	1,092	63	142	362
26 Germany	12,362	5,149	1,409	–71	558	1,249	545	999	–180	45
27 Netherlands	1,538	–406	123	149	–61	–19	118	611	–2	–604
28 Switzerland	5,721	8,521	4,310	355	743	304	1,154	859	1,034	1,263
29 United Kingdom	152,772	109,836	54,567	9,852	8,812	6,768	15,960	6,826	14,772	17,009
30 Channel Islands and Isle of Man[1]	2,000	11,173	13,787	2,239	4,917	959	5,420	1,533	4,138	2,696
31 Canada	4,595	–1,037	–424	540	–757	–2,180	–892	193	1,169	–894
32 Latin America and Caribbean	77,019	82,837	12,367	4,339	5,471	7,379	6,564	–6,379	10,217	1,965
33 Middle East[2]	2,337	2,315	651	196	387	–120	591	42	37	–19
34 Other Asia	106,400	121,470	53,259	10,126	18,374	12,944	13,593	12,767	11,038	15,861
35 Japan	33,687	48,482	18,626	5,505	10,456	4,863	4,025	4,566	1,456	8,579
36 Africa	760	860	1,059	–18	56	28	53	80	779	147
37 Other countries	–1,144	3,498	–152	–83	267	107	–11	45	428	–614
38 Nonmonetary international and regional organizations	**566**	**263**	**32**	**404**	**40**	**186**	**–144**	**–165**	**–69**	**410**
	Foreign securities									
39 Stocks, net purchases, or sales (–)	–50,113	–1,629	–14,661	–6,156	–981	–2,751	–6,893	–4,474	–5,365	2,071
40 Foreign purchases	1,397,664	1,260,278	369,467	100,763	101,821	81,804	94,622	83,683	91,102	100,060
41 Foreign sales	1,447,777	1,261,907	384,128	106,919	102,802	84,555	101,515	88,157	96,467	97,989
42 Bonds, net purchases, or sales (–)	30,502	28,406	8,682	6,920	2,269	–5,157	–1,915	4,493	7,315	–1,211
43 Foreign purchases	1,160,102	1,377,020	582,115	123,139	137,931	117,917	140,513	122,893	166,837	151,872
44 Foreign sales	1,129,600	1,348,614	573,433	116,219	135,662	123,074	142,428	118,400	159,522	153,083
45 Net purchases, or sales (–), of stocks and bonds	**–19,611**	**26,777**	**–5,979**	**764**	**1,288**	**–7,908**	**–8,808**	**19**	**1,950**	**860**
46 Foreign countries	**–19,024**	**26,814**	**–5,990**	**711**	**1,300**	**–7,922**	**–8,829**	**–77**	**1,969**	**947**
47 Europe	–12,108	15,407	4,018	674	6,105	–9,095	–5,090	–1,592	6,268	4,432
48 Canada	2,943	4,849	3,591	–1,281	–167	712	3,890	603	–302	–600
49 Latin America and Caribbean	4,315	4,562	–16,675	–32	518	1,045	–7,886	862	–3,381	–6,270
50 Asia	–11,869	1,591	2,418	1,694	–5,256	–987	–261	194	–971	3,456
51 Japan	–20,116	–9,119	1,095	13	–6,617	–2,039	–1,233	–1,447	1,557	2,218
52 Africa	–558	–379	–73	104	100	40	–55	–34	27	–11
53 Other countries	–1,747	784	731	–448	0	363	573	–110	328	–60
54 Nonmonetary international and regional organizations	**–587**	**–37**	**11**	**53**	**–12**	**14**	**21**	**96**	**–19**	**–87**

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 Transactions[1]

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

Area or country	2001	2002	2003	2002			2003			
			Jan. - Ap[r]	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.[p]
1 **Total estimated**	**18,514**	**121,698**	**29,315**	**6,742**	**21,097**	**14,290**	**1,751**	**–4,703**	**25,550**	**6,717**
2 Foreign countries	19,200	119,687	29,279	5,994	21,177	13,961	1,368	–4,459	25,601	6,769
3 Europe	–20,604	44,169	–1,327	838	8,847	3,186	890	–7,520	–191	5,494
4 Belgium[2]	–598	2,046	–512	–210	513	–193	3,371	–1,379	–2,722	218
5 Germany	–1,668	–3,910	–534	–469	1,658	1,610	–1,183	–257	–270	1,176
6 Luxembourg[2]	462	–1,609	549	61	–139	–201	75	358	83	33
7 Netherlands	–6,728	–17,020	2,659	–2,856	1,427	3,261	–4,085	1,360	959	4,425
8 Sweden	–1,190	2,923	894	–203	1,652	902	422	190	522	–240
9 Switzerland	1,412	–508	–853	–1,727	2,389	–2,543	–86	–1,050	1,067	–784
10 United Kingdom	–7,279	60,995	1,651	5,071	–45	–2,739	1,313	–2,912	3,256	–6
11 Channel Islands and Isle of Man[3]	–179	714	175	–116	–299	–84	–11	9	37	140
12 Other Europe and former U.S.S.R.	–4,836	538	–5,356	1,287	1,691	3,173	1,074	–3,839	–3,123	532
13 Canada	–1,634	–5,198	33	–2,449	3,165	1,028	–698	–1,871	1,782	820
14 Latin America and Caribbean	4,272	21,116	5,522	7,219	–1,758	6,074	–1,891	3,384	11,179	–7,150
15 Venezuela	290	–59	153	5	–1	–73	20	97	23	13
16 Other Latin America and Caribbean	14,726	21,955	7,699	4,485	319	1,652	2,676	2,323	8,550	–5,850
17 *Netherlands Antilles*	–10,744	–780	–2,330	2,729	–2,076	4,495	–4,587	964	2,606	–1,313
18 Asia	36,332	55,850	24,552	–54	10,607	3,626	2,630	2,287	12,246	7,389
19 Japan	16,114	30,730	13,428	–1,313	2,120	2,731	3,512	5,580	–1,221	5,557
20 Africa	–880	841	152	12	–17	90	84	–43	–16	127
21 Other	1,714	2,909	347	428	333	–43	353	–696	601	89
22 Nonmonetary international and regional organizations	–686	2,011	36	748	–80	329	383	–244	–51	–52
23 International	–290	1,642	16	329	314	164	170	–130	–109	85
24 Latin American Caribbean regional	41	-3	–118	4	–19	0	–15	–38	–28	–37
MEMO										
25 Foreign countries	19,200	119,687	29,279	5,994	21,177	13,961	1,368	–4,459	25,601	6,769
26 Official institutions	3,474	15,131	–149	–553	16,577	6,708	–755	2,541	482	–2,417
27 Other foreign	15,726	104,556	29,428	6,547	4,600	7,253	2,123	–7,000	25,119	9,186
Oil-exporting countries										
28 Middle East[4]	865	–3,918	–6,221	913	–139	–3,815	509	–4,252	128	–2,606
29 Africa[5]	–2	29	0	0	1	55	0	0	0	0

1. Official and private transactions in marketable U.S. Treasury securities having an original maturity of more than one year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.
2. Before January 2001, combined data reported for Belgium and Luxembourg.
3. Before January 2001, these data were included in the data reported for the United Kingdom.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.

3.28 FOREIGN EXCHANGE RATES AND INDEXES OF THE FOREIGN EXCHANGE VALUE OF THE U.S. DOLLAR[1]

Currency units per U.S. dollar except as noted

Item	2000	2001	2002	2003					
				Jan.	Feb.	Mar.	Apr.	May	June
	Exchange rates								
COUNTRY/CURRENCY UNIT									
1 Australia/dollar[2]	58.15	51.69	54.37	58.29	59.56	60.15	61.00	64.68	66.52
2 Brazil/real	1.8301	2.3527	2.9213	3.4375	3.5955	3.4567	3.1090	2.9517	2.8887
3 Canada/dollar	1.4855	1.5487	1.5704	1.5414	1.5121	1.4761	1.4582	1.3840	1.3525
4 China, P.R./yuan	8.2784	8.2770	8.2770	8.2775	8.2780	8.2773	8.2772	8.2769	8.2771
5 Denmark/krone	8.0953	8.3323	7.8862	6.9980	6.8920	6.8807	6.8381	6.4268	6.3620
6 European Monetary Union/euro[3]	0.9232	0.8952	0.9454	1.0622	1.0785	1.0797	1.0862	1.1556	1.1674
7 Greece/drachma	365.92	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Hong Kong/dollar	7.7924	7.7997	7.7997	7.7994	7.7995	7.7991	7.7996	7.7991	7.7988
9 India/rupee	45.00	47.22	48.63	47.96	47.75	47.68	47.39	47.11	46.70
10 Japan/yen	107.80	121.57	125.22	118.81	119.34	118.69	119.90	117.37	118.33
11 Malaysia/ringgit	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
12 Mexico/peso	9.459	9.337	9.663	10.622	10.945	10.905	10.589	10.253	10.503
13 New Zealand/dollar[2]	45.68	42.02	46.45	53.98	55.39	55.37	55.18	57.56	58.15
14 Norway/krone	8.8131	8.9964	7.9839	6.9138	7.0004	7.2760	7.2032	6.8145	7.0093
15 Singapore/dollar	1.7250	1.7930	1.7908	1.7363	1.7451	1.7551	1.7771	1.7357	1.7351
16 South Africa/rand	6.9468	8.6093	10.5176	8.6949	8.2858	8.0506	7.6634	7.6604	7.8588
17 South Korea/won	1,130.90	1,292.01	1,250.31	1,176.45	1,190.37	1,237.20	1,231.10	1,201.23	1,194.14
18 Sri Lanka/rupee	76.964	89.602	95.773	96.813	96.880	96.943	97.004	97.231	97.236
19 Sweden/krona	9.1735	10.3425	9.7233	8.6368	8.4837	8.5440	8.4314	7.9213	7.8116
20 Switzerland/franc	1.6904	1.6891	1.5567	1.3765	1.3602	1.3614	1.3783	1.3111	1.3196
21 Taiwan/dollar	31.260	33.824	34.536	34.571	34.734	34.721	34.824	34.697	34.633
21 Thailand/baht	40.210	44.532	43.019	42.773	42.897	42.783	42.929	42.217	41.675
23 United Kingdom/pound[2]	151.56	143.96	150.25	161.75	160.79	158.25	157.39	162.24	166.09
24 Venezuela/bolivar	680.52	724.10	1,161.19	1,714.45	1,736.21	1,600.00	1,600.00	1,600.00	1,600.00
	Indexes[4]								
NOMINAL									
25 Broad (January 1997=100)[5]	119.68	126.08	127.19	124.21	124.12	123.56	122.54	118.54	117.93
26 Major currencies (March 1973=100)[6]	98.31	104.28	102.85	96.03	95.02	94.28	93.98	89.67	88.68
27 Other important trading partners (January 1997=100)[7]	130.34	136.36	141.42	145.72	147.35	147.26	145.15	142.75	143.07
REAL									
28 Broad (March 1973=100)[5]	104.47	110.50	110.88	107.69	107.91	107.71	106.61	103.06[r]	102.52
29 Major currencies (March 1973=100)[6]	103.29	110.73	109.36	102.13	101.47	100.83	100.34	95.51[r]	94.44
30 Other important trading partners (March 1973=100)[7]	114.81	119.48	122.30	124.44	125.97	126.42	124.32	122.44[r]	122.69

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

2. U.S. cents per currency unit.

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

Euro equals

13.7603	Austrian schillings	1,936.27	Italian lire
40.3399	Belgian francs	40.3399	Luxembourg francs
5.94573	Finnish markkas	2.20371	Netherlands guilders
6.55957	French francs	200.482	Portuguese escudos
1.95583	German marks	166.386	Spanish pesetas
.787564	Irish pounds	340.750	Greek drachmas

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

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

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

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

Guide to Special Tables and Statistical Releases

SPECIAL TABLES—Data Published Irregularly, with Latest Bulletin *Reference*

STATISTICAL RELEASES—A List of Statistical Releases Published by the Federal Reserve is Printed Semiannually in the Bulletin

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities

Consolidated Report of Condition, March 31, 2003

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**	**7,075,325**	**6,331,054**	**4,663,268**	**3,918,997**	**2,412,058**
2 Cash and balances due from depository institutions	375,218	282,111	264,362	171,256	110,855
3 Cash items in process of collection, unposted debits, and currency and coin	n.a.	n.a.	128,450	125,988	n.a.
4 Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	104,749	n.a.
5 Currency and coin	n.a.	n.a.	n.a.	21,239	n.a.
6 Balances due from depository institutions in the United States	n.a.	n.a.	28,369	23,224	n.a.
7 Balances due from banks in foreign countries and foreign central banks	n.a.	n.a.	92,773	7,345	n.a.
8 Balances due from Federal Reserve Banks	n.a.	n.a.	14,771	14,699	n.a.
9 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	1,355,531	n.a.	783,801	n.a.	571,730
10 U.S. Treasury securities	63,717	n.a.	41,415	n.a.	22,302
11 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	219,020	n.a.	84,162	n.a.	134,858
12 Issued by U.S. government agencies	7,089	n.a.	4,253	n.a.	2,837
13 Issued by U.S. government-sponsored agencies	211,930	n.a.	79,909	n.a.	132,021
14 Securities issued by states and political subdivisions in the United States	103,613	n.a.	35,046	n.a.	68,567
15 Mortgage-backed securities (MBS)	749,562	n.a.	484,719	n.a.	264,844
16 Pass-through securities	486,864	n.a.	335,595	n.a.	151,269
17 Guaranteed by GNMA	87,242	n.a.	58,637	n.a.	28,605
18 Issued by FNMA and FHLMC	390,398	n.a.	269,046	n.a.	121,352
19 Other pass-through securities	9,224	n.a.	7,911	n.a.	1,312
20 Other mortgage-backed securities (includes CMOs, REMICs, and stripped MBS)	262,698	n.a	149,124	n.a.	113,574
21 Issued or guaranteed by FNMA, FHLMC or GNMA	179,601	n.a.	96,781	n.a.	82,820
22 Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	13,210	n.a.	11,865	n.a.	1,345
23 All other mortgage-backed securities	69,887	n.a.	40,477	n.a.	29,410
24 Asset-backed securities	97,637	n.a.	53,781	n.a.	43,856
25 Credit card receivables	37,649	n.a.	22,424	n.a.	15,225
26 Home equity lines	31,095	n.a.	19,266	n.a.	11,829
27 Automobile loans	13,271	n.a.	5,646	n.a.	7,625
28 Other consumer loans	1,411	n.a.	951	n.a.	461
29 Commercial and industrial loans	4,446	n.a.	1,415	n.a.	3,031
30 Other	9,765	n.a.	4,081	n.a.	5,684
31 Other debt securities	104,537	n.a.	74,971	n.a.	29,567
32 Other domestic debt securities	37,092	n.a.	12,360	n.a.	24,732
33 Foreign debt securities	67,445	n.a.	62,610	n.a.	4,835
34 Investments in mutual funds and other equity securities with readily determinable fair value	17,445	n.a.	9,708	n.a.	7,737
35 Federal funds sold and securities purchased under agreements to resell	348,528	300,565	238,993	191,030	109,535
36. Federal funds sold in domestic offices	189,373	189,373	88,451	88,451	100,921
37 Securities purchased under agreements to resell	159,155	111,192	150,542	102,579	8,613
38 Total loans and leases (gross) and lease-financing receivables (net)	4,113,674	3,831,372	2,612,403	2,330,101	1,501,271
39 LESS: Unearned income on loans	3,444	2,417	2,376	1,349	1,067
40 LESS: Loans and leases held for sale	241,694	n.a.	197,853	n.a.	43,841
41 Total loans and leases (net of unearned income)	3,868,536	n.a.	2,412,174	n.a.	1,456,362
42 LESS: Allowance for loan and lease losses	74,971	n.a.	50,713	n.a.	24,257
43 Loans and leases, net of unearned income and allowance	3,793,566	n.a.	2,361,461	n.a.	1,432,105
Total loans and leases, gross, by category					
44 Loans secured by real estate	2,089,555	2,058,440	1,172,690	1,141,576	916,865
45 Construction and land development	n.a.	210,559	n.a.	98,862	111,697
46 Farmland	n.a.	38,704	n.a.	6,853	31,851
47 One- to four-family residential properties	n.a.	1,172,109	n.a.	757,743	414,365
48 Revolving, open-end loans, extended under lines of credit	n.a.	228,622	n.a.	156,350	72,273
Closed-end loans secured by one- to four-family residential properties					
49 Secured by first liens	n.a.	858,157	n.a.	552,111	306,046
50 Secured by junior liens	n.a.	85,329	n.a.	49,283	36,047
51 Multifamily (five or more) residential properties	n.a.	73,786	n.a.	37,259	36,527
52 Nonfarm nonresidential properties	n.a.	563,283	n.a.	240,858	322,425
53 Loans to depository institutions and acceptances of other banks	157,165	129,627	139,356	111,819	17,808
54 Commercial banks in the United States	n.a.	n.a.	89,822	76,116	n.a.
55 Other depository institutions in the United States	n.a.	n.a.	31,657	31,647	n.a.
56 Banks in foreign countries	n.a.	n.a.	17,878	4,056	n.a.
57 Loans to finance agricultural production and other loans to farmers	43,933	43,368	9,686	9,121	34,247
58 Commercial and industrial loans	898,698	771,310	649,889	522,501	248,809
59 U.S. addressees (domicile)	n.a.	n.a.	526,068	512,832	n.a.
60 Non-U.S. addressees (domicile)	n.a.	n.a.	123,821	9,669	n.a
61 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	636,809	575,259	388,968	327,418	247,841
62 Credit cards	207,543	187,672	134,334	114,463	73,209
63 Other revolving credit plans	37,332	24,746	30,765	18,179	6,567
64 Other consumer loans (including single-payment, installment, and all student loans)	391,934	362,841	223,869	194,776	168,065
65 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	21,812	21,812	12,954	12,954	8,858
66 All other loans	111,963	86,107	99,513	73,656	12,450
67 Loans to foreign governments and official institutions	5,967	2,043	5,888	1,964	79
68 Other loans	105,996	84,063	93,624	71,692	12,371
69 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	14,421	n.a.
70 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	57,271	n.a.
71 Lease-financing receivables	153,740	145,450	139,348	131,057	14,393
72 Trading assets	393,132	n.a.	389,407	n.a.	3,725
73 Premises and fixed assets (including capitalized leases)	79,725	n.a.	45,959	n.a.	33,766
74 Other real estate owned	4,533	n.a.	1,800	n.a.	2,733
75 Investments in unconsolidated subsidiaries and associated companies	9,088	n.a.	8,610	n.a.	478
76 Customers' liability on acceptances outstanding	5,626	n.a.	5,364	n.a.	262
77 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	23,288	n.a.
78 Intangible assets	126,001	n.a.	100,896	n.a.	25,106
79 Goodwill	86,495	n.a.	68,812	n.a.	17,683
80 Other intangible assets	39,506	n.a.	32,084	n.a.	7,422
81 All other assets	342,684	n.a.	264,763	n.a.	77,921

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

Consolidated Report of Condition, March 31, 2003

Millions of dollars except as noted

Item	Total	Domestic total	Banks with foreign offices[1]		Banks with domestic offices only[2]
			Total	Domestic	Total
82 **Total liabilities, minority interest, and equity capital**	**7,075,325**	n.a.	**4,663,268**	n.a.	**2,412,058**
83 **Total liabilities**	**6,421,177**	**5,676,906**	**4,245,567**	**3,501,296**	**2,175,610**
84 Total deposits	4,738,491	4,086,101	2,966,171	2,313,781	1,772,320
85 Individuals, partnerships, and corporations (include all certified and official checks)	4,271,018	3,799,151	2,635,846	2,163,978	1,635,172
86 U.S. government	n.a.	20,434	n.a.	19,082	1,351
87 States and political subdivisions in the United States	n.a.	204,340	n.a.	91,749	112,591
88 Commercial banks and other depository institutions in the United States	97,946	52,879	75,167	30,100	22,779
89 Banks in foreign countries	118,328	8,374	117,942	7,988	386
90 Foreign governments and official institutions (including foreign central banks)	25,757	923	25,717	883	40
91 Total transaction accounts	n.a.	692,537	n.a.	361,939	330,598
92 Individuals, partnerships, and corporations (include all certified and official checks)	n.a.	590,964	n.a.	303,325	287,639
93 U.S. government	n.a.	2,018	n.a.	1,171	847
94 States and political subdivisions in the United States	n.a.	57,661	n.a.	26,039	31,622
95 Commercial banks and other depository institutions in the United States	n.a.	35,514	n.a.	25,243	10,270
96 Banks in foreign countries	n.a.	5,806	n.a.	5,595	211
97 Foreign governments and official institutions (including foreign central banks)	n.a.	574	n.a.	566	8
98 Total demand deposits	n.a.	519,761	n.a.	314,835	204,927
99 Total nontransaction accounts	n.a.	3,393,565	n.a.	1,951,843	1,441,722
100 Individuals, partnerships, and corporations (include all certified and official checks)	n.a.	3,208,187	n.a	1,860,653	1,347,533
101 U.S government	n.a.	18,415	n.a.	17,911	504
102 States and political subdivisions in the United States	n.a.	146,680	n.a.	65,710	80,969
103 Commercial banks and other depository institutions in the United States	n.a.	17,366	n.a.	4,857	12,509
104 Banks in foreign countries	n.a.	2,569	n.a.	2,394	175
105 Foreign governments and official institutions (including foreign central banks)	n.a.	348	n.a.	316	32
106 Federal funds purchased and securities sold under agreements to repurchase	571,700	529,592	434,858	392,750	136,843
107 Federal funds purchased in domestic offices	236,681	236,681	168,777	168,777	67,904
108 Securities sold under agreements to repurchase	335,019	292,911	266,081	223,973	68,938
109 Trading liabilities	234,127	n.a.	233,367	n.a.	761
110 Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	539,600	499,873	327,180	287,453	212,420
111 Banks' liability on acceptances executed and outstanding	5,635	4,283	5,372	4,021	262
112 Subordinated notes and debentures to deposits	94,696	n.a.	85,726	n.a.	8,970
113 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	135,584	n.a
114 All other liabilities	236,928	n.a.	192,893	n.a.	44,035
115 Minority interest in consolidated subsidiaries	12,307	n.a.	10,168	n.a.	2,139
116 **Total equity capital**	**641,841**	n.a.	**407,532**	n.a.	**234,309**
MEMO					
117 Trading assets at large banks[2]	392,796	205,937	389,132	202,273	3,664
118 U.S. Treasury securities (domestic offices)	n.a.	27,575	n.a.	27,392	183
119 U.S. government agency obligations (excluding MBS)	n.a.	8,205	n.a.	7,923	281
120 Securities issued by states and political subdivisions in the United States	n.a.	1,299	n.a.	1,049	250
121 Mortgage-backed securities	n.a.	5,247	n.a.	3,332	1,915
122 Other debt securities	n.a.	36,455	n.a.	36,186	270
123 Other trading assets	n.a.	21,544	n.a.	21,281	263
124 Trading assets in foreign offices	105,820	0	105,820	0	0
125 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	186,650	105,611	186,148	105,110	502
126 Total individual retirement (IRA) and Keogh plan accounts	n.a.	167,012	n.a.	73,083	93,930
127 Total brokered deposits	n.a.	267,491	n.a.	131,020	136,471
128 Fully insured brokered deposits	n.a.	171,299	n.a.	64,765	106,534
129 Issued in denominations of less than $100,000	n.a.	93,279	n.a	32,301	60,978
130 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.	78,020	n.a.	32,464	45,557
131 Money market deposit accounts (MMDAs)	n.a.	1,522,672	n.a.	1,000,654	522,018
132 Other savings deposits (excluding MMDAs)	n.a.	594,548	n.a.	348,037	246,510
133 Total time deposits of less than $100,000	n.a.	689,918	n.a.	280,864	409,054
134 Total time deposits of $100,000 or more	n.a.	586,426	n.a.	322,287	264,139
135 Number of banks	7,844	7,844	121	n.a.	7,723

NOTE. The notation "n.a." indicates the lesser detail available from banks that do not 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, May 5–9, 2003

A. Commercial and industrial loans made by all commercial banks[1]

Risk[2] and maturity/repricing interval[3] of loans	Weighted-average effective loan rate[4] (percent)	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity[5]	Percent of amount of loans (percent): Secured by collateral	Percent of amount of loans (percent): Subject to prepayment penalty	Percent of amount of loans (percent): Prime based	Commitment status: Percent made under commitment	Commitment status: Average months since loan terms set
				Days					
LOAN RISK[5]									
1 All commercial and industrial loans	3.32	61,825	450	461	38.0	23.9	31.5	73.1	13.6
2 Minimal risk	2.45	1,662	378	306	22.7	9.8	20.9	73.2	15.0
3 Low risk	2.38	11,211	1,043	434	13.0	29.5	15.9	71.4	7.6
4 Moderate risk	3.46	21,043	468	642	45.0	19.8	35.2	84.6	11.3
5 Other	3.77	20,013	424	329	47.3	22.5	36.2	72.0	16.7
By maturity/repricing interval[6]									
6 Zero interval	4.21	14,623	297	608	44.9	7.2	70.4	81.7	22.7
7 Minimal risk	3.92	282	219	828	36.1	3.9	69.8	97.0	14.4
8 Low risk	2.66	3,599	1,231	407	9.3	3.0	37.1	51.4	20.9
9 Moderate risk	4.32	5,587	309	803	56.0	4.5	86.0	95.5	14.1
10 Other	5.25	4,811	224	540	59.4	14.0	77.8	90.4	33.4
11 Daily	2.79	24,175	616	228	31.0	26.6	25.3	66.7	7.6
12 Minimal risk	1.81	540	2,251	16	1.9	*	3.1	85.1	11.1
13 Low risk	2.00	3,775	2,500	243	7.8	66.1	6.0	77.3	1.4
14 Moderate risk	2.74	7,028	687	359	35.6	11.6	21.3	74.0	6.8
15 Other	2.96	8,503	692	103	36.8	17.1	28.3	60.1	5.7
16 2 to 30 days	2.77	9,448	661	194	34.5	32.3	8.1	64.8	16.5
17 Minimal risk	1.87	401	1,235	196	18.2	17.6	3.3	43.2	32.4
18 Low risk	2.03	1,343	760	127	27.2	15.9	6.5	62.6	15.3
19 Moderate risk	2.68	2,664	775	216	37.2	30.5	8.1	78.8	17.2
20 Other	3.30	3,775	600	216	41.1	44.5	9.4	68.2	13.4
21 31 to 365 days	3.16	9,022	516	540	40.2	31.1	11.6	82.7	14.1
22 Minimal risk	2.41	380	245	564	37.5	21.4	28.3	72.9	10.0
23 Low risk	2.36	2,211	818	839	9.8	22.0	3.8	97.3	15.5
24 Moderate risk	3.47	3,144	438	480	59.4	33.8	11.3	90.5	14.0
25 Other	3.75	1,956	581	476	60.0	27.5	18.8	87.4	14.0
				Months					
26 More than 365 days	4.80	4,247	280	56	53.2	32.6	27.1	77.0	6.3
27 Minimal risk	5.57	57	58	29	86.1	*	21.2	54.8	16.1
28 Low risk	5.52	227	126	57	83.5	1.5	19.8	84.2	8.1
28 Moderate risk	4.32	2,506	463	56	35.6	48.2	20.5	88.9	5.1
30 Other	5.45	871	302	58	75.4	17.9	37.0	68.4	7.2
			Weighted-average risk rating[2]	Weighted-average maturity/repricing interval[3]					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	5.28	2,478	3.4	244	85.9	1.8	73.9	83.3	16.1
32 100–999	4.54	8,699	3.4	187	74.0	7.2	67.2	88.4	19.2
33 1,000–9,999	3.50	19,231	3.4	127	37.8	26.8	30.5	74.8	18.9
34 10,000 or more	2.73	31,417	3.1	107	24.4	28.4	18.9	67.0	7.7
							Average size (thousands of dollars)		
BASE RATE OF LOAN[4]									
35 Prime[7]	4.79	19,479	3.5	107	60.4	3.8	204.0	87.7	18
36 Other	2.65	42,346	3.1	140	27.7	33.1	1015.0	66.4	11

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, May 5–9, 2003—Continued

B. Commercial and industrial loans made by all domestic banks[1]

Risk[2] and maturity/repricing interval[3] of loans	Weighted-average effective loan rate[4] (percent)	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity[5]	Percent of amount of loans (percent): Secured by collateral	Percent of amount of loans (percent): Subject to prepayment penalty	Percent of amount of loans (percent): Prime based	Commitment status: Percent made under commitment	Commitment status: Average months since loan terms set
				Days					
LOAN RISK[5]									
1 All commercial and industrial loans	3.62	39,618	299	601	51.1	13.5	40.8	78.7	14.1
2 Minimal risk	2.71	797	190	404	45.8	.1	30.5	51.7	40.5
3 Low risk	2.24	6,886	673	314	20.2	28.9	11.6	64.4	7.0
4 Moderate risk	3.64	17,284	395	742	51.5	16.0	40.4	84.1	11.6
5 Other	4.59	9,500	214	607	73.1	5.7	58.1	87.2	17.3
By maturity/repricing interval[6]									
6 Zero interval	4.06	11,504	240	577	55.4	1.1	70.3	76.7	16.1
7 Minimal risk	3.43	174	139	324	58.6	.5	56.6	95.1	11.2
8 Low risk	2.04	2,522	881	109	13.2	*	14.6	30.6	12.0
9 Moderate risk	4.38	5,189	290	827	58.8	1.4	88.4	95.1	12.8
10 Other	5.09	3,275	158	597	83.8	1.6	86.4	86.0	23.0
11 Daily	3.22	12,740	335	441	44.4	18.1	41.8	79.8	12.8
12 Minimal risk	1.67	131	819	66	7.9	*	12.9	38.6	156.0
13 Low risk	2.12	2,283	1,690	392	12.8	71.4	10.0	90.8	1.5
14 Moderate risk	2.98	5,323	532	460	44.8	12.1	27.5	67.9	9.9
15 Other	4.28	2,325	199	421	60.8	.5	71.4	85.9	13.8
16 2 to 30 days	2.95	5,827	447	247	44.3	9.6	10.6	73.7	20.3
17 Minimal risk	1.88	255	851	275	24.5	*	5.2	34.4	69.6
18 Low risk	2.07	1,046	619	116	34.9	5.1	8.3	61.2	18.6
19 Moderate risk	2.71	1,889	620	271	43.6	15.7	4.8	82.6	19.1
20 Other	4.19	1,686	297	338	62.7	12.5	19.6	95.2	16.4
21 31 to 365 days	3.39	5,117	317	506	61.7	19.0	17.0	86.6	13.6
22 Minimal risk	3.06	179	119	1,025	78.2	*	57.2	42.5	21.0
23 Low risk	2.45	805	322	576	25.8	37.3	8.0	94.1	15.3
24 Moderate risk	3.47	2,298	337	529	72.2	22.9	13.8	92.1	11.6
25 Other	3.83	1,282	471	493	76.1	11.2	24.2	93.6	15.1
				Months					
26 More than 365 days	4.83	4,175	275	55	54.1	32.3	27.6	78.3	6.3
27 Minimal risk	5.57	57	58	29	86.1	*	21.2	54.8	16.1
28 Low risk	5.52	227	126	57	83.5	1.5	19.8	84.2	8.1
28 Moderate risk	4.33	2,470	456	56	36.1	48.9	20.8	90.2	5.1
30 Other	5.54	835	290	58	78.6	14.3	38.6	71.4	7.2
			Weighted-average risk rating[2]	Weighted-average maturity/repricing interval[3]					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	5.30	2,454	3.4	246	86.5	1.6	74.2	83.3	16.1
32 100–999	4.62	8,011	3.4	201	78.0	3.0	70.3	88.6	18.6
33 1,000–9,999	3.61	12,148	3.3	188	54.0	12.1	37.5	80.7	18.4
34 10,000 or more	2.92	17,004	2.8	186	31.3	21.1	24.5	72.0	8.1
							Average size (thousands of dollars)		
BASE RATE OF LOAN[4]									
35 Prime[7]	4.68	16,179	3.4	128	69.5	1.4	172.0	89.9	15.1
36 Other	2.89	23,439	2.9	238	38.4	21.8	615.0	71.0	13.3

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, May 5–9, 2003—Continued

C. Commercial and industrial loans made by large domestic banks[1]

Risk[2] and maturity/repricing interval[3] of loans	Weighted-average effective loan rate[4] (percent)	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity[5]	Percent of amount of loans (percent)			Commitment status	
				Days	Secured by collateral	Subject to prepayment penalty	Prime based	Percent made under commitment	Average months since loan terms set
LOAN RISK[5]									
1 All commercial and industrial loans	3.37	34,007	497	576	46.3	15.1	37.8	80.9	15.4
2 Minimal risk	1.94	578	1,077	373	35.2	.2	29.0	41.4	67.5
3 Low risk	1.94	6,287	2,681	259	13.4	31.4	6.6	64.0	7.2
4 Moderate risk	3.39	15,341	770	725	46.9	17.5	37.3	84.3	12.1
5 Other	4.48	7,893	282	571	68.5	5.7	55.0	90.7	20.1
By maturity/repricing interval[6]									
6 Zero interval	3.89	9,112	435	595	48.2	9	66.8	78.4	18.7
7 Minimal risk	2.92	82	329	224	70.0	1.1	73.2	95.5	22.0
8 Low risk	1.73	2,261	6,546	73	4.6	*	5.7	27.2	14.4
9 Moderate risk	4.27	4,367	546	882	53.3	1.4	87.0	96.3	13.9
10 Other	5.27	2,376	217	597	79.4	1.1	87.6	93.3	28.0
11 Daily	3.16	11,994	366	444	42.9	19.1	40.8	80.8	13.0
12 Minimal risk	1.65	129	1,114	66	6.9	*	12.3	38.0	156.0
13 Low risk	2.05	2,215	2,935	395	10.2	73.6	7.3	92.4	1.4
14 Moderate risk	2.87	5,050	633	458	42.3	12.7	25.9	66.4	10.0
15 Other	4.24	2,221	218	412	59.4	.5	70.2	86.2	14.6
16 2 to 30 days	2.81	5,205	681	241	41.9	10.5	5.8	75.4	22.4
17 Minimal risk	1.54	228	3,506	246	15.7	*	.7	26.8	87.8
18 Low risk	2.00	1,014	1,314	85	33.5	5.3	7.6	60.0	20.0
19 Moderate risk	2.56	1,796	1,247	248	41.2	16.1	2.9	82.7	19.4
20 Other	4.04	1,458	362	352	57.2	14.0	8.0	95.0	20.5
21 31 to 365 days	2.96	4,485	1,545	538	59.5	21.3	15.9	90.1	14.4
22 Minimal risk	2.24	127	2,090	2,186	75.3	*	71.1	32.5	38.1
23 Low risk	2.01	724	2,126	573	18.1	40.2	2.9	94.5	16.8
24 Moderate risk	3.02	2,022	1,901	562	70.8	25.7	12.6	93.6	12.0
25 Other	3.68	1,220	1,090	500	75.8	11.7	24.4	95.1	15.6
				Months					
26 More than 365 days	4.21	3,018	1,128	52	39.3	41.6	24.3	83.9	7.3
27 Minimal risk	2.93	10	374	37	41.1	*	2.6	78.6	33.7
28 Low risk	3.90	71	561	38	51.9	3.2	29.2	94.6	16.5
28 Moderate risk	3.91	2,022	1,716	53	24.7	57.7	14.2	94.8	5.3
30 Other	5.07	550	572	56	68.3	12.8	40.0	74.8	9.4
			Weighted-average risk rating[2]	Weighted-average maturity/repricing interval[3]					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	4.63	1,287	3.6	95	83.3	1.3	81.4	90.5	25.1
32 100–999	4.23	5,680	3.5	99	73.5	2.5	72.2	94.2	23.3
33 1,000–9,999	3.49	10,312	3.3	172	51.2	13.4	35.1	86.1	20.1
34 10,000 or more	2.91	16,727	2.8	187	31.2	21.5	24.5	72.5	8.2
							Average size (thousands of dollars)		
BASE RATE OF LOAN[4]									
35 Prime[7]	4.56	12,861	3.4	98	64.7	.7	240.0	93.3	18
36 Other	2.65	21,146	2.9	205	35.1	23.9	1,424.0	73.4	14

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, May 5–9, 2003—Continued

D. Commercial and industrial loans made by small domestic banks[1]

Risk[2] and maturity/repricing interval[3] of loans	Weighted-average effective loan rate[4] (percent)	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity[5]	Percent of amount of loans (percent)			Commitment status	
				Days	Secured by collateral	Subject to prepayment penalty	Prime based	Percent made under commitment	Average months since loan terms set
Loan Risk[5]									
1 All commercial and industrial loans	5.12	5,610	88	758	80.5	3.6	59.1	65.3	4.9
2 Minimal risk	4.75	218	60	480	73.9	*	34.4	79.1	3.4
3 Low risk	5.30	599	76	918	92.0	1.9	64.0	69.1	5.4
4 Moderate risk	5.58	1,943	81	873	87.5	4.4	65.4	82.7	6.5
5 Other	5.14	1,606	97	798	95.7	5.5	73.3	70.4	2.9
By maturity/repricing interval[6]									
6 Zero interval	4.68	2,392	88	496	82.9	1.6	83.6	70.4	6.0
7 Minimal risk	3.88	92	92	397	48.5	*	41.9	94.8	3.0
8 Low risk	4.69	261	104	459	87.8	*	91.7	60.5	9.1
9 Moderate risk	4.94	822	83	505	88.0	1.4	96.0	88.8	7.5
10 Other	4.61	899	92	599	95.6	3.0	83.0	66.6	4.4
11 Daily	4.18	746	143	401	68.6	2.6	57.3	62.9	7.5
12 Minimal risk	*	*	*	*	*	*	*	*	*
13 Low risk	4.56	68	114	283	97.5	.2	97.7	38.8	5.2
14 Moderate risk	5.06	273	135	482	90.9	.8	56.8	95.6	5.1
15 Other	5.16	104	70	583	90.7	.6	97.3	80.6	3.5
16 2 to 30 days	4.12	622	115	296	64.3	2.3	50.9	59.5	2.4
17 Minimal risk	4.78	27	113	546	100.0	*	44.2	99.4	.6
18 Low risk	4.44	32	35	1,174	80.9	*	31.1	98.3	9.3
19 Moderate risk	5.65	93	58	734	88.7	8.0	40.6	81.6	10.3
20 Other	5.10	228	139	261	97.5	3.0	94.0	96.1	.3
21 31 to 365 days	6.43	632	48	284	77.3	2.8	24.6	61.8	5.9
22 Minimal risk	5.06	52	36	199	85.2	*	23.3	67.0	5.9
23 Low risk	6.37	82	38	601	94.2	12.0	52.9	90.5	1.9
24 Moderate risk	6.81	276	48	288	82.5	2.1	22.4	80.9	8.0
25 Other	6.65	62	39	356	83.1	1.1	21.7	64.1	4.0
				Months					
26 More than 365 days	6.43	1,157	93	64	92.7	8.0	36.0	63.7	2.4
27 Minimal risk	6.14	47	49	29	95.8	*	25.2	49.6	2.4
28 Low risk	6.26	156	93	66	97.9	.8	15.6	79.4	2.6
28 Moderate risk	6.26	448	106	69	87.3	9.1	50.7	69.6	3.4
30 Other	6.45	285	148	61	98.6	17.3	35.7	64.8	1.9
			Weighted-average risk rating[2]	Weighted-average maturity/repricing interval[3]					
				Days					
Size of Loan (thousands of dollars)									
31 1–99	6.03	1,166	3.1	409	90.0	1.9	66.4	75.3	6.3
32 100–999	5.56	2,331	3.2	449	88.8	4.3	65.6	74.9	5.9
33 1,000–9,999	4.25	1,836	3.3	275	69.8	4.4	50.9	50.5	2.1
34 10,000 or more	*	*	*	*	*	*	*	*	*
							Average size (thousands of dollars)		
Base Rate of Loan[4]									
35 Prime[7]	5.15	3,318	3.4	243	88.2	4.1	81.0	76.9	5
36 Other	5.09	2,293	3.0	551	69.2	3.0	99.0	48.6	4

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, May 5–9, 2003—Continued

E. Commercial and industrial loans made by U.S. branches and agencies of foreign banks[1]

Risk[2] and maturity/repricing interval[3] of loans	Weighted-average effective loan rate[4] (percent)	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity[5]	Percent of amount of loans (percent): Secured by collateral	Percent of amount of loans (percent): Subject to prepayment penalty	Percent of amount of loans (percent): Prime based	Commitment status: Percent made under commitment	Commitment status: Average months since loan terms set
				Days					
LOAN RISK[5]									
1 All commercial and industrial loans	2.80	22,208	4,386	220	14.6	42.4	14.9	63.0	12.6
2 Minimal risk	2.21	865	4,532	235	1.5	18.7	12.0	93.0	3.4
3 Low risk	2.60	4,325	8,332	620	1.5	30.6	22.8	82.5	8.7
4 Moderate risk	2.63	3,759	3,119	183	15.4	37.4	11.0	86.5	10.0
5 Other	3.02	10,514	3,857	94	24.0	37.7	16.5	58.3	16.1
By maturity/repricing interval[6]									
6 Zero interval	4.80	3,119	2,711	747	6.2	29.6	70.5	99.9	43.7
7 Minimal risk	*	*	*	*	*	*	*	*	*
8 Low risk	4.14	1,076	17,857	1,093	*	10.2	89.8	100.0	40.0
9 Moderate risk	3.57	398	1,841	451	20.4	45.8	55.1	100.0	31.5
10 Other	5.58	1,536	1,854	360	7.3	40.5	59.4	99.9	47.7
11 Daily	2.32	11,436	8,963	15	16.1	36.1	6.8	52.1	2.0
12 Minimal risk	1.85	409	5,095	1	*	*	*	100.0	.0
13 Low risk	1.81	1,491	9,376	24	.1	58.1	*	56.7	1.2
14 Moderate risk	2.00	1,705	7,543	71	7.0	10.0	1.8	93.0	.8
15 Other	2.46	6,178	9,893	1	27.7	23.3	12.0	50.4	3.0
16 2 to 30 days	2.49	3,621	2,872	113	18.7	68.9	4.1	50.4	10.2
17 Minimal risk	*	*	*	*	*	*	*	*	*
18 Low risk	1.87	297	3,774	162	.1	53.6	*	67.6	11.6
19 Moderate risk	2.59	775	1,978	58	21.7	66.6	16.3	69.5	12.1
20 Other	2.59	2,089	3,346	126	23.7	70.4	1.1	46.5	9.8
21 31 to 365 days	2.85	3,906	2,890	584	12.1	46.9	4.5	77.7	15.2
22 Minimal risk	*	*	*	*	*	*	*	*	*
23 Low risk	2.31	1,405	6,824	991	.6	13.3	1.4	99.1	15.7
24 Moderate risk	3.48	846	2,306	342	24.6	63.5	4.6	86.4	20.3
25 Other	3.60	674	1,048	444	29.4	58.4	8.6	75.8	11.7
				Months					
26 More than 365 days	*	*	*	*	*	*	*	*	*
27 Minimal risk	*	*	*	*	*	*	*	*	*
28 Low risk	*	*	*	*	*	*	*	*	*
28 Moderate risk	*	*	*	*	*	*	*	*	*
30 Other	*	*	*	*	*	*	*	*	*
			Weighted-average risk rating[2]	Weighted-average maturity/repricing interval[3]					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	3.77	24	4.0	32	29.2	21.5	41.9	88.2	11.4
32 100–999	3.65	688	3.5	27	27.1	55.6	31.3	86.4	24.8
33 1,000–9,999	3.30	7,083	3.7	22	10.1	52.0	18.7	64.7	19.7
34 10,000 or more	2.51	14,412	3.4	14	16.1	37.1	12.2	61.0	7.2
							Average size (thousands of dollars)		
BASE RATE OF LOAN[4]									
35 Prime[7]	5.30	3,301	3.6	4	15.9	15.9	2,306	76.5	41.9
36 Other	2.36	18,907	3.5	19	14.4	47.0	5,206	60.6	8.6

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, May 5–9, 2003—Continued

F. Commercial and industrial loans by date pricing terms were set and commitment status

Date pricing terms were set and commitment status	Weighted-average effective loan rate[4] (percent)	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average risk rating[2]	Weighted-average maturity repricing interval	Percent of amount of loans		
					Days	Secured by collateral	Subject to prepayment penalty	Prime based
All commercial banks								
1 During survey week	2.91	33,214	698	3.2	125	31.9	33.3	18.0
2 Not under commitment	2.79	16,646	713	3.4	115	31.3	35.0	14.4
3 Informal commitment	2.57	12,488	1,178	3.0	83	19.6	41.4	8.5
4 Formal commitment	4.42	4,080	300	3.3	295	72.3	1.5	61.2
Prior to survey week[9]								
5 Up to 90 days	4.48	2,570	235	3.4	758	60.2	35.9	44.3
6 91 to 365 days	3.85	4,306	200	3.2	107	63.1	12.0	54.1
7 More than 365 days	3.75	10,345	415	3.5	93	41.4	18.2	38.9
Domestic banks								
8 During survey week	3.34	18,515	411	2.9	216	45.4	23.2	27.3
9 Not under commitment	2.99	8,428	380	2.7	213	36.8	1.6	19.3
10 Informal commitment	3.14	6,092	653	2.8	164	40.1	67.8	16.2
11 Formal commitment	4.39	3,996	294	3.3	301	71.8	.8	61.1
Prior to survey week[9]								
12 Up to 90 days	4.51	2,329	215	3.3	832	59.5	32.0	46.9
13 91 to 365 days	3.93	3,301	156	3.3	132	76.0	3.8	62.6
14 More than 365 days	3.67	6,697	288	3.3	136	55.9	2.2	46.5
Large domestic banks								
15 During survey week	2.94	15,094	1,285	2.8	168	38.5	27.5	22.5
16 Not under commitment	2.49	6,482	1,058	2.6	168	28.3	.7	13.3
17 Informal commitment	2.86	5,536	1,302	2.8	135	34.5	73.9	10.9
18 Formal commitment	4.03	3,076	2,252	3.4	226	67.1	.3	62.6
Prior to survey week[9]								
19 Up to 90 days	4.26	1,808	411	3.4	977	51.7	39.2	37.5
20 91 to 365 days	3.68	2,730	239	3.3	94	73.4	4.5	56.8
21 More than 365 days	3.63	6,462	331	3.3	126	55.1	2.1	45.2
Small domestic banks								
22 During survey week	5.11	3,421	103	3.4	430	76.0	4.4	48.8
23 Not under commitment	4.66	1,945	121	3.3	366	65.1	4.5	39.4
24 Informal commitment	5.86	556	110	3.8	449	95.1	7.1	69.5
25 Formal commitment	5.60	919	75	3.2	552	87.3	2.6	55.9
Prior to survey week[9]								
26 Up to 90 days	5.37	521	81	3.1	329	86.6	6.8	79.4
27 91 to 365 days	5.13	570	59	3.0	313	88.0	.6	90.4
28 More than 365 days	4.60	236	63	3.1	420	77.5	3.3	81.8
Foreign banks								
29 During survey week	2.36	14,698	5,948	3.7	11	15.0	46.0	6.2
30 Not under commitment	2.58	8,218	7,052	4.2	14	25.8	69.3	9.4
31 Informal commitment	2.02	6,396	5,033	3.2	7	.0	16.3	1.2
32 Formal commitment	*	*	*	*	*	*	*	*
Prior to survey week[9]								
33 Up to 90 days	4.20	240	2,279	3.6	46	67.6	74.0	19.3
34 91 to 365 days	3.58	1,006	2,634	3.0	28	21.0	38.7	26.0
35 More than 365 days	3.89	3,647	2,181	3.9	15	14.9	47.6	24.8

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 March 31, 2001, assets of the large banks were at least $4 billion. Median total assets for all insured banks were roughly $80 million. Assets at all U.S. branches and agencies averaged $2.7 billion.

2. A complete description of these risk categories is available at "http://www.federalreserve.gov/boarddocs/reportforms/ReportDetail.cfm?WhichFormId=FR_2028a/s." The category "Moderate risk" includes the average loan, under average economic conditions, at the typical lender. The "Other" category includes loans rated "Acceptable" as well as special mention or classified loans. The weighted-average risk rating published for loans in rows 31–36 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 table rows 1, 6, 11, 16, 21, 26, and 31–36 are not rated for risk.

3. The "maturity/repricing" interval measures the period from the date the loan is made until it first may be repriced or 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.

4. 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 0.10 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.

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

6. For loans made under formal commitments, the average time interval between the date on which the loan pricing was set and the date on which the loan was made, weighted by the loan amount. For loans under informal commitment, the time interval is zero.

7. Prime-based loans are based on the lending bank's own prime rate, any other lender's prime rate, a combination of prime rates, or a publicly reported prime rate. Loans with "other" base rates include loan rates expressed in terms of any other base rate (e.g., the federal funds rate or LIBOR) and loans for which no base rate is used to determine the loan rate.

8. For the current survey, the average reported prime rate, weighted by the amount of loans priced relative to a prime base rate, was 4.27 percent for all banks, 4.25 percent for large domestic banks, and 4.25 percent for U.S. branches and agencies of foreign banks.

9. For loans made under formal commitments.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, March 31, 2003[1]

Millions of dollars except as noted

Item	All states[2]		New York		California		Illinois	
	Total including IBFs[3]	IBFs only[3]	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
1 **Total assets**[4]	**1,040,935**	**117,055**	**916,528**	**93,547**	**17,105**	**4,931**	**33,095**	**3,117**
2 Claims on nonrelated parties	789,936	47,825	707,202	44,399	15,651	1,127	32,916	1,177
3 Cash and balances due from depository institutions	62,821	19,213	55,345	17,393	1,208	593	1,770	1,093
4 Cash items in process of collection and unposted debits	2,495	0	2,449	0	1	0	28	0
5 Currency and coin (U.S. and foreign)	18	n.a.	14	n.a.	1	n.a.	0	n.a.
6 Balances with depository institutions in United States	38,260	7,539	33,267	6,343	833	262	1,453	843
7 U.S. branches and agencies of other foreign banks (including their IBFs)	31,938	6,979	27,461	5,846	612	212	1,385	843
8 Other depository institutions in United States (including their IBFs)	6,322	560	5,807	497	221	50	68	0
9 Balances with banks in foreign countries and with foreign central banks	21,029	11,674	18,717	11,050	338	331	277	250
10 Foreign branches of U.S. banks	155	89	134	69	20	20	0	0
11 Banks in home country and home-country central banks	5,809	2,713	4,149	2,688	25	25	4	0
12 All other banks in foreign countries and foreign central banks	15,066	8,872	14,434	8,293	293	286	274	250
13 Balances with Federal Reserve Banks	1,019	n.a.	898	n.a.	35	n.a.	11	n.a.
14 **Total securities and loans**	**418,478**	**22,915**	**357,880**	**21,416**	**13,925**	**466**	**25,317**	**81**
15 Total securities, book value	135,070	4,560	124,085	4,195	1,533	282	4,914	1
16 U.S. Treasury	19,175	n.a.	17,009	n.a.	60	n.a.	1,994	n.a.
17 Obligations of U.S. government agencies and corporations	23,381	n.a	22,563	n.a.	82	n.a.	408	n.a.
18 Other bonds, notes, debentures, and corporate stock (including state and local securities)	92,514	4,560	84,514	4,195	1,391	282	2,513	1
19 Securities of foreign governmental units	8,936	2,852	8,455	2,781	62	35	368	1
20 Mortgage-backed securities	33,484	0	28,773	0	220	0	822	0
21 Issued or guaranteed by U.S. government agencies	28,493	0	25,981	0	220	0	822	0
22 Other	4,992	0	2,792	0	0	0	0	0
23 Other asset-backed securities	9,953	57	9,878	57	0	0	0	0
24 All other	40,141	1,651	37,409	1,356	1,109	247	1,322	0
25 Federal funds sold	24,326	5,085	23,203	5,008	348	64	250	0
26 With depository institutions in the U.S.	15,929	3,405	14,816	3,335	345	64	250	0
27 With others	8,397	1,680	8,387	1,673	3	0	0	0
28 Securities purchased under agreements to resell	111,933	0	111,807	0	0	0	106	0
29 With depository institutions in the U.S.	13,469	0	13,449	0	0	0	0	0
30 With others	98,464	0	98,358	0	0	0	106	0
31 Total loans, gross	283,807	18,367	234,146	17,232	12,415	185	20,404	80
32 LESS: Unearned income on loans	399	12	352	10	23	1	1	0
33 EQUALS: Loans, net	283,408	18,355	233,795	17,222	12,392	184	20,402	80
Total loans, gross, by category								
34 Real estate loans	18,987	53	14,914	53	3,183	0	53	0
35 Loans to depository institutions and acceptances of other banks	65,697	6,307	54,440	5,717	1,808	78	6,153	80
36 Commercial banks in United States (including their IBFs)	2,340	520	1,647	406	376	10	5	0
37 U.S. branches and agencies of other foreign banks	1,559	489	896	376	371	10	0	0
38 Other commercial banks in United States	781	31	751	31	5	0	5	0
39 Other depository institutions in United States (including their IBFs)	0	0	0	0	0	0	0	0
40 Banks in foreign countries	9,854	5,390	8,049	4,963	148	68	860	30
41 Foreign branches of U.S. banks	89	46	89	46	0	0	0	0
42 Other banks in foreign countries	9,764	5,344	7,960	4,917	148	68	860	30
43 Loans to other financial institutions	53,503	398	44,744	348	1,284	0	5,288	50
44 Commercial and industrial loans	177,151	10,461	144,841	9,960	6,981	85	13,319	0
45 U.S. addressees (domicile)	142,869	124	115,181	124	6,447	0	12,024	0
46 Non-U.S. addressees (domicile)	34,282	10,337	29,661	9,836	534	85	1,295	0
47 Loans to foreign governments and official institutions (including foreign central banks)	4,133	1,474	3,406	1,441	257	22	278	0
48 Loans for purchasing or carrying securities (secured and unsecured)	10,760	4	10,464	0	0	0	99	0
49 All other loans	6,324	68	5,731	61	186	0	97	0
50 Lease financing receivables (net of unearned income)	755	0	351	0	0	0	404	0
51 U.S. addressees (domicile)	714	0	351	0	0	0	364	0
52 Non-U.S. addressees (domicile)	40	0	0	0	0	0	40	0
53 Trading assets	136,545	168	125,594	168	22	0	4,314	0
54 U.S. Treasury and agency securities	32,490	0	32,293	0	2	0	0	0
55 Other trading assets	104,055	168	93,300	168	20	0	4,313	0
56 All other assets	35,834	443	33,374	413	148	3	1,159	3
57 Customers' liabilities on acceptances outstanding	504	n.a.	413	n.a.	36	n.a.	30	n.a.
58 U.S. addressees (domicile)	390	n.a.	329	n.a.	35	n.a.	26	n.a.
59 Non-U.S. addressees (domicile)	115	n.a.	85	n.a.	1	n.a.	5	n.a.
60 Other assets including other claims on nonrelated parties	35,329	443	32,960	413	112	3	1,129	3
61 Net due from related depository institutions[5]	250,999	69,230	209,326	49,148	1,454	3,803	179	1,940
62 Net due from head office and other related depository institutions[5]	250,999	n.a	209,326	n.a.	1,454	n.a.	179	n.a.
63 Net due from establishing entity, head office, and other related depository institutions[5]	n.a.	69,230	n.a.	49,148	n.a.	3,803	n.a.	1,940
64 **Total liabilities**[4]	**1,040,935**	**117,055**	**916,528**	**93,547**	**17,105**	**4,931**	**33,095**	**3,117**
65 Liabilities to nonrelated parties	915,209	102,566	812,842	79,427	9,708	4,787	28,928	3,086

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, March 31, 2003[1]—Continued

Millions of dollars except as noted

Item	All states[2]		New York		California		Illinois	
	Total excluding IBFs[3]	IBFs only[3]	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
66 Total deposits and credit balances	429,151	70,314	377,610	55,075	3,918	2,768	12,774	1,480
67 Individuals, partnerships, and corporations (including certified and official checks)	333,398	8,027	286,132	4,231	3,418	156	12,195	6
68 U.S. addressees (domicile)	318,248	235	276,764	235	1,999	0	12,040	0
69 Non-U.S. addressees (domicile)	15,150	7,791	9,368	3,995	1,419	156	155	6
70 Commercial banks in United States (including their IBFs)	58,633	5,736	56,102	5,368	460	103	475	0
71 U.S. branches and agencies of other foreign banks	18,718	4,948	18,305	4,632	0	83	0	0
72 Other commercial banks in United States	39,915	788	37,797	736	460	20	475	0
73 Banks in foreign countries	8,385	27,595	8,065	21,518	21	1,661	100	348
74 Foreign branches of U.S. banks	1,335	2,050	1,334	1,369	0	121	0	59
75 Other banks in foreign countries	7,050	25,546	6,730	20,149	21	1,540	100	290
76 Foreign governments and official institutions (including foreign central banks)	8,197	28,956	8,113	23,958	13	849	2	1,126
77 All other deposits and credit balances	20,538	0	19,198	0	6	0	1	0
78 Transaction accounts and credit balances (excluding IBFs)	9,184	n.a.	7,247	n.a.	305	n.a.	190	n.a.
79 Individuals, partnerships, and corporations (including certified and official checks)	8,066	n.a.	6,294	n.a.	275	n.a.	187	n.a.
80 U.S. addressees (domicile)	5,326	n.a.	4,935	n.a.	79	n.a.	185	n.a.
81 Non-U.S. addressees (domicile)	2,739	n.a.	1,358	n.a.	196	n.a.	2	n.a.
82 Commercial banks in United States (including their IBFs)	105	n.a.	105	n.a.	0	n.a.	0	n.a.
83 U.S. branches and agencies of other foreign banks	7	n.a.	7	n.a.	0	n.a.	0	n.a.
84 Other commercial banks in United States	99	n.a.	98	n.a.	0	n.a.	0	n.a.
85 Banks in foreign countries	685	n.a.	573	n.a.	21	n.a.	0	n.a.
86 Foreign branches of U.S. banks	30	n.a.	30	n.a.	0	n.a.	0	n.a.
87 Other banks in foreign countries	655	n.a.	543	n.a.	21	n.a.	0	n.a.
88 Foreign governments and official institutions (including foreign central banks)	254	n.a.	213	n.a.	3	n.a.	2	n.a.
89 All other deposits and credit balances	74	n.a.	62	n.a.	6	n.a.	1	n.a.
90 Nontransaction accounts (including MMDAs, excluding IBFs)	419,967	n.a.	370,364	n.a.	3,613	n.a.	12,583	n.a.
91 Individuals, partnerships, and corporations (including certified and official checks)	325,333	n.a.	279,839	n.a.	3,143	n.a.	12,008	n.a.
92 U.S. addressees (domicile)	312,922	n.a.	271,829	n.a.	1,921	n.a.	11,856	n.a.
93 Non-U.S. addressees (domicile)	12,411	n.a.	8,010	n.a.	1,222	n.a.	153	n.a.
94 Commercial banks in United States (including their IBFs)	58,527	n.a.	55,997	n.a.	460	n.a.	475	n.a.
95 U.S. branches and agencies of other foreign banks	18,711	n.a.	18,299	n.a.	0	n.a.	0	n.a.
96 Other commercial banks in United States	39,816	n.a.	37,699	n.a.	460	n.a.	475	n.a.
97 Banks in foreign countries	7,700	n.a.	7,492	n.a.	0	n.a.	100	n.a.
98 Foreign branches of U.S. banks	1,305	n.a.	1,305	n.a.	0	n.a.	0	n.a.
99 Other banks in foreign countries	6,396	n.a.	6,187	n.a.	0	n.a.	100	n.a.
100 Foreign governments and official institutions (including foreign central banks)	7,943	n.a.	7,900	n.a.	10	n.a.	0	n.a
101 All other deposits and credit balances	20,463	n.a.	19,136	n.a.	0	n.a.	0	n.a.
102 IBF deposit liabilities	n.a.	70,314	n.a.	55,075	n.a.	2,768	n.a.	1,480
103 Individuals, partnerships, and corporations (including certified and official checks)	n.a.	8,027	n.a.	4,231	n.a.	156	n.a.	6
104 U.S. addressees (domicile)	n.a.	235	n.a.	235	n.a.	0	n.a	0
105 Non-U.S. addressees (domicile)	n.a.	7,791	n.a.	3,995	n.a.	156	n.a.	6
106 Commercial banks in United States (including their IBFs)	n.a.	5,736	n.a.	5,368	n.a.	103	n.a.	0
107 U.S. branches and agencies of other foreign banks	n.a.	4,948	n.a.	4,632	n.a.	83	n.a.	0
108 Other commercial banks in United States	n.a.	788	n.a.	736	n.a.	20	n.a.	0
109 Banks in foreign countries	n.a.	27,595	n.a.	21,518	n.a.	1,661	n.a.	348
110 Foreign branches of U.S. banks	n.a.	2,050	n.a	1,369	n.a.	121	n.a.	59
111 Other banks in foreign countries	n.a.	25,546	n.a.	20,149	n.a.	1,540	n.a.	290
112 Foreign governments and official institutions (including foreign central banks)	n.a.	28,956	n.a.	23,958	n.a.	849	n.a.	1,126
113 All other deposits and credit balances	n.a.	0	n.a.	0	n.a.	0	n.a.	0

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, March 31, 2003[1]—Continued

Millions of dollars except as noted

Item	All states[2]		New York		California		Illinois	
	Total including IBFs[3]	IBFs only[3]	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
114 Federal funds purchased	83,339	15,033	65,709	9,604	782	295	4,659	904
115 With depository institutions in the U.S.	30,223	2,666	20,689	1,169	724	237	1,728	122
116 With others	53,116	12,367	45,019	8,436	58	58	2,932	782
117 Securities sold under agreements to repurchase	158,577	1,717	157,650	1,717	226	0	671	0
118 With depository institutions in the U.S.	5,848	0	5,838	0	10	0	0	0
119 With others	152,730	1,717	151,812	1,717	216	0	671	0
120 Other borrowed money	67,537	15,035	58,502	12,593	1,862	1,717	4,727	698
121 Owed to nonrelated commercial banks in United States (including their IBFs)	9,989	3,065	9,281	2,694	333	234	281	125
122 Owed to U.S. offices of nonrelated U.S. banks	4,775	558	4,578	553	64	5	121	0
123 Owed to U.S. branches and agencies of nonrelated foreign banks	5,214	2,507	4,704	2,141	269	229	160	125
124 Owed to nonrelated banks in foreign countries	11,260	9,777	9,747	8,369	840	820	583	573
125 Owed to foreign branches of nonrelated U.S. banks	1,760	1,442	1,694	1,416	47	27	0	0
126 Owed to foreign offices of nonrelated foreign banks	9,500	8,334	8,053	6,953	793	793	583	573
127 Owed to others	46,287	2,193	39,474	1,529	689	663	3,863	0
128 All other liabilities	106,291	467	98,296	437	152	7	4,617	4
129 Branch or agency liability on acceptances executed and outstanding	532	n.a.	435	n.a.	36	n.a.	30	n.a.
130 Trading liabilities	78,316	43	72,614	43	11	0	3,358	1
131 Other liabilities to nonrelated parties	27,443	424	25,247	395	105	7	1,229	3
132 Net due to related depository institutions[5]	125,726	14,489	103,686	14,121	7,396	144	4,167	31
133 Net due to head office and other related depository institutions[5]	125,726	n.a.	103,686	n.a.	7,396	n.a.	4,167	n.a.
134 Net due to establishing entity, head office, and other related depository institutions[5]	n.a.	14,489	n.a.	14,121	n.a.	144	n.a.	31
MEMO								
135 Holdings of own acceptances included in commercial and industrial loans	509	n.a.	349	n.a.	2	n.a.	98	n.a.
136 Commercial and industrial loans with remaining maturity of one year or less (excluding those in nonaccrual status)	78,209	n.a.	58,769	n.a.	4,050	n.a.	8,036	n.a.
137 Predetermined interest rates	30,829	n.a.	19,460	n.a.	1,903	n.a.	6,027	n.a.
138 Floating interest rates	47,380	n.a.	39,309	n.a.	2,147	n.a.	2,009	n.a.
139 Commercial and industrial loans with remaining maturity of more than one year (excluding those in nonaccrual status)	90,089	n.a.	78,496	n.a.	2,818	n.a.	4,773	n.a.
140 Predetermined interest rates	14,944	n.a.	13,365	n.a.	340	n.a.	411	n.a.
141 Floating interest rates	75,145	n.a.	65,130	n.a.	2,478	n.a.	4,362	n.a.

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, March 31, 2003[1]—Continued

Millions of dollars except as noted

Item	All states[2] Total excluding IBFs[3]	All states[2] IBFs only[3]	New York Total excluding IBFs	New York IBFs only	California Total excluding IBFs	California IBFs only	Illinois Total excluding IBFs	Illinois IBFs only
142 Components of total nontransaction accounts, included in total deposits and credit balances	442,350	n.a.	391,011	n.a.	3,454	n.a.	12,700	n.a.
143 Time deposits of $100,000 or more	413,684	n.a.	365,199	n.a.	3,445	n.a.	12,542	n.a.
144 Time CDs in denominations of $100,000 or more with remaining maturity of more than 12 months	28,666	n.a.	25,812	n.a.	10	n.a.	158	n.a.

Item	All states[2] Total including IBFs[3]	All states[2] IBFs only[3]	New York Total including IBFs	New York IBFs only	California Total including IBFs	California IBFs only	Illinois Total including IBFs	Illinois IBFs only
145 Immediately available funds with a maturity greater than one day included in other borrowed money	28,521	n.a.	26,811	n.a.	1,250	n.a.	192	n.a
146 Number of reports filed[6]	284	0	151	0	56	0	17	0

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." The form was first used for reporting data as of June 30, 1980, and was revised as of December 31, 1985. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve monthly statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

2. Includes the District of Columbia.

3. Effective December 1981, the Federal Reserve Board amended Regulations D and Q to permit banking offices located in the United States to operate international banking facilities (IBFs). Since December 31, 1985, data for IBFs have been reported in a separate column. These data are either included in or excluded from the total columns as indicated in the headings. The notation "n.a." indicates that no IBF data have been reported for that item, either because the item is not an eligible IBF asset or liability or because that level of detail is not reported for IBFs. From December 1981 through September 1985, IBF data were included in all applicable items reported.

4. Total assets and total liabilities include *net* balances, if any, due from or owed to related banking institutions in the United States and in foreign countries (see note 5). On the former monthly branch and agency report, available through the G.11 monthly statistical release, *gross* balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

5. Related depository institutions includes the foreign head office and other U.S. and foreign branches and agencies of a bank, a bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly).

6. In some cases, two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

Index to Statistical Tables

References are to pages A3–A69, although the prefix "A" is omitted in this index.

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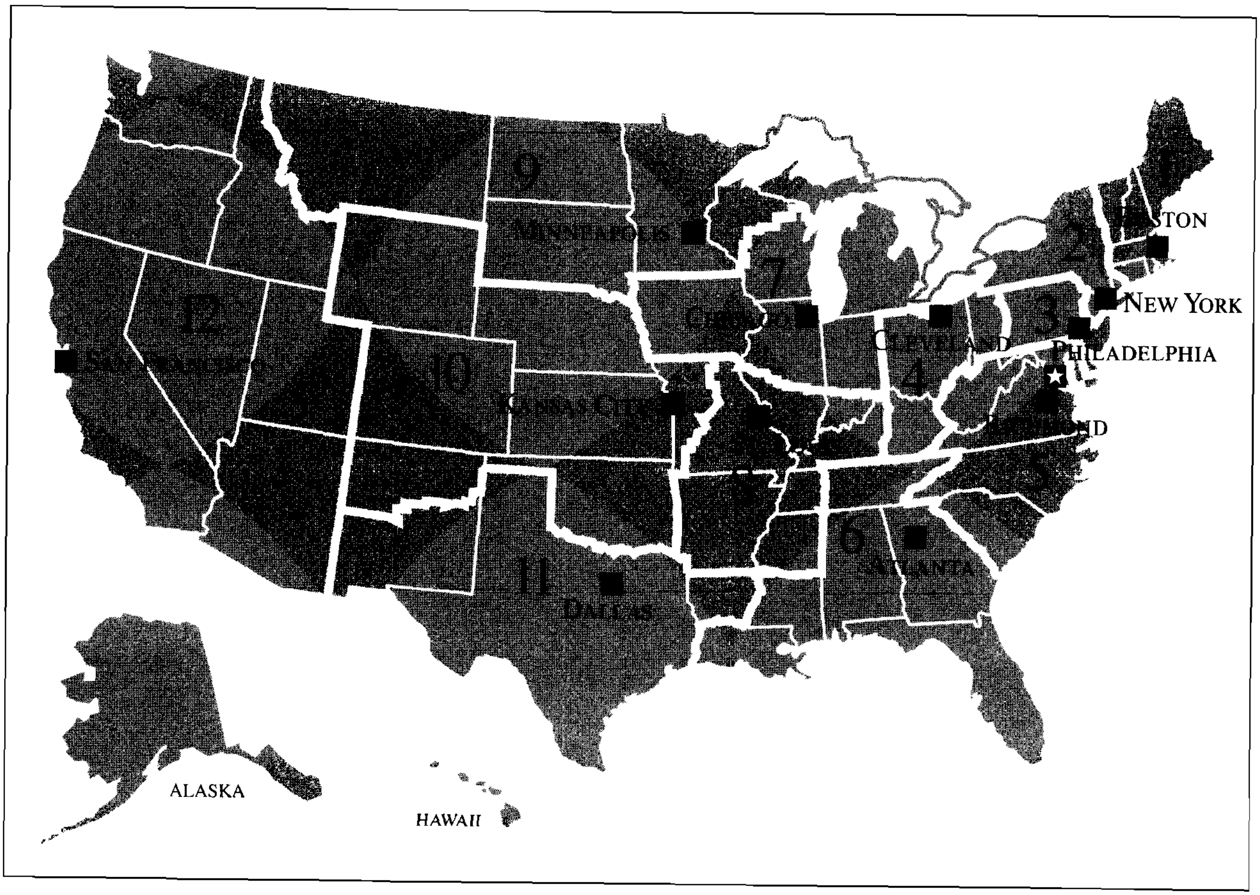


LEGEND

Both pages

■ Federal Reserve Bank city

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

Facing page

• Federal Reserve Branch city

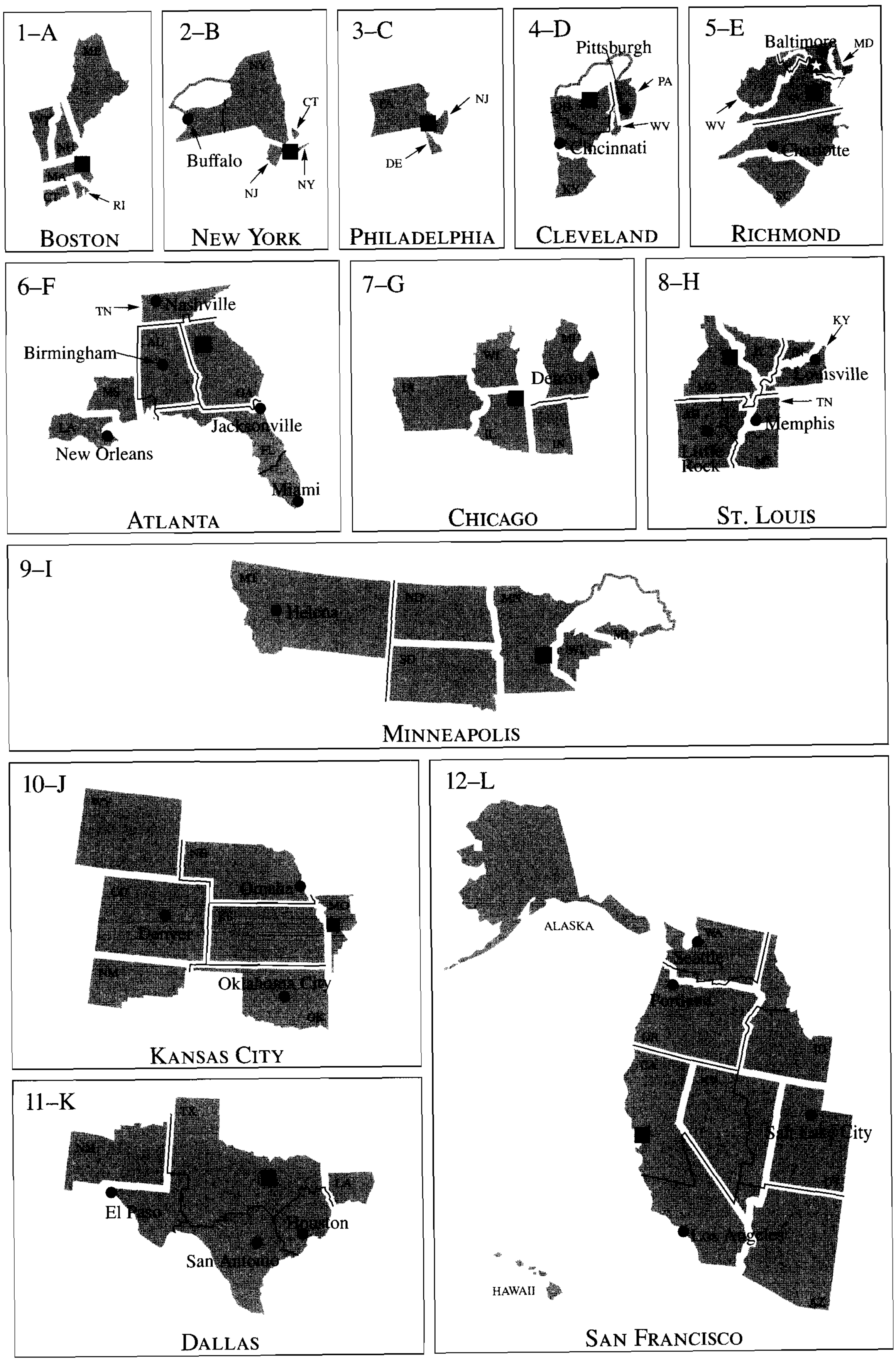
— Branch boundary

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.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Birmingham
Jacksonville
New Orleans
Miami
ATLANTA
7–G
Detroit
CHICAGO
8–H
KY
Louisville
TN
Memphis
Little Rock
ST. LOUIS
9–I
Helena
MINNEAPOLIS
10–J
Omaha
Denver
Oklahoma City
KANSAS CITY
11–K
El Paso
Houston
San Antonio
DALLAS
12–L
ALASKA
Seattle
Portland
Salt Lake City
Los Angeles
HAWAII
SAN FRANCISCO

Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK branch, or *facility*	Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON*	02106	James J. Norton Samuel O. Thier	Cathy E. Minehan Paul M. Connolly	
NEW YORK*	10045	Peter G. Peterson John E. Sexton	William J. McDonough Jamie B. Stewart, Jr.	
Buffalo	14240	Marguerite D. Hambleton		Barbara L. Walter[1]
PHILADELPHIA	19105	Glenn A. Schaeffer Ronald J. Naples	Anthony M. Santomero William H. Stone, Jr.	
CLEVELAND*	44101	Robert W. Mahoney Charles E. Bunch	Sandra Pianalto Robert Christy Moore	
Cincinnati	45201	Dennis C. Cuneo		Barbara B. Henshaw
Pittsburgh	15230	Roy W. Haley		Robert B. Schaub
RICHMOND*	23219	Wesley S. Williams, Jr. Thomas J. Mackell, Jr.	J. Alfred Broaddus, Jr. Walter A. Varvel	
Baltimore	21203	Owen E. Herrnstadt		William J. Tignanelli[1]
Charlotte	28230	Michael A. Almond		Dan M. Bechter[1]
ATLANTA	30303	Paula Lovell David M. Ratcliffe	Jack Guynn Patrick K. Barron	James M. McKee[1]
Birmingham	35242	W. Miller Welborn		Lee C. Jones
Jacksonville	32231	William E. Flaherty		Christopher L. Oakley
Miami	33152	Brian E. Keeley		James T. Curry III
Nashville	37203	Whitney Johns Martin		Melvyn K. Purcell[1]
New Orleans	70161	Dave Dennis		Robert J. Musso[1]
CHICAGO*	60690	Robert J. Darnall W. James Farrell	Michael H. Moskow Gordon R. G. Werkema	
Detroit	48231	Timothy D. Leuliette		Glenn Hansen[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	Norman Pfau, Jr.		Thomas A. Boone
Memphis	38101	Gregory M. Duckett		Martha Perine Beard
MINNEAPOLIS	55480	Ronald N. Zwieg Linda Hall Whitman	Gary H. Stern James M. Lyon	
Helena	59601	Thomas O. Markle		Samuel H. Gane
KANSAS CITY	64198	Richard H. Bard Vacancy	Thomas M. Hoenig Richard K. Rasdall	
Denver	80217	Robert M. Murphy		
Oklahoma City	73125	Patricia B. Fennell		Dwayne E. Boggs
Omaha	68102	A.F. Raimondo		Steven D. Evans
DALLAS	75201	Ray L. Hunt Patricia M. Patterson	Robert D. McTeer, Jr. Helen E. Holcomb	
El Paso	79999	Gail Darling		Robert W. Gilmer[3]
Houston	77252	Lupe Fraga		Robert Smith III[1]
San Antonio	78295	Ron R. Harris		James L. Stull[1]
SAN FRANCISCO	94120	George M. Scalise Sheila D. Harris	Robert T. Parry John F. Moore	
Los Angeles	90051	William D. Jones		Mark L. Mullinix[2]
Portland	97208	Karla S. Chambers		Richard B. Hornsby
Salt Lake City	84125	H. Roger Boyer		Andrea P. Wolcott
Seattle	98124	Mic R. Dinsmore		Mark Gould

*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
3. Acting