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# The U.S. Flow of Funds Accounts and Their Uses

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Each day, a wealth of data on household, corporate, and government finances becomes available. The greatest challenge posed by these data is in interpreting the information they contain—that is, in evaluating the information's import in a historical context and determining its usefulness and appropriate weight in forecasting the direction of the U.S. economy. By assembling much of this information into a comprehensive, coherent data set, the U.S. flow of funds accounts produced at the Federal Reserve Board provide a framework in which incoming economic and financial data can be viewed.

In simple terms, the flow of funds accounts measure financial flows across sectors of the economy, tracking funds as they move from those sectors that serve as sources of capital, through intermediaries (such as banks, mutual funds, and pension funds), to sectors that use the capital to acquire physical and financial assets. With data extending back more than half a century, the accounts provide a broadly consistent set of time-series data for measuring financial flows in the economy.

The accounts are useful in documenting central economic trends. They show, for example, the growth of debt for each sector; changes in the sources of credit to households, businesses, and governments; and the development of new financial instruments for providing credit. They document the growth of important economic institutions, such as mutual funds and defined contribution pension plans, and show how these institutions have become woven into the financial fabric of the economy.

Data in the accounts are critical for understanding macroeconomic behavior. They have, for example, been used in recent studies of the wealth effect—the effect of changes in households' net worth on their decisions about saving and consumption. The accounts provide the commonly used time-series measure of overall household wealth, give detail on the composition of that wealth, and shed light on the factors underlying changes in composition, such as increases in the value of equity shares. In related analyses, the accounts have been used to study personal saving. They show how saving is allocated across broad classes of financial and tangible assets and provide alternative measures of personal saving that can be analyzed in conjunction with the measure commonly reported in the national income and product accounts compiled by the Department of Commerce. The accounts have also been used in analyses of business investment and of the implications of business sector leverage for the macroeconomy.

The accounts are used for monetary policy purposes. An economic forecast that integrates the flow of funds accounts with other macroeconomic accounts provides an opportunity to quantify the effects of likely changes in credit conditions on the growth of real activity. A flow of funds forecast also adds a check on the consistency of other elements of an economic forecast, because balance sheet conditions and access to credit and other external funds can be factors underlying the spending and production decisions of households, businesses, and governments.

The comprehensive framework of the flow of funds accounts is useful for interpreting current economic data.[1] As fragments of information on financial flows become available, they can be evaluated in light of the expectations embedded in the broader flow of funds forecast. Such evaluations may be especially helpful in interpreting the implications of higher frequency data on segments of the financial markets, such as particular types of financial intermediaries or financial instruments.

This article gives a brief overview of the flow of funds accounts and their uses. The next section describes the accounts, offering new users a brief tour of their organization and manner of publication. The two subsequent sections illustrate the uses of the data in the accounts in interpreting the behavior of households and nonfinancial corporate businesses; each

1. A description of such use is given in Susan Hume McIntosh, Jennifer M. Scherschel, and Albert M. Teplin, "Use of the Flow of Funds Accounts for Policymaking at the Federal Reserve," paper presented at the Seminar on Central Bank Uses of Financial Accounts, Frankfurt, Germany, November 22, 1999.

section begins with a review of the growth of debt within the sector and then moves to a discussion of the determinants of that growth and its implications for economic behavior.

### *OVERVIEW OF THE ACCOUNTS*

The flow of funds accounts record the acquisition of tangible and financial assets (and the incurrence of liabilities) throughout the U.S. economy and document the sources of funds used to acquire those assets. They also measure the value of assets and liabilities at the end of each quarter.[2]

#### *Organization*

The accounts trace transactions in more than forty types of financial instruments, such as time and savings deposits, mortgages, corporate bonds, equity shares, mutual fund shares, and bank loans. By recording the net volume of transactions in these instruments, the accounts make it possible to analyze the development of the instruments over time as alternative or complementary vehicles for financing economic activity. They also provide a means of tracking the role of financial intermediaries, such as banks and pension funds, in transferring funds from sectors that have positive saving to those that borrow funds.

Financial transactions are recorded within thirty economic sectors—nonfinancial sectors (households and nonprofit organizations, unincorporated and incorporated businesses, the federal government, state and local governments, and the rest of the world) and financial sectors (commercial banks, insurance companies, pension funds, and other kinds of intermediaries).

Although the basic structure of the flow of funds accounts has remained stable over the half-century they have been prepared, the details have been modified somewhat as sources, procedures, and terminology have changed over time. The accounts also have been modified to increase their accuracy and their usefulness for policymaking and research.

#### *Construction*

The principle underlying the flow of funds accounts is that total *sources* of funds must equal total *uses* of funds. That is, all funds supplied by sectors in the economy become uses of funds by sectors. Equality between sources and uses holds within each sector as well as across the entire economy.

Sources of funds are both internal (funds saved from current production) and external (funds raised outside the sector). For the household sector, for example, internal funds are saving from personal disposable income and external funds are funds obtained through borrowing from financial institutions (table 1). Nonfinancial businesses generate internal funds from profits—technically, after-tax profits not distributed to shareholders—and also have available allowances for depreciation of tangible assets; their external funds include debt and equity raised in credit markets and loans from commercial banks, finance companies, and other sources. The internal funds of commercial banks (and of most other financial intermediaries) are similar to those of nonfinancial businesses, but their external funds are typically quite different: Those sources are predominantly deposits, such as checkable accounts and small time deposits, and also include managed liabilities, such as large time deposits.

Sectors use funds to purchase tangible and financial assets. Households, for example, purchase such tangible assets as homes and automobiles and such

2. A complete description of the accounts is available in Board of Governors of the Federal Reserve System, *Guide to the Flow of Funds Accounts* (Board of Governors, 2000).

1. Sources of funds, selected sectors

| Sector | Internal funds | External funds |
|---|---|---|
| Households | Personal saving (disposable personal income less consumption) | Loans from banks and other financial intermediaries |
| Nonfinancial businesses | Undistributed profits (total profits less dividends and taxes); depreciation allowances | Net issuance of equity; loans from intermediaries and debt raised in capital markets; direct investment by foreigners ("rest of the world" sector) |
| Banks | Undistributed profits (total profits less dividends and taxes); depreciation allowances | Net issuance of equity; checkable deposits; time and savings deposits; large time deposits |

financial assets as deposits at financial intermediaries, government securities, equity shares, mutual fund shares, and pension fund reserves (table 2). Nonfinancial businesses and banks invest in similar types of tangible assets—real estate, equipment, and software—but in different types of financial assets: Nonfinancial businesses invest in short-term cash-equivalent assets, such as deposits and money market funds, and in foreign businesses (foreign direct investment); banks also invest abroad, but domestically they invest mostly in securities and in the loans and mortgages they originate.

The flow of funds accounts trace the sources and uses of funds for each sector and by each instrument, with particular attention to external sources of funds and financial uses of funds. Transactions are recorded as *net* purchases (or net sales) at the current market (transaction) price. Therefore, exchanges within a sector—for example, the sale of equities by one household and the corresponding purchase by another household—cancel each other out and do not show up in the accounts. Transactions between sectors, on the other hand—such as the sale of equities by a household to a mutual fund—are recorded as a negative value for the sector selling the instrument and a positive value for the sector purchasing the instrument.

The accounts also record the level (or "value outstanding") of financial assets held, and liabilities owed, by sector. The level is generally the sum of net purchases over time. However, for some instruments—particularly equities and other instruments whose value largely reflects equities—the value outstanding is affected by change in the prices of assets. For these instruments, the level at the end of a period for a sector is the accumulation of net purchases plus any appreciation or depreciation resulting from the change in prices.

### *Data*

The data in the flow funds accounts are maintained as time series. Because work on the accounts has been going on for some time, the historical record for many series is lengthy. Published annual data extend back to 1945, quarterly data to 1952, and monthly data for the primary components of domestic nonfinancial debt (the debt of governments, households, and nonfinancial businesses) to 1955.

Data in the accounts come from many sources; little information is collected specifically for inclusion in the accounts. Among the sources are regulatory reports (such as those submitted by banks and security brokers to supervisory agencies); aggregated data from tax filings (notably, for information on businesses and pension funds); surveys conducted by the Federal Reserve System (for information on the assets and liabilities of households and finance companies); other federal agencies, such as the Department of the Treasury (for information on federal finances and international capital flows), the Department of Commerce (for foreign direct investment statistics, national income and product account data, and other business and government data), and the Department of Agriculture (for information on the farm sector); and nongovernmental entities (such as trade associations, rating agencies, and news services).[3]

Dependence on outside providers means that data are not always in the form or detail needed for the accounts. Moreover, information on some sectors and some types of transactions is available only annually or with a long lag. In both cases, the value of missing items is estimated. Data revisions are incorporated in the accounts as they become available from providers.

Maintaining data series over time also presents a challenge. Over the years, much source material has been discontinued, necessitating the development of new sources and adjustment for breaks in definition or coverage. Also, changes in the financial system have required the incorporation of new financial instruments and institutions in the accounts. And the

3. Detailed information on sources is available in *Guide to the Flow of Funds Accounts* and in Susan Hume McIntosh, "Financial Accounts in the United States," mimeo prepared for the Group of Financial Statisticians Financial Accounts Seminar, Paris, May 1995.

2. Uses of funds, selected sectors

| Sector | Tangible assets | Financial assets |
|---|---|---|
| Households | Owner-occupied homes and other real estate; automobiles | Deposits; federal government securities; equity shares; mutual fund shares; pension fund reserves |
| Nonfinancial businesses | Real estate; equipment; software | Deposits; money market mutual funds; direct investment in foreign businesses |
| Banks | Real estate; equipment; software | Treasury and federal agency securities; loans to households and businesses; mortgage loans for all types of property |

needs of policy analysis and research have resulted in the inclusion of greater detail and supplementary information.

### *Publication*

The flow of funds accounts are published quarterly, as a set of tables, in the Federal Reserve's Z.1 statistical release, "Flow of Funds Accounts of the United States."[4] Data for a new quarter and revisions to data for previous quarters are published about ten weeks after the end of a quarter.

The Z.1 release contains a separate table for each sector and instrument, in both flow and level forms, as well as summary tables for borrowing, debt outstanding, and debt growth, by sector; credit market borrowing and lending, by instrument; and the relation of total liabilities to total financial assets. It also contains balance sheets and level–flow reconciliation tables for the household and nonprofit organizations sector and the domestic nonfarm nonfinancial corporate business sector. Finally, the Z.1 release contains a table that consolidates information for federal, state, and local governments; supplementary tables giving detail on the financial activity of nonprofit organizations, private defined benefit and defined contribution pension funds, and individual retirement accounts; and matrices showing flows and levels for sectors and instruments for the latest complete year.

### *Relationship to Other Systems of Accounts*

The flow of funds accounts complement—and are linked to—other broad statistical descriptions of the U.S. economy, such as the national income and product accounts and the balance of payments accounts produced by the Department of Commerce. Indeed, the three sets of accounts make up an integrated set of macroeconomic accounts that describe the U.S. economy for policymakers, analysts, and others who desire a comprehensive but compact set of information on the economy's performance. Internationally, countries have been working to harmonize the definitions and accounting conventions used in their national accounts.[5] Such harmonization will enable analysts to compare key economic measures across countries and to study the relationship between economic structure and performance.[6]

## *HOUSEHOLD SECTOR FINANCES*

The recent rapid rise in household sector debt has received considerable attention.[7] Some observers have expressed concern that the accumulation of debt may result in widespread financial distress for both borrowers and lenders. However, debt is only one dimension of household finances; the increase in household sector debt is most appropriately viewed within the context of changes in overall household sector wealth.

### *Debt*

The flow of funds accounts document the substantial rise in household sector debt. By the end of the first quarter of 2001, households had accumulated $7.2 trillion in debt, about double the amount they owed at the beginning of the economic expansion in early 1991. Despite a slowing of economic growth this year, household debt has continued to increase rapidly, rising at an annual rate of 7¾ percent in the first quarter, only slightly slower than the average rate for the past three years.

The rise has been apparent for both major types of household debt. Home mortgage debt (debt on owner-occupied homes, including home equity loans)—by far the largest component of household sector liabilities, accounting for 70 percent of household debt at the end of 2000—rose 98 percent from early 1991 through the first quarter of 2001. The other major component, consumer credit—comprising revolving credit (largely credit card debt)

4. The Z.1 statistical release is available in printed form and on the Board's public web site at http://www.federalreserve.gov/releases/Z1/.

5. The System of National Accounts, published in 1993 (SNA93), is an internationally agreed upon set of definitions and standards for preparing macroeconomic accounts. The flow of funds accounts provide the information for the financial accounts within this set of accounts and serve as a basis for sector balance statements.

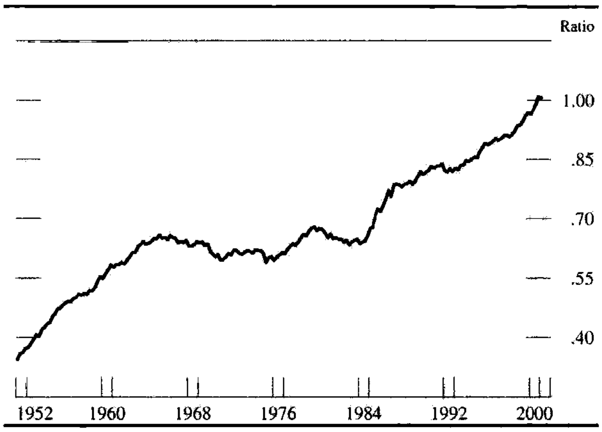
6. A survey of international practices indicates that twenty-three of the twenty-nine countries that are members of the Organisation for Economic Co-operation and Development compile national financial accounts or a subset of the financial accounts. All the compiling countries have implemented or are in the process of implementing SNA93 (or its European counterpart, ESA95) in their national statistics. Ayse Bertrand, "Main Features of Financial Accounts in OECD Countries," *Financial Market Trends*, no. 76 (June 2000), pp. 149–76.

7. In the flow of funds accounts, the household sector includes nonprofit organizations as well as individuals and families. Separate estimates, also published in the accounts, indicate that nonprofit organizations have in recent years accounted for 5 percent to 7 percent of the assets and liabilities of the combined sector. Because figures for nonprofit organizations are available only annually, and with a considerable lag, and because they lack the necessary detail, analysis is generally carried out for the combined sector. For simplicity, the sector is referred to here as the household sector.

and nonrevolving credit (auto loans, for example)—also about doubled.

No doubt some households have become overburdened with debt. However, the flow of funds accounts indicate that household sector debt has been rising over most of the postwar period. Although the rate of growth has waxed and waned with the business cycle, the amount of debt outstanding has marched upward. Even when household debt is scaled by disposable personal income (after-tax income) to account for population increase, price changes, and the substantial increase in the volume of economic activity over the period, the historical rise in household sector debt has been impressive. Households now owe a little more than one dollar for each dollar of disposable income (chart 1). Ten years ago, they owed about eighty cents for each dollar, and in the early 1950s about thirty-five cents. Thus, the recent growth of debt could be viewed as a continuation of a long-term trend.

1. Household sector debt relative to disposable personal income, 1952–2001:Q1




NOTE. Debt is debt outstanding at end of period, from the flow of funds accounts. Disposable personal income is after-tax income, from the national income and product accounts (Bureau of Economic Analysis, U.S. Department of Commerce).

Research provides scant evidence of a simple or direct link between higher levels of debt relative to income and changes in consumer spending. The lack of a direct relationship may reflect in part the fact that the sustained rise in debt has not necessarily been associated with an increase in the burden of carrying debt, that the use of debt instruments for conducting transactions has been increasing, and that households have been using debt to access the pent-up value of their tangible and financial assets.

For some types of debt, longer loan maturities have made it possible to hold higher outstanding amounts without increasing the servicing burden. Although longer maturities increase total interest expense over time, they also lower periodic payments for a given amount of debt. Auto loan maturities at finance companies now average fifty-five months at origination, compared with forty-five months in the early 1980s and thirty-five months in the early 1970s. Home mortgage originations show a similar, albeit less pronounced, increase in average loan maturity.

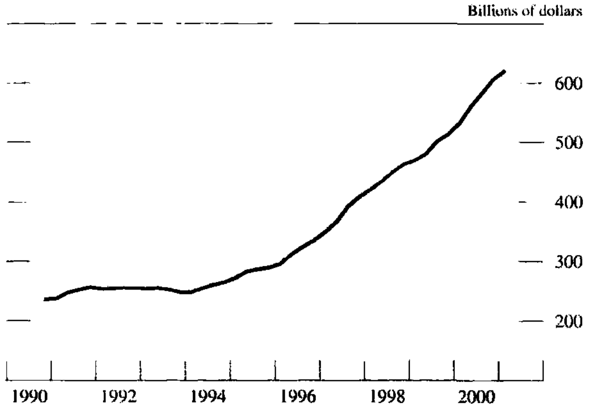
Other loan terms that have lowered households' costs of carrying mortgage debt include variable interest rate provisions and flexible down-payment requirements. Although such "nonstandard" terms change the repayment risks for lenders, they also likely broaden the pool of eligible borrowers and enable borrowers who would qualify for a loan under standard terms to carry larger outstanding balances. In fact, home mortgage debt may have risen in part simply because such terms allow a greater proportion of the population to own rather than rent their homes. Census Bureau data indicate that home ownership increased from 63.9 percent of families in early 1991 to 67.5 percent in early 2001.

The increased use of credit cards for transaction purposes appears to be an important factor underlying the growth of household sector debt over the current expansion. Credit card issuers indicate that in 1999, each $1 of debt was associated with just over $2.60 in purchases, compared with about $1.90 in purchases in 1990. Greater transaction use raises the average debt level in any given period, even if credit card balances are fully paid when due.

Also contributing to the sustained rise in debt has been the willingness of households to access the increased value of their assets through home mortgage loans. The rise in mortgage debt during the current economic expansion has been due in part to increased borrowing via loans for which accumulated home equity is used as collateral—home equity loans or refinancings accompanied by the conversion of some equity to cash.

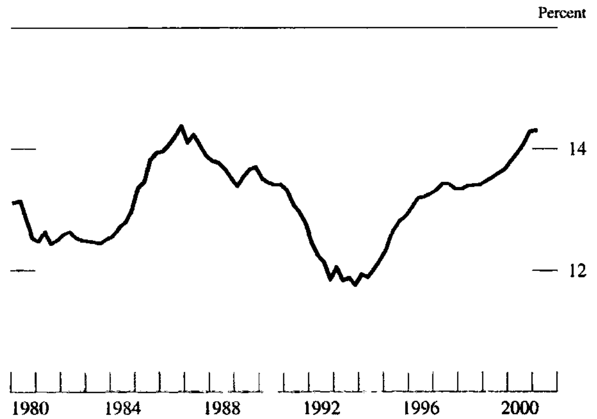
Home equity borrowing was spurred initially by 1986 tax law changes and subsequently by promotion of home equity loan products. At first, the growth of home equity borrowing appeared mainly to change the composition of household sector debt: Mortgage debt, for which the interest continued to be tax-deductible, was substituted for consumer credit, for which, with the tax law changes, the interest was no longer tax-deductible. Over time, home equity borrowing became a more general means of obtaining funds. Such borrowing, which barely registered in the flow of funds accounts in the early 1990s, accounted for nearly one-fourth of home mortgage borrowing in 2000. The value of home equity loans outstanding at

2. Value of home equity loans outstanding, 1990:Q4–2001:Q1




NOTE. Value of loans outstanding at end of period. Unless otherwise noted, data in this and subsequent charts are from the flow of funds accounts.

3. Scheduled principal and interest payments on household sector debt as a proportion of disposable personal income, 1980–2001:Q1




NOTE. Disposable personal income from national income and product accounts.

the end of the first quarter of 2001 was more than $619 billion, up 142 percent since 1991 (chart 2).

Home mortgage refinancing has been spurred by successive declines in mortgage interest rates and also likely by declining costs to borrowers for the processing of such loans. Refinancing waves in 1992–93 and again in early and late 1998 were particularly pronounced. Because the flow of funds accounts record only net borrowing, they do not provide the detail necessary to estimate how much of recent mortgage borrowing can be attributed to cash-out refinancing. Nonetheless, statistics on the number of refinanced loans and other data suggest that such activity has been significant in recent years.

Ultimately, whether the elevated level of household sector debt will lead to substantial financial distress will depend in large measure on whether employment and income conditions unfold in line with expectations and on the size and composition of household sector assets. The near-term burden of household debt is typically measured as scheduled principal and interest payments as a proportion of disposable personal income. Data in the accounts are combined with other available information to construct that measure.[8] In early 2001, the level of debt burden was close to the high reached in mid-1987 (chart 3), suggesting that strains could become evident if employment and income conditions deteriorate more than contemplated by borrowers and lenders when the loans were made.

8. The data and explanation of their construction are available on the Board's public web site at http://www.federalreserve.gov/releases/housedebt/.

### *Assets*

At the same time household sector debt and the burden of carrying that debt are elevated, the values of household sector assets are also unusually high. The flow of funds accounts contain considerable information on the size and composition of those assets, both tangible and financial.[9]

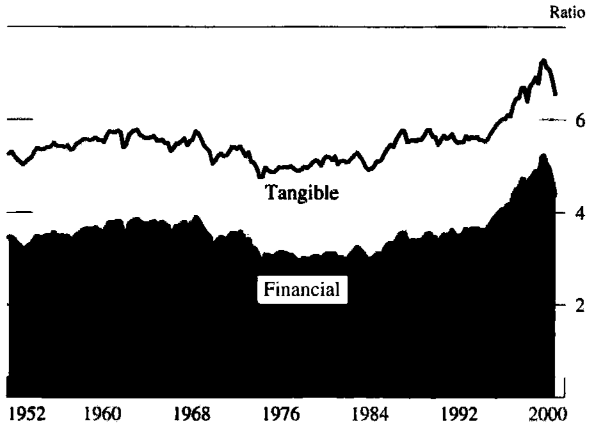
Household sector assets totaled $47.1 trillion at the end of the first quarter of 2001. That is, households had more than six and one-half dollars in tangible and financial assets for each dollar of disposable income (chart 4), considerably more than the one dollar of debt for each dollar of disposable income noted in the preceding section. Moreover, the ratio of assets to income has increased markedly over the past ten years and, despite the recent decline in the value of some equity assets, is higher now than it was in the early 1990s or in any earlier period.

The composition of household assets has changed considerably over the past decade. The most dramatic

9. Tangible assets include owner-occupied homes and durable goods, such as automobiles. Financial assets include holdings of different types of deposit accounts, fixed income assets (such as government securities and corporate bonds), equity and mutual fund shares, and household pension reserves.

Information on household assets and liabilities is also available from the Federal Reserve Board's Survey of Consumer Finances. The two sources differ in several important respects. For example, the SCF data are based on a sample of households and are available only approximately every third year, whereas the household sector data in the flow of funds accounts are based on numerous macroeconomic sources and are published each quarter. Nonetheless, the two data sets are complementary in that they can be used together to examine household balance sheet changes and household sector behavior in considerable detail.

4. Household sector assets relative to disposable personal income, 1952–2001:Q1




NOTE. Assets at end of period. Disposable personal income from the national income and product accounts.

3. Household sector holdings of equity in pension plans as a proportion of total equity holdings, year-end 1991 and 2000

Percent

| Item | 1991 | 2000 |
|---|---|---|
| Total | 29.9 | 32.5 |
| Private defined benefit plans | 10.6 | 7.5 |
| Private defined contribution plans | 8.7 | 10.5 |
| State and local government employee retirement funds | 8.7 | 9.2 |
| Life insurance annuities | 1.9 | 5.3 |
| Memo: | | |
| Total including equity in IRAs | 35.5 | 40.5 |

NOTE. Figures for defined benefit plans, defined contribution plans, and government employee retirement funds are derived from table B.100.e in the Z.1 statistical release; figures for life insurance annuities and IRAs are based on data in tables L.119 and L.225.i.

change has been an increase in the proportion of assets in corporate equities, a development that has raised some concerns about households' exposure to equity price changes and the sustainability of the aggregate value of household assets. As recorded in the flow of funds accounts, at the beginning of the economic expansion, households held about 15 percent of their assets in equity; more recently, the proportion has been about 27 percent. At its peak, in early 2000, the proportion was nearly 36 percent.

Not only do corporate equities now account for a larger share of household assets, but the distribution of those equities across instrument types has changed. Households retain equity either directly, in brokerage accounts, or indirectly, in mutual funds, life insurance annuities, bank personal trusts, and defined benefit and defined contribution pension plans. About 52 percent of the household sector's equity holdings were held indirectly at the end of 2000, compared with 44 percent at the beginning of the economic expansion and less than 7 percent in the 1960s.

The distribution of their equity holdings across types of instruments may affect the way households view risk and the influence that changes in asset values have on their short-term saving and consumption. For instance, households may view their equity holdings in retirement instruments differently than their other equity holdings. The proportion of equity in retirement assets has risen of late. At the end of 2000, the value of equity in pension plans was close to 33 percent of the total value of equity held by households, up from just under 30 percent in 1991 (table 3). In addition, the assets of individual retirement accounts (IRAs) also include equity shares. Adding a rough estimate of the value of equities held in IRAs to the value of equities in pension plans suggests that the retirement equity proportion of total equity was on the order of 41 percent in 2000, compared with 36 percent in 1991.[10]

At the same time households' equity holdings have been increasing, their holdings of deposits and money market mutual fund shares as a proportion of their assets have been declining. Although the value of holdings in the latter categories increased from $3.3 trillion at year-end 1991 to $4.7 trillion in early 2001, the value of such assets as a share of total household assets fell from 12½ percent to about 10 percent. Households continued to favor money market mutual funds over insured checkable deposits at banks and other depositories. The proportion of assets in credit market instruments—largely direct holdings of government securities and corporate bonds—declined from 6¼ percent to less than 4½ percent over the same period.

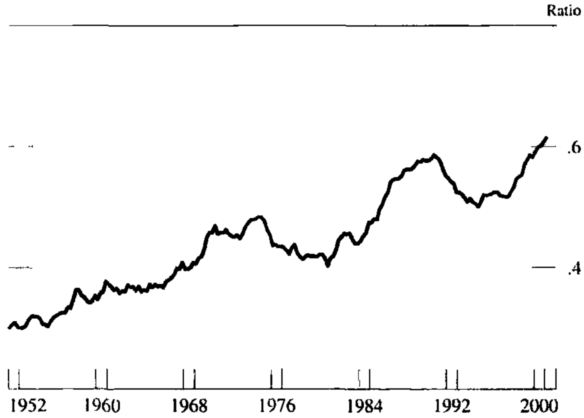
The aggregate balance sheet for the household sector has also recorded a substantial rise in the value of owner-occupied homes. Over the past ten years, the value of those homes has risen $4.6 trillion, with the greatest part of the rise occurring in recent years. At the end of the first quarter of 2001, the market value of owner-occupied homes totaled more than $11.3 trillion, compared with a market value of directly and indirectly held equities of $12.8 trillion. Because households have used their homes as collateral for increasing their mortgage debt, the remaining equity in those homes has grown more gradually than has the total value. Home equity is currently around 55 percent of the value of owner-occupied real estate,

10. A recent addition to the accounts has been tables separately identifying flows into, and amounts outstanding of, individual retirement accounts.

compared with 60 percent in the early 1990s and as high as 70 percent in 1982.

Altogether, the broad perspective provided by the flow of funds accounts enables analyses of the buildup of household debt to take into account the growth of household assets, the development of loan products that reduce the cost of obtaining and carrying debt, and the change in the ways households are using debt. Specifically, the statistics in the accounts are used in econometric analyses of consumption, including analyses based on the FRB/US model developed at the Board.[11] The data are also used to examine the process by which wealth and the composition of wealth affect household sector behavior.[12] Thus, the flow of funds accounts are an essential tool for studying the effect of combined changes in assets and debt on economic growth.

5. Corporate debt relative to the sector's output, 1952–2001:Q1




NOTE. Debt is debt outstanding at end of period. Sector output is gross business nonfarm product less housing, from the national income and product accounts. The corporate sector comprises domestic nonfarm nonfinancial corporations.

## *Corporate Sector Finances*

The flow of funds accounts are important in monitoring aggregate business borrowing trends and in studying the connection between corporations' financial condition and their nonfinancial economic activity, such as investment spending. The accounts record data for three domestic nonfinancial business sectors—unincorporated businesses, farms, and nonfarm corporations. The latter group has historically carried out the bulk of business economic activity and has generally accounted for more than two-thirds of business borrowing. The remainder of this section describes these nonfarm nonfinancial businesses, which, for simplicity, are referred to here as corporations or the corporate sector.

Borrowing by corporations has been substantial in recent years.[13] Following a period early in the economic expansion during which their borrowing was subdued, these businesses began to expand their debt rapidly. From 1995 through early 2001, corporate debt rose at an average annual rate of 9 percent, outstripping the 6¼ percent average annual rise in the nominal value of the sector's gross domestic product (GDP).

Corporate debt as a proportion of sector GDP has increased over the postwar period, though by much less than household debt as a proportion of disposable personal income. And the ratio for corporate debt has varied considerably more over the period (chart 5). It jumped from just over 40 percent in the early 1980s to nearly 60 percent in 1991, in part because borrowing was necessary to complete mergers and acquisitions and other types of corporate restructurings. The ratio subsequently dropped to 50 percent, but by early 2001 it had moved up again, to 61 percent.

Since 1995, corporations have relied most heavily on the bond markets for external funds. At the end of the first quarter of this year, bond debt was about $2½ trillion, up from less than $1½ trillion at the beginning of 1995 (chart 6). Both investment-grade and below-investment-grade (junk bond) firms raised large sums over the period.

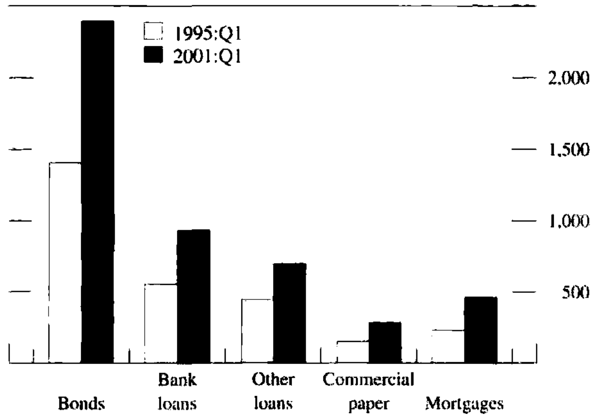
Borrowing from other sources has also been substantial, though less than borrowing via bonds. For example, over the period 1995 through the first quarter of 2001, borrowing from banks, saving institutions, and finance companies was only half as much as borrowing via bonds. Commercial paper debt climbed over most of the period, about doubling by mid-2000; more recently, such debt has contracted a bit because concerns about credit quality have

11. For an example of such use, see Flint Brayton, Eileen Mauskopf, David Reifschneider, Peter Tinsley, and John Williams, "The Role of Expectations in the FRB/US Macroeconomic Model," *Federal Reserve Bulletin*, vol. 83 (April 1997), pp. 227–45.

12. A summary of work on the wealth effect is provided in Morris A. Davis and Michael G. Palumbo, "A Primer on the Economics and Time Series Econometrics of Wealth Effects," Finance and Economics Discussion Series 2001-9 (Federal Reserve Board, 2001). Recent work combining data from the flow of funds accounts and the Survey of Consumer Finances to examine the wealth effect is reported in Dean M. Maki and Michael G. Palumbo, "Disentangling the Wealth Effect: A Cohort Analysis of Household Saving in the 1990s," Finance and Economics Discussion Series 2001-21 (Federal Reserve Board, 2001).

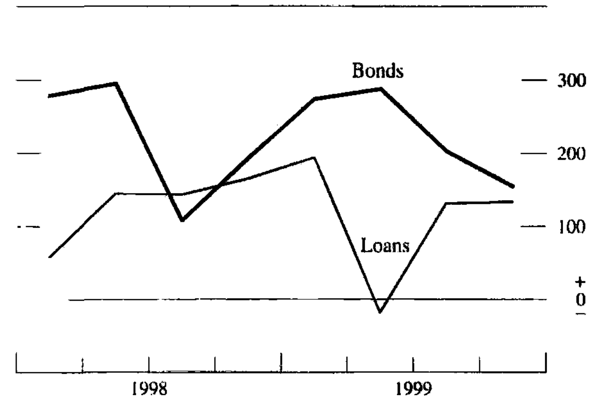
13. Borrowed funds are by far the largest type of external funds available to corporations. An important additional source is foreign direct investment by foreign firms, which is discussed in Joseph E. Gagnon, "U.S. International Transactions in 2000," *Federal Reserve Bulletin*, vol. 87 (May 2001), pp. 283–94.

6. Credit market debt owed by the corporate sector, 1995:Q1 and 2001:Q1




NOTE. Debt outstanding at end of quarter. Bonds include tax-exempt industrial revenue bonds. "Other loans" are (1) loans from savings institutions, finance companies, the federal government, the rest of the world (that is, foreign sources), and issuers of asset-backed securities and (2) acceptance liabilities to banks.

7 Selected borrowing by the corporate sector, 1998 and 1999




NOTE. Loans include both bank loans and "other loans" as defined in the note to chart 6. Quarterly data at seasonally adjusted annual rates.

made investors wary of all but the most highly rated borrowers. Mortgage debt of corporations has increased significantly, although in percentage terms by less than in the 1980s, when overbuilding in the commercial and office building sectors became a serious problem for both lenders and investors.

Although borrowing from every source increased over the period 1995 through early 2001, there was considerable substitution among sources at times. One notable occasion began in 1998 and ran through late 1999—a time of significant turmoil in world capital markets associated with foreign currency crises, Russia's debt default, and losses by Long-Term Capital Management, a major U.S. hedge fund. In early 1998, net corporate bond issuance was particularly strong as firms took advantage of dips in long-term interest rates. Then, at the height of the uncertainty, net issuance plummeted, from an annual rate of $295 billion to an annual rate of less than $110 billion in the third quarter of 1998 (chart 7). Investors quickly turned away from the bond market, especially the more risky, lower-rated securities, and spreads between interest rates on riskier debt and investment-grade instruments soared. Firms that needed cash turned to prearranged credit lines at banks and other loan arrangements, and borrowing from banks and other short-term lenders rose. Subsequently, investor confidence in private securities returned, and corporate bond issuance again rose sharply. Loans, in contrast, fell off in mid-1999, in part reflecting paydowns of debt incurred during the earlier turmoil.

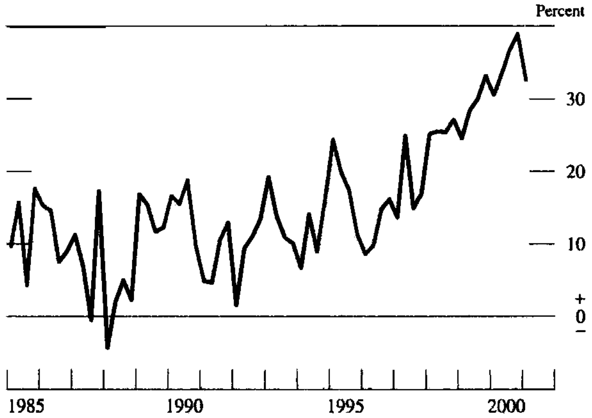
Propelling the elevated volume of external funding by corporations have been an increase in capital expenditures, a high rate of equity retirements, and an accumulation of financial assets. Internal funds for financing these activities, although moving substantially higher over the current expansion, have increasingly fallen short of spending needs.

In nominal terms, annual capital expenditures rose 70 percent between 1995 and the end of 2000; the increase was particularly large because interest rates stayed low and the demand for productivity-increasing new technologies was intense. Over the period, the so-called financing gap—the difference between corporations' capital spending and their internal funds—nearly tripled, to $300 billion.[14] As a proportion of sector output, the corporate financing gap in 2000 was at its highest point in two decades (chart 8).

Corporations retired an extraordinary volume of equity over 1995–2000—on net, a whopping $819 billion. Although many firms issued equity to finance capital investment and meet other corporate needs, for the sector as a whole, the value of shares issued was far surpassed by the value of shares retired in cash-financed mergers and through firms' own share repurchase programs. Between 1995 and year-end 2000, equity retirement associated with cash takeovers by domestic firms totaled $663 billion—and share repurchases totaled even more, $692 bil-

14. For forecasting, looking at the financing gap in light of prospective credit developments is a way of assessing consistency between projected elements of nonfinancial activity and anticipated financial market conditions.

8. Corporate financing gap as a proportion of the sector's output, 1985–2001:Q1



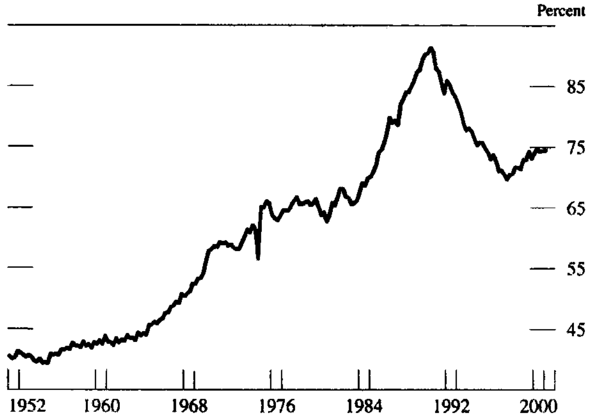

NOTE. The financing gap is the difference between the sector's capital expenditures and its internal funds (that is, its after-tax profits plus depreciation allowances).

lion. (For a broader discussion of accounting for net retirements of equity shares, see the box.)

Firms in the aggregate have used the favorable economic conditions since the mid-1990s to build their financial asset positions. Historically, corporations' net investment in financial assets has been small relative to their other uses of funds. They do, however, accumulate liquid assets for working capital and for transactions—and those assets have increasingly been moved into money market funds. Although the value of corporations' deposits in banks is still about double the value of their assets in money market funds, the latter has grown about twice as fast in recent years.

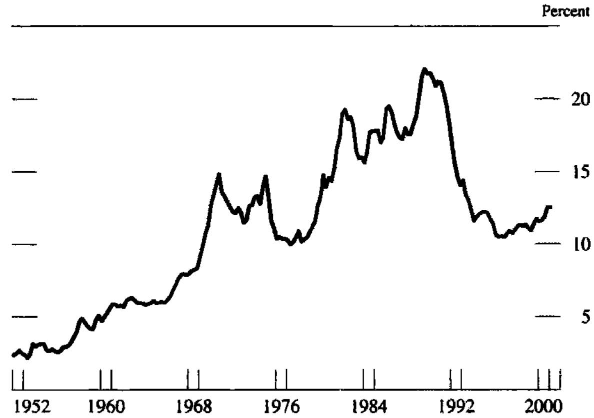
Borrowing by corporations has left a mark on corporate leverage as measured in the flow of funds

9. Corporate sector debt as a proportion of the sector's net worth, 1952–2001:Q1




NOTE. Tangible assets are valued at historical cost.

10. Net interest payments by corporations as a proportion of the corporate sector's cash flow, 1952–2001:Q1




NOTE. Cash flow is undistributed profits plus depreciation allowances plus net interest.

SOURCE. National income and product accounts.

accounts. Debt relative to net worth declined sharply early in the 1990s (chart 9). Since late 1997, the leverage ratio has retraced some of that decline, and at the end of the first quarter of 2001, it was about one-quarter of the way to its most recent peak in 1990. Debt measured against the market value of corporations (that is, against the value of corporate equity outstanding) has turned up only recently, a development reflecting the sharp run-up and subsequent decline in stock prices.

Some analysts have been wary of the buildup of corporate debt and the rise in leverage ratios. However, the implications of these changes for future economic developments are by no means clear. At the same time businesses were adding to their debt, they were refunding their older, higher cost obligations with lower cost bonds and loans and were reducing their debt burden in much the same way households refinanced their debt. Net interest payments by firms relative to their cash flow dropped sharply, from more than 20 percent before the 1990–91 recession to around 10 percent in 1995. Even with the additional debt taken on since then, the ratio has inched up to only about 12 percent (chart 10).

Despite the large volume of debt issued, the composition of corporations' liabilities is not much different now than it was in 1995. Firms have not markedly increased their reliance on short- and intermediate-term debt, for which interest rates could change rapidly. Statistics in the flow of funds accounts show that bond debt at the end of the first quarter of 2001 was about 49 percent of total corporate debt outstanding, and bank loans 20 percent; the remaining debt was

## Accounting for Net Retirements of Equity Shares

The large volume of net retirements of equity shares over 1995–2000 is a source of frequent misunderstanding because of the way equity transactions are treated in the flow of funds accounts. The accounts show only net equity issuance—the difference between gross equity issuance, a positive source of funds to the corporate sectors, and equity retirements, a negative source of funds to the corporate sectors.

For domestic firms, both nonfinancial and financial, equity retirements over 1995–2000 exceeded gross issuance; for foreign firms (the "rest of the world" sector), gross issuance of equity in the United States exceeded retirements, partly offsetting net retirements by domestic firms (table). Overall, net issuance of equity in the United States over the period was negative; that is, share retirements for the economy as a whole exceeded share issuance.

By definition, net purchases of equity (a use of funds for all except the corporate sectors) must equal net issuance of equity. Because total net issuance by corporations was negative over the period, total net purchases for the remaining sectors was negative

Net issuance and net purchases of equity shares, 1995–2000
Billions of dollars

| Activity/Sector | Amount |
|---|---|
| Net issuance | –421.7 |
| Domestic nonfinancial corporate businesses | –819.3 |
| Financial sectors | –107.6 |
| Rest of the world | 505.2 |
| Net purchases | –421.7 |
| Households | –1,591.2 |
| Rest of the world | 408.3 |
| Insurance companies | 469.2 |
| Pension funds | –555.0 |
| Mutual funds | 918.1 |
| All other purchasers | –71.1 |

Which sectors sold shares to corporations on net? Not mutual funds, which have been significant net purchasers of equity in recent years; over 1995–2000, their purchases exceeded their sales by more than $918 billion. And not foreigners and insurance companies, which were also large net purchasers over the period. It was pension funds and households that were net sellers of shares to corporations over 1995–2000. Households, which in terms of value outstanding hold about 45 percent of equity, were the largest net sellers of equity, selling $1.6 trillion on net over the period.

Figures showing that households were net sellers of (directly held) equities may be unexpected, as the value of the household sector's holdings of equity assets has increased in most recent years. The explanation is that the capital gains on the shares that households continued to hold exceeded net sales by households. The following example shows how either positive or negative net purchases can be associated with increases in the value of assets. Suppose that over a twelve-month period, net purchases by the household sector were zero because households traded only among themselves, making the total value of sales equal to the total value of purchases. If over that period the price of equities for the economy as a whole, as measured by a broad stock market index, had risen, the total value of holdings would show an increase over the period even though net purchases were zero. Similarly, if the stock market index had declined, the total value of holdings by households would show a decrease. The value outstanding is the sum of net purchases and the change in price of equity (capital gain or loss). The price changes for equity have typically been the main determinant of the change in the value of holdings over a period, despite large negative net purchases by the household sector.

mainly loans from other sources, commercial paper, and mortgages. The proportion that was bond debt was only a little higher than in 1995 or, even further back, in 1991 at the start of the current expansion.

## CONCLUSION

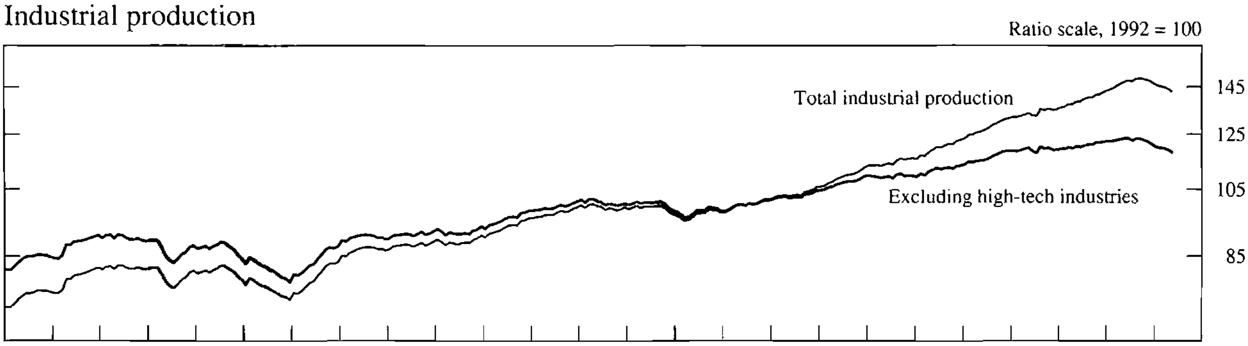
The flow of funds accounts have been useful in observing key economic trends and studying the relationships between real and financial developments. This article has summarized recent trends for households and domestic nonfarm nonfinancial corporations. The accounts encompass other important sectors of the economy, however, including financial intermediaries and governments, and contain considerably more sectoral detail than can be summarized in a limited space. Ongoing analysis using the accounts will help expand our knowledge of macroeconomic and financial relationships and the determinants of household and business behavior. A key challenge will be ensuring that the accounts continue to capture the structure of the financial system and provide the level of detail useful for policy and behavioral analyses. □

# Industrial Production and Capacity Utilization for May 2001

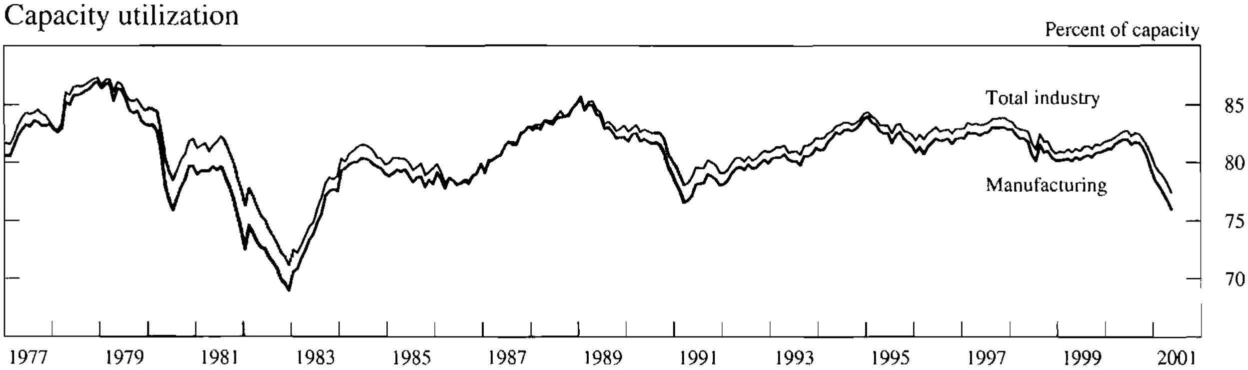
*Released for publication June 15*

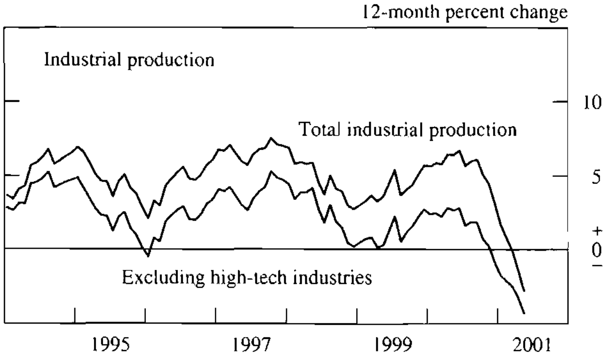
Industrial production contracted 0.8 percent in May, to 143.1 percent of its 1992 average. After eight consecutive months of decline, industrial production in May was nearly 3 percent below its level in May 2000. Manufacturing output declined 0.7 percent. Excluding motor vehicles and parts production, manufacturing dropped 0.9 percent; the sector has declined more than 4¼ percent since November 2000. Output at utilities fell 1.8 percent, and production in mining weakened 0.4 percent after a smaller

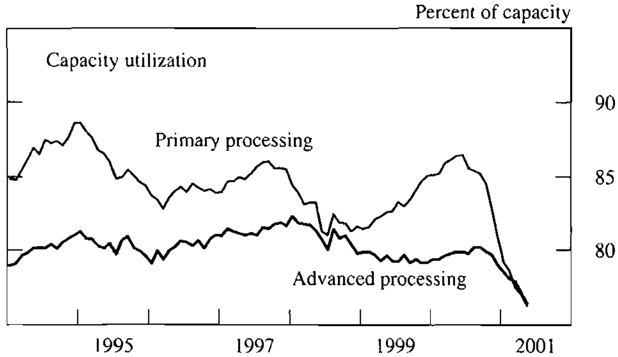
Industrial production




Capacity utilization




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

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

Industrial production and capacity utilization, May 2001

| Category | Industrial production, index, 1992=100 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2001 | | | | Percent change | | | | |
| | | | | | 2001[1] | | | | May 2000 to May 2001 |
| | Feb.[r] | Mar.[r] | Apr.[r] | May[p] | Feb.[r] | Mar.[r] | Apr.[r] | May[p] | |
| **Total** | **145.4** | **145.1** | **144.2** | **143.1** | **–.4** | **–.2** | **–.6** | **–.8** | **–2.8** |
| Previous estimate | 145.5 | 145.3 | 144.9 | . . | –.4 | –.1 | –.3 | . . | . . |
| *Major market groups* | | | | | | | | | |
| Products, total[2] | 134.6 | 134.7 | 133.7 | 132.7 | –.3 | .0 | –.7 | –.7 | –2.0 |
| Consumer goods | 122.3 | 122.5 | 121.7 | 120.8 | .5 | .1 | –.6 | –.8 | –2.2 |
| Business equipment | 195.3 | 195.9 | 193.1 | 191.7 | –1.0 | .3 | –1.4 | –.8 | .0 |
| Construction supplies | 139.9 | 140.7 | 139.2 | 138.8 | –.5 | .5 | –1.0 | –.3 | –3.0 |
| Materials | 165.0 | 163.9 | 163.2 | 161.8 | –.5 | –.6 | –.4 | –.9 | –3.9 |
| *Major industry groups* | | | | | | | | | |
| Manufacturing | 150.7 | 150.1 | 149.1 | 148.1 | –.4 | –.5 | –.6 | –.7 | –3.3 |
| Durable | 191.1 | 191.4 | 189.7 | 188.8 | –.7 | .2 | –.9 | –.5 | –2.2 |
| Nondurable | 114.0 | 112.6 | 112.3 | 111.2 | .0 | –1.2 | –.3 | –1.0 | –4.7 |
| Mining | 101.4 | 102.9 | 102.7 | 102.3 | .4 | 1.4 | –.2 | –.4 | 2.7 |
| Utilities | 121.8 | 123.0 | 121.7 | 119.6 | 1.8 | 1.0 | –1.0 | –1.8 | –1.7 |

| Category | Capacity utilization, percent | | | | | | | | Memo Capacity, percent change, May 2000 to May 2001 |
|---|---|---|---|---|---|---|---|---|---|
| | Average, 1967–00 | Low, 1982 | High, 1988–89 | 2000 | 2001 | | | | |
| | | | | May | Feb.[r] | Mar.[r] | Apr.[r] | May[p] | |
| **Total** | **82.1** | **71.1** | **85.4** | **82.7** | **79.2** | **78.8** | **78.2** | **77.4** | **3.8** |
| Manufacturing | 81.1 | 69.0 | 85.7 | 81.9 | 77.9 | 77.4 | 76.7 | 76.0 | 4.2 |
| Advanced processing | 80.6 | 71.0 | 84.2 | 79.9 | 78.1 | 77.9 | 77.1 | 76.5 | 2.2 |
| Primary processing | 82.2 | 65.7 | 88.3 | 86.4 | 78.6 | 77.5 | 77.0 | 76.3 | 7.6 |
| Mining | 87.4 | 80.3 | 88.0 | 85.4 | 87.9 | 89.3 | 89.3 | 89.0 | –1.4 |
| Utilities | 87.6 | 75.9 | 92.6 | 91.9 | 89.8 | 90.3 | 89.1 | 87.3 | 3.6 |

NOTE. Data seasonally adjusted or calculated from seasonally adjusted monthly data.
1. Change from preceding month.
2. Contains components in addition to those shown.
r Revised.
p Preliminary.

decline in April. The rate of capacity utilization for total industry fell ¾ percentage point, to 77.4 percent, more than 4½ percentage points below its 1967–2000 average.

## *MARKET GROUPS*

Despite an upturn in the output of automotive products, the output of consumer goods dropped 0.8 percent in May, after a slightly smaller decline in April. The recovery from the automotive downturn that began in October of last year has been uneven, and production in May was still almost 6 percent below the level posted a year earlier. The output of consumer durables excluding automotive products contracted 0.5 percent, the fifth consecutive month of decline in that sector; declines occurred in industries producing appliances, office and computing equipment, and furniture. The production of consumer energy products dropped 1.7 percent. Residential electricity use decreased and, to a lesser extent, so did automotive gasoline production, which reversed one-third of its April jump. Production of nondurable consumer goods excluding energy, which has been sluggish over the past year, fell back 1.2 percent in May; losses were shared among producers of food, clothing, consumer chemicals, and paper products.

A decline of 0.8 percent in the output of business equipment put the level of production nearly 4½ percent below the recent November peak. Output in many of the sector's industries fell, but transit equipment production rose 1.1 percent because of the increased production of light trucks and cars for business use. The output of industrial and other equipment fell 1.2 percent, and the losses were widespread. The output of information processing equipment dropped 1.0 percent further, as the production of communications equipment and computers continued their downward slide.

The production of intermediate products fell 0.6 percent in May; although the bulk of the decline can be attributed to scaled-back output of general business supplies, the production of construction supplies also remained weak. The production of materials fell back 0.9 percent in May, with similar-sized losses in durable, nondurable, and energy materials. The output of durable materials was notably held back by continued weakness in two industries: basic metals, in which output has contracted more than 14 percent since its September peak, and semiconductors and related electronic components, which has contracted more than 8 percent since its recent December peak. The output of nondurable goods materials fell 1.2 percent in May, with broad-based decreases. The production of chemical materials was reduced further, textile output fell significantly after having been little changed for several months, and the production of paper materials reversed some of its April increase. The 0.9 percent decline in the output of energy materials partly reflects a decline in utilities production.

### *Industry Groups*

Manufacturing output fell 0.7 percent in May; after eight consecutive months of contraction, production in May was more than 4½ percent below its level in September 2000. Production of durable goods declined 0.5 percent, with notable losses in the furniture, primary metals, and high-technology industries. Of the major industries, only lumber and motor vehicles and parts increased production in May; nonetheless, output indexes for both of these industries are still well below their levels in May of last year. The production of nondurable goods, which has been weak since the second half of 2000, declined 1.0 percent in May, to a level 4¾ percent below its May 2000 level. Losses were widespread and particularly significant in paper and paper products, printing and publishing, and chemicals. The production of petroleum products reversed nearly all of the April increase.

The factory operating rate edged down in May, to 76.0 percent. The utilization rate for primary-processing industries declined to 76.3 percent, while the rate for advanced-processing industries moved down to 76.5 percent. With the exception of the stone, clay, and glass industry and the petroleum products industry, most factory operating rates remain below their long-run averages. Capacity utilization in high-technology industries (computers, communications equipment, and semiconductors) dropped in May for the tenth successive month, to 70.3 percent, the lowest utilization rate posted for the high-tech sector in twenty-five years. The operating rate at utilities declined to 87.3 percent. The operating rate for mining edged down to 89.0 percent. □

# Testimony of Federal Reserve Officials

*Statement of Laurence H. Meyer, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions and Consumer Credit, Committee on Financial Services, U.S. House of Representatives, May 2, 2001*

Mr. Chairman and members of the subcommittee, thank you for the opportunity to testify on behalf of the Federal Reserve Board with respect to the joint proposal by the Board and the Secretary of the Treasury relating to real estate brokerage and management. The proposal is an invitation for public comment on whether the Board and the Treasury should find that real estate brokerage and real estate management are activities that are financial in nature or incidental to a financial activity and hence permissible for financial holding companies and financial subsidiaries of national banks. The agencies published the request for comment on January 3, 2001. Because of the significant public interest in the proposal, we extended the public comment period through May 1, 2001.

To help understand why the agencies requested comment on this proposal, I think it would be helpful to outline the legal framework established by the recently enacted Gramm–Leach–Bliley Act (GLB Act) and the basis for the proposal. The GLB Act amended the Bank Holding Company Act to allow a bank holding company or foreign bank that qualifies as a financial holding company to engage in, and affiliate with companies engaged in, a broad range of financial activities. The activities specifically authorized by statute include lending; insurance underwriting and agency; providing financial advice; securities brokerage, underwriting, and dealing; and merchant banking activities.

In addition, the GLB Act permits financial holding companies to engage in other activities that the Board determines, in consultation with the Secretary of the Treasury, to be "financial in nature or incidental to a financial activity." The GLB Act includes this flexibility because the Congress recognized the practical difficulties of comprehensively defining in legislation a complex concept like financial activities for a financial marketplace that is continually evolving. Further, the act allows financial holding companies to engage in other activities that the Board determines are "complementary" to a financial activity and would not pose a substantial risk to the safety and soundness of depository institutions or the financial system generally. Complementary activities are nonfinancial activities that are related to or complement financial activities. The Congress considered, but did not enact, a provision that would have allowed the more general mixing of banking and commerce.

The real estate brokerage and management proposal is one of several initial proposals by the Board and the Treasury relating to the definition of activities that are financial in nature or incidental or complementary to financial activities under the GLB Act. The first of these proposals (which the Board recently finalized) related to acting as a so-called "finder." Finder activities, which generally are permissible for banks to conduct directly, involve putting buyers and sellers together in transactions negotiated by the buyers and sellers themselves. The second of these proposals involved defining three types of activities that the Congress determined as a general matter to be financial but required the Board to define more specifically—including safeguarding and transferring financial assets and facilitating financial transactions for third parties. The third proposal requested comment on whether the Board should determine that certain types of expanded data processing activities are complementary to financial activities.

With each of these proposals, the Board and, for the financial activity determinations, the Secretary of the Treasury are exploring a new standard for defining permissible activities. The GLB Act establishes certain factors that the Board and the Treasury must consider, but it otherwise leaves the agencies with significant discretion and very little guidance regarding what is and what is not a financial activity.

The factors that the agencies must consider are very broad. For example, in determining whether an activity is financial in nature or incidental to a financial activity, the agencies must consider whether the proposed activity is necessary or appropriate to allow a financial holding company to compete effectively with any company seeking to provide financial services in the United States, efficiently deliver financial information and services through the use of technological means, or offer customers any available or emerging technological means for using financial services. In addition, the agencies must consider changes or reasonably expected changes in the marketplace in which financial holding companies compete, as well as changes or reasonably expected changes in the technology for delivering financial services. Finally, the statute requires that the Board consider the unspecified but wide-ranging purposes of the Bank Holding Company Act and the GLB Act, which opens up consideration of other matters beyond those on the statutory list. These statutory factors do not provide the Board with a facile decisionmaking formula for determining whether an activity is financial in nature or incidental to a financial activity.

One thing that is clear is that the Congress intended the "financial in nature" test to be broader than the previous test for authorizing new activities for bank holding companies under the Bank Holding Company Act. Before passage of the GLB Act, bank holding companies were permitted to engage only in activities that the Board determined were "closely related to banking." The "closely-related-to-banking" test was tied to the activities of banks. In considering whether an activity was closely related to banking, the courts focused on three factors: (1) whether banks conduct the proposed activity, (2) whether banks provide services that are operationally or functionally similar to the proposed services, and (3) whether banks provide services that are so integrally related to the proposed services as to require their provision in a specialized form. The text and legislative history of the GLB Act indicate that the Congress intended the new "financial or incidental" standard to represent a significant expansion of the old "closely-related-to-banking" standard.

The GLB Act neither specifically authorizes nor specifically forbids financial holding companies or financial subsidiaries of national banks to engage in real estate brokerage and management activities. While the GLB Act and its legislative history do not contain any direct evidence of congressional intent with respect to real estate brokerage and management activities, the statute's prohibition on financial subsidiaries engaging in real estate investment and development is indirect evidence of legislative intent. The existence of this limited real estate provision in the GLB Act suggests that the Congress thought about real estate activities in connection with the act and determined to leave unresolved the question of whether financial holding companies or financial subsidiaries should be permitted to act as real estate brokers or managers.

Soon after passage of the GLB Act, three trade associations—the American Bankers Association, the Financial Services Roundtable, and the New York Clearing House Association—asked the Board and the Treasury to determine that real estate brokerage activities are financial in nature. The American Bankers Association also asked the agencies to define real estate management activities as financial in nature.

The Board and the Treasury responded to these requests by seeking public comment on the proposal. We have found the public comment process to be a useful means of gathering information from experts, practitioners, and analysts with an understanding of the relevant issues and activities. We recognize that, hard as we regulators try to foresee and address potential issues raised by our regulatory actions, we can benefit from the information and thinking of others. Our final rules often include significant modifications as a result of the comments we received on the proposed rules.

In this spirit, we sought public comment on the real estate proposal. During the comment period, the public had an opportunity to present views on the merits of determining whether real estate brokerage and management activities should be deemed to be financial in nature or incidental to a financial activity.

As I indicated earlier, the comment period on the proposal closed only yesterday. I can, nevertheless, give you a flavor of the arguments made by commenters.

Commenters in favor of the proposal, most notably bank and financial services trade associations at this point, have presented a variety of arguments in support of finding that real estate brokerage is a financial activity. First, these commenters argue that real estate brokerage activities are financial in nature because some depository institutions, including thrifts (through service corporations) and some state banks, already engage in real estate brokerage. Second, these commenters argue that banks have expertise in these activities because national and state banks have long been involved in brokering real estate assets that are acquired through the foreclosure process or that are part of trust estates. Third, commenters in support of the proposal argue that bank holding companies and their subsidiaries engage in virtually every other aspect of real estate transactions, including mortgage lending, holding bank premises, making community development real estate investments, performing real estate appraisals, providing real estate settlement and escrow services, providing real estate investment advice, and providing title insurance, private mortgage insurance, and homeowner's insurance. This indicates, in the view of these commenters, that real estate transactions are financial transactions and, consequently, that brokerage of real estate is a financial activity. Moreover, these commenters contend that real estate brokerage is simply a specialized form of another permissible financial activity—acting as a finder—and a more general form of a permissible banking activity—assisting third parties in obtaining commercial real estate equity financing.

As I noted earlier, in determining whether an activity is financial in nature or incidental to a financial activity, the GLB Act specifically instructs the Board to consider whether the activity is necessary or appropriate to allow a financial holding company to compete effectively with any other financial services provider operating in the United States. In this regard, commenters have provided evidence that a number of diversified financial firms provide real estate brokerage services in addition to more traditional banking, securities, and insurance services. These commenters also asserted that buyers and sellers of real estate are increasingly looking to a single company to provide all of their real estate-related needs.

Some commenters also argue that real estate is a financial asset and that, therefore, brokering real estate is a financial transaction. These commenters assert that real estate brokerage is permissible as part of the statutorily listed financial activities permissible for financial holding companies. The GLB Act authorizes financial holding companies to engage in exchanging, transferring, or safeguarding financial assets and arranging, effecting, or facilitating financial transactions for others.

Some of the same considerations that support a finding that real estate brokerage activities are financial in nature also were presented by commenters as support for a similar determination on real estate management. Thrift service corporations are authorized to engage in general real estate management, and banks have acquired some experience in managing real estate in their trust departments and with respect to assets acquired through foreclosure. In addition, many aspects of real estate management are similar in nature to existing banking activities. For example, collecting rental payments; maintaining security deposits; making principal, interest, tax, and insurance payments; and providing periodic accountings are functionally similar to collecting loan or lease payments, disbursing escrow payments, and performing related accountings.

Although some of the comments favor the proposal, the vast majority of the comments have been submitted by individual real estate agents opposed to the proposal.

Commenters have raised the following principal objections to the proposal. First, some commenters claim that real estate brokerage and management are commercial activities and that authorizing real estate brokerage activities would inevitably lead to authorizing financial holding companies to negotiate and broker the sale of any type of asset. These commenters contend that authorizing financial holding companies to engage in the activities would violate the spirit of the GLB Act, which maintained a separation between banking and commerce. These commenters also argue that real estate brokerage activities are different from the finder activities permitted for banking organizations because an integral part of real estate brokerage activities is the negotiation of a contract between the buyer and seller—a level of involvement in the transaction that has not been permitted to banking organizations acting as a finder.

In addition, some commenters draw attention to various forms of conflicts of interest that may result from allowing banking organizations to engage in real estate brokerage or management. In particular, these commenters express concern that financial holding companies acting as buyers' brokers may pressure or require buyers to use the financial holding company's mortgage product (to the exclusion of loans from other lenders) or may fail to refer buyers to other lenders who might have more competitive mortgage products. A financial holding company acting as a seller's broker also may favor the buyer over the seller because the company also is providing a mortgage loan to the buyer or is attempting to sell another financial product to the buyer.

Other commenters question the ability of banking organizations to broker real estate with the same level of competence, alacrity, and personal service as independent real estate agents. Many commenters warn that allowing banking organizations to act as real estate brokers would lead to bank domination of the field, in part because banking organizations providing real estate brokerage services would have an unfair competitive advantage over independent real estate agents due to the ability of banks to raise low-cost FDIC-insured deposits. Under this line of argument, the proposal would result in an increased concentration of power in the financial services industry, a decrease in the competitiveness of the market for real estate brokerage services, and job losses for a large number of independent real estate agents. Finally, commenters argue that allowing banking organizations to enter into the real estate brokerage and management businesses would pose risks to the safety and soundness of the nation's depository institutions.

Many of the commenters opposed to the proposal focus on whether real estate brokerage is a financial activity. If one accepts their contention that brokering real estate is really a commercial activity, the question can then be raised whether real estate brokerage should be permitted as an activity that is "complementary to a financial activity." As I noted earlier, this complementary category was included in the GLB Act to allow financial holding companies to engage in activities that are themselves commercial activities but that also are related to or complement financial activities.

Many of the points raised by commenters opposed to the proposal certainly would be relevant to an analysis under this "complementary" standard, which requires the Board to find both a connection to a financial activity and that the complementary activity would not pose a substantial risk to depository institutions or the financial system and would result in net public benefits. Because the agencies received requests to define real estate brokerage and management activities as "financial in nature," that is the proposal on which the agencies have sought public comment.

These are difficult issues, and both sides feel very strongly about their position. Although we do not relish being in the middle, we believe that a debate on these matters is the best way to identify and sort through the issues and to reach an informed decision and is precisely the type of debate envisioned in the GLB Act.

*Testimony of Roger W. Ferguson, Jr., Vice Chairman, Board of Governors of the Federal Reserve System, before the Small Business Committee, U.S. House of Representatives, May 17, 2001*

I am pleased to appear before this committee to discuss the availability of credit to small businesses. Before turning to the latest information on credit market conditions, however, I think it is important to highlight the special characteristics of small businesses that make them such an important part of our economy and at the same time create a heterogeneous set of financial needs and credit demands. Much of the information that we have on small business financing comes from surveys, including the Federal Reserve's Survey of Small Business Finances, the latest of which was completed last year.

### *IMPORTANCE OF SMALL BUSINESSES*

No doubt I am preaching to the choir when I tell this group how important small businesses are in our nation's economy. The statistics collected by the Census and Small Business Administration are indeed remarkable. These data reveal that there were more than 24 million nonfarm business tax returns filed in the United States in 1999. More than 99 percent of these returns were for small businesses, that is, firms with fewer than 500 employees. Roughly half of these were self-employed persons, and about a third were part-time. Based on SBA estimates, small businesses employ more than half of the private work force and are responsible for around 50 percent of all sales and private gross domestic product, a share of output that has remained fairly stable over time. With half of our nation's private nonfarm output coming from small businesses, obviously our economic well-being depends greatly on this sector. But small businesses do more for us than can be captured in these statistics. Small businesses are a source of new ideas and products. The list of innovations developed by these enterprises in fields such as software, computer technology, aerospace, and pharmaceuticals is quite impressive. The possibility that an idea or new product will eventually transform a small business into a large corporation is a great motivator of change and risk-taking. Beyond that, small enterprises make a huge contribution in the form of the support and synergies they provide, operating side by side with large businesses. They provide services and inputs to the production process, train workers, and are a primary means of marketing and distributing retail products and services.

An essential feature of a thriving small business sector is the ability of firms to start up, to grow, and to change ownership. Just as essential to the dynamism of our economy is the ability of these firms to downsize when that improves profitability or to exit the markets when their resources are more highly valued elsewhere. There is a tremendous amount of turnover of small firms. In 1999, approximately half a million firms (excluding self-employed, for which numbers are not available) closed for one reason or another—perhaps they merged or were acquired by a larger firm, perhaps they failed, or the owner found other reasons to move on. At the same time, more than half a million new businesses were created.

The continuous entry and exit of firms is a clear sign that resources are responding to shifting demands of consumers and businesses and to changes in the costs of production. The flow of labor and capital from less productive to more productive uses is the cornerstone of a dynamic and healthy economy.

A downside of this churning is the greater uncertainty that attaches to the earnings and risk profile of each individual small business.

This has significant implications for the financing of small businesses. Indeed, while a number of factors need to be in place for a small business sector to thrive, including a mobile labor force and a sound infrastructure of laws and regulations, perhaps the most important ingredient is access to capital and credit.

### *The Financing of Small Businesses*

The financing needs of small businesses are as varied as the population itself. The life cycle of a small business can take many forms, with very different implications for the types of risks and returns that lenders and investors can expect. For new ventures that have high risk profiles and high expected returns—as do many start-up firms in the tech sector—the initial stages require commitments of equity capital, sometimes from family and friends and sometimes in the form of venture or private equity capital. Further injections of equity are required in the early stages of growth, and ultimately some form of "take-out" financing is arranged, such as an initial public offering or a buyout by another firm, that allows the venture capitalist to extract his or her investment.

The past decade has been impressive for the large amount of equity capital that flowed to venture and high-tech enterprises in this country. The National Venture Capital Association estimates that investments in emerging enterprises totaled $214 billion over the past five years and exceeded $100 billion last year alone. The number of companies funded last year was a record 5,300. About 270 companies that originally were backed by venture capital were purchased by other companies last year. Another 250 were able to go public through initial public offerings (IPOs) of stock, even as the market for publicly traded equity was in the initial stages of its recent decline. The average age of firms going public was about seven years, but many were older, which is indicative of the potentially long term commitment that investors in venture enterprises must be prepared to make. It is safe to say that the United States has been a role model for countries in Europe and Asia seeking to develop markets for equity financing for small businesses.

But for every new, high-growth firm seeking venture capital, there are hundreds of small businesses in the manufacturing, construction, trade, and service sectors that have quite different financing needs. Some of these firms have established operating histories and marketable assets that make them good candidates for credit from conventional financial institutions. A few are small corporations that have access to bond market financing, though their bonds are likely to be rated below investment grade. The vast majority are small enterprises with few assets to pledge as collateral and with only limited operating experience from which investors can assess operating performance and future earnings streams.

Recognizing the importance of small businesses, we endeavor to understand the sources and uses of credit by different sizes of firms. To this end, the Federal Reserve has undertaken three national surveys of small businesses, the first in 1987, the second in 1993, and the third completed last year. A detailed description of the latest survey, along with preliminary results, was published in the April 2001 *Federal Reserve Bulletin*. This morning I will highlight a few preliminary findings and note that the data have just become available for what promises to be interesting analytic work.

### *The Survey of Small Business Finances*

The survey sampled 3,600 small businesses that were representative of more than 5 million nonfarm, nonfinancial enterprises that operate for profit. It gathered information on a large number of items, including each firm's use of credit; characteristics such as the number of employees, industry, and age of the firm; and its income and balance sheet data as of year-end 1998. We expect these data to be used by researchers at the Board and elsewhere to address a wide range of issues. The earlier surveys have been used, for example, to shed light on the relationship between a business and its bank or primary lender and to study how financing choice varies with location, age, size, or other characteristics of firms. The latest survey can be used to update these studies and to assess how small businesses may have altered their use of credit and financial services in response to technological and competitive changes in the financial environment. The preliminary survey results we have glimpsed so far are interesting as much for their consistency with previous surveys as for the changes they reveal. For example, despite the large amount of structural change and consolidation in the financial service sector and the improving accessibility of capital markets to many smaller firms, commercial banks continued to be the dominant provider of financial services to small businesses in 1998. Of the 55 percent of small businesses that obtained credit from market sources or institutions, nearly three-fourths had some sort of credit arrangement, such as a line of credit, a loan, or a lease, with a commercial bank. Finance companies served about 13 percent of small business borrowers, and leasing companies served about 7 percent. The survey results also confirmed the growing use of business credit cards by small businesses. About one-third of all small businesses—and more than 50 percent of firms with twenty or more employees—had business credit cards in 1998.

We included questions on the survey about the problems small businesses considered to be most pressing. Small businesses in 1998 expressed concern about the quality, cost, and availability of labor and about increased competition from larger, international, and Internet firms. Of note, financing was not high on their list of concerns.

It is not surprising that small firms were feeling the pressures of tight labor markets and increased competition: 1998 marked the seventh year of a robust expansion. Bolstered by a technology-led acceleration in productivity, real GDP growth averaged 4¼ percent in the latter half of the 1990s, and the unemployment rate had dropped to 4 percent by the end of the decade. Aggregate indicators of credit availability were quite positive in the mid- to late 1990s: Banks were generally easing credit terms, and business loans grew robustly at both large and small banks. The surge in equity markets provided a welcome environment for firms going public for the first time, and firms carrying below-investment-grade bond ratings were able to issue bonds at historically narrow spreads over Treasuries. While disruptions in global markets in 1998 raised risk premiums on junk bonds and bank loans and threatened a seizing-up in financial markets, ultimately they did not derail the flow of credit, especially to smaller businesses.

## *Recent Trends in Small Business Financing*

Since the 1998 survey, the economic and financial environment has again changed, and this time in ways that are less conducive to risk taking and leverage. It became increasingly apparent over the course of last year that the pace of economic growth was slowing. Credit markets firmed, including bank lending, partly in response to concerns that a slowing economy would result in some deterioration in the financial well-being of businesses and their creditors. As corporate profits fell and businesses revised down their outlook for sales and earnings growth, investors became less certain about the returns they should expect on investments.

By late last year, equity markets looked considerably less attractive as a source of financing, especially to firms hoping to go public for the first time. The volume of IPOs dropped dramatically in the fourth quarter and remained sparse in the early months of this year, though it has not dried up entirely. As prospects for take-out financing through an IPO became problematic, private equity investors became more cautious about committing capital to earlier stages of financing. While venture capital investments exceeded $100 billion last year, the pace of investment has slowed in recent quarters and there are reports that some young firms are finding it hard to get second- and third-stage financing for venture capital projects.

In the capital markets, the default rate on high-yield bonds climbed markedly last year to its highest level since 1991, boosting lender concerns about the ability of weaker firms to service their debt in this environment. Yields on junk bonds rose appreciably relative to those on better-rated debt. In consequence, the issuance of junk bonds dropped sharply in the fourth quarter. Although the capital markets continue this year to exhibit considerable selectivity, the flow of credit through bond markets has been strong overall. Gross bond offerings by nonfinancial firms totaled nearly $160 billion in the first four months of this year. And although they are paying higher risk premiums, non-investment-grade companies still are able to raise funds: Junk bond offerings have accounted for about 25 percent of the gross issuance this year.

As you are aware, the Federal Reserve conducts surveys of senior lending officers at large banks around the country. These surveys ask about banks' credit terms and standards, about loan demand, and other issues that may be topical. During the market turmoil in late 1998, banks began taking a harder look at the loans that they make to large and middle-market businesses. While financial markets settled down subsequent to 1998, banks appear to have maintained a more vigilant posture. Last year, in an environment of rising delinquency rates on loans and indications of declining credit quality, the net percentage of banks that reported some firming in their lending standards for large and medium borrowers rose steadily in each of our surveys. Anecdotal reports suggest that banks were particularly concerned about concentrations of risk in sectors such as telecommunications, where returns have dropped sharply, and in manufacturing and other sectors highly dependent on energy and petroleum-based inputs. Banks also reported firming standards and terms on loans to small businesses, but to a lesser degree than for large firms. Normally, we expect small businesses to bear the first pulse of credit tightening. But the downgradings and unexpected shocks affecting large, investment-grade corporations have led creditors to rethink the relative risks of lending to large and small firms.

Banks have continued to tighten standards and terms on loans and credit lines this year. In our May survey, just over one-half of domestic banks reported tightening their standards on commercial and industrial loans to large and middle-market firms over the past three months, and 36 percent tightened standards to small firms over the same period. Most of the banks that had tightened continued to cite a more uncertain economic environment, a worsening of industry-specific problems, and a reduced tolerance for risk.

In their latest reports, bank loan officers also indicated that the demand for business credit has waned of late, largely owing to reductions in planned investments and diminished financing for mergers. Just as lenders are treading more cautiously as the economy slows, so too are borrowers. Caution is apparent even among small businesses. Importantly, the small business surveys conducted by the National Federation of Independent Business (NFIB) in the first quarter revealed that only 13 percent of their surveyed members thought the current period was a good time to expand, roughly half the percentage of a year earlier. The small businesses that thought it was a bad time to expand cited unfavorable economic prospects and a poor outlook for sales. Of note, very few—only 3 percent in the April NFIB survey—mentioned financing costs as a reason that the current period was not a good time to expand. Indeed, the recent NFIB surveys suggest that most of the respondents have not found financing conditions to be particularly onerous to date, despite the more cautious posture of financial institutions and higher risk spreads. For creditworthy businesses, large and small, the cost of borrowing has declined with the easing in monetary policy and the associated decline in lending rates since the fall. The prime lending rate has fallen 2 percentage points since the end of last year, and the average interest rate paid by respondents on the April NFIB survey was down almost 1 percentage point over the same period, to its lowest level in nearly a year.

While we may take comfort from the lack of angst expressed by small borrowers in the NFIB surveys, I expect that many risky small businesses have found credit a bit harder or more expensive to obtain. On the other hand, there are few signs of the types of financial headwinds that prevailed in 1990 and played havoc with the ability of many creditworthy small and medium firms to renew credit lines and roll over loans. In contrast to that period, our financial institutions have had a long stretch of solid earnings growth during which to build capital and liquidity positions. In addition, although loan portfolios have recently begun to deteriorate, delinquency rates of business and real estate loans remain well below those of the earlier period. Commercial real estate markets, in particular, have not gone through the boom-and-bust excesses of the late 1980s and early 1990s.

### *SUMMARY*

In sum, we have seen greater caution being exercised by both borrowers and lenders in credit markets recently. Such tightening might be expected in an economy that has slowed after several years of rapid expansion and debt growth. Much of the firming to date has been selective and directed toward companies perceived to face an uncertain future in the new economic environment and to leveraged companies that are vulnerable to a period of slowing sales and profits. Overall, however, credit flows have been well maintained, and lending institutions are in much better financial health than a decade or so ago. Importantly, reports from small businesses are relatively upbeat with regard to the availability of credit. Although risky borrowers face close scrutiny, banks apparently have continued to accommodate the needs of their creditworthy business customers, while bank lending rates, on average, have moved lower. □

# Announcements

## *Federal Open Market Committee Directive and a Decrease in the Discount Rate*

The Federal Open Market Committee at its meeting on May 15, 2001, decided to lower its target for the federal funds rate by 50 basis points to 4 percent. In a related action, the Board of Governors approved a 50 basis point reduction in the discount rate to 3½ percent.

A significant reduction in excess inventories seems well advanced. Consumption and housing expenditures have held up reasonably well, though activity in these areas has flattened recently. Investment in capital equipment, however, has continued to decline. The erosion in current and prospective profitability, in combination with considerable uncertainty about the business outlook, seems likely to hold down capital spending going forward. This potential restraint, together with the possible effects of earlier reductions in equity wealth on consumption and the risk of slower growth abroad, continues to weigh on the economy.

With pressures on labor and product markets easing, inflation is expected to remain contained. Although measured productivity growth stalled in the first quarter, the impressive underlying rate of increase that developed in recent years appears to be largely intact, supporting longer-term prospects.

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

In taking the discount rate action, the Federal Reserve Board approved requests submitted by the boards of directors of the Federal Reserve Banks of New York, Richmond, Chicago, and San Francisco, effective immediately, and of the Bank of St. Louis, effective May 16, 2001.

In addition, the Board approved on May 16, 2001, similar requests by the boards of directors of the Federal Reserve Banks of Boston, Atlanta, Kansas City, and Dallas, effective immediately. On May 17, 2001, the Board approved the requests submitted by the boards of directors of the Federal Reserve Banks of Philadelphia, Cleveland, and Minneapolis.

## *Governor Kelley Announces Intention to Resign*

The Federal Reserve Board released on June 4, 2001, the following statement from Governor Edward W. Kelley, Jr., announcing his plans to resign from the Board after at least one of the current vacancies is filled:

> After fourteen highly rewarding years of service on the Board of Governors of the Federal Reserve System, I want to focus on family and other interests. I intend to resign, but I will remain at the Board for as long as necessary to accommodate the need for a minimum of five active members. I am announcing my plans now to provide substantial notice to my colleagues and the Administration and to facilitate scheduling the work of the Board over the period ahead.
>
> It has been a great privilege to be a part of the Federal Reserve System, an institution for which I have the most profound respect. I look forward to working in the coming months with my friends on the Board and the staff, and in the Reserve Banks, to accomplish the continuing work of the organization and ensure a smooth transition.

Kelley said he will submit a formal letter of resignation to the President when an additional Governor has been nominated and confirmed and is at work at the Board.

Kelley, 69, was first appointed to the Board by President Reagan, taking office on May 26, 1987. President Bush reappointed him in 1990 to a term that expires on January 31, 2004. The Board of Governors consists of seven members, but it has been operating with two vacancies since July 1999.

## *Statement by Chairman Greenspan on Governor Kelley's Announcement*

Federal Reserve Board Chairman Alan Greenspan released the following statement on June 4, 2001:

> Governor Kelley is a man of the highest principle. I will miss his wise counsel. In his fourteen years on the Board, he has given more than sound judgment and hard work; he has given us the gift of his friendship.

## *2001 Survey of Consumer Finances to Begin*

The Federal Reserve Board announced on May 16, 2001, that it will begin a statistical study of household finances that will provide policymakers with important insight into the economic condition of a broad segment of American families. The Survey of Consumer Finances, undertaken every three years since 1983, is being conducted for the Board by the National Opinion Research Center (NORC) at the University of Chicago through November of this year.

The data collected will provide a representative picture of what Americans own—from houses and cars to stocks and bonds—how and how much they borrow and how they bank. Past study results have been important in policy discussions regarding pension and social security reform, tax policy, deposit insurance reform, and a broad range of other areas.

"Although good overall information on the state of the major sectors of the economy is available regularly, our knowledge about the financial circumstances faced by different types of households is much more limited," Alan Greenspan, Chairman of the Board of Governors of the Federal Reserve System, said in a letter to prospective survey participants. "Our survey is intended to fill a key part of this gap," he said.

The 2001 survey will contain a new question regarding the degree to which saving decisions are affected by the availability of informal financing options, such as borrowing from a friend or relative. Responses to this question will help to identify the contribution that "precautionary savings" make to total savings.

Participants in the study are chosen at random by using a scientific sampling procedure in 100 areas across the United States. A representative of NORC contacts each potential participant personally to explain the project and request time for an interview.

Names and addresses of each participant are confidential. Extraordinary steps are taken to uncouple the identities of the respondents from the information they provide.

"Our data collection systems are designed with extensive safeguards to protect the anonymity of the survey participants," Mr. Greenspan said. "Indeed, neither I nor anyone else at the Federal Reserve is allowed to know the names of the survey participants."

Summary results for 2001 will be published in early 2003 after all data have been assessed and analyzed.

## *Consumer Advisory Council Meeting and Call for Nominations*

The Federal Reserve Board announced on May 29, 2001, that the Consumer Advisory Council would hold its next meeting on Thursday, June 28, 2001.

The Council's function is to advise the Board on the exercise of its responsibilities under the Consumer Credit Protection Act and on other matters on which the Board seeks its advice.

The Board also announced that it is seeking nominations for appointments to its Consumer Advisory Council. The new members will be appointed to serve three-year terms beginning in January 2002.

Nominations should include a résumé and the following information about nominees:

- Complete name, title, address, telephone and fax numbers
- Organization name, brief description of organization, address, and telephone number
- Past and present positions
- Knowledge, interests, or experience related to community reinvestment, consumer protection regulations, consumer credit, or other consumer financial services
- Positions held in community and banking associations, councils, and boards.

Nominations should also include the complete name, organization name, title, address, and telephone and fax numbers for the nominator.

Letters of nomination with complete information must be received by August 13, 2001, and should be mailed (not sent by facsimile) to Sandra F. Braunstein, Assistant Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

## *Request for Comment on Proposed Changes to Payments System Risk Policy and Rescission of Interaffiliate Transfer Policy*

The Federal Reserve Board announced on May 30, 2001, that it is requesting comment on a proposed interim policy statement and a package of short- and long-term proposals pertaining to its Payments System Risk (PSR) policy. In addition, the Board is rescinding the interaffiliate transfer policy.

The proposed actions take into account the significant changes that have occurred in the banking, payments, and regulatory environment in recent years and reflect ongoing efforts by the Board to balance the costs, risks, and benefits associated with the provision of Federal Reserve intraday credit.

More specifically, the Board is issuing and requesting comment on an interim policy that allows depository institutions with self-assessed net debit caps to pledge collateral voluntarily to the Federal Reserve Banks to gain access to daylight credit in excess of their net debit caps. The interim policy should provide flexibility to depository institutions in meeting any increased intraday liquidity needs brought about by payment system initiatives. The interim policy is effective immediately, with comments due by August 6, 2001.

The Board is also requesting comment on other potential changes to its PSR policy. In particular, the Board proposes to increase the percentage of capital used in the net debit cap calculation for most U.S. branches and agencies of foreign banks, to modify the posting time of electronic check presentments to depository institutions' Federal Reserve accounts for measuring daylight overdrafts, and to retain the current book-entry securities transfer limit. Comment is requested by August 6, 2001.

In addition, the Board is requesting comment on the benefits and drawbacks to several potential longer-term changes to its PSR policy, including lowering self-assessed net debit caps, eliminating the two-week average caps, implementing differential pricing for collateralized and uncollateralized daylight overdrafts, and rejecting payments with settlement-day finality that would cause an institution to exceed its daylight overdraft capacity level. Comment is requested by October 1, 2001.

Finally, the Board is rescinding its interaffiliate transfer policy, effective January 1, 2002. The Board believes that the risks associated with the interaffiliate transfer policy are appropriately addressed through the existing supervisory process.

## *Request for Comment on Regulations for On-Line Banking*

The Federal Reserve Board requested on May 16, 2001, public comment on how the Board's regulations may be adapted to on-line banking and lending. Comments are due by August 20, 2001.

Section 729 of the Gramm–Leach–Bliley Act of 1999 requires federal banking regulators to conduct a study of regulations pertaining to the on-line delivery of financial services and to submit a report about adapting existing legislative or regulatory requirements to on-line banking and lending.

The Board is currently reviewing pertinent regulations to assess their suitability for transactions that are conducted through the Internet. The Board plans to consult with other federal banking agencies regarding the report.

The public comment provided will help the Board assess whether any existing regulations should be amended to facilitate on-line banking and how particular statutory provisions affect the on-line delivery of financial products and services.

The Board recently requested comment on five interim rules to establish uniform standards for the electronic delivery of notices to consumers, namely: Regulations B (Equal Credit Opportunity), E (Electronic Fund Transfers), M (Consumer Leasing), Z (Truth in Lending), and DD (Truth in Savings).

Any comments submitted in connection with the review of these regulations will also be considered for the study and report required by section 729 of the Gramm–Leach–Bliley Act.

## *Interagency Task Force Video on Protection Against Identity Theft*

The Federal Reserve Board announced on May 14, 2001, the availability of a new video "Identity Theft: Protect Yourself." The fifteen-minute video explains how easily someone can obtain your personal financial information and unlawfully use that information to obtain credit or other financial information under your name. Included in the video are interviews with identity theft victims, law enforcement officers, and industry representatives. Valuable information on what to do if you become a victim is also provided.

The video was produced by the Federal Reserve Bank of Boston and was developed in conjunction with an interagency identity fraud task force. It is VHS format and available for $7.50. Orders should be sent to the following:

Public and Community Affairs Department  
Federal Reserve Bank of Boston  
Attention: Identity Theft Video  
P.O. Box 2076  
Boston, MA 02106-2076.

Checks or money orders should be made payable to the Federal Reserve Bank of Boston and must be sent with the order. For more information, contact the Public and Community Affairs Department of the Federal Reserve Bank of Boston at 1-800-409-1333.

The Board recently announced the issuance of supervisory guidance addressing how banking organizations should protect customer information against identity theft. This release is available on the Board's web site at http://www.federalreserve.gov/boarddocs/press/general/2001/20010430/default.htm.

## Publication of the May 2001 Update to the *Commercial Bank Examination Manual*

The May 2001 update to the *Commercial Bank Examination Manual*, Supplement No. 14, has been published and is now available. The *Manual* comprises the Federal Reserve System's state member bank supervisory and examination guidance. The new supplement includes the following:

1. *Supervisory Guidance on Limited Investing in Equities and Equity Interests in Nonpublic Companies and Lending to Private-Equity-Financed Companies.* The statutory and regulatory authority for these types of limited investments is discussed, along with safety-and-soundness issues on the management of those investments. Sound investment and risk-management practices are identified. Supervisory guidance is provided on implementing and maintaining adequate internal controls and disclosure practices—information that is particularly important for an institution's board of directors, management, and supervisors. See Supervision and Regulation (SR) Letter 00-9 (SUP). (SR letters are the Federal Reserve's primary means of communicating key policy directives to its examiners, supervisory staff, and the banking industry. SR letters can be viewed on the Board's web site: www.federalreserve.gov/boarddocs/srletters.)

2. *Supervisory Guidance on "Complex Wholesale Borrowings."* The guidance supplements and expands the general existing supervisory guidance on bank funding and borrowing. Funding instruments for complex wholesale borrowing can have embedded options that may significantly increase over time a bank's sensitivity to market and liquidity risks. Maturity mismatches or the embedded options themselves can, in some circumstances, adversely affect a depository institution's financial condition. This guidance collectively calls for an analysis of the purpose, effectiveness, concentration exposure, funding stability, and bank management's understanding of the liquidity and interest rate risks associated with borrowing and funding strategies. Examination objectives and procedures are provided. See SR Letter 01-8 (SUP).

3. *Gramm–Leach–Bliley Act Changes That Pertain to Bank-Related Organizations.* The changes include regulatory and supervisory guidance with regard to the ownership and control of financial subsidiaries, financial holding companies (FHCs), and operating subsidiaries of state member banks. The approval requirements and permissible activities are discussed, as applicable, as well as any limitations on transactions with affiliates (sections 23A and 23B of the Federal Reserve Act). The Federal Reserve's supervisory role as the umbrella supervisor for FHCs is also discussed.

4. *FFIEC Interagency Policy Statement on the Risk Management of Outsourced Technology Services.* The guidance focuses on the risk-management process of identifying, measuring, monitoring, and controlling the risks associated with outsourcing technology services. It includes four key supervisory elements to address those risks: risk assessment, service-provider selection, contract provisions and review, and ongoing service-provider monitoring. The policy statement includes an appendix that provides examples of considerations that may be relevant when performing due diligence in selecting a service provider, contracting with service providers, and conducting ongoing service-provider monitoring. See SR Letter 00-17 (SPE).

A more detailed summary of changes is included with the update package. The *Manual* and updates, including pricing information, are available from Publications Services, 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 2001 Update to the *Bank Holding Company Supervision Manual*

The June 2001 update to the *Bank Holding Company Supervision Manual*, Supplement No. 20, has been published and is now available. The *Manual* comprises the Federal Reserve System's bank holding company supervisory and inspection guidance. The supplement includes new or revised supervisory information and examiner guidance on the following:

1. *A Substantially Revised Foreword.* A broad overview is provided on the Federal Reserve's risk-focused inspection program for bank holding companies (BHCs) and financial holding companies (FHCs). Risk-focused inspections focus on the various types of high risk, the risk-management processes, and the necessary involvement of management and directors in the organization's risk-management oversight.

2. *An Updated Introduction to Nonbanking Activities.* The introduction to nonbanking activities has been revised to discuss FHCs (authorized by the Gramm–Leach–Bliley Act). A general overview is also provided of permissible financial and nonfinancial activities that are available to BHCs that qualify as FHCs.

3. *The December 2000 Final and Other Interim or Final Regulation Y Changes for Foreign Banks and BHCs that Qualify as FHCs.* The changes apply to the following:

a. *U.S. Bank Holding Companies Operating as FHCs.* This revised section includes changes involving the

(1) "well-managed" criteria that apply to all depository institutions that are controlled by a company that desires to qualify as an FHC; (2) timing of FHC declarations that are informationally complete; (3) simultaneous filing of an application to become a BHC and (upon consummation) to also become an FHC; (4) Federal Reserve's responses to complete FHC declarations; and (5) the requirements for an FHC to acquire more than 5 percent of the voting shares or control of a company that is "substantially engaged" (as defined) in activities that are financial in nature, incidental to financial activities, or otherwise permissible under section 4(c) of the BHC Act.

b. *Foreign Banks Qualifying as FHCs.* The revised section includes changes for (1) the factors used to determine the comparability of capital and management of a foreign bank; (2) the requirements for assigning a "combined ROCA rating" derived from the examination of a foreign banking organization's (FBO's) U.S. branch, agency, and commercial lending operations (this rating is factored into the FBO's overall combined U.S. operations [banking and nonbanking] composite rating); and (3) the required assurances of the home-country supervisor that the foreign bank's capital and management are considered satisfactory (using a comprehensive, consolidated supervision framework and preclearance process) before the Board will consent to an expansion of the foreign bank's U.S. operations as an FHC. See Supervision and Regulation (SR) Letter 00-14. (SR Letters are the Federal Reserve's primary means of communicating key policy directives to its examiners, supervisory staff, and the banking industry. SR Letters can be viewed on the Board's web site at www.federalreserve.gov/boarddocs/srletters.)

c. *Permissible Activities for Qualifying FHCs.* The revised section lists and discusses the activities found to be financial in nature, as listed in sections 4(k)(4) of the BHC Act. A January 2001 interim rule revision to Regulation Y is also discussed that pertains to section 4(k)(5) of the BHC Act. A mechanism is provided for FHCs to request the Board or the Secretary of the Treasury to determine whether a particular activity falls into one of three specific categories of permissible activities under section 4(k)(5). The detailed informational requirements for such a request are included. Also provided are the interim rule's procedures to request a determination as to whether an activity is financial in nature or incidental to a financial activity. The amended section also gives guidance on how to obtain approval to engage in an activity that is complementary to an identified financial activity.

d. *An FHC Acting as a Finder.* A new section discusses the Board's decision, in consultation with the Secretary of the Treasury, that authorizes FHCs to act as a finder, a limited activity that is considered incidental to a financial activity. A finder brings together buyers and sellers of products and services for transactions that buyers and sellers themselves negotiate and consummate.

4. *Equity Investment and Merchant Banking Investment Activities.* The new section discusses the following:

a. *The Authority and Requirements for Merchant Banking Investments.* The joint final rule of the Board and the Secretary of the Treasury, effective February 15, 2001, is discussed governing merchant banking investments made by FHCs. Under section 4(k) of the BHC Act, FHCs may make investments as part of a bona fide securities underwriting or merchant or investment banking activity. The investments may be made in any type of ownership interest, in any type of nonfinancial entity (portfolio company), and they may represent any amount of the equity of a portfolio company. The section discusses: (1) permissible investments; (2) prohibitions on routinely managing or operating a portfolio company; (3) portfolio company holding periods; (4) private equity funds, including restrictions on their management and operation; (5) automatic sunset provisions for aggregate investment thresholds in portfolio companies; (6) risk management, reporting, and recordkeeping policies; (7) cross-marketing restrictions; and (8) presumptions of control under sections 23A and 23B of the Federal Reserve Act and the safe harbors to the rebuttable presumption.

b. *Federal Reserve Supervisory Guidance for Equity Investment and Merchant Banking Activities.* Basic safety-and-soundness issues are discussed concerning the management of such investments. The section provides useful management infrastructure and control benchmarks for organizations engaged in such activities. The guidance identifies sound investment and risk-management practices that merit the attention of both management and supervisors. Examples are provided of the scope of appropriate public disclosures that banking organizations are encouraged to make of their equity investment activities. Sound practices in providing traditional lending-based banking services to portfolio companies, to portfolio company management, and to general partners of equity investment ventures and funds are also discussed. The potential risks and returns of equity investment and merchant banking activities exceed those of more traditional banking activities. Banking organizations and FHCs engaged in such activities are required to have strong capital positions that are well above current minimum regulatory requirements, along with robust internal methods for allocating capital that are commensurate with the inherent risks of those activities. See SR Letter 00-9.

A more detailed summary of changes is included with the update package. The *Manual* and updates, including pricing information, are available from Publications Services, 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/.

## *Enforcement Action*

The Federal Reserve Board announced on May 31, 2001, the settlement of its administrative enforcement proceeding against Incus Co., Ltd., and Carlos Hank Rhon of Mexico City, Mexico, Incus's registered owner.

Incus, a bank holding company chartered in the British Virgin Islands, owns a majority of Laredo National Bancshares, the parent of Laredo National Bank and South Texas National Bank, all of which are in Laredo, Texas.

Incus and Hank Rhon have agreed to the following:

1. They will pay to the U.S. Treasury $10.75 million now and an additional $29.25 million within the next seven years.
2. Incus's shares of Laredo National Bancshares will be placed into a voting trust. Independent trustees, proposed by Incus and Hank Rhon and approved by the Board, will vote the shares.
3. Hank Rhon will resign as chairman of the board and as director of Laredo National Bancshares and will not be otherwise involved in its management or operation. He has also agreed not to serve in those capacities or as a controlling shareholder with other banking organizations in the United States without the Board's prior approval.

The settlement is enforceable under the Board's cease-and-desist and civil money penalty authority.

The Board's Notice of Charges, issued in December 1998, alleged that Incus and Hank Rhon had committed various violations of the Bank Holding Company Act, the Change in Bank Control Act, and other laws involving the ownership of Incus and Laredo National Bancshares, as well as lending transactions at Laredo National Bank. Incus and Hank Rhon have denied that they committed the violations alleged in the Notice of Charges.

The settlement does not relate in any manner to the condition of Laredo National Bank or South Texas National Bank. □

# Minutes of the Meeting of the Federal Open Market Committee Held on March 20, 2001

A meeting of the Federal Open Market Committee was held in the offices of the Board of Governors of the Federal Reserve System in Washington, D.C., beginning at 9:00 a.m. on Tuesday, March 20, 2001.

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

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

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

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

Ms. Cumming, Messrs. Fuhrer, Hakkio, Howard, Hunter, Lindsey, Rasche, Reinhart, Slifman, and Wilcox, Associate Economists

Mr. Kos, Manager, System Open Market Account

Ms. Smith and Mr. Winn, Assistants to the Board, Office of Board Members, Board of Governors

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

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

Messrs. Madigan, Oliner, and Struckmeyer, Associate Directors, Divisions of Monetary Affairs, Research and Statistics, and Research and Statistics, Board of Governors

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

Ms. Low, Open Market Secretariat Assistant, Division of Monetary Affairs, Board of Governors

Mr. Barron, First Vice President, Federal Reserve Bank of Atlanta

Messrs. Eisenbeis and Goodfriend, Mses. Krieger and Mester, and Mr. Rolnick, Senior Vice Presidents, Federal Reserve Banks of Atlanta, Richmond, New York, Philadelphia, and Minneapolis respectively

Ms. Orrenius, Economist, Federal Reserve Bank of Dallas

Mr. Trehan, Research Advisor, Federal Reserve Bank of San Francisco

Mr. Haubrich, Consultant, Federal Reserve Bank of Cleveland

By unanimous vote, the minutes of the meeting of the Federal Open Market Committee held on January 30–31, 2001, were approved.

By unanimous vote, David Wilcox was elected to serve as an Associate Economist for the period until the first regularly scheduled meeting of the Committee after December 31, 2001.

The Manager of the System Open Market Account reported on developments in foreign exchange markets. There had been no operations in foreign currencies for the System's account since the previous meeting.

The Manager also reported on developments in domestic financial markets and on System open market transactions in U.S. government securities and federal agency obligations during the period

January 31, 2001, through March 19, 2001. By unanimous vote, the Committee ratified these transactions.

The Committee then turned to a discussion of the economic and financial outlook and the implementation of monetary policy over the intermeeting period ahead. A summary of the economic and financial information available at the time of the meeting and of the Committee's discussion is provided below, followed by the domestic policy directive that was approved by the Committee and issued to the Federal Reserve Bank of New York.

The information reviewed at this meeting suggested that economic activity continued to expand very slowly in the first quarter. Growth of final spending apparently picked up slightly, with consumer expenditures recording another moderate gain, business purchases of equipment and software increasing sluggishly after a fourth-quarter decline, and homebuilding remaining relatively firm. However, inventory overhangs were still apparent in some industries, and manufacturing production was cut sharply further. Overall employment gains were relatively well maintained, and labor markets were still tight though showing signs of softening. Price inflation had picked up a little but, abstracting from energy, had remained relatively subdued.

After a sluggish fourth quarter, private nonfarm payroll employment rose at a slightly higher rate on average in January and February, though still considerably below the pace of the first three quarters of 2000. Manufacturing and related industries, notably help-supply and wholesale trade, experienced further large declines in payrolls in the January–February period. However, hiring elsewhere held up relatively well, especially in construction, which recorded a surge in employment in January. While the labor market remained tight on balance, the unemployment rate increased to 4.2 percent in February, and other indicators such as initial claims for unemployment insurance suggested that pressures in labor markets had begun to abate.

The contraction in industrial production that began in October accelerated and broadened in the first two months of the year. In manufacturing, output fell further in the motor vehicle sector, and production continued to decelerate in high-tech industries. The rate of capacity utilization in manufacturing dropped noticeably in January and February to a level further below its long-run average.

Against a background of slowing income gains and a sizable pullback in consumer sentiment since last autumn, consumer spending evidently grew only moderately on balance in January and February. Purchases of motor vehicles picked up in response to increased marketing incentives put in place by Chrysler and General Motors, and retail sales of items other than motor vehicles climbed moderately. Spending on services was held down in January (latest data) by reduced expenditures for heating services as winter temperatures returned to more seasonal levels following unusually cold weather late last year; excluding heating, however, spending on other services rose slowly.

The decline in mortgage rates that began around the middle of last year continued to provide support to residential building activity. Total housing starts rose somewhat further in January and February, reflecting net increases in both single-family and, especially, multifamily units. Sales of new homes dropped sharply in January (latest data), after having surged in December, but remained quite robust by historical standards. Sales of existing homes rebounded in January after having fallen considerably in December and were up slightly on balance over the two months.

The limited available information suggested that business fixed investment was firming early this year after a decline in the fourth quarter of last year. Nominal shipments of nondefense capital goods other than aircraft and parts changed little on balance in December and January, while prices of high-tech equipment continued to fall. Moreover, orders for nondefense capital goods turned up briskly in January after a sharp fourth-quarter drop. Nonresidential construction activity continued its robust rise early in the year. Strength in building activity was widespread across the sector, most notably in new office construction.

Business inventories on a book-value basis increased in January at about the rapid fourth-quarter pace; inventory positions appeared to be especially large for construction materials, metals, electrical equipment, paper, chemicals, and textiles. In the manufacturing sector, overall stocks jumped in January while shipments fell, and the aggregate inventory–shipments ratio rose to its highest level in two years. In the wholesale trade sector, aggregate stocks fell again in January and the sector's inventory–sales ratio edged down to the middle of its very narrow range for the past year. Retail stocks continued to climb in January, but sales rose by more; the sector's inventory–sales ratio also edged lower, but it remained near the top of its range for the past twelve months.

The U.S. trade deficit in goods and services changed little in December but posted a new record high for the fourth quarter. The value of exports dropped substantially in that quarter, with notable declines occurring in agricultural products, aircraft, automotive products, computers and semiconductors, consumer goods, and telecommunications equipment. The value of imports remained at the high level recorded in the third quarter. Lower imports of automotive products, chemicals, computers and semiconductors, and steel were offset by higher imports of consumer goods and telecommunications equipment and smaller increases in other categories of trade. Economic growth in the foreign industrial countries was at a moderate rate on average in the fourth quarter. Expansion in the euro area picked up, while growth in Canada and the United Kingdom slowed significantly. The Japanese economy rebounded in the fourth quarter but was little changed on balance over the second half of the year, and recent indicators suggested a sharply weaker performance in the early part of this year. In addition, growth in the major developing countries slowed markedly in the fourth quarter, with the slowdown in most of those countries reflecting weaker demand for their exports.

Price inflation had picked up a bit recently. The consumer price index (CPI) jumped in January (latest data), reflecting a surge in energy prices; moreover, the index increased considerably more during the twelve months ending in January than it did during the previous twelve months. The core component of the CPI also accelerated in January and on a year-over-year basis, but by lesser amounts than did the total index. The increase in the core personal consumption expenditure (PCE) chain-type price index in January matched that of the core CPI; on a year-over-year basis, however, the pickup in core PCE inflation was a little smaller than that for the core CPI. At the producer level, core finished goods retraced in February only part of the sizable step-up in prices recorded in January, and core producer price inflation was up somewhat on a year-over-year basis. With regard to labor costs, recent data also pointed to some acceleration. Compensation per hour in the nonfarm business sector advanced appreciably more rapidly in the fourth quarter of 2000 and for the year as a whole. That trend also showed through to the average hourly earnings of production or nonsupervisory workers through February, which exhibited a roughly similar acceleration.

At its meeting on January 30–31, 2001, the Committee adopted a directive that called for maintaining conditions in reserve markets consistent with a decrease of 50 basis points in the intended level of the federal funds rate, to about 5½ percent. This move, in conjunction with the easing on January 3, was intended to help guard against cumulative weakness in economic activity and to provide some support to a rebound in growth later in the year. In the existing circumstances, the members agreed that the balance of risks remained weighted toward conditions that could generate economic weakness in the foreseeable future. Though rapid advances in underlying productivity were expected to continue, the adjustments to stocks of capital, consumer goods, and inventories to more sustainable levels were only partly completed, and financial markets remained unsettled.

Open market operations were directed throughout the intermeeting period toward maintaining the federal funds rate at the Committee's reduced target level of 5½ percent, and the funds rate stayed close to that target. However, incoming economic data, a steady flow of disappointing corporate earnings reports, related sharp declines in stock prices, and a notable drop in consumer confidence led market participants to conclude that more monetary easing would be required. Yields on Treasury securities, both short- and long-term, moved appreciably lower. However, rates on high-yield private debt obligations fell only a little, and banks further tightened standards and terms on business loans, given the weakening outlook for profits. Broad indexes of U.S. stock market prices moved sharply lower, with the tech-heavy Nasdaq experiencing an especially large drop. Nonetheless, the trade-weighted value of the dollar rose somewhat over the intermeeting interval in terms of many of the major foreign currencies. The dollar strengthened most against the currencies of countries that were seen to have the greatest potential for economic weakening, notably Japan. The dollar also posted a small gain against an index of the currencies of other important trading partners.

The broad monetary aggregates continued to grow rapidly in February, though at slightly lower rates than in January. The strength in M2 was concentrated in its liquid components, apparently in response to the further narrowing of opportunity costs, the yield advantage of money funds relative to longer-term investments, and the appeal of a safe haven from volatile equity markets. M3 grew somewhat less rapidly than M2; a pullback in the issuance of bank-managed liabilities, particularly large time deposits, was associated with slower expansion of bank credit. Growth of domestic nonfinancial debt decelerated noticeably in January (latest data), reflecting reduced expansion of debt in the nonfederal sectors coupled with a larger contraction in the amount of federal debt outstanding.

The staff forecast prepared for this meeting suggested that, after a period of slow growth associated in part with an inventory correction, the economic expansion would gradually regain strength over the next two years and move toward a rate near the staff's current estimate of the growth of the economy's potential output. The period of subpar expansion was expected to foster an appreciable easing of pressures on resources and some moderation in core price inflation. The forecast anticipated that the expansion of domestic final demand would be held back to an extent by the decline in household net worth associated with the downturn that had occurred in equity prices, the lingering effects of last year's relatively high interest rates, and the continuation of relatively stringent terms and conditions on some types of loans by financial institutions. As a result, growth of spending on consumer durables was expected to be appreciably below the rapid pace in the first half of last year, and housing demand would increase only a little from its recent level. Business fixed investment, notably outlays for equipment and software, was projected to resume relatively robust growth after a period of adjustment of capital stocks to more desirable levels; growth abroad was seen as supporting the expansion of U.S. exports; and fiscal policy was assumed to become more expansionary.

In the Committee's discussion of current and prospective economic developments, members commented that the recent statistical and anecdotal information had been mixed, but they viewed evolving business conditions as consistent on the whole with a continued softness in economic activity. Members noted that consumer spending had strengthened early in the year and housing activity had remained at a relatively high level. These positive developments needed to be weighed against an appreciable weakening in business investment spending and the near-term restraining effects of a drawdown in inventories. Looking ahead, while sales and production data suggested that excess inventories were being worked off, the adjustment did not appear to have been completed. Beyond the inventory correction, the members continued to anticipate an acceleration of the expansion over time, though likely on a more delayed basis and at a more gradual pace than they had forecast earlier. They noted a number of favorable underlying factors that would tend to support a rebound, including solid productivity growth, stable low inflation, generally sound financial institutions, lower interest rates, and relatively robust expansion in many measures of money. However, the members saw clear downside risks in the outlook for consumer and investment spending in the context of the marked decline that had occurred in equity prices and consumer confidence, and in expected business profitability, and they were concerned that weaker exports might also hold down the expansion of economic activity. With regard to the outlook for inflation, some recent measures of increases in core prices had fluctuated on the high side of earlier expectations, but apart from energy prices and medical costs, inflation was still relatively quiescent. With the growth in output likely to remain below the expansion of the economy's potential for a while, members anticipated that inflation would remain subdued.

Mirroring the statistics for the nation as a whole, business conditions in different parts of the country displayed mixed industry patterns, but members reported that overall business activity currently appeared to be growing at a sluggish pace in most regions, and business contacts were exhibiting a heightened sense of caution, or even concern, in some industries. In their review of developments in key sectors of the economy, members indicated that they saw favorable prospects for continued moderate growth in consumer expenditures, though considerable uncertainty surrounded this outlook. Downside risks cited by the members included the substantial declines that had already occurred in measures of consumer confidence and equity wealth, and the possibility that consumer sentiment might be undermined even further by continued volatility and additional declines in the stock market and by rising concerns about job losses amid persistent announcements of layoffs. Members also referred to the retarding effects on consumer expenditures of elevated levels of household debt and high energy costs. Against this background, consumers might well endeavor to boost their savings, and even a fairly small increase in what currently was a quite low saving rate would have large damping effects on aggregate demand that could weaken, if not abort, the expansion. To date, however, overall consumer spending had remained relatively strong and seemingly at odds with measures of consumer confidence and reduced equity wealth. How this divergence might eventually be resolved was a significant source of uncertainty and downside risk. On balance, while there were reasons to be concerned about the outlook for consumer spending, members believed that recent spending trends and the outlook for further growth in employment and incomes pointed to continued expansion in this key sector of the economy, though likely at a relatively sluggish pace.

Another major source of downside risk to the expansion was business fixed investment. Spending for equipment and software declined in the fourth quarter, and the available statistical and anecdotal reports pointed to weakness during the first half of this year, largely reflecting developments in high-tech industries. Substantial downward adjustments to expected near-term business earnings had persisted, suggesting that firms saw investment as much less profitable than they had before and that cash flows would be constrained. Many businesses also were inhibited in their investment activities by less accommodative financial conditions associated with weaker equity markets and tighter credit terms and conditions imposed by banking institutions. As a consequence, a substantial volume of planned investment was being postponed, if not canceled. The capital stock had grown at an unsustainable pace for a time, so some downshifting in investment was inevitable. Moreover, those earlier very substantial investment outlays seemed to have created excess capacity in a number of industries, and how large an adjustment in spending for business equipment might now be under way was still unclear, especially with regard to high-tech industries. At the same time, the information available for the first quarter indicated considerable strength in nonresidential construction activity, including large outlays on public-sector infrastructure projects in some areas. On balance, business spending for plant and equipment was likely to pick up only gradually this year. Over the longer term, however, a return to more robust business investment seemed likely, and indeed business earnings forecasts beyond the nearer term had not declined very much, reflecting continuing expectations of substantial profit opportunities related to persisting strong gains in productivity.

Housing activity was generally holding up well across the country, as the effects of appreciably reduced mortgage interest rates apparently compensated for the negative effects of declining financial wealth on the demand for housing. While housing construction was generally described as elevated, some members referred to overbuilding or weakness in some local housing markets. It was noted that homebuilders were generally optimistic about the prospects for the year ahead, given their current backlogs and expectations of further growth in employment and incomes.

The ongoing adjustments in business inventories had played a significant role in curbing the growth of economic activity in recent months, but such adjustments seemed likely gradually to become a more neutral factor over the balance of this year. In the motor vehicle industry, inventory liquidation had been especially pronounced and the process now seemed largely completed. However, the inventory-correction process in high-tech industries apparently was not as far along. In the absence of renewed weakness in overall final demand, which could not be ruled out given current consumer and business confidence, production would need to pick up at some point to accommodate ongoing final demand. Some members observed that the adjustment in inventories might require more time than they had anticipated earlier. In any event, completion of the process clearly would foster an upturn in manufacturing activity.

Members commented on the downside risks to U.S. exports and the U.S. expansion from what appeared to be softening economic conditions in a number of important foreign economies. In some countries, the risks were exacerbated by the apparent inability or unwillingness of government officials to address underlying structural problems in their economies and financial systems. Members noted anecdotal reports of weakening business conditions in a number of Asian and South American nations. The potential impact on exports of less vigor in the global economy would be augmented, of course, by the strength of the dollar in foreign exchange markets.

Although labor markets in general remained tight throughout the nation, anecdotal reports of less scarce labor resources were becoming more frequent in some areas or occupations. Some price increases had been noted; however, apart from the energy and health care sectors, price inflation had remained relatively subdued, evidently reflecting the combination of diminished growth in overall demand and strong competitive pressures in most markets. With regard to the outlook for wages and prices, members commented that the prospects for an extended period of growth in demand at a pace below the economy's potential should ease pressures on labor and other resources and help to contain inflation.

In the Committee's discussion of policy for the intermeeting period ahead, most of the members preferred and all could support a further easing of reserve conditions consistent with a 50 basis point reduction in the federal funds rate, to 5 percent. The members agreed that a strengthening in the economic expansion over coming quarters was a reasonable expectation, but absent further easing in monetary policy that pickup was unlikely to bring growth to an acceptable pace in the foreseeable future. Business investment would be held back by lower earnings expectations and a capital overhang of unknown dimensions; consumption was subject to downside risks from previous decreases in equity wealth and declining confidence; and the strong dollar and weaker foreign growth would constrain exports. Inflation was likely to be damped by ebbing pressures on labor and product markets. While many of the members generally believed that additional policy easing might well prove to be necessary at some time, the easing favored by most members incorporated what they viewed as an adequate degree of stimulus under current economic conditions and represented an appropriately calibrated step given the uncertainties in the economic outlook. It was noted in this regard that in combination with the two easing actions earlier this year, the Committee would have implemented in a relatively short period a considerable amount of monetary easing whose economic effects would be felt over time. However, some commented that the amount of financial stimulus was much smaller than might otherwise be expected from policy easing of this cumulative amount because it had been accompanied by further declines in stock market prices, more stringent financing terms for many business borrowers, and a stronger dollar, all of which would be holding down domestic spending and production. Indeed, financial markets had come to place some odds on a larger move of 75 basis points in recent days, importantly reflecting the possibility of a presumed policy response to the sizable declines in equity prices that had occurred as earnings prospects proved disappointing. Most members agreed, however, that in the context of their focus on the economy, smaller, possibly more frequent, policy adjustments were appropriate to afford them the opportunity to recalibrate policy in rapidly changing and highly uncertain circumstances.

A few members expressed a preference for a 75 basis point reduction in the federal funds rate. In their view, a more forceful action was justified by current and prospective economic conditions.

The members agreed that even with a further 50 basis point reduction in the federal funds rate, the risks to the economy would remain decidedly to the downside. This conclusion would be reflected in the press statement to be released after today's meeting. The statement also would emphasize the need for close monitoring of rapidly evolving economic conditions. The members anticipated that in the relatively long interval before the next regularly scheduled meeting on May 15, 2001, economic developments might suggest the desirability of a Committee conference call to assess business conditions across the nation and to consider the possible need for a further policy adjustment.

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

> The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. To further its long-run objectives, the Committee in the immediate future seeks conditions in reserve markets consistent with reducing the federal funds rate to an average of around 5 percent.

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

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

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

The Chairman called for a recess after this vote and convened a meeting of the Board of Governors to consider reductions of one-half percentage point in the discount rate that had been proposed by all the Federal Reserve Banks. After the recess, the Chairman informed the Committee that the pending reductions had been approved.

It was agreed that the next meeting of the Committee would be held on Tuesday, May 15, 2001. The meeting adjourned at 1:15 p.m.

## *TELEPHONE CONFERENCES*

On April 11, 2001, the Committee reviewed economic and financial developments since its last meeting and discussed the possible need for some further easing of monetary policy. The data and anecdotal information were mixed: They did not indicate that the economy had been weakening further, but they raised questions about the potential strength of a rebound in growth over coming quarters. In particular, heightened business concerns about future sales and further downward revisions to expected earnings threatened to restrain capital spending for some time. In the circumstances, the members could see the need for a further easing of policy at some point, though some had a strong preference for taking such actions at regularly scheduled meetings. They all agreed that an easing on this date would not be advisable, inasmuch as the attendant surprise to most outside observers risked unpredictable reactions in financial markets that had been especially volatile in recent days, and additional important data would become available over the near term.

A week later, on April 18, 2001, the Committee held a telephone conference meeting for the purpose of considering a policy easing action. The members noted that the statistical and anecdotal information received since the last conference call had supported their view that an easing of policy would be appropriate. In addition to the continuing concerns about business plans for capital investment, consumer spending had leveled out and confidence had fallen further. In these circumstances, lower interest rates were likely to be necessary to foster more satisfactory economic expansion. With financial markets more settled, and with nearly a month until the Committee's May meeting, an easing move was called for at this time.

Although a few preferred to wait until the next scheduled meeting, all the members supported or could accept a proposal for an easing of reserve conditions consistent with a reduction of 50 basis points in the federal funds rate to a level of 4½ percent. The Committee voted to authorize and direct the Federal Reserve Bank of New York, until it was instructed otherwise, to execute transactions in the System Account in accordance with the following domestic policy directive:

> The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. To further its long-run objectives, the Committee in the immediate future seeks conditions in reserve markets consistent with reducing the federal funds rate to an average of around 4½ percent.

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

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

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

Chairman Greenspan indicated that shortly after this meeting the Board of Governors would consider pending requests of eight Federal Reserve Banks to reduce the discount rate by 50 basis points.

Donald L. Kohn
Secretary

# Legal Developments

## *Final Rule—Amendment to Regulation A*

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

Effective May 15, 2001, 12 C.F.R. Part 201 is amended as follows:

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

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

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

Section 201.51 is revised to read as follows:

### *Section 201.51—Adjustment credit for depository institutions*

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

| Federal Reserve Bank | Rate | Effective |
|---|---|---|
| Boston | 3.5 | May 16, 2001 |
| New York | 3.5 | May 15, 2001 |
| Philadelphia | 3.5 | May 17, 2001 |
| Cleveland | 3.5 | May 17, 2001 |
| Richmond | 3.5 | May 15, 2001 |
| Atlanta | 3.5 | May 16, 2001 |
| Chicago | 3.5 | May 15, 2001 |
| St. Louis | 3.5 | May 16, 2001 |
| Minneapolis | 3.5 | May 17, 2001 |
| Kansas City | 3.5 | May 16, 2001 |
| Dallas | 3.5 | May 16, 2001 |
| San Francisco | 3.5 | May 15, 2001 |

## *Orders Issued Under Bank Holding Company Act*

### Orders Issued Under Section 3 of the Bank Holding Company Act

*CB&T Bancshares, Inc.*
*Vivian, Louisiana*

Order Approving the Formation of a Bank Holding Company

CB&T Bancshares, Inc. ("CB&T") has requested the Board's approval under section 3 of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842) to become a bank holding company by acquiring all the shares of Citizens Bank & Trust Company, also in Vivian ("Citizens").

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (66 *Federal Register* 17,711 (2001)), and the time for filing comments has expired. The Board has considered the application and all comments received in light of the factors set forth in section 3 of the BHC Act.

CB&T is a newly organized corporation formed for the purpose of acquiring control of Citizens. Citizens is the 116th largest commercial banking organization in Louisiana, controlling approximately $45 million in deposits, representing less than 1 percent of total deposits in commercial banking organizations in the state.[1]

The proposal involves the acquisition of a commercial bank by CB&T, which does not currently control any commercial bank. Based on all the facts of record, the Board concludes that the proposal would not have any significantly adverse effects on competition or on the concentration of banking resources in any relevant banking market. Accordingly, the Board has determined that competitive factors under section 3 of the BHC Act are consistent with approval.

Section 3 of the BHC Act also requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved in a proposal, the convenience and needs of the communities to be served, and certain other supervisory factors. The Board has carefully considered these factors in light of all the facts of record. The Board has carefully reviewed all the financial information provided by CB&T regarding the proposal, including the assessment of the financial resources of Citizens made in confidential examination reports by its primary federal regulator.[2] Citizens is currently

1. State deposit data are as of December 31, 2000.

2. As part of the proposal, minority shareholders holding less than 1,000 shares of Citizens will only have the option of receiving fair cash value in exchange for their shares. Protestants contend that they do not want to sell their shares and that the amount of cash that Citizens will pay to each shareholder per share is inadequate. The federal courts have indicated that the Board must analyze all the proposals under the BHC Act in light of the factors enumerated in the BHC Act and may consider issues of shareholders' rights only to the extent those matters relate to the factors enumerated in the BHC Act. *See*

well-capitalized and would continue to be well-capitalized upon consummation of the proposal. The proposal is consistent with the Board's guidelines, including the Board's Policy Statement on the Formation of Small Bank Holding Companies, which applies to CB&T because it will have assets of less than $150 million.[3]

The Board has also carefully reviewed the management resources of CB&T in light of reports of current and past examination and other supervisory information.[4] Based on all the facts of record, the Board concludes that the managerial resources and future prospects of the institutions involved, and other supervisory factors, are consistent with approval. In addition, considerations relating to the convenience and needs of the communities to be served, including the record of performance of the institution involved under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*), are consistent with approval.[5]

Based on the foregoing and all the facts of record, the Board has determined that the application should be, and hereby is, approved. The Board's approval is expressly conditioned on the compliance by CB&T with all the commitments and representations made in connection with this application and the conditions referenced in this order. For purposes of this action, the commitments and conditions relied on by the Board in reaching its decision are deemed to be conditions imposed in writing 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 or later than three months after the effective date of this order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Dallas, acting pursuant to delegated authority.

By order of the Board of Governors, effective May 21, 2001.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Meyer and Gramlich. Absent and not voting: Governor Kelley.

ROBERT DEV. FRIERSON
*Associate Secretary of the Board*

*Western Bancshares, Inc. v. Board of Governors*, 480 F.2d 749 (10th Cir. 1973). The Board considered the expected total expense of redeeming minority shares as part of its evaluation of the financial resources in this case. Disputes between shareholders and management regarding redemptions related to reorganization, the fairness of the valuation of shares, and related shareholder issues raised by Protestants are otherwise matters of state and federal securities law and state corporate law and are not related to statutory factors that the Board is charged with reviewing under the BHC Act.

3. *See* 12 C.F.R. 225, App. C.

4. The Board also considered a comment received regarding the current management of Citizens.

5. Citizens received an "outstanding" rating from its primary federal supervisor, the Federal Deposit Insurance Corporation ("FDIC"), at its most recent evaluation for CRA performance, as of October 1, 1998.

### *Juniper Financial Corporation Wilmington, Delaware*

Order Approving Formation of a Bank Holding Company

Juniper Financial Corporation ("Juniper") has requested the Board's approval under section 3(a)(1) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring First Bank CBC, Maryville, Missouri ("First Bank").[1]

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (66 *Federal Register* 371 (2001)). 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.

Juniper currently operates the internet-based credit card division of Columbus Bank & Trust, Columbus, Georgia ("Columbus Bank"). First Bank, with total assets of $106.3 million, is the 128th largest depository institution in Missouri, controlling $87.8 million in deposits, representing less than one percent of total deposits in depository institutions in the state.[2]

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

Consummation of the proposed transaction would result in the establishment of a *de novo* bank in the Wilmington banking market, and thereby would increase the number of alternative sources of banking products and services available to customers. The Board previously has noted that the establishment of a *de novo* bank enhances competition in affected banking markets and reflects positively on competitive considerations in an application under section 3 of the

1. Juniper intends, immediately on acquisition of First Bank, to merge First Bank with and into Juniper Bank, Wilmington, Delaware, a *de novo* bank that is not yet open for business. Juniper then would cause substantially all the assets and liabilities of Juniper Bank to be sold to Citizens Bank and Trust Co., Chillicothe, Missouri, a subsidiary of Citizens Bancshares Co., the current owner of First Bank. Juniper Bank would then purchase the assets and assume the liabilities of the credit card division of Columbus Bank. All these transactions are subject to regulatory approval.

2. Asset, deposit, and ranking data are as of June 30, 2000. In this context, depository institutions include commercial banks, savings banks, and savings associations.

3. 12 U.S.C. § 1842(c).

BHC Act.[4] There is no evidence that the proposed transaction would create or further a monopoly or lessen competition in any relevant banking market. Accordingly, 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.[5]

Section 3 of the BHC Act requires the Board, in acting on an application, to consider the financial and managerial resources and future prospects of the companies and banks involved and certain supervisory factors. The Board has reviewed these factors in light of the record, including reports of examination and other confidential supervisory information assessing the financial and managerial resources of the organizations, financial information provided by Juniper, and supervisory and other information regarding the banking experience and financial resources of the proposed management of Juniper. In addition, the Board has considered Juniper's capital and ownership structure, the shareholder rights and preferences of Juniper's shareholders, and certain commitments made with respect to Juniper's capital structure. Based on all the facts of record, the Board concludes that the financial and managerial resources and future prospects of Juniper and Juniper Bank are consistent with approval, as are the other supervisory factors the Board must consider under section 3 of the BHC Act.

Section 3 of the BHC Act also requires the Board to consider the convenience and needs of the communities to be served. The Board has reviewed information presented by Juniper related to the convenience and needs factor and the records of performance of the relevant depository institutions under the Community Reinvestment Act. Based on all the facts of record, the Board concludes that considerations relating to the convenience and needs of the communities to be served are consistent with approval.

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

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

By order of the Board of Governors, effective May 9, 2001.

This action was taken pursuant to the Board's Rules Regarding Delegation of Authority (12 C.F.R. 265.4(b)(1)) by a committee of Board members. Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governor Meyer. Absent and not voting: Governors Kelley and Gramlich.

JENNIFER J. JOHNSON
*Secretary of the Board*

4. *See Canadian Imperial Bank of Commerce*, 85 *Federal Reserve Bulletin* 733 (1999); *see also Wilson Bank Holding Company*, 82 *Federal Reserve Bulletin* 568 (1996).

5. On consummation of the proposal, Delaware will be Juniper's home state for purposes of the BHC Act. *See* 12 U.S.C. § 1841(o)(4).

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

### *Royal Bank of Canada*
### *Montreal, Canada*

### *Rock Merger Subsidiary, Inc.*
### *Raleigh, North Carolina*

Order Approving Formation of Bank Holding Companies and Acquisition of a Bank and Nonbanking Companies

Royal Bank of Canada ("Royal Bank"), a foreign banking organization that is subject to the provisions of the Bank Holding Company Act ("BHC Act"), and Rock Merger Subsidiary, Inc. (collectively, "Applicants") have requested the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to become bank holding companies by acquiring Centura Banks, Inc. ("Centura") and thereby indirectly acquiring Centura Bank ("Bank"), both in Rocky Mount, North Carolina.[1] Applicants also have requested the Board's approval under sections 4(c)(8) and 4(j) of the BHC Act (12 U.S.C. §§ 1843(c)(8) and 1843(j)) and section 225.24 of the Board's Regulation Y (12 C.F.R. 225.24) to acquire the nonbanking subsidiaries of Centura and thereby engage in extending credit and servicing loans.[2]

Notice of the proposal, affording interested persons an opportunity to comment, has been published (66 *Federal Register* 15,480 (2001)). 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 sections 3 and 4 of the BHC Act.

1. Applicants would effect the acquisition by merging Centura with and into Rock Merger Subsidiary, Inc., with Centura surviving. At the time of the merger, all shares of Centura would convert to the right to receive shares of Royal Bank.

2. Royal Bank also has requested the Board's approval to exercise an option to purchase up to 19.9 percent of Centura's common stock if certain events occur. This option would expire on consummation of the proposed merger.

Royal Bank, with consolidated assets of $192 billion,[3] is the largest banking organization in Canada.[4] Royal Bank operates internationally through numerous branches and agencies, including licensed branches in New York, New York; Portland, Oregon; and Guanica, Puerto Rico. Royal Bank also controls a savings association, Security First Network Bank, Atlanta, Georgia ("Security First"). In addition, through its subsidiaries and affiliates, Royal Bank engages in a variety of other nonbanking activities, including asset management, investment banking, and mortgage lending.

*Factors Governing Board Review of Bank Acquisition*

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 financial and managerial resources and future prospects of the companies and banks involved in the proposal; the convenience and needs of the community to be served, including the records of performance of the insured depository institutions involved in the transaction under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*)("CRA"); the availability of information needed to determine and enforce compliance with the BHC Act and other applicable federal banking laws; and, in the case of applications involving foreign banks, whether those banks are subject to comprehensive supervision and regulation on a consolidated basis by their home country supervisor.[5]

The Board has considered these factors in light of a record that includes information provided by Royal Bank and Centura, confidential supervisory and examination information, and publicly reported financial and other information. The Board also has considered information collected from the primary home country supervisor of Royal Bank and from various federal agencies. In addition, the Board has considered public comments submitted on the proposal.[6]

*Convenience and Needs Considerations*

The Board has long held that consideration of the convenience and needs factor includes a review of the records of the relevant 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 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 expansion proposals. The Board has carefully considered the convenience and needs factor and the CRA performance records of the subsidiary depository institutions of Royal Bank and Centura in light of all the facts of record, including public comments contending that the proposal would have an adverse effect on the communities to be served.

As provided in the CRA, the Board evaluates the record of performance of a depository institution in light of the CRA examinations conducted by the appropriate federal supervisory agency for that institution. An institution's most recent CRA performance evaluation is a particularly important consideration in the Board's review of the convenience and needs factor because the evaluation is based on a detailed, on-site evaluation by the appropriate federal agency of the institution's overall record of performance under the CRA.[7]

Royal Bank controls one insured depository institution in the United States, Security First, which is an Internet-based savings association with branches in the Atlanta and Tampa-St. Petersburg-Clearwater ("Tampa") Metropolitan Statistical Areas ("MSAs"). Security First received an overall "outstanding" CRA performance rating, as well as an "outstanding" component rating for its performance in both Georgia and Florida, at its most recent examination by the Office of Thrift Supervision ("OTS"), its primary federal supervisor, as of September 20, 1999. Examiners concluded that Security First's record of lending to borrowers of different income levels and in LMI census tracts exceeded the criteria for satisfactory performance in the Atlanta[8] and Tampa MSAs.[9] Examiners found no evidence of prohibited discrimination or other illegal credit practices at Security First or violations of fair lending laws.

Bank, which is Centura's only insured depository institution subsidiary, received a "satisfactory" CRA performance rating at its most recent examination by the Federal Reserve Bank of Richmond ("Reserve Bank"), as of Feb-

3. Asset and ranking data are as of December 31, 1999, adjusted to reflect transactions consummated by Royal Bank after that date and exchange rates then in effect.

4. Royal Bank is treated as a financial holding company ("FHC") in accordance with sections 225.90 and 225.91 of Regulation Y (12 C.F.R. 225.90 and 225.91).

5. *See* 12 U.S.C. § 1842(c).

6. The Board received comments from a community-based organization ("Commenter") on the proposal.

7. The Interagency Questions and Answers Regarding Community Reinvestment provide that a CRA examination is an important and often controlling factor in the consideration of an institution's CRA record. *See* 65 *Federal Register* 25,088 (2000).

8. Although examiners noted that Security First had a low level of mortgage lending in the Atlanta MSA, they stated that Security First's efforts to penetrate the low-income segment of the market had been impeded because approximately 8 percent of the low-income families in the MSA were below the poverty level. Since its most recent CRA performance examination, Security First received a special merit award from the Federal Home Loan Bank of Atlanta in December 2000 in its Partnership Excellence Award Competition.

9. These two MSAs also constitute Security First's CRA assessment areas. Commenter contended that Security First has an inappropriately narrow assessment area because its Internet focus allows it to conduct business nationwide. The OTS reviewed Security First's assessment areas as part of the institution's most recent CRA examination and determined that the delineated assessment areas complied with regulatory requirements. Moreover, the OTS will continue to review the assessment areas of Security First as part of the CRA examination process.

ruary 28, 2000. Examiners rated Bank "high satisfactory" on the investment and service components of the overall examination rating. Examiners considered the Bank's lending to be adequate, noting that Bank was involved in a number of specialized lending programs, offered subsidized loans, and provided an affordable housing program for borrowers who did not meet Bank's standard underwriting criteria.[10] Examiners concluded that Bank's flexible approach demonstrated its commitment to lending in local communities. No credit practices were identified as inconsistent with the substantive provisions of fair housing and fair lending laws and regulations, and examiners determined that Bank had adequate policies, procedures, and training programs to support nondiscriminatory lending practices.[11]

In reviewing the effect of the proposal on the convenience and needs of the communities to be served, the Board has carefully considered all the facts of record, including the public comments received,[12] Applicants' responses to the comments,[13] and evaluations of the performance of each of Royal Bank and Centura's insured subsidiary depository institutions under the CRA. Based on a review of the entire record and for the reasons discussed above, the Board concludes that convenience and needs considerations are consistent with approval of the proposal.

*Financial, Managerial, and Supervisory Considerations*

The BHC Act requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved in a bank acquisition proposal.[14] In assessing the financial and managerial strength of Royal Bank and its affiliates, the Board has reviewed public comments, information provided by Applicants, confidential supervisory and examination information, and publicly reported and other financial information.[15] In addition, the Board consulted with relevant supervisory authorities in Canada. The capital ratios of Royal Bank exceed the minimum levels that would be required under the Basle Capital Accord and are considered equivalent to the capital ratios that would be required of a U.S. banking organization. Bank is, and on consummation of the proposal would remain, well capitalized and well managed. In light of these and all the facts of record, the Board concludes that the financial and managerial resources and future prospects of Applicants and Bank 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 supervision or regulation on a consolidated basis by the appropriate authorities in the bank's home country."[16] The home country supervisor of Royal Bank is Canada's Office of the Superintendent of Financial Institutions ("OSFI"), which is responsible for the prudential supervision and regulation of federally regulated Canadian 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 Canadian banks, including Royal Bank, are subject to comprehensive con-

10. Commenter asserted that Bank disproportionately denied home purchase and home improvement loan applications of minority individuals, and that Bank had insufficient fair lending and consumer compliance procedures. In Bank's most recent compliance examination, as of February 28, 2000, the Reserve Bank found no evidence that Bank had violated substantive provisions of fair housing and fair lending laws and determined that Bank had adequate policies and procedures to support fair lending practices.

11. Commenter alleged that two nonbank mortgage subsidiaries of Centura and one nonbank mortgage subsidiary of Royal Bank did not have sufficient fair lending and consumer compliance procedures. Commenter also alleged, without providing relevant supporting data, that the three mortgage lenders engaged in predatory lending by disproportionately targeting low-income and minority individuals for high interest loans. Royal Bank has provided detailed information about the fair lending policies and procedures of each of the subsidiaries identified by Commenter. The Board forwarded Commenter's letters to the Department of Housing and Urban Development, the Department of Justice, and the Federal Trade Commission, which have responsibility for enforcing fair lending laws for nondepository lending companies.

12. Commenter submitted a newspaper article in which a couple asserted that Royal Bank's nonbank mortgage subsidiary, Prism Financial Corporation ("Prism"), sold their loan without properly notifying them. Royal Bank has provided documentation stating that the loan was sold before Royal Bank's acquisition of Prism and disclosing the content and timing of the disclosures and notices Prism provided to the borrowers concerning the sale of their loan.

13. Commenter alleged that Prism did not accurately report mortgage lending data under the Home Mortgage Disclosure Act (12 U.S.C. § 2801 *et seq.*) ("HMDA"). Royal Bank has stated that the HMDA reporting irregularity took place before Royal Bank acquired Prism and has provided information about the policies and procedures it implemented to ensure accurate HMDA reporting.

14. 12 U.S.C. § 1842(c)(2).

15. Commenter submitted portions of a newspaper article that alleged that a Royal Bank subsidiary manipulated stock prices in 2000 in connection with its management of a pension fund. Commenter also referenced newspaper articles reporting that Royal Bank had discovered and reported to Canadian authorities in 2001 a pattern of trading at another subsidiary that suggested traders were using inside information. These articles also described the steps Royal Bank had taken to address the events at each of the subsidiaries, including removing the individuals responsible for the suspicious activities, hiring new management officials, and instituting policies and procedures designed to ensure that repeat violations would not occur. The appropriate Canadian authorities have informed the Board's staff that they are satisfied with Royal Bank's response to each incident.

16. 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 and 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).

solidated supervision by the OSFI.[17] In this case, the Board finds that the OSFI continues to supervise Royal Bank in substantially the same manner as it supervised Canadian banks at the time of those previous determinations. Based on this finding and all the facts of record, the Board concludes that Royal Bank 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.[18] The Board has reviewed the restrictions on disclosure in relevant jurisdictions in which Royal Bank operates and has communicated with relevant government authorities concerning access to information. In addition, Royal Bank previously has committed to make available to the Board such information on the operations of Royal Bank and its affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act, the IBA, and other applicable federal law. Royal Bank also previously has committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary to enable Royal Bank to make such information available to the Board. In light of these commitments, the Board concludes that Royal Bank has 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.

*Competitive Considerations*

Section 3 of the BHC Act prohibits the Board from approving a bank acquisition proposal that would result in a monopoly. The BHC Act also prohibits the Board from approving a proposed acquisition that would substantially lessen competition or tend to create a monopoly in any relevant banking market, unless the anticompetitive effects of the proposal clearly are outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.[19] The subsidiary depository institutions of Royal Bank and Centura do not compete in any banking market, and the number of competitors in the relevant banking markets would remain unchanged after the acquisition. Accordingly, 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.[20]

*Nonbanking Activities*

Applicants also have filed notices under section 4(c)(8) of the BHC Act to acquire Centura's nonbanking subsidiaries and thereby engage in extending credit and servicing loans. The Board has determined by regulation that extending credit and servicing loans is closely related to banking for purposes of the BHC Act. Applicants have committed to conduct this activity in accordance with the Board's regulations and orders.

In order to approve the notices filed by Applicants to acquire certain nonbanking subsidiaries of Centura, the Board is required by section 4(j)(2)(A) of the BHC Act to determine that the acquisition of these subsidiaries "can reasonably be expected to produce benefits to the public. . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices."[21]

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

The Board also has considered the competitive effects of the proposed acquisition by Applicants of the nonbanking subsidiaries of Centura. Although the nonbanking subsidiaries of Royal Bank and Centura compete in eight markets in Virginia and North Carolina, numerous entities in each of those markets extend credit and service loans and the market for these services is unconcentrated. As a result, the Board expects that consummation of the proposal would have a *de minimis* effect on competition for the nonbanking services Applicants would acquire from Centura. Based on all the facts of record, the Board concludes that it is unlikely that significantly adverse competitive effects would result from the nonbanking acquisitions proposed in this transaction.

Applicants have indicated that consummation of the proposal would improve the financial position and future business prospects of Centura and allow it to offer products and services it currently does not offer and would give Royal Bank the opportunity to create a retail banking presence in the United States. In addition, there are public benefits to be derived from permitting capital markets to

17. *See Royal Bank of Canada*, 83 *Federal Reserve Bulletin* 442 (1997); *see also National Bank of Canada*, 82 *Federal Reserve Bulletin* 769 (1996).

18. *See* 12 U.S.C. § 1842(c)(3)(A).

19. 12 U.S.C. § 1842(c)(1).

20. On consummation of the proposal, North Carolina would be the home state of Applicants and Bank for purposes of the BHC Act, including the interstate banking provisions of section 3(d) of the act. The Board has determined that the proposed transaction is not barred by section 3(d) of the BHC Act. *See* 12 U.S.C. §§ 1841(o)(4), 1842(d). New York is and will remain Royal Bank's home state for purposes of the IBA and the Board's Regulation K. *See* 12 C.F.R. § 211 *et seq.*

21. 12 U.S.C. § 1843(j)(2)(A).

operate so that bank holding companies can make potentially profitable investments in nonbanking companies and from permitting banking organizations to allocate their resources in the manner they consider most efficient when the investments and actions are consistent, as in this case, with the relevant considerations under the BHC Act.

The Board also has concluded that the conduct of the proposed activities within the framework of Regulation Y and Board precedent is not likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices, that would outweigh the public benefits of the proposal, such as increased customer convenience and gains in efficiency. Accordingly, based on all the facts of record, the Board has determined that the balance of public benefits that the Board must consider under section 4(j) of the BHC Act is favorable and consistent with approval of the notice.

*Conclusion*

Based on the foregoing and in light of all the facts of record, the Board has determined that the applications and notices should be, and hereby are, approved.[22] In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes.

The Board's approval specifically is conditioned on compliance by Applicants with all the commitments made in connection with the applications and notices, including the commitments discussed in this order, and the conditions set forth in the order and the Board orders and regulations noted above. The Board's approval also specifically is conditioned on Royal Bank's compliance with the commitments it previously made regarding access to information, and on the Board's receiving access to information on the operations or activities of Royal Bank and any of its affiliates that the Board deems to be appropriate to determine and enforce compliance Royal Bank and its affiliates with applicable federal statutes. If any restrictions on access to information on the operations or activities of Royal Bank and its affiliates subsequently interfere with the Board's ability to obtain information to determine and enforce compliance by Royal Bank or its affiliates with applicable federal statutes, the Board may require termination of any of Royal Bank's direct or indirect activities in the United States. The Board's approval of the nonbanking aspects of the proposal also is subject to all the conditions set forth in Regulation Y, including those in sections 225.7 and 225.25(c) of Regulation Y (12 C.F.R. 225.7 and 225.25(c)), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder. All the commitments and conditions on which the Board relied in granting its approval, including the commitments and conditions specifically described above, are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The acquisition of the subsidiary bank of Centura may not be consummated before the fifteenth calendar day after the effective date of this order, and the proposal may not be consummated later than three months after the effective date of this order, unless the Board or the Federal Reserve Bank of New York, acting pursuant to delegated authority, extends such period for good cause.

By order of the Board of Governors, effective May 21, 2001.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Meyer and Gramlich. Absent and not voting: Governor Kelley.

ROBERT DEV. FRIERSON
*Associate Secretary of the Board*

22. Commenter requested that the Board hold a public meeting or hearing on the proposal. Section 3(b) of the BHC Act does not require the Board to hold a public hearing on an application unless the appropriate supervisory authority for the bank to be acquired makes a timely written recommendation of denial of the application. The Board has not received such a recommendation from the appropriate supervisory authorities.

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). Section 4 of the BHC Act and the Board's rules thereunder provide for a hearing on a notice to acquire nonbanking companies if there are disputed issues of material fact that cannot be resolved in some other manner. 12 U.S.C. § 1843(c)(8); 12 C.F.R. 225.25(a)(2). The Board has considered carefully Commenter's request in light of all the facts of record. In the Board's view, interested persons have had ample opportunity to submit their views, and Commenter submitted written comments that have been considered carefully by the Board in acting on the proposal. Commenter's request fails to demonstrate why its written comments do not present its evidence adequately and fails to identify disputed issues of fact that are material to the Board's decision that would be clarified by a public meeting or hearing. For these reasons, and based on all the facts of record, the Board has determined that a public meeting or hearing is not required or warranted in this case. Accordingly, Commenter's request for a public meeting or hearing on the proposal is denied.

## *ORDERS ISSUED UNDER BANK MERGER ACT*

### *Old Kent Bank, National Association*
### *Jonesville, Michigan*

### *Old Kent Bank*
### *Grand Rapids, Michigan*

### Order Approving Membership in the Federal Reserve System and Merger of Banks

This proposal represents an internal reorganization by Fifth Third Bancorp, Cincinnati, Ohio ("Fifth Third"), after its acquisition of Old Kent Financial Corporation, Grand Rapids, Michigan ("Old Kent").[1] The reorganization would realign geographically the branches of three subsidiary banks. Old Kent Bank, National Association, Jonesville, Michigan ("OKB-NA"), would convert to an Indiana banking charter, become a member of the Federal Reserve System, merge with another subsidiary bank of Fifth Third, and acquire certain branches in Indiana from Old Kent Bank, Grand Rapids, Michigan ("OKB").[2] OKB would acquire certain branches in Illinois, Indiana, and Michigan from OKB-NA.[3] Accordingly, OKB-NA has applied under section 9 of the Federal Reserve Act (12 U.S.C. § 321) to become a member of the Federal Reserve System on consummation of its conversion to an Indiana banking charter. OKB-NA also has applied under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) ("Bank Merger Act") for approval, after its conversion and relocation, to merge with Fifth Third Bank, Indiana, St. Joseph, Michigan ("FTBI"), and to acquire certain branches from OKB. In addition, OKB has applied under the Bank Merger Act to acquire certain branches from OKB-NA.

Notice of the applications, affording interested persons an opportunity to submit comments, has been given in accordance with the Bank Merger Act and the Board's Rules of Procedure (12 C.F.R. 262.3(b)). As required by the Bank Merger Act, reports on the competitive effects of the merger were requested from the United States Attorney General and the other federal banking agencies. The time for filing comments has expired, and the Board has considered the applications and all the facts of record in light of the factors set forth in the Bank Merger Act and Federal Reserve Act.

Fifth Third, with total consolidated assets of approximately $70.8 billion, is the 21st largest commercial banking organization in the United States.[4] Fifth Third operates subsidiary depository institutions in Arizona, Florida, Kentucky, Illinois, Indiana, Michigan, and Ohio. As noted, the proposal would reorganize three of Fifth Third's subsidiary banks.

*Riegle-Neal Analysis*

Section 102 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (Pub. L. No. 103–328, 108 Stat. 2338 (1994)) ("Riegle-Neal Act") authorizes banks to conduct an interstate merger with another bank unless, before June 1, 1997, the home state of one of the banks involved in the transaction adopted a law expressly prohibiting merger transactions involving out-of-state banks.[5] The Riegle-Neal Act also authorizes the acquiring bank to retain and operate, as a main office or branch, any bank offices of the acquired bank.[6]

All the states involved in the proposal (Illinois, Indiana, Kentucky, and Michigan) enacted legislation before June 1, 1997, allowing interstate mergers between banks located in their states and out-of-state banks pursuant to the provisions of the Riegle-Neal Act.[7] In light of the foregoing, the Board is authorized to approve the proposal under the Riegle-Neal Act.[8]

*Financial, Managerial, and Other Supervisory Considerations*

As noted above, this case involves a reorganization of affiliated banks. The Board has concluded that consummation of the proposal would not have any significantly adverse effects on competition or on the concentration of banking resources in any relevant banking market.[9] In its review of the proposal under the Bank Merger Act, the Board also has considered the financial and managerial resources and future prospects of the financial institutions involved. The Board has reviewed these factors in light of the facts of record, including public comments, supervisory reports of examination assessing the financial and managerial resources of OKB-NA, OKB, and FTBI, and other information provided by Fifth Third. Based on all the facts of record, including the fact that the proposal represents the reorganization of banking operations already under common control, the Board concludes that the financial and managerial resources and future prospects of OKB-NA, OKB, and FTBI are consistent with approval of the proposal.

*Convenience and Needs Considerations*

In acting on a proposal under the Bank Merger Act, the Board is required to consider the effects of the proposal on the convenience and needs of the communities to be served and take into account the records of the relevant insured

1. *See Fifth Third Bancorp*, 87 *Federal Reserve Bulletin* 330 (2001) ("*Fifth Third Order*").

2. OKB-NA would change its name to Fifth Third Bank, Indiana, and relocate its headquarters to Indianapolis, Indiana. OKB-NA would operate branches in most of Indiana and portions of southern Illinois and northern Kentucky.

3. OKB, under the name Fifth Third Bank, Michigan, would operate branches in Michigan, northwestern Indiana, and the Chicago, Illinois, metropolitan area. The branches to be acquired by OKB-NA and OKB are listed in Appendices A and B, respectively.

4. Asset and ranking data are as of June 30, 2000.

5. 12 U.S.C. § 1831u(a)(1).

6. 12 U.S.C. § 1831u(d)(1).

7. *See* 205 Ill. Comp. Stat. Ann. 10/3.071(i)(1) (West 2000); Ind. Code Ann. § 28–2-16–17 (Michie 2000); Ky. Rev. Stat. Ann. § 287.920 (Michie 2000); and Mich. Comp. Laws § 23.710(11104) (8) (2000).

8. All the conditions for an interstate merger enumerated in the Riegle-Neal Act are met in this case. The Indiana banking supervisor has determined that OKB-NA, on its conversion, would satisfy the minimum charter age requirement of Indiana law. *See* Ind. Code Ann. § 28–2–16–17–20.1(d)(3). No other state relevant to the proposal has a minimum charter age requirement. Both OKB-NA and OKB are adequately capitalized and would continue to be adequately capitalized and adequately managed on consummation of the proposal. Concentration limits on nationwide or statewide deposits would not apply in this case because it is an internal reorganization. 12 U.S.C. §1831u(b)(2)(E). Fifth Third has notified the appropriate state banking agencies of the proposed reorganization and has provided a copy of its applications to all the relevant state agencies.

9. *See Fifth Third Order* for a discussion of the competitive effects of the acquisition of Old Kent by Fifth Third.

depository institutions under the Community Reinvestment Act ("CRA").[10] 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 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 expansion proposals. The Board has considered carefully the convenience and needs factor and the CRA performance records of the relevant insured depository institutions in light of all the facts of record, including a public comment received concerning the record of OKB in meeting the credit needs of African Americans in Chicago.

## A. CRA Performance Examinations

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 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.[11]

OKB, OKB-NA, and FTBI each received a "satisfactory" rating at the most recent examination of their CRA performance.[12] Examiners found no evidence of prohibited discrimination or other illegal credit practices at any of the insured depository institutions involved in the proposal; found no violations of substantive provisions of fair lending laws; and, in general, commended these institutions for their distribution of loans to borrowers at all income levels. Examiners also reviewed the assessment areas delineated by OKB, OKB-NA, and FTBI and did not conclude that any of their assessment areas were unreasonable or arbitrarily excluded LMI areas.[13]

## B. OKB's Lending and Community Investment Record

The Board has received a comment criticizing OKB's record of residential and commercial lending to African Americans in Chicago. The commenter alleged that OKB and its subsidiary, Old Kent Mortgage Company, Grand Rapids, Michigan ("OKMC"), subjected African-American loan applicants in Chicago to more rigorous processing procedures and higher down payment requirements than were applied to nonminority loan applicants, and that OKB did not provide its branch managers and loan officers in African-American neighborhoods in Chicago with sufficient lending authority to serve their communities. As a result, according to the commenter, loan applications by African Americans and African-American-owned businesses were more frequently reviewed outside the applicant's community.[14] The commenter also claimed that OKB denied a majority of the commercial loan applications it received from African-American-owned businesses in Chicago and that OKB's investment in government-sponsored housing for minorities in low-income areas in Chicago was insufficient.

In addition to the most recent CRA performance examination and overall CRA performance record of OKB, the Board has considered OKB's residential and commercial lending record and community investment record in its Chicago assessment area in 1998, 1999, and 2000; the policies and procedures in place at OKB to ensure compliance with fair lending laws; and OKB's procedures for originating and underwriting residential, multifamily, and small business loans.[15]

OKB and OKMC offer numerous proprietary, governmental, and conventional mortgage products to provide LMI borrowers with affordable home ownership. From 1998 through 2000, OKMC participated in a number of government-sponsored affordable mortgage programs that generally feature low down payments and flexible debt ratios for qualified buyers.[16] During this three-year period, through affordable mortgage programs, OKMC originated 1,247 loans, totaling approximately $149 million, in LMI

10. 12 U.S.C. § 2901 *et seq.*

11. *See Interagency Questions and Answers Regarding Community Reinvestment*, 65 *Federal Register* 25,088 and 25,107 (2000).

12. OKB received a "satisfactory" rating from the Federal Reserve Bank of Chicago, as of August 1999. OKB-NA received a "satisfactory" rating from the Office of the Comptroller of the Currency, as of April 1999. FTBI, which was named Civitas Bank, Evansville, Indiana, at the time of its most recent CRA performance examination, received a "satisfactory" rating from the Federal Reserve Bank of Chicago, as of August 1999.

13. The Board in the *Fifth Third Order* recently considered in detail the CRA performance records of all the subsidiary banks of Fifth Third and Old Kent, including OKB, OKB-NA, and FTBI. For the reasons stated therein, the Board found that the CRA performance records of OKB, OKB-NA, and FTBI supported the acquisition of Old Kent under the convenience and needs factor of the Bank Holding Company Act, which is identical to the convenience and needs factor of the Bank Merger Act.

14. The commenter also criticized OKB's record of hiring, promoting, and compensating African Americans, and alleged that African Americans were underrepresented at OKB among lending officials, loan underwriters, and senior officers. The Board has noted previously that the racial composition of a company's workforce and a company's compensation of members of racial groups are not among the factors that the Board is authorized to consider among convenience and needs factors. *See Deutsche Bank AG*, 85 *Federal Reserve Bulletin* 509 (1999).

15. This review included an examination of the fair lending policy statement adopted by the board of directors of Old Kent and OKB in June 2000; OKB's fair lending plans that govern its consumer and business lending operations; OKB's consumer compliance guide and training materials; OKB's consumer loan guidelines; and various underwriting standards and training materials.

16. OKMC participated in programs sponsored by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration, U.S. Department of Housing and Urban Development ("HUD"), Veterans Administration, the State of Illinois, and the City of Chicago.

census tracts and 3,637 loans, totaling approximately $361 million, to LMI individuals in OKB's Chicago assessment area.[17] OKMC was the largest participant in 2000 in Chicago's City Mortgage Program, which encourages first-time homebuyers in designated LMI areas by offering fixed below-market interest rates and down payment assistance. From 1997 to 1999, OKB and OKMC increased their loan applications from minorities in the Chicago MSA almost 137 percent, compared with a 6-percent increase in loan applications from nonminority applicants.

Small business lending data for OKB in the Chicago Metropolitan Statistical Area ("MSA") for 1998 through 2000 also compare favorably with the data for lenders in the aggregate.[18] In 1998, OKB originated a higher percentage of its small business loans in minority census tracts in the Chicago MSA than did lenders in the aggregate, and in 1998 and 1999, OKB loaned a higher percentage of the total dollar volume of its small business loans in minority census tracts than did lenders in the aggregate.[19] Similarly, OKB made a higher percentage of its loans to small businesses in minority census tracts in the Chicago MSA, as measured by both the percentage of total loans to small businesses and the percentage of the total dollar volume of loans to small businesses, for 1998 and 1999.[20] Lending volumes for OKB in 2000 were comparable to its lending volumes in 1998 and 1999. In 2000, OKB was the fourth largest lender in Illinois under programs sponsored by the Small Business Administration ("SBA"). OKB also participates in the Capital Access Program to provide loans to business owners who do not qualify for SBA loans. The program offers loan portfolio insurance to participating lenders, thereby allowing them to consider loans outside their conventional risk parameters.

At the most recent examination of OKB's CRA performance, examiners cited several programs in which OKB supported the development of affordable housing for LMI households. Examiners noted that OKB, since its previous examination, made a $5.9 million loan under the HUD Section 220 program that assisted in providing 224 units of affordable housing in a low-income census tract in Chicago. OKB advanced $484,000 to the Community Investment Corporation under commitments totaling $8.7 million for the rehabilitation of multifamily residential housing projects in Chicago, and funded $162,000 of a $300,000 commitment to Neighborhood Services of Chicago, Inc., an organization dedicated to rebuilding LMI neighborhoods in Chicago. In addition, examiners stated that OKB invested approximately $9.6 million in four partnerships established to build or rehabilitate affordable housing in LMI neighborhoods in the Chicago MSA.

The record indicates that Old Kent has policies, procedures, and training programs in place to ensure that the same processing procedures and underwriting standards are applied to all home mortgage loan applications. In Chicago, all purchase mortgage loans and all home equity loans made in connection with purchase mortgage loans are originated by OKMC, and these applications are underwritten at a central office in OKB's Chicago assessment area. All such applications that are not approved in their initial review receive a second review at the OKMC office where the application was received.[21] In addition, OKMC uses software to analyze underwriting patterns, including matched pair analysis, to ensure that similarly situated applicants receive the same treatment.

Old Kent also requires all employees involved in any aspect of the loan application process to receive annual training designed to achieve familiarity with the requirements of federal and state fair lending laws and regulations. Included among the training materials are detailed analyses of applicable laws and regulations and internal rules concerning loan application evaluation, notice to applicants regarding bank action on an application, and the collection and maintenance of regulatory data under state and federal fair lending laws. The fair lending plan also provides for a compensation structure that does not discourage loan officers from working with lower-income applicants, are unfamiliar with the lending process, or request smaller loans.

OKB also employs commercial lending procedures that are intended to provide consistent documentation requirements, underwriting, and portfolio management. Although branch personnel and business banking specialists rely on OKB's business banking center in Grand Rapids to underwrite loan requests up to $200,000, these officers may appeal any adverse decision to designated managers in the Chicago assessment area, who have ultimate approval authority for all such loans. Businesses with credit needs of $200,000 to $5 million are served by relationship managers with loan approval authority up to specified lending limits. Relationship managers assigned to business banking centers that serve LMI census tracts appear to have lending authority comparable to that of other specialists. All applications from businesses in the Chicago assessment area for loans of $200,000 to $5 million are underwritten, approved, and closed in the assessment area.

17. The commenter alleged that OKB staff has directed African Americans away from the Historic Chicago Bungalow Initiative ("Bungalow Initiative"), a city-sponsored program that encourages the restoration of bungalow-style homes in Chicago and provides special opportunities and incentives to LMI families. Fifth Third noted that OKMC began to participate in the Bungalow Initiative in late 2000, and that data on borrowers are not available.

18. The aggregate represents the cumulative lending to borrowers for all institutions that have reported small business lending data in counties that are included, in whole or in part, in OKB's Chicago assessment area. Aggregate data for 2000 is not yet available.

19. In this context, "small business loans" means loans in amounts of less than $1 million.

20. In this context, "loans to small businesses" means loans to businesses with gross annual revenues of $1 million or less.

21. All other home equity loan applications are originated by OKB through its branches and by telephone at its Direct Banking Center in Grand Rapids, Michigan. These applications, unlike those received by OKMC, are sent electronically to OKB's central underwriting department in Grand Rapids for underwriting. The central underwriting department also performs a second review when requested by the originating OKB branch. Senior officers in the bank's Chicago assessment area may approve home equity loan applications that are not approved by underwriters in Grand Rapids.

Loan applications for multifamily housing are originated by OKB branches as residential loans for structures with one to four housing units and as commercial loans for larger structures. If loan applications for larger multifamily housing cannot be approved as commercial loans, OKB seeks interested third parties to fund them.

### C. Conclusion on Convenience and Needs

In reviewing the effects of the proposal on the convenience and needs of the communities to be served, the Board has carefully considered the entire record, including the information provided by the commenter; Home Mortgage Disclosure Act (12 U.S.C. § 2801 *et seq.*) data and other data concerning the overall lending record of OKB, OKMC, and other institutions in OKB's Chicago assessment area; evaluations of the CRA performance of OKB, OKB-NA, and FTBI; additional information provided by Fifth Third; and confidential supervisory information. 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 of the proposal.

*Conclusion*

Based on the foregoing and in light of all the facts of record, the Board has determined that the Bank Merger Act applications should be, and hereby are, approved.[22] The Board also has considered the factors it is required to consider when reviewing an application pursuant to section 9 of the Federal Reserve Act and finds those factors to be consistent with approval. The Board's approvals are specifically conditioned on compliance by Fifth Third, OKB-NA, and OKB with all commitments made in connection with the applications, including the commitments discussed in this order. These commitments 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 bank merger proposal and branch purchase and assumption proposals involving OKB-NA, OKB, and FTBI may not be consummated before the fifteenth calendar day after the effective date of this order, and the proposal may not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Cleveland, acting pursuant to delegated authority.

By order of the Board of Governors, effective May 14, 2001.

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

ROBERT DEV. FRIERSON
*Associate Secretary of the Board*

22. The commenter requested that the Board hold a public meeting or hearing on the proposal. The Bank Merger Act does not require the Board to hold a public meeting or hearing on an application. Under its rules, the Board 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. 262.25(d). The Board has considered carefully commenter's requests in light of all the facts of record. In the Board's view, commenter has had ample opportunity to submit his views, and his submitted written comments have been considered carefully by the Board in acting on the proposal. The commenter's request fails to demonstrate why his written comments do not present his evidence adequately and fails to identify disputed issues of fact that are material to the Board's decision that would be clarified by a public meeting or hearing. For these reasons, and based on all the facts of record, the Board has determined that a public meeting or hearing is not required or warranted in this case. Accordingly, the request for a public meeting or hearing on the proposal is denied.

The commenter also requested that the Board postpone consideration of this case and conduct an investigation of OKB's lending policies to African Americans from 1998 to the present. For the reasons discussed above, the Board believes that the record in this case concerning the lending practices of OKB, including OKMC, OKB-NA, and FTBI, is sufficient to support Board consideration of the proposal at this time and that postponement of the Board's consideration is not warranted.

## Appendix A

*Old Kent Bank, National Association*

*1. Branches to Be Acquired from Fifth Third Bank, Indiana:*

26 East Elm, Albion, IL
1310 West Main Street, P.O. Box 610, Carmi, IL
124 West Main, P.O. Box 448, DuQuoin, IL
200 North 3rd Street, P.O. Box 507, Effingham, IL
2 North Vine, Harrisburg, IL
10 Seright Drive, Harrisburg, IL
1133 North Carbon, Marion, IL
312 North Main Street, Marion, IL
601 Market Street, P.O. Box 10, Mt. Carmel, IL
117 North 10th Street, Mt. Vernon, IL
4201 Broadway, Mt. Vernon, IL
1420 North 8th Street, P.O. Box 380, Vandalia, IL
3 North Baldwin, Bargersville, IN
1 Village Square, Batesville, IN
3415 West 3rd Street, Bloomington, IN
3200 East 3rd Street, Bloomington, IN
530 East Kirkwood, Suite 103, Bloomington, IN
200 South Washington, Bloomington, IN
637 East National, Brazil, IN
905 North Green Street, Brownsburg, IN
411 Washington Street, Cannelton, IN
99 East Carmel Road, Carmel, IN
1217 Rangeline Road, Carmel, IN
3rd and Vine, P.O. Box 436, Clinton, IN
2117 25th Street, Columbus, IN
435 Washington Street, Columbus, IN
531 Central Avenue, Connersville, IN
206 West 30th Street, Connersville, IN

11201 East Upper Mt. Vernon Road, Evansville, IN
7312 Eagles Crest Blvd., Evansville, IN
3150 East Lynch Road, Evansville, IN
4550 1st Avenue, Evansville, IN
415 Lincoln Avenue, Evansville, IN
201 North Fulton, Evansville, IN
1250 North Green River Road, Evansville, IN
115 North Weinbach Avenue, Evansville, IN
20 Northwest 3rd Street, Evansville, IN
661 South Green River Road, Evansville, IN
2300 Stringtown Road, Evansville, IN
4700 University Drive, Evansville, IN
8600 University Drive, Evansville, IN
4209 Washington Avenue, Evansville, IN
2350 Washington Avenue, Evansville, IN
7272 Fishers Crossing Drive, Fishers, IN
811 East Mulberry, Ft. Branch, IN
307 South Grant Street, Fowler, IN
1160 North Main Street, Franklin, IN
I-70 & State Route 9, Greenfield, IN
1801 Greensburg Crossing, Greensburg, IN
314 West Main Street, Greensburg, IN
1168 North Bluff Road, Greenwood, IN
106 North St. Road 135, Greenwood, IN
295 Village Lane, Greenwood, IN
801 West Smith Valley Road, Greenwood, IN
Highway 68 & 6th Avenue, P.O. Box 218, Haubstadt, IN
5718 Crawfordsville Road, Indianapolis, IN
3805 East 82nd Street, Indianapolis, IN
6071 East 82ndStreet, Indianapolis, IN
2411 East 71st Street, Indianapolis, IN
1036 East 62nd Street, Indianapolis, IN
6909 East 38thStreet, Indianapolis, IN
2020 East County Line Road, Indianapolis, IN
4040 East Southport Road, Indianapolis, IN
5325 East Thompson Road, Indianapolis, IN
10450 East Washington Square, Indianapolis, IN
9365 East Washington Street, Indianapolis, IN
9835 Fall Creek Road, Indianapolis, IN
7921 South US 31, Indianapolis, IN
5692 Georgetown Road, Indianapolis, IN
8707 Hardigan Drive, Indianapolis, IN
2802 Lafayette Road #27, Indianapolis, IN
4940 Madison Avenue, Indianapolis, IN
8301 Michigan Road, Indianapolis, IN
120 Monument Circle, Indianapolis, IN
8549 North College Avenue, Indianapolis, IN
251 North Illinois, Indianapolis, IN
8120 Oaklandon Road, Indianapolis, IN
8150 Rockville Road, Indianapolis, IN
4202 South East Street, Indianapolis, IN
4810 South Emerson, Indianapolis, IN
851 West 86th Street, Indianapolis, IN
5025 West 71st Street, Indianapolis, IN
7365 West 10th Street, Indianapolis, IN
5615 West 38th Street, Indianapolis, IN
305 Highway 231 South, Jasper, IN
3650 North Newton, Jasper, IN
5 Executive, Suite A, Lafayette, IN
210 North 3rd Street, P.O. Box 1663, Lafayette, IN
373 West Eads Parkway, Lawrenceburg, IN
112 Franklin Street, Milan, IN
530 South Indiana Street, Mooresville, IN
112 East 3rd Street, P.O. Box 787, Mt. Vernon, IN
100 Commercial, Nashville, IN
8422 Bell Oaks Drive, Newburgh, IN
502 Main, New Harmony, IN
42 East Main Street, New Palestine, IN
215 US 31 North, New Whiteland, IN
7459 South Nineveh Road, Nineveh, IN
117 North Main Street, P.O. Box 97, Oakland City, IN
200 South Maple, Orleans, IN
103 South Main Street, P.O. Box 68, Owensville, IN
2101 Stanley Road, Plainfield, IN
19 West Main Street, Poseyville, IN
101 North Hart Street, P.O. Box 321, Princeton, IN
4000 Tulip Tree Drive, Princeton, IN
2820 West Broadway, Princeton, IN
US 41 North at Howard, Rockville, IN
25 West Christmas Blvd., P.O. Box 228, Santa Claus, IN
110 North Harrison Street, Shelbyville, IN
201 West Washington, Sullivan, IN
43 Highway 66 East, Tell City, IN
601 Main Street, Tell City, IN
1510 9th Street, Tell City, IN
1451 Fort Harrison Road, Terre Haute, IN
2511 Poplar Street, Terre Haute, IN
350 Wabash Avenue, Terre Haute, IN
55 West Honey Creek Drive, Terre Haute, IN
2400 Hart Street, P.O. Box 397, Vincennes, IN
103 South 6th Street, Vincennes, IN
7260 Main Street, P.O. Box 165, Wadesville, IN
4900 Aubrey Lane, Wadesville, IN
500 Sagamore Pkwy, West 1E, West Lafayette, IN
201 South Main Street, Dawson Springs, KY
102 East Main Street, Earlington, KY
418 Newman Circle, Eddyville, KY
300 2nd Street, Henderson, KY
2555 North US 41, Henderson, KY
1555 South Green Street, Henderson, KY
2600 Zion Road, Henderson, KY
540 Island Ford Road, Madisonville, KY
182 Madison Square Avenue, Madisonville, KY
1080 North Main Street, Madisonville, KY
149 South Main Street, P.O. Box K, Madisonville, KY
250 North Morgan, P.O. Box 349, Morganfield, KY
229 South Hopkinsville Road, Nortonville, KY

*2. Branches to Be Acquired from Old Kent Bank:*

334 North 2nd Street, Decatur, IN
101 North 2nd Street, Decatur, IN
132 East Berry Street, Ft. Wayne, IN
5611 Saint Joe Road, Ft. Wayne, IN
6128 Covington Road, Ft. Wayne, IN
720 East Dupont Road, Ft. Wayne, IN
6411 East State Road, Ft. Wayne, IN
1110 East Tillman Road, Ft. Wayne, IN

926 West State Blvd., Ft. Wayne, IN
1230 East Lincoln Highway, New Haven, IN

## Appendix B

*Old Kent Bank*

*I. Branches to Be Acquired from Old Kent Bank, National Association*

*A. Original Branches of Old Kent Bank, National Association:*

10 South Broad Street, Hillsdale, MI
851 Old Street, Jonesville, MI

*B. Original Branches of Fifth Third Bank, Indiana:*

1701 West Gulf Road, Rolling Meadows, IL
302 Broadway, Chesterton, IN
310 East Joliet Street, Crown Point, IN
101 Main Street, Culver, IN
128 Halleck Street, Demotte, IN
37 Joliet, Dyer, IN
518 South Lake Street, Gary, IN
4511 West 5th Street, Gary, IN
12455 Adams Road, Granger, IN
2203 45th Street, Highland, IN
5100 Broadway, Highland, IN
701 West Old Ridge Road, Hobart, IN
1402 South Heaton Street, Knox, IN
3400 Central Avenue, Lake Station, IN
801 Monroe Street, Laporte, IN
6760 Broadway, Merrillville, IN
8590 Broadway, Merrillville, IN
126 East 4th Street, Michigan City, IN
3710 South Franklin Street, Michigan City, IN
310 Lane Street, North Judson, IN
6031 Central Avenue, Portage, IN
6050 US Highway 6, Portage, IN
301 North Van Rensselaer, Rensselaer, IN
12912 Three Oaks, Sawyer, MI
1904 US 41, Schererville, IN
56 South Washington, Valparasio, IN
808 Vale Park Road, Valparasio, IN
101 West Monroe Street, Bangor, MI
1295 East Napier Avenue, Benton Harbor, MI
9047 US 31 South, Berrien Springs, MI
2384 84th Street SW, Byron Center, MI
6553 Paw Paw Avenue, Coloma, MI
6720 Red Arrow Highway, Coloma, MI
675 68th Street SW, Grand Rapids, MI
3320 Alpine NW, Grand Rapids, MI
2609 Breton Avenue, Grand Rapids, MI
6750 Cascade Road, Grand Rapids, MI
190 Monroe Avenue NW, Grand Rapids, MI
4495 Wilson Avenue, Grandville, MI
4672 Pine Street, Hamilton, MI
424 State Street, Hart, MI
392 136th Avenue, Holland, MI
245 Central Avenue, Holland, MI
10 East 9th Street, Holland, MI
1000 South Washington Avenue, Holland, MI
2855 Port Sheldon Street, Hudsonville, MI
600 Baldwin Drive, Jenison, MI
5300 Kalamazoo Avenue, Kentwood, MI
621 Dykstra Road, Muskegon, MI
880 1st Street, Muskegon, MI
3145 Henry Street, Muskegon, MI
877 Terrace Street, Muskegon, MI
1 West Buffalo Street, New Buffalo, MI
1002 East Main Street, Niles, MI
155 Marcell Drive, N.E., Rockford, MI
830 Pleasant Street, St. Joseph, MI
2915 South State Street, St. Joseph, MI
5639 Cleveland Avenue, Stevensville, MI
1788 West John Beers, Stevensville, MI
6810 West US 12, Three Oaks, MI
332 North Main Street, Watervliet, MI
211 South Mears Avenue, Whitehall, MI
146 East Main Street, Zeeland, MI
523 West Main Street, Zeeland, MI

*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 |
|---|---|---|
| First Financial Bankshares, Inc., Abilene, Texas | City Bancshares, Inc., Mineral Wells, Texas<br>City Delaware Financial Corporation, Dover, Delaware<br>City National Bank of Mineral Wells, Mineral Wells, Texas | May 25, 2001 |
| Fulton Financial Corporation, Lancaster, Pennsylvania | Drovers Bancshares Corporation, York, Pennsylvania | May 16, 2001 |

Section 4

| Applicant(s) | Nonbanking Activity/Company | Effective Date |
|---|---|---|
| The Northern Trust Corporation, Chicago, Illinois | Hub Co., LLC, New York, New York | May 15, 2001 |

*APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT*
*By Federal Reserve Banks*

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

Section 3

| Applicant(s) | Bank(s) | Reserve Bank | Effective Date |
|---|---|---|---|
| Ambanc Holding Company, Inc., Bowling Green, Kentucky | American Bank & Trust Company, Inc., Bowling Green, Kentucky | St. Louis | April 26, 2001 |
| Ameriana Bancorp, New Castle, Indiana | Ameriana Bank and Trust of Indiana, New Castle, Indiana | Chicago | May 21, 2001 |
| American National Bank of Beaver Dam Employee Stock Ownership Trust, Beaver Dam, Wisconsin | Ambanc Financial Services, Inc., Beaver Dam, Wisconsin<br>American National Bank of Beaver Dam, Beaver Dam, Wisconsin<br>Bank of Helenville, Helenville, Wisconsin | Chicago | May 2, 2001 |
| AmericaUnited Bancorp, Inc., Schaumburg, Illinois | National Bancorp, Inc., Sycamore, Illinois<br>American National Bank of DeKalb County, Sycamore, Illinois | Chicago | May 4, 2001 |
| BNCCorp, Inc., Bismarck, North Dakota | BNC National Bank of Arizona, Tempe, Arizona | Minneapolis | May 10, 2001 |

Section 3—Continued

| Applicant(s) | Bank(s) | Reserve Bank | Effective Date |
|---|---|---|---|
| Capital Bancorp, Inc.,<br>Nashville, Tennessee | Capital Bank & Trust Company,<br>Nashville, Tennessee | Atlanta | May 23, 2001 |
| C.C. Bancorp, Inc.,<br>Little Valley, New York | Cattaraugus County Bank,<br>Little Valley, New York | New York | May 7, 2001 |
| Centennial Bank Holdings, Inc.,<br>Eaton, Colorado | Berthoud Bancorp, Inc.,<br>Berthoud, Colorado<br>Berthoud National Bank,<br>Berthoud, Colorado | Kansas City | May 3, 2001 |
| Central Ohio Bancorp,<br>Waverly, Ohio | First National Bank,<br>Waverly, Ohio | Cleveland | May 8, 2001 |
| Farmers Financial Corporation,<br>Milton, Kentucky | Farmers Bank of Milton,<br>Milton, Kentucky | St. Louis | May 9, 2001 |
| First Muskogee Financial Corporation,<br>Muskogee, Oklahoma | First National Bank of Muskogee,<br>Muskogee, Oklahoma | Kansas City | May 23, 2001 |
| First National Bank Holding Company,<br>Longmont, Colorado | First State Bancorp of the Rockies,<br>Fort Collins, Colorado | Kansas City | May 22, 2001 |
| Foresight Financial Group, Inc.,<br>Rockford, Illinois | Lena Bancorp, Inc.,<br>Lena, Illinois<br>Lena State Bank,<br>Lena, Illinois | Chicago | May 17, 2001 |
| Georgia Bancshares, Inc.,<br>Fayetteville, Georgia | The Bank of Georgia,<br>Fayetteville, Georgia | Atlanta | May 18, 2001 |
| Gideon Management L.L.C.,<br>Topeka, Kansas | General Partner of Gideon Enterprises L.P,<br>Topeka, Kansas | Kansas City | May 18, 2001 |
| Heartland Bancorp, Inc.,<br>Bloomington, Illinois | Chenoa Corporation,<br>Chenoa, Illinois<br>Bank of Chenoa,<br>Chenoa, Illinois | Chicago | May 8, 2001 |
| Henderson Citizens Bancshares, Inc.,<br>Henderson, Texas<br>Henderson Citizens Delaware Bancshares, Inc.,<br>Dover, Delaware | Rusk County Bancshares, Inc.,<br>Henderson, Texas<br>Rusk Delaware Financial Corporation,<br>Dover, Delaware<br>Peoples State Bank,<br>Henderson, Texas | Dallas | May 21, 2001 |
| Industry Bancshares, Inc.,<br>Industry, Texas<br>Industry Holdings, Inc.,<br>Wilmington, Delaware | Coupland Bancshares, Inc.,<br>Coupland, Texas | Dallas | May 17, 2001 |
| JBS, Inc.,<br>Kulm, North Dakota | Edgeley Bancorporation, Inc.,<br>Edgeley, North Dakota | Minneapolis | May 2, 2001 |
| LSB Corporation,<br>North Andover, Massachusetts | Lawrence Savings Bank,<br>North Andover, Massachusetts | Boston | May 18, 2001 |
| Mahaska Investment Company ESOP,<br>Oskaloosa, Iowa | Mahaska Investment Company,<br>Oskaloosa, Iowa | Chicago | May 16, 2001 |
| Marshall & Ilsley Corporation,<br>Milwaukee, Wisconsin | M&I Bank of Mayville,<br>Mayville, Wisconsin | Chicago | May 2, 2001 |
| Milstar Financial, Inc.,<br>Miami Beach, Florida | First Western Bank,<br>Cooper City, Florida | Atlanta | May 22, 2001 |

Section 3—Continued

| Applicant(s) | Bank(s) | Reserve Bank | Effective Date |
|---|---|---|---|
| North Cascades Bancshares, Inc., Chelan, Washington | bankcda, Coeur d'Alene, Idaho | San Francisco | May 2, 2001 |
| Persons Banking Company, Lithonia, Georgia | The Farmers Bank, Forsyth, Georgia | Atlanta | May 11, 2001 |
| Quinlan Bancshares, Inc., Quinlan, Texas | Lone Oak Financial Corporation, Lone Oak, Texas<br>Lone Oak State Bank, Lone Oak, Texas | Dallas | May 24, 2001 |
| Rockhold Bancorp, Kirksville, Missouri | La Plata Bancshares, Inc., La Plata, Missouri | St. Louis | May 7, 2001 |
| TFC Holding Company, Los Angeles, California | InterBusiness Bank, N.A., Los Angeles, California | San Francisco | April 30, 2001 |
| United Security Bancshares, Fresno, California | United Security Bank, Fresno, California | San Francisco | May 4, 2001 |

Section 4

| Applicant(s) | Nonbanking Activity/Company | Reserve Bank | Effective Date |
|---|---|---|---|
| Community Financial Services, Inc., Atlanta, Georgia | CRE Valuation Group, Inc., Atlanta, Georgia | Atlanta | May 10, 2001 |
| National Bancshares, Inc., Bettendorf, Iowa | FirstCity Mortgage Corp., Bettendorf, Iowa | Chicago | May 4, 2001 |

## *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 |
|---|---|---|---|
| 1st Source Bank, South Bend, Indiana | Old Kent Bank, Grand Rapids, Michigan | Chicago | May 18, 2001 |
| Citizens First State Bank of Walnut, Walnut, Illinois | Peoples National Bank of Kewanee, Kewanee, Illinois<br>AMCORE Bank, N.A., Rockford, Illinois | Chicago | May 8, 2001 |
| M&I Marshall & Ilsley Bank, Milwaukee, Wisconsin | Harris Trust Bank of Arizona, Scottsdale, Arizona | Chicago | May 3, 2001 |
| North Valley Bank, Zanesville, Ohio | Malta National Bank, Malta, Ohio | Cleveland | May 1, 2001 |
| Pioneer Bank, Mapleton, Minnesota | Citizens State Bank of St. James, St. James, Minnesota | Minneapolis | May 3, 2001 |
| Security State Bank of Edgeley, Edgeley, North Dakota | Kulm State Bank, Kulm, North Dakota | Minneapolis | May 2, 2001 |
| Valley Bank of Helena, Helena, Montana | Western Security Bank, Missoula, Montana | Minneapolis | May 4, 2001 |
| Valley Independent Bank, El Centro, California | Bank of Stockdale, F.S.B., Bakersfield, California | San Francisco | May 9, 2001 |
| Valley Independent Bank, El Centro, California | King Rivers State Bank, Reedley, California | San Francisco | May 9, 2001 |

## *PENDING CASES INVOLVING THE BOARD OF GOVERNORS*

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

*Artis v. Greenspan*, No. 01-CV-0400(ESG) (D.D.C., complaint filed February 22, 2001. Employment discrimination action.

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

*Nelson v. Greenspan*, No. 99–215(EGS) (D.D.C., amended complaint filed December 8, 2000). Employment discrimination action.

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

*Barnes v. Reno*, No. 1:00CV02900 (D.D.C., filed December 4, 2000). Civil rights action.

*El Bey v. United States*, No. 00–5293 (D.C. Cir., filed August 31, 2000). Appeal from district court order dismissing *pro se* action as lacking arguable basis in law. On January 11, 2001, the court dismissed the appeal.

*Trans Union LLC v. Board of Governors, et al.*, No. 00-CV-2087(ESH) (D.D.C., filed August 30, 2000). Action under Administrative Procedure Act challenging a portion of interagency rule regarding Privacy of Consumer Financial Information. On April 30, 2001, the court granted the defendant agencies' motion for summary judgment and dismissed the action.

*Sedgwick v. Board of Governors*, No. 00–16525 (9th Cir., filed August 7, 2000). Appeal of district court dismissal of action under Federal Tort Claims Act alleging violation of bank supervision requirements. On May 31, 2001, the court affirmed the district court's dismissal.

*Individual Reference Services Group, Inc., v. Board of Governors, et al.*, No. 01–5175 (D.C. Cir., filed May 25, 2001). Appeal of district court order entered April 30, 2001, upholding an interagency rule regarding Privacy of Consumer Finance Information.

*Reed Elsevier Inc. v. Board of Governors*, No. 00–1289 (D.C. Cir., filed June 30, 2000). Petition for review of interagency rule regarding Privacy of Consumer Financial Information.

*Bettersworth v. Board of Governors*, No. 00–50262 (5th Cir., filed April 14, 2000). Appeal of district court's dismissal of Privacy Act claims. On April 12, 2001, the court denied the petition for review.

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

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

*Artis v. Greenspan*, No. 1:99CV02073 (EGS) (D.D.C., filed August 3, 1999). Employment discrimination action.

*Fraternal Order of Police v. Board of Governors*, No. 1:98CV03116 (WBB)(D.D.C., filed December 22, 1998). Declaratory judgment action challenging Board labor practices. On February 26, 1999, the Board filed a motion to dismiss the action.

# Domestic Open Market Operations during 2000

*This report was adapted from one presented to the Federal Open Market Committee by Peter R. Fisher, Executive Vice President of the Federal Reserve Bank of New York. Spence Hilton was primarily responsible for the preparation of this report, with the assistance of many others in the Markets Group at the Federal Reserve Bank of New York.*

## *Implementation of Monetary Policy in 2000*

### *Directives of the Federal Open Market Committee*

In 2000, the directives issued by the Federal Open Market Committee (FOMC) instructed the Trading Desk at the Federal Reserve Bank of New York to foster conditions in the market for reserves consistent with maintaining the federal funds rate at an average around a specified rate. This indicated rate is commonly referred to as the federal funds rate target. The FOMC raised the federal funds target 1 percentage point in three steps over the year, to a level of 6½ percent (table 1). Each rate change was decided at a scheduled meeting. On each of these three occasions, the Board of Governors approved an equal-sized increase in the discount rate.

The FOMC implemented modifications to its disclosure procedures at its February meeting.[1] These new procedures included the adoption of new language to describe the Committee's judgment about the economic outlook and were designed to enhance communication to the public, but they had no implications for the conduct of monetary operations between meetings.

1. A description of the changes in disclosure procedures can be found at www.federalreserve.gov/boarddocs/press/General/2000/20000119. The FOMC adopted these modifications at its December 1999 meeting.

1. Changes in the federal funds rate specified in directives of the Federal Open Market Committee

Percent

| Date of change | Expected federal funds rate | Discount rate |
|---|---|---|
| November 16, 1999 | 5½ | 5 |
| February 2, 2000 | 5¾ | 5¼ |
| March 21, 2000 | 6 | 5½ |
| May 16, 2000 | 6½ | 6 |

### *Overview of Operating Procedures and Practices to Influence the Federal Funds Rate*

The Desk uses open market operations to align the supply of balances held by depository institutions at the Federal Reserve—or Fed balances—with the demand for holding balances. The average level of balances that banks demand over two-week reserve maintenance periods is in large measure determined by their requirements for reserve balances and clearing balances, with only a relatively small level of additional, or excess, balances typically demanded.[2] The ability of depository institutions to average their holdings of balances at the Federal Reserve over two-week periods to meet their requirements gives them flexibility in managing their accounts from day to day, which helps limit the volatility in rates that can develop when the Desk misestimates either the supply of or demand for balances. Nonetheless, the funds rate will firm if the level of balances falls so low that some banks have difficulty finding sufficient funds to cover late-day deficits in their Federal Reserve accounts, and the rate will soften if balances are so high that some banks risk ending a period holding unusable excess reserve balances.

Each morning, the Desk considers whether open market operations are needed based on estimates of the supply of and demand for balances and taking into account possible forecast errors and minimal levels of aggregate Fed balances that in practice are needed to facilitate settlement of wholesale financial payments by banks. Any operation designed to alter balances that same day is typically arranged shortly

2. Levels of excess balances demanded do not appear to be very sensitive to the level of total requirements, which change from period to period. For this reason, Desk operations are usually formulated to attain certain objectives for the level of excess balances rather than for a particular level of total balances.

afterward. When the funds rate is near target, the Desk aims to supply a level of Fed balances that equilibrates the expected cost that banks associate with borrowing at the discount window to avoid ending a day overdrawn in their Fed account (or finishing a period short of their requirements) with the expected cost of holding unusable excess balances. When the funds rate deviates from the target, the Desk adjusts the level of Fed balances it aims to supply in the appropriate direction.

*New Developments in 2000*

Two institutional initiatives adopted in 1999 to facilitate the conduct of monetary operations around the century date change (CDC) were allowed to lapse, and the FOMC extended two provisions that it had originally scheduled to expire on April 30, 2000. The FOMC's Authorization for Domestic Open Market Operations that was in place at the end of the year embodies some of these changes. (See appendix A for the text of the authorization.)

• The Century Date Change Special Liquidity Facility (SLF) established by the Federal Reserve Board for lending to depository institutions from October 1, 1999, through April 7, 2000, ended its operations as scheduled. There were no instances of SLF borrowing by large institutions after January 6, although small institutions continued to use the facility.

• The FOMC's temporary authority for the Desk to sell options on repurchase agreements (RPs), reverse repurchase agreements, and matched sale–purchase transactions (MSPs) for exercise no later than January 2000 expired.

• At its March meeting, the Committee made permanent the Desk's authority to use reverse RPs in addition to MSPs to absorb reserves on a temporary basis. The Desk has not yet arranged any reverse RPs, and their regular use is not expected until the Desk's new trading system becomes operational.

• At that same meeting, the FOMC also extended temporarily through its first regularly scheduled meeting in 2001 its authorization for an expanded pool of collateral to be accepted on the Desk's System RPs. The principal effect was to continue the inclusion of pass-through mortgage securities of the Government National Mortgage Association, Freddie Mac, and Fannie Mae, and of stripped securities of government agencies. This extension was made in light of anticipated paydowns of marketable federal debt associated with projected budget surpluses that were likely to limit the System's ability in the future to continue to add substantially to holdings, even on a temporary basis, without generating undesirable market repercussions. To implement this decision, the FOMC voted to extend temporarily its suspension of several provisions of its "Guidelines for the Conduct of System Operations in Federal Agency Issues," which impose restrictions on transactions in federal agency securities (for the text of the guidelines, see appendix B). At the same meeting, the FOMC endorsed a proposal to undertake a broad-gauge study to consider alternative asset classes and selection criteria that could be appropriate for the System Open Market Account (SOMA), with particular attention to alternatives to the historical reliance on net additions to outright holdings of Treasury securities as the sole means of effectuating the upward trend in the asset side of the System's balance sheet.

On July 5, the Desk announced several changes to the way it manages the System's portfolio of Treasury securities.[3] The changes are intended to help it achieve its objectives for a relatively short and liquid portfolio without distorting the yield curve or impairing the liquidity of the market amid recent and anticipated changes in the quantity and composition of marketable Treasury securities. The Desk had already begun to cap System holdings of Treasury bills at 35 percent of any given issue, both in terms of what would be rolled over at each auction and in terms of acquisitions in the secondary market. It announced that it would also cap SOMA holdings of Treasury coupon issues in a similar manner on a graduated scale from 25 percent for two-year notes down to 15 percent for securities with maturities of ten years or more. It also affirmed its policy of limiting SOMA holdings of newly issued securities, as it has no particular portfolio need for some of the liquidity characteristics that can add to the value of these issues in the market. These procedures are expected to remain in place while the Federal Reserve undertakes its review of alternatives for open market operations. The public announcement of these changes was intended to help market participants anticipate Desk operations in the face of changes in the quantity and composition of outstanding Treasury debt. These changes in the management of the SOMA had profound implications for the structure of monetary

3. A detailed description of these changes and their motivation can be found at www.ny.frb.org/pihome/news/announce/2000/an000705.html. These changes were developed with the approval of the FOMC and in consultation with the Department of the Treasury.

operations in 2000—redemptions at auctions, outright purchases in the secondary market and from foreign accounts, and indirectly even temporary operations—which are described in the section "Summary of Open Market Operations in 2000." In a related step, each Thursday afternoon the Federal Reserve Bank of New York (FRBNY) began to publish on its web site the complete details of the SOMA's holdings as of the close of business each Wednesday.[4]

## *FACTORS AFFECTING REQUIRED DEMANDS FOR AND THE SUPPLY OF FEDERAL RESERVE BALANCES*

### *Total Required Demands for Federal Reserve Balances*

The need for the Desk to create or extinguish reserve balances through use of open market operations is heavily influenced by the levels of Fed balances that depository institutions are required to hold each two-week maintenance period relative to the supply of balances forthcoming from autonomous factors outside the Desk's control. Total required balances are the Fed balances that banks are required by the Federal Reserve to hold, on average, within a two-week maintenance period. Total required balances are calculated as required reserves minus applied vault cash plus required clearing balances. As-of accounting adjustments also affect the level of balances that banks must hold to meet their requirements, so the Desk subtracts their value when calculating the true level of Fed balances that banks are required to hold in a maintenance period.[5] Excess reserve balances can be measured as the difference between the aggregate supply of balances at the Federal Reserve and total required balances.[6]

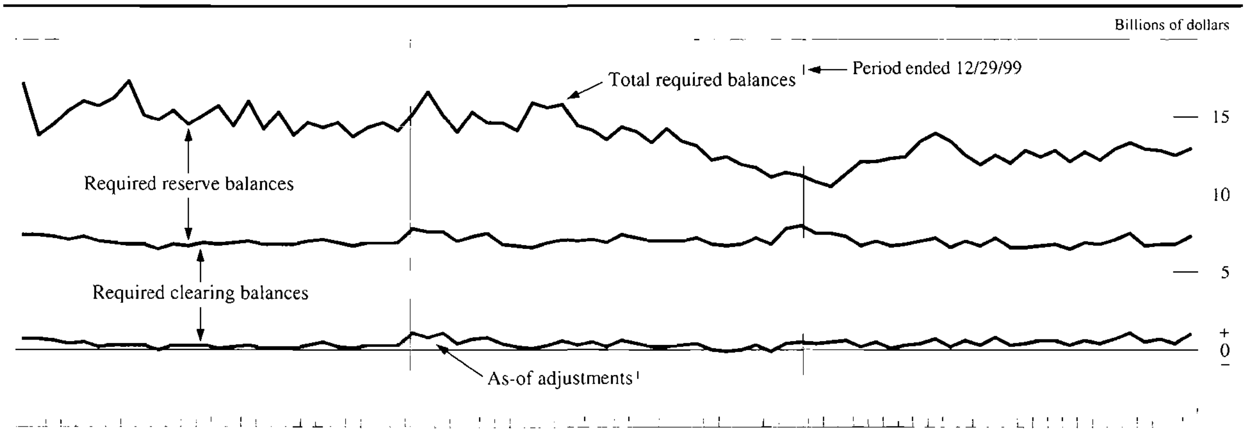
Early in 2000, total required balances rebounded from the depressed levels around the CDC and then were fairly steady over the year after having been on a declining trend through much of the second half of the 1990s (chart 1). Movements in total required balances in recent years have largely paralleled changes in the level of required reserve balances—required reserves less applied vault cash—as required clearing balances and average levels of as-of adjustments have not shown any trend.

4. This information may be found at www.ny.frb.org/pihome/statistics/soma.shtml.

5. Required clearing balances and, under lagged reserve accounting rules in effect since August 1998, the levels of required reserves and applied vault cash are determined before the start of each maintenance period, which facilitates estimation of the demand for Fed balances. But as-of adjustments are not all known when a period starts. When large as-of adjustments are applied or reported to the Desk only very late in a period, it affords the Desk little or no opportunity to adjust its operations.

6. In this report, required clearing balances, applied vault cash, and as-of adjustments are presented as factors that affect banks' demands for Fed balances. In published reserves data, applied vault cash and as-of adjustments are treated as sources of supply of nonborrowed reserves, and required clearing balances are treated as a negative source of nonborrowed reserves. See Federal Reserve weekly statistical release H.3 "Aggregate Reserves of Depository Institutions and the Monetary Base" for these data (available at www.federalreserve.gov/releases/H3/).

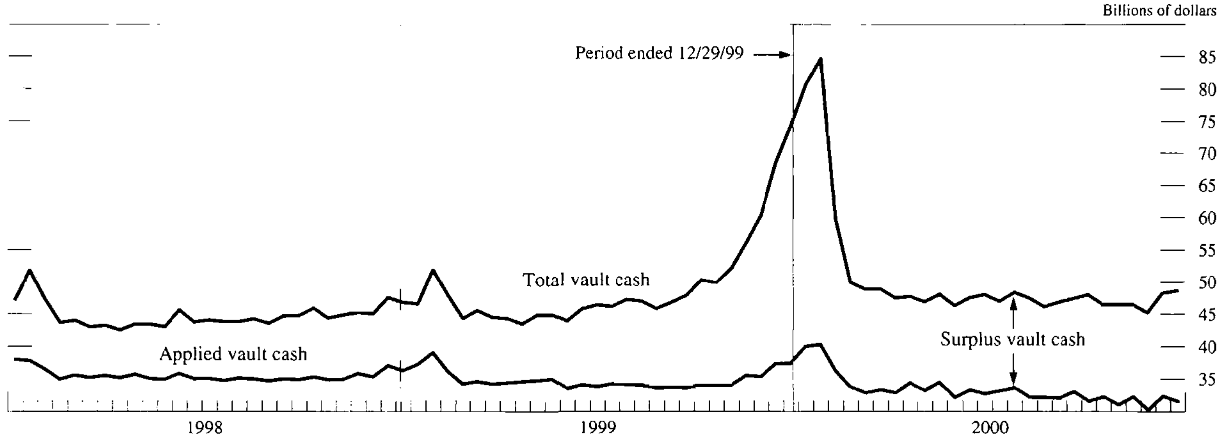
1. Contribution of required reserve balances, required clearing balances, and as-of adjustments to total required balances




NOTE. The data are maintenance-period averages through January 10, 2001.

1. Period-average values; negative adjustments increase total required balances.

2. Vault cash: Total, applied, and surplus




NOTE. The data are maintenance-period averages through January 10, 2001.

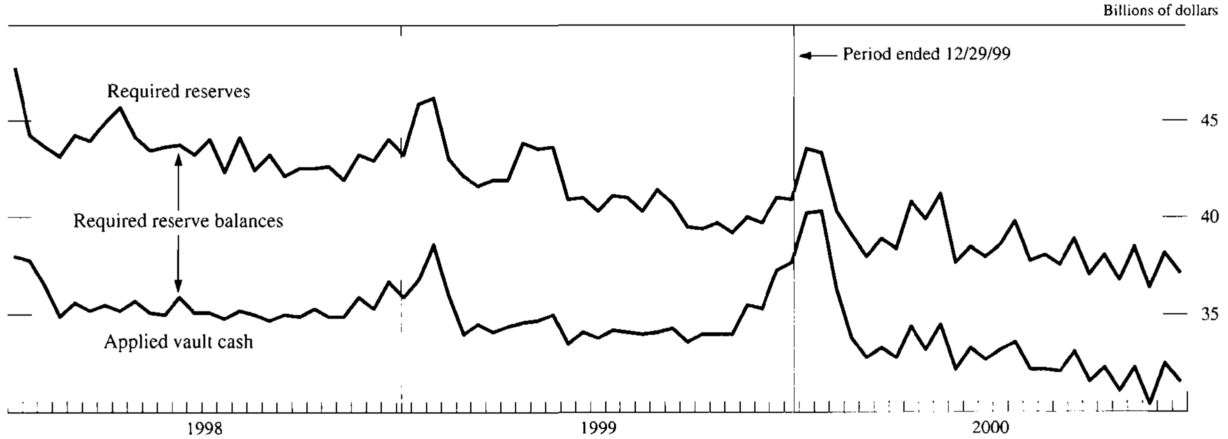
The huge buildup in the level of total vault cash ahead of the CDC caused many banks to become "nonbound," that is, to meet their reserve requirements entirely with vault cash, and much of the vault cash held during this time was at nonbound institutions (chart 2).[7] Still, a portion of the CDC-related increase in total vault cash was used for meeting reserve requirements, which both temporarily increased the level of applied vault cash by a modest amount and briefly caused required reserve balances to dip. By the end of February 2000, these CDC-related effects on the levels of vault cash and required reserve balances had largely unwound.

Declines in required reserve balances over the past five years have been largely the result of programs by depository institutions to "sweep" reservable liabilities into nonreservable liabilities, which resulted in a significant decrease in required reserves. Sweep programs during 2000 expanded about as much as they did the preceding year, but by much less than in the middle of the 1990s, when their growth was fastest.[8] Much of the decline in the level of required reserves

7. The values for total vault cash in chart 2 are those associated with the level of applied vault cash in the indicated maintenance period. Thus, these vault cash levels are the lagged quantities held in vaults of all depository institutions in the computation period thirty days preceding the indicated maintenance period.

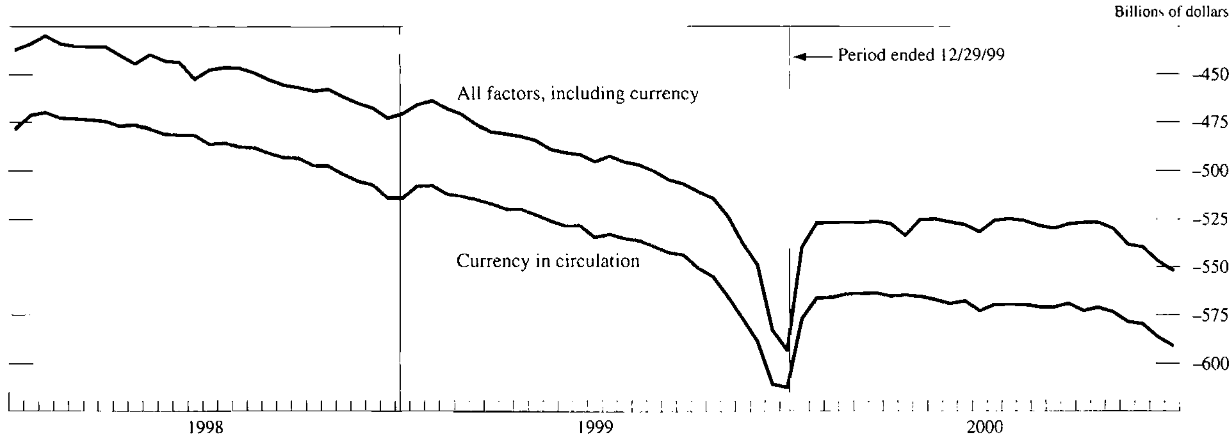
8. In the twelve months ending in December 2000, the estimated amount of deposits initially swept by banks expanded $44 billion; the increase over the preceding twelve-month period was $50 billion. Sweeps expanded $116 billion over the twelve months ending December 1996—the largest change over any calendar year.

3. Required reserve balances: Required reserves less applied vault cash




NOTE. The data are maintenance-period averages through January 10, 2001.

4. Effect of all autonomous factors and currency in circulation on Fed balances




NOTE. The data are maintenance-period averages through January 10, 2001.

that took place in 2000 apparently occurred at nonbound institutions because it was matched by a similar decline in applied vault cash, leaving the level of required reserve balances fairly flat over the year once the CDC period had passed (chart 3). As the number of banks that are nonbound has grown, movements in required reserves and applied vault cash from one period to the next have become increasingly correlated.

### *Autonomous Factors Affecting the Supply of Fed Balances*

The levels of three factors—currency in circulation, the Treasury's balance at the Federal Reserve, and the foreign RP pool—had increased dramatically in advance of the CDC and had reduced supplies of Fed balances. These factors quickly reversed themselves early in 2000 (chart 4); thereafter, factor movements over the year had a relatively small net effect on balances until late in the year. Year-end levels of factors, total SOMA holdings, and outstanding RPs are shown in table 2.

#### Changes in Currency in Circulation

After reaching its peak level on a period-average basis in early January, currency in circulation declined abruptly by $46 billion over the following two maintenance periods. Most of the CDC run-off appears to have been completed by mid-February, although currency continued to fall slightly for a few more periods.

Apart from any CDC effects, the public's demand for currency appears to have risen at a much slower pace in 2000 than in recent years. Beginning in April, after most CDC effects appeared to have worn off, the (seasonally adjusted) currency component of M1, which excludes vault cash, rose at a pace of about 3 percent—consistent with an annual increase of about $15 billion in the level of currency (chart 5). This pace was well below the average rate of growth of 7½ percent for M1 currency over the five-year period preceding 1999. Although the level of currency at the end of 2000 was consistent with pre-CDC growth trajectories extrapolated from the end of 1998, there was no indication that the rate of growth was returning to its previous higher level.

#### Changes in Other Factors

The Treasury balance and foreign RP pool quickly reversed their CDC-related increases in early January and added substantially to supply at that time. But movements in these factors thereafter had little net effect on balances over the year. The ongoing demonetization of Special Drawing Rights (SDR) certificates, discussed in last year's report, drained $4 billion from the supply of Fed balances.[9] At the same time, holdings of foreign currency rose about $1 billion, largely as a consequence of a September 22 currency market intervention that added slightly to balances. On May 10, the transfer of $3.7 billion of

9. See Spence Hilton, "Domestic Open Market Operations during 1999," *Federal Reserve Bulletin*, vol. 86 (July 2000), pp. 511–37.

2. Contributions of autonomous factors, System Open Market Account (SOMA) holdings, and repurchase agreements (RPs) to Federal Reserve balances

Billions of dollars; sign reflects effect on supply of Fed balances

| Item | Daily levels | | Average levels for periods ending | | |
|---|---|---|---|---|---|
| | Year-end 1999 | Year-end 2000 | Dec. 30, 1998 | Dec. 29, 1999 | Dec. 27, 2000 |
| *Key factors adding to balances* | | | | | |
| Float | .4 | .8 | 2.5 | .7 | 2.0 |
| SDRs | 6.2 | 2.2 | 9.2 | 6.2 | 2.3 |
| Foreign currency | 14.4 | 15.4 | 17.4 | 14.4 | 15.4 |
| *Key factors draining balances* | | | | | |
| Currency in circulation | −628.4 | −593.3 | −514.1 | −610.9 | −586.1 |
| Treasury balance | −28.4 | −5.1 | −6.3 | −9.2 | −6.2 |
| Foreign RP pool | −39.2 | −21.1 | −19.4 | −24.2 | −17.0 |
| **Net effect of all factors** | **−634.2** | **−557.4** | **−472.9** | **−582.8** | **−546.9** |
| Total SOMA holdings | 517.3 | 532.9 | 473.4 | 516.3 | 532.3 |
| Treasury bills | 215.7 | 199.8 | ... | ... | ... |
| *Coupon securities* | | | | | |
| Less than 2 years | 121.1 | 142.8 | ... | ... | ... |
| 2–5 years | 69.7 | 72.2 | ... | ... | ... |
| 5–10 years | 53.1 | 51.2 | ... | ... | ... |
| More than 10 years | 51.9 | 59.3 | ... | ... | ... |
| Treasury Inflation Indexed Securities (TIIS) | 5.7 | 7.4 | ... | ... | ... |
| Federal agency securities | .2 | .1 | ... | ... | ... |
| Long-term RPs (more than 14 days) | 72.4 | 23.0 | 11.1 | 54.4 | 22.2 |
| Short-term RPs less matched sale–purchase transactions (MSPs) | 68.3 | 20.4 | 4.1 | 24.4 | 6.2 |
| Discount window loans | .2 | 1 | .2 | .4 | .3 |
| **Net effect of all Federal Reserve operations** | **658.2** | **576.4** | **488.8** | **595.5** | **560.9** |
| **Fed balances** | **24.0** | **19.0** | **15.9** | **12.7** | **14.0** |
| MEMO: | | | | | |
| Total required balances | 11.7 | 12.9 | 14.2 | 11.4 | 12.5 |
| Excess balances | 12.3 | 6.2 | 1.7 | 1.3 | 1.3 |

NOTE. SOMA includes bills sold under MSPs to foreign accounts and in the market. Amounts for SOMA holdings are par values; differences from monetary amounts are captured in other autonomous factors. TIIS amounts include the inflation compensation component.

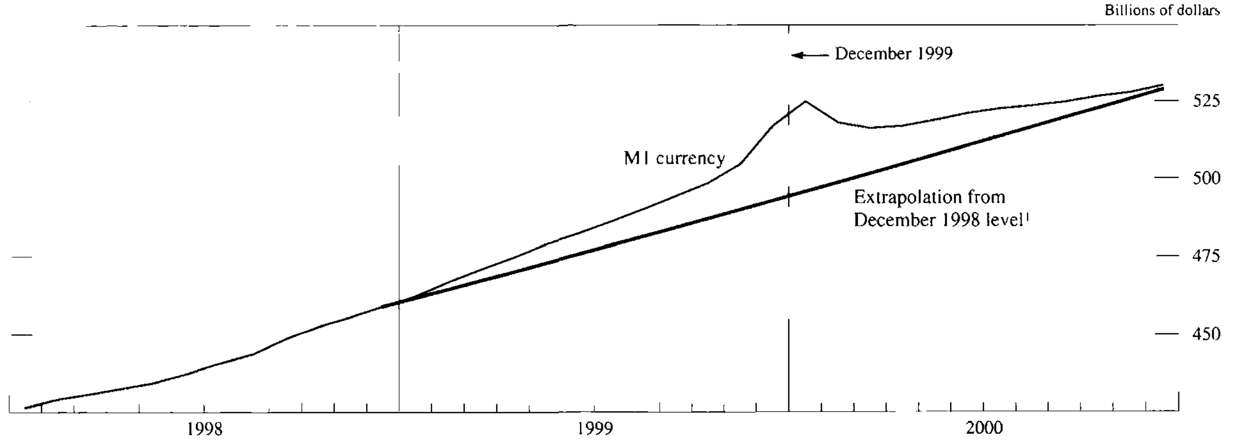
... Not applicable.

the Federal Reserve surplus to the Treasury increased balances by an equivalent amount. The surplus was largely restored in several steps over the fourth quarter of the year, however; thus the original effect on Fed balances was reversed.

### Volatility and Predictability of Key Factors Affecting Supply

The volatility of currency, as measured by the average size of absolute daily changes in levels, was

5. Currency component of M1 (excluding vault cash), seasonally adjusted




NOTE. The data are monthly averages through December 2000.

1. Based on five-year average growth rate of 7½ percent from 1994 to 1998.

3. Daily changes and forecast misses in key determinants of reserve balance supply: Average and maximum of absolute values, 1998–2000

Millions of dollars

| Factors affecting supply of reserve balances | 1998 | | 1999 | | 2000 | | Feb.–Dec. 2000 | |
|---|---|---|---|---|---|---|---|---|
| | Average | Maximum | Average | Maximum | Average | Maximum | Average | Maximum |
| *Daily change* | | | | | | | | |
| Currency in circulation | 709 | 2,788 | 893 | 5,379 | 931 | 8,087 | 760 | 2,628 |
| Treasury balance | 1,413 | 22,571 | 887 | 7,446 | 1,404 | 23,434 | 1,272 | 23,434 |
| Foreign RP pool | 500 | 6,193 | 572 | 6,049 | 467 | 4,015 | 418 | 3,255 |
| Float | 791 | 5,449 | 693 | 6,217 | 839 | 9,677 | 790 | 5,824 |
| Net value[1] | 1,751 | 23,727 | 1,925 | 17,628 | 2,006 | 23,896 | 1,671 | 23,896 |
| *Daily forecast miss* | | | | | | | | |
| Currency in circulation | 217 | 999 | 234 | 1,361 | 229 | 1,648 | 222 | 1,277 |
| Treasury balance | 620 | 3,407 | 608 | 3,284 | 617 | 6,866 | 602 | 6,866 |
| Foreign RP pool | 150 | 935 | 224 | 1,817 | 131 | 976 | 128 | 976 |
| Float | 383 | 2,386 | 393 | 4,274 | 382 | 2,742 | 368 | 1,854 |
| Net value[1] | 744 | 3,664 | 818 | 5,443 | 787 | 7,218 | 760 | 7,218 |

NOTE. Forecast misses are based on estimates by the staff of the Federal Reserve Bank of New York.

1. Reflects offsetting movements and forecast misses of the aggregate of the four factors listed.

generally close to (and even a bit higher than) the elevated level of 1999 (table 3). But excluding January, the average daily changes were much lower and about the same as in 1998. In general, the volatility of key factors from February through December was on a par with 1998, before any CDC influences. Average daily forecast misses for most key factors have been fairly steady for the past two years and did not appear to have been significantly higher around the CDC period, although projections of the foreign RP pool have shown some improvement.

## *SUMMARY OF OPEN MARKET OPERATIONS IN 2000*

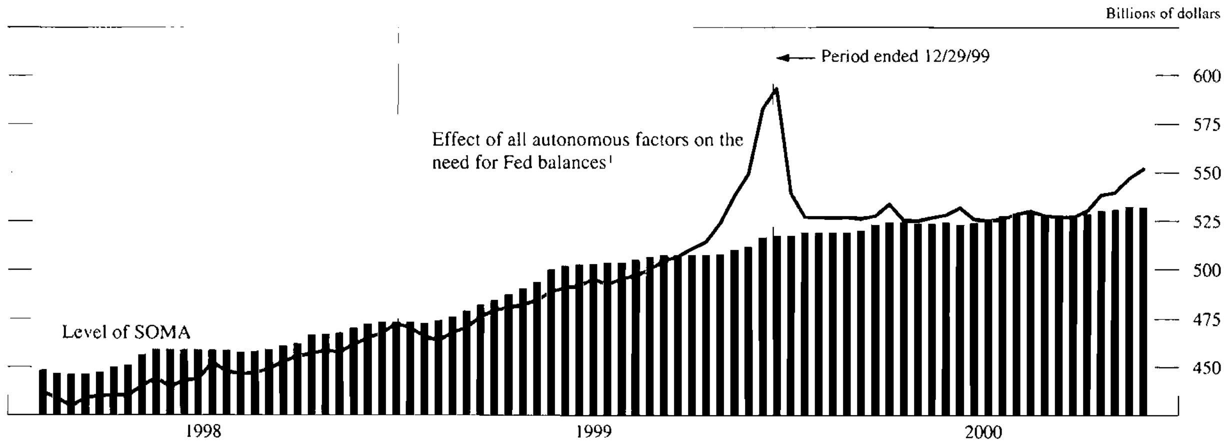
The changes in the management of the System Open Market Account announced in July had a profound effect on the structure of open market operations in 2000, although they did not influence the levels of Fed balances that the Desk aimed to supply on any particular day. These changes significantly influenced the mix of redemptions, outright purchases, long-term RPs, and short-term temporary operations employed by the Desk.

### *Permanent Activity Affecting the System Open Market Account*

#### Net Expansion of the SOMA

In 2000, the portfolio of domestic securities in the SOMA expanded $15.6 billion, the smallest increase since 1996, to end the year at $532.9 billion

6. Permanent SOMA portfolio and effect of factors on need for balances




NOTE. The data are maintenance-period averages through January 10, 2001.

1. Positive numbers indicate a drain on balances (values match the absolute values from chart 4).

(chart 6).[10] As in past years, the Desk sought to meet long-run reserve needs to the extent possible through net growth of the SOMA. However, over the past three years, the net drain to Fed balances arising from changes in autonomous factors has slightly outpaced the growth in the SOMA, as the Desk has come to use long-term RPs to meet a portion of permanent needs. The expansion of the SOMA in 2000 was not constrained by the decline in outstanding Treasury debt or by the changes in the management of the SOMA adopted in July. The timing of the net expansion of the SOMA in 2000 coincided less than in many earlier years with the periods of peak seasonal currency growth in early summer and ahead of the year-end. A greater portion of the growing reserve deficiencies during these times was met with temporary operations.

## Auction Participation and Redemptions

Under its new management procedures, the FRBNY began to place at coupon auctions add-on bids for the SOMA that were equal to the lesser of (1) the maturing holdings of the issue date of a new security or (2) the amount that would bring SOMA holdings as a percentage of the issue to the percentage guidelines announced in July.[11] Earlier in the year, the Desk began limiting its auction participation in bills.[12] Previously, the FRBNY routinely rolled over all maturing holdings into new issues. At auctions of Treasury Inflation Indexed Securities (TIIS), the Desk continued to adhere to its practice of tendering for no more than 5 percent of new issues, though by mid-year there were no maturing issues to exchange for TIIS. On dates when more than one Treasury coupon auction settled, maturing issues were exchanged for newly auctioned issues, so as to equalize the remaining percentages of the total outstanding amounts that were purchasable under the new portfolio guidelines. Previously, the Desk allocated maturing holdings in proportion to the total amounts outstanding of the auctioned issues.

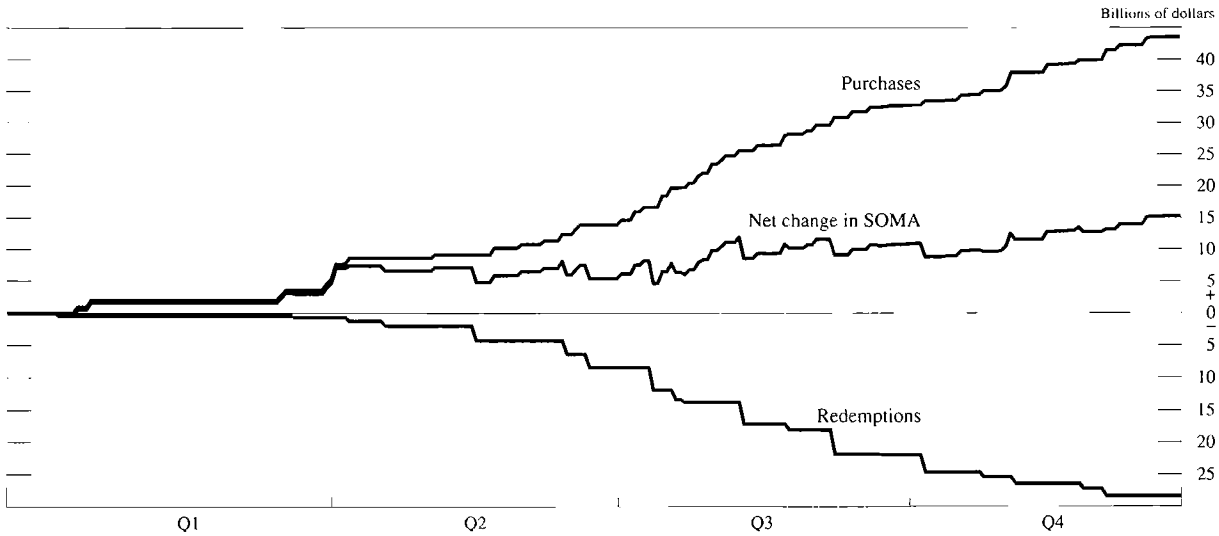
Remaining within the per-issue percentage caps while Treasury cut back on auction sizes forced redemptions of $28.4 billion of maturing SOMA holdings in 2000 (chart 7). Given the existing concentration of SOMA holdings in bills and the size of

10. Unless otherwise indicated, changes and levels of the SOMA include the inflation compensation component of inflation-indexed securities, which at the end of the year totaled about $500 million, and federal agency security holdings. All figures are par values.

11. Foreign add-ons, which are not known at the time the Desk determines its level of participation at auctions, were assumed to be zero in this calculation.

12. At the beginning of 2000, SOMA holdings of bills were capped at 40 percent of any one issue both in terms of what was rolled into holdings at each auction and in terms of acquisitions in the secondary market. This percentage was reduced to 37.5 percent in May and to 35 percent in early June, ahead of the July 5 announcement. The Desk maintained its long-standing practice of allocating new bill holdings acquired at the weekly auctions in proportion to their outstanding amounts.

7. Cumulative redemptions, purchases, and net change in SOMA holdings of Treasury issues in 2000




NOTE. The data are daily levels. Net change in SOMA excludes agency redemptions and TIIS inflation compensation adjustments.

cutbacks in issuance in recent years, redemptions were concentrated in that sector despite the higher per-issue caps (chart 8). As it has done since mid-1997, the Desk redeemed maturing holdings of federal agency securities, $51 million altogether, which left $130 million of agency holdings in the SOMA at the end of the year.

### Outright Purchases and Operational Techniques

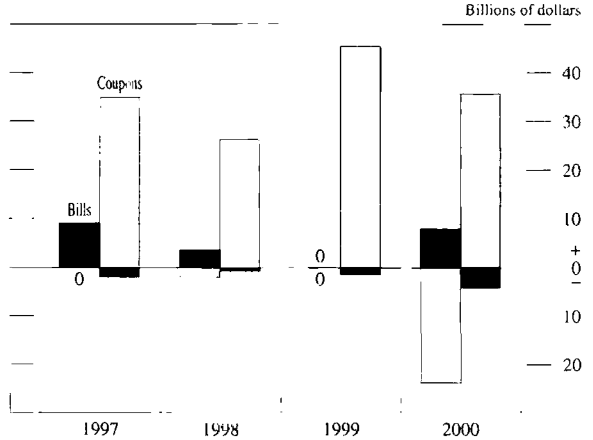
In total, the Desk bought $43.6 billion (par value) of securities in 2000, only slightly below the previous year's record purchases, although the resulting net increase in the SOMA was much smaller because of the redemption activity. Purchases were timed in part to prevent redemption activity from significantly reducing supplies of Fed balances. There were no sales of securities.

In recent years, the Desk sought to spread its purchases evenly across the entire range of outstanding marketable coupon securities, while seeking to avoid recently issued securities by purchasing only those securities for which at least two subsequent auctions of new issues with similar original maturities had occurred. The average maturity of the SOMA's overall holdings tended to increase as the Desk refrained from expanding its holdings of bills because of reductions in bill issuance. In 2000, to prevent redemptions in bill holdings from increasing the average maturity of the SOMA's overall holdings even further—counter to the FOMC's objectives—the Desk tended to purchase a greater proportion of off-the-run coupon securities with remaining maturities of less than two years than it did of securities with remaining maturities between ten and thirty years. In doing so, it applied the portfolio guideline percentages announced in July to determine the amounts that the SOMA was ultimately prepared to hold of off-the-run securities in different maturity ranges. Holdings of short-term coupon securities increased the most over the year (table 2).

The Desk included Treasury bills in its open market purchases for the first time in two years, in response to its revised portfolio guidelines and to staunch some of the decline caused by heavy redemptions in this sector. Three operations totaling $6.2 billion were restricted to purchases of Treasury bills. In August, the Desk also began to purchase directly from foreign accounts, putting in place procedures allowing it to purchase up to $250 million for same-day settlement on any given day if orders were available and consistent with reserve needs. Altogether, it bought $2.5 billion in Treasury bills from foreign central banks for the SOMA. Still, gross purchases were heavily concentrated in the coupon sector, and bill holdings contracted over the year, in line with the Treasury's general issuance pattern.

The Desk continued to segment its market purchases of nominal Treasury coupon issues into separate tranches across different portions of the yield curve, and it assessed conditions in the market for Treasury securities in timing specific operations. Altogether, it arranged thirty-nine such operations during the year. The average purchase amount on those operations was about $900 million, very close to the previous year's average size. Two additional operations totaling $1.1 billion were restricted to all outstanding TIIS.

8. Treasury bills and coupons: Purchases (positive values) and redemptions (negative values)



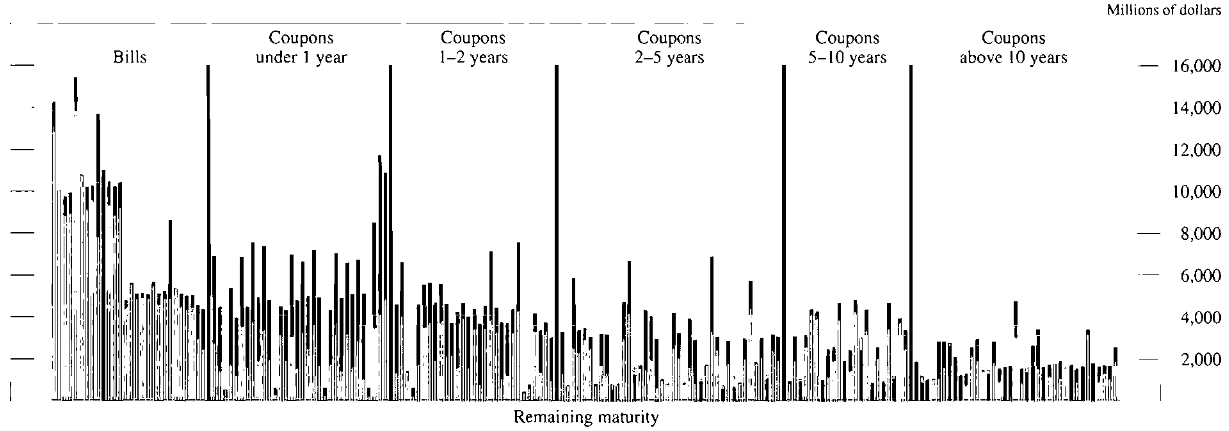

NOTE. The data are par values in billions of dollars. Coupons include TIIS.

### Characteristics of Domestic Permanent SOMA Holdings at Year-end

The portfolio management changes succeeded in ending the recent upward trend in the average maturity of all Treasury issues in the SOMA portfolio. The average maturity of the entire SOMA fell one month, ending the year at about fifty-three months. The average portfolio maturity had lengthened by five months in each of the preceding two years.

The percentage of all outstanding Treasury coupon issues (including TIIS) that were held in the SOMA portfolio increased to 14 percent from 12 percent one year earlier, primarily because of the concentration of the net expansion of the SOMA in that sector. The percentage of total outstanding Treasury bills held in the SOMA portfolio at year-end also rose, to 31 per-

9. Maturity distribution of SOMA holdings and amounts purchasable of Treasury bills and nominal coupons under caps




NOTE. Holdings are in light grey and are as of December 31, 2000; remaining purchasable amounts under caps are in dark grey and total about $250 billion.

cent, from 29 percent a year earlier, because of even steeper relative declines in total outstanding amounts.

At the end of the year, approximately $250 billion of marketable Treasury securities remained purchasable under the Desk's guidelines for percentage holdings (chart 9). In volume, the greatest concentration of purchasable securities was in the short-term sector—those with remaining maturities of less than two years.

## *Temporary Open Market Operations*

### Use of Temporary Open Market Operations

The extraordinarily large levels of RPs built up late in 1999 ahead of the CDC were quickly unwound in January, to coincide with the rapid runoff in Federal Reserve note liabilities (much of this currency never having left banks' vaults) and the return of other autonomous factors to normal levels.

First used on a large scale in 1999 to meet CDC needs, use of long-term RPs, defined here as operations carrying an original maturity of at least fifteen days, became fairly routine in 2000.[13] The Desk found long-term RPs to be a useful supplementary tool for meeting underlying reserve needs previously addressed solely through outright activity, either for an indefinite period or as a temporary expedient until permanent adjustments to the SOMA could be made. Adjusting the total size of outstanding long-term RPs was also found to be a convenient way to meet large seasonal reserve swings, and most of the buildup and drawdown in currency around year-end 2000 was addressed in this fashion. Maintenance-period average levels of long-term RPs in 2000—after the operations put in place for the CDC had run off—mostly ranged between $10 billion and $15 billion, rising to $23 billion in the period that straddled year-end 2000 (chart 10).

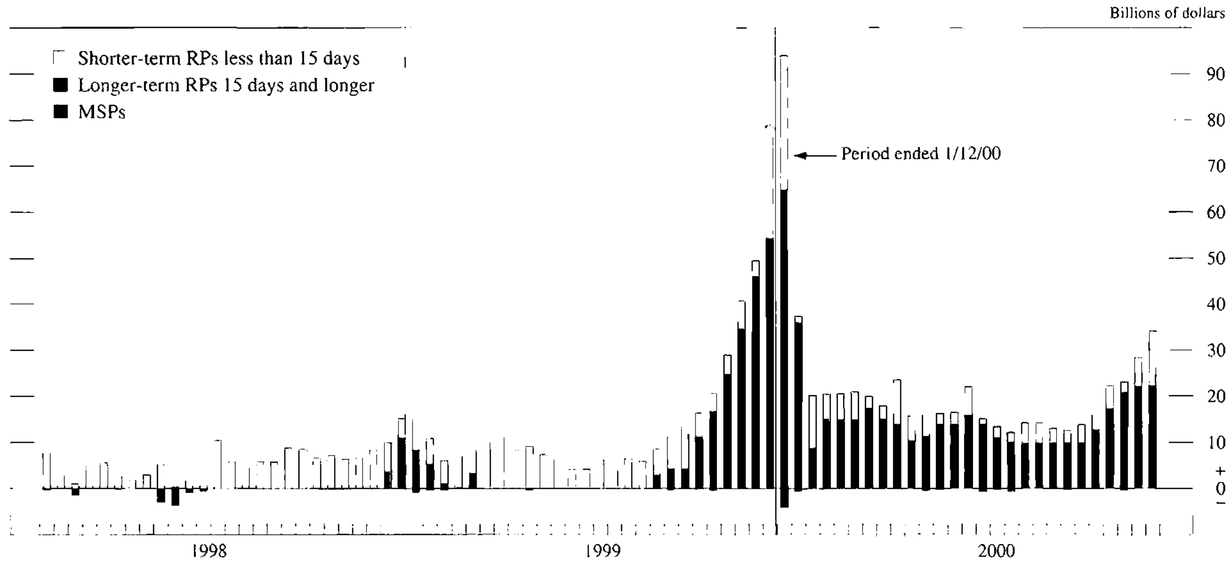
The Desk found that it could achieve the desired level of flexibility in the total size of long-term RPs outstanding by arranging an overlapping series of RPs of moderate duration and size. In March, the Desk first began a practice of arranging long-term RPs with twenty-eight-day maturities on the Monday and/or Thursday of each week.[14] After assessing current and future period needs, the Desk would decide whether to adjust the size of a maturing operation, whether to let a maturing operation roll off without replacement, or whether to arrange a new RP on a day when none matured. In practice, operations ranged in size between $2 billion and $3 billion. Through this approach, the Desk managed to meet virtually all of the seasonal reserve swing by making marginal adjustments in outstanding long-term RPs.

Short-term temporary operations were used extensively to offset volatility in factors affecting the supply of Fed balances, to accommodate variability in demands for excess balances within a maintenance

13. While any maturity division between long-term and short-term RPs is somewhat arbitrary, a convenient distinction can be drawn at fifteen days because the reserve effect of RPs with this maturity or longer by definition must fall in more than one maintenance period. Operations that carry a maturity of fourteen days or less are almost always used to address reserve shortages within a single maintenance period.

14. Holidays sometimes necessitated a one-day adjustment to the maturity and day of the week an operation was arranged.

10. Reserve effect of temporary operations




NOTE. The data are maintenance-period averages through January 10, 2001.

period, and to temporarily fill gaps in underlying reserve needs until adjustments could be made to the permanent SOMA or to long-term RPs. Period-average levels of outstanding short-term temporary operations (RPs less MSPs) ranged from less than $1 billion to more than $11 billion during the year.[15] Daily levels ranged from −$4 billion to $25 billion.[16]

15. The data in this paragraph are taken from periods starting with the period ended February 23, after operations had adjusted to the runoff of long-term RPs arranged around the CDC. The average level of outstanding short-term operations was highest in the period covering the year-end, ending January 10, 2001.

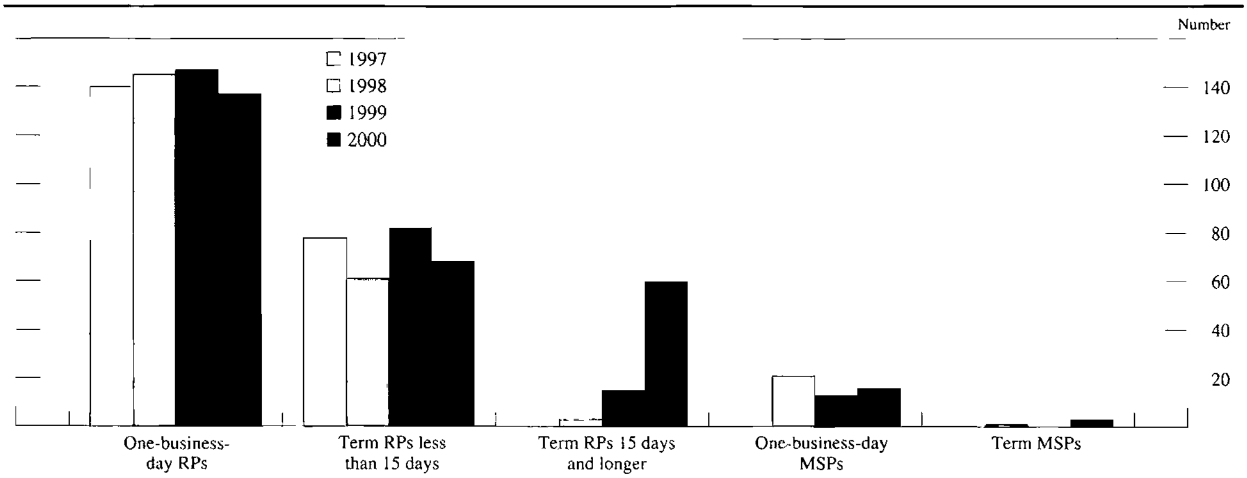
16. The highest level occurred on April 26. The highest level of total temporary operations outstanding, long-term plus short-term, was $44 billion, on December 27.

In practice, the Desk often structured its outright operations and long-term RPs so that the lowest amount of short-term temporary operations outstanding on any day within a maintenance period would be close to zero.[17]

The most commonly chosen maturity on all RPs remained one business day (which includes RPs that also cover a weekend or holiday), of which 137 were arranged in 2000 (chart 11). This maturity is particularly useful for addressing marginal changes in sup-

17. On average, the lowest daily net reserve effect of all outstanding short-term temporary operations within the maintenance periods of 2000 was less than $1 billion. The average value of the highest daily net reserve effect was $10 billion across all maintenance periods.

11. Number of temporary operations, by type



ply and demand for Fed balances from day to day and for dealing with the uncertainty inherent in the forecasts. The number of MSPs arranged during the year was again relatively low. Six RPs with forward settlement dates were arranged in 2000, each on the eve of its settlement date. The Desk arranged a small operation on Good Friday, a day dealer staffing is typically quite thin, and found itself somewhat constrained by propositions.

## Execution Practices

The Desk's usual practice was to arrange temporary operations at preset times of the day. Longer-term RPs were usually arranged at 8:20 a.m. and short-term operations, around 9:30 a.m. The Desk always remained prepared to adapt to circumstances and depart from its standard practices as needed. Because of technical limitations associated with the multi-tranche method of executing operations (described in the following section), short-term operations with different maturities arranged on the same day were arranged sequentially rather than simultaneously. The Desk would inform the market ahead of time of its intention to arrange a second operation as soon as the selection process for the first operation was complete.

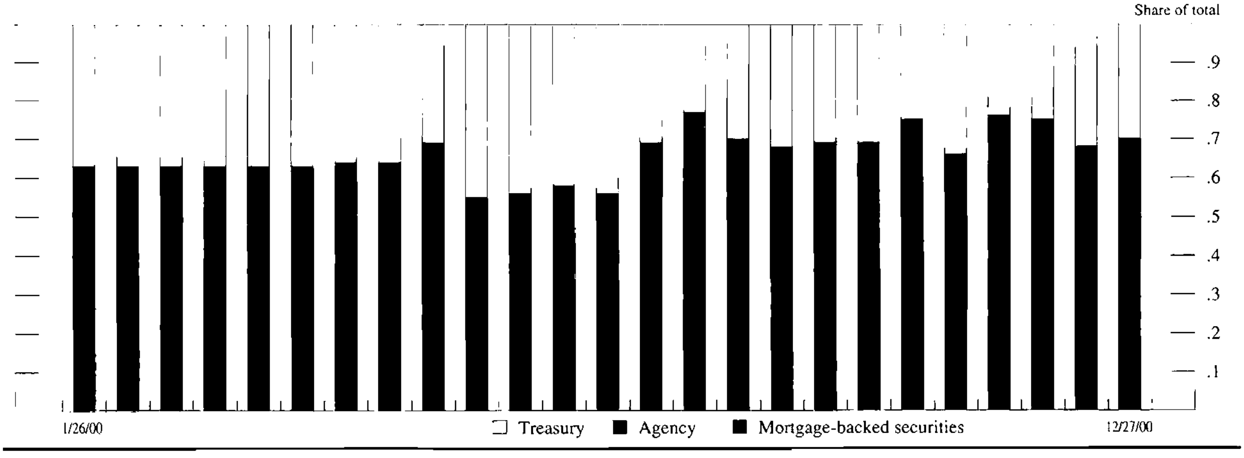
## Triparty RPs with the Expanded Pool of Eligible Collateral

The Desk solicited propositions on all RPs arranged in 2000 for the entire expanded pool of eligible collateral temporarily granted by the FOMC. Structurally, all RPs were arranged as three separate, simultaneous operations, each distinguished by the class of collateral accepted. On one operation, only Treasury collateral could be offered, on a second operation straight agency debt could be pledged (in addition to Treasury collateral), and on the third operation mortgage-backed collateral (in addition to the other two types) could be submitted. But for purposes of this report, these separate operations are counted as different tranches of a single RP. All RPs arranged in 2000 settled under the triparty arrangements established with two clearing banks in 1999.

The multitranche approach gave the dealers the opportunity to price separately their propositions for RPs according to the type of collateral involved. In determining what mix of collateral among the three types to accept, the Desk continued to use the relative rate method adopted last year (and described in last year's annual report). It used market quotes on current RP rates of the relevant term for each of the three collateral types as benchmarks for assessing the relative value of the propositions it received. Thus, for each RP, the allocation of accepted propositions among the three collateral categories was "market neutral" with respect to then-existing market rates.

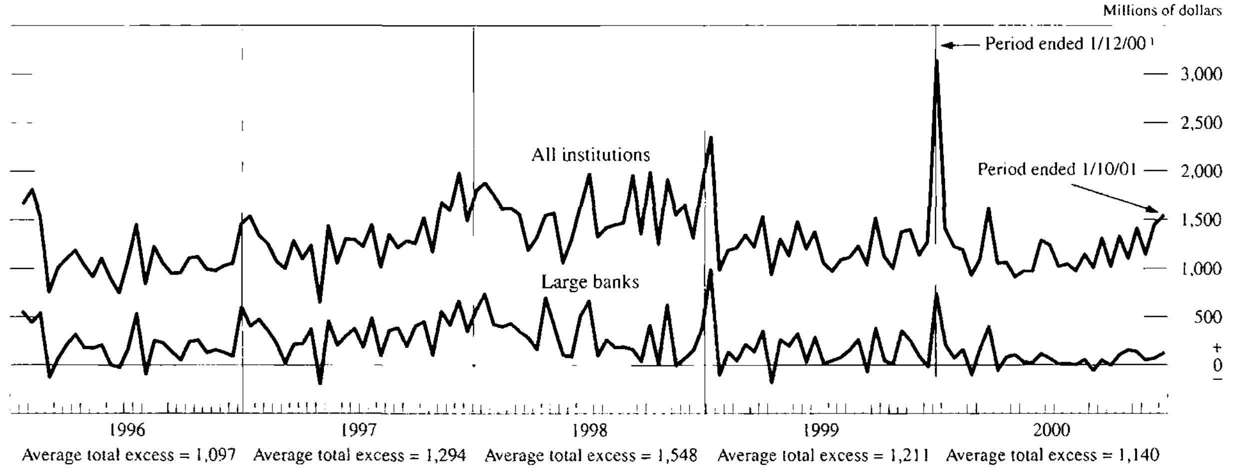
In general, the proportions of the different collateral types accepted on RPs were very volatile from one operation to the next. But an examination of data taken from the first year over which the expanded collateral pool was used found that the distribution of collateral on accepted propositions was highly correlated with the distribution on total propositions. At the same time, the distribution of total propositions

12. Distribution of long-term RPs, by collateral type, January 26, 2000–December 27, 2000




NOTE. The data are maintenance-period averages.

13. Excess reserves




NOTE. The data are maintenance-period averages through January 10, 2001. Annual averages exclude periods containing year-end dates.

1. Total excess equals $3.1 billion.

was correlated with the relative amounts that dealers had yet to finance that morning, taken from the Desk's daily survey of dealer financing needs.[18] These observations suggest that dealers' participation in Desk operations, including the rates they submitted on their propositions, reflected current market conditions.

The period-average share of Treasury collateral held against outstanding long-term RPs ranged from about 25 percent to 60 percent (chart 12). This share tended to be somewhat greater on average for short-term operations, a reflection of dealers' preference for financing more of their non-Treasury collateral using longer-term operations.

## *EXCESS RESERVE BALANCES AND THE FEDERAL FUNDS RATE*

### *Excess Reserve Balances in 2000*

Period-average levels of excess reserve balances in 2000 were similar to levels prevailing in the previous year and in other recent years, indicating that the lower levels to which total required balances have settled have not had a measurable effect on excess needs (chart 13).[19] There was some decline in average excess levels held by large banks in 2000, small in absolute terms but significant as a proportion of the total, which might partly reflect bank consolidation and improved information processes for managing positions. Volatility in excess levels held by large banks from one period to the next showed a marked decline, which can be partly explained by a loss of carryover capacity as more of these institutions have become nonbound. A high absolute level of carryover resulting from a sizable excess position in one period will lead to a large absolute level of excess demand in the opposite direction in the following period.[20]

Daily intraperiod holdings of excess balances in 2000 again reflected banks' strong preference for concentrating their accumulation of Fed balances for purposes of satisfying period requirements late in a maintenance period (chart 14). This pattern of demand is designed to reduce the likelihood of inadvertently accumulating unusable excess balances by the end of a maintenance period, even at the heightened risk of incurring end-of-day overdrafts earlier in the period.

### *Federal Funds Rate Behavior in 2000*

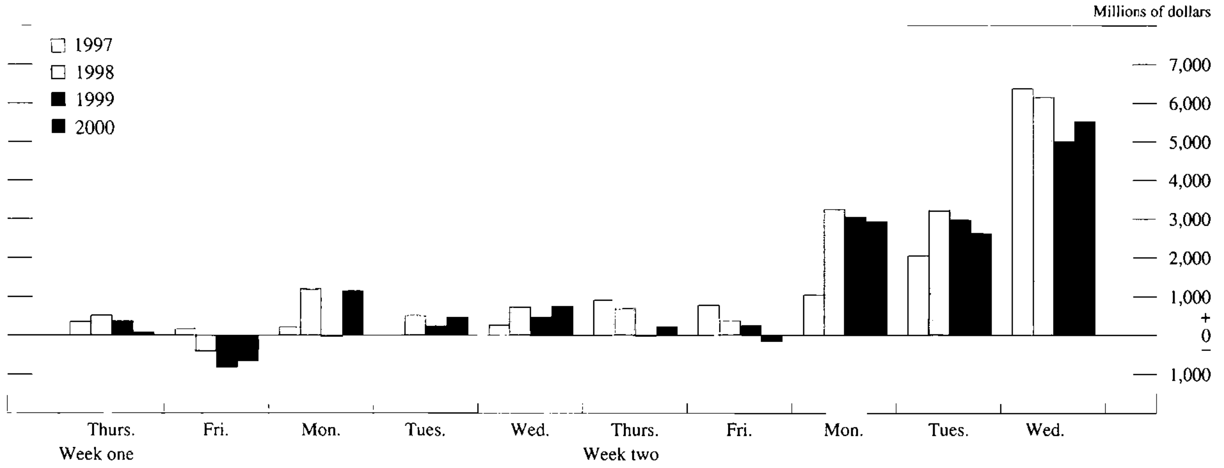
Volatility in the federal funds rate, by several measures, was significantly lower in 2000 than in previous years (table 4). Median values of daily intraday standard deviations of the funds rate, and median and

18. Only data from RPs with maturities of no longer than three days were examined because the Desk collects data only on the volume of dealers' overnight financing needs.

19. The only departure from this observation was in late 1997 and 1998, discussed in the 1998 annual report, when excess levels were higher than in surrounding years. See Spence Hilton, "Highlights of Domestic Open Market Operations during 1998," *Federal Reserve Bulletin*, vol. 85 (April 1999), pp. 217–35.

20. Average absolute carryover levels at large institutions in 2000 were down from previous years.

14. Average daily levels of excess balances, by day in a maintenance period




NOTE. The data exclude as-of adjustments and high payment flow dates.

average values of the absolute deviations of daily effective rates from target were the lowest since 1995, when the decline in total required balances associated with sweep accounts was just getting under way. The average of the deviations of the daily effective funds rate from target was even lower in 2000 than in 1995, reflecting a general absence of days with huge outliers in effective rates.

Conversations with market participants and other anecdotal evidence point to several possible explanations for the moderation in rate volatility in 2000.

1. Better internal information systems for tracking and anticipating payment flows within commercial banking institutions have reduced the uncertainty about settlement flows—often the source of rate volatility, particularly late in the day. Improvement of systems and processes for tracking and anticipating payment flows has been ongoing, but it received a permanent boost as banks prepared for CDC contingencies.

2. Bank consolidation may also have reduced overall uncertainty about payment flows, although available data do not substantiate any decline in absolute volumes of wholesale payment flows or federal funds market activity.

3. The move to lagged reserve accounting, which has been in place since August 1998, has improved the ability of banks and the Desk to anticipate demands for Fed balances.

4. Also facilitating the Desk's ability to estimate demand for excess reserves was the continued growth of the sample of large banks from which reserve information is collected daily. The level of total required balances from the sampled banks accounted for nearly 75 percent of the total requirements at all large (and foreign) banks at the end of 2000.

5. Brokered trading in the federal funds market at rates that are quoted in thirty-seconds of a percentage point has increased dramatically over the past year. This development can contribute to a decline of 2 basis points or so in the calculation of the intraday standard deviation compared with trading that is restricted to rates that are quoted in sixteenths of a percentage point. While the effect is small on days when trading occurs over a wide range of rates, it is noticeable on days when trading is concentrated over a narrow range.

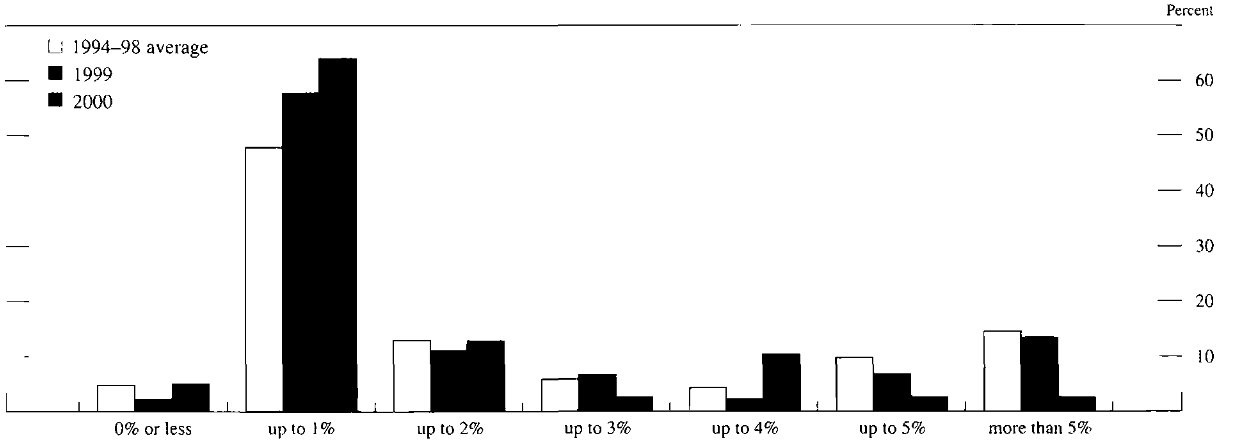
6. There have been some signs that large banks are less willing to bid up the funds rate on days when Fed balance shortfalls have forced them to borrow adjustment credit at the discount window. The distribution

4. Deviations of the daily effective federal funds rate from target and the daily standard deviation of the funds rate, 1995–2000

Basis points

| Item | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|---|---|
| Median of intraday standard deviations | 5 | 10 | 9 | 12 | 9 | 6 |
| Median of absolute deviations of the effective rate from target | 5 | 8 | 6 | 8 | 7 | 4 |
| Average of absolute deviations of the effective rate from target | 10 | 15 | 11 | 13 | 11 | 7 |

15. Distribution of the peak funds rate less the target funds rate on days when large bank adjustment borrowing was above $50 million

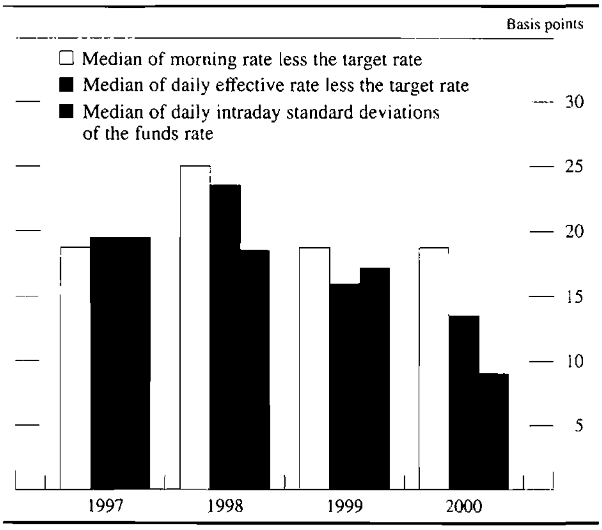



NOTE. The horizontal axis marks the difference between the peak funds rate and the target funds rate in percentage points.

in 2000 of peak funds rates on days when adjustment borrowing by large banks was at least $50 million shifted somewhat to lower rate levels (chart 15). Such a shift in behavior would dampen measured rate volatility, although informal conversations with bank reserve managers do not substantiate a widespread change in attitudes about borrowing from the discount window.

Reduced rate volatility was evident on high payment flow days in 2000, as well as on other days. While morning premiums on these days in 2000 were in line with premiums in the previous year, the lower

16. Medians of morning rate less target, daily effective funds rate less target, and daily standard deviations of the funds rate on high payment flow days




NOTE. The data exclude quarter ends.

effective rates indicate that rates tended to fall off more substantially later in the day than in the past (chart 16).[21] Yet, at the same time, intraday standard deviations were also down. This combination of changes in rate behavior suggests that trading conditions were generally more orderly over the course of the day, with rates settling back at levels closer to target for a greater volume of trading than before, perhaps reflecting improved internal information about settlement flows at banks.

Although rate volatility was down overall, it was still higher on days when total Fed balances—before any adjustment borrowing at the discount window—were at their lowest. In 2000, the level of nonborrowed Fed balances fell below $10 billion on nine days; on three of these occasions it even dropped below $9 billion. Days with the lowest balances were heavily concentrated early in the year, when the Desk was working off the extremely high excess positions accumulated around the CDC and while total required balances were also relatively low. There were nineteen other days on which these balances were under $11 billion. By comparison, in 1999 Fed balances fell below $10 billion only once, and they were below $11 billion on sixteen other days, while in 1998 there were no days with balances below $11 billion (and only two days when balances were below $12 billion).

Rate volatility on days when total nonborrowed balances were under $10 billion in 2000 tended to be higher than on other days, as measured by median

21. Quarter-ends, including year-ends, are excluded from the data in the chart because they tend to display some rate patterns that are distinct from other high payment flow days.

5. Behavior of the federal funds rate and the level of fed balances before adjustment borrowing in 1999 and 2000
Basis points except as indicated

| Item | Balances | | |
|---|---|---|---|
| | Less than $10 billion | $10 billion–$11 billion | More than $11 billion |
| Number of business days | 10 | 36 | 459 |
| *Median values (basis points)* | | | |
| Effective rate minus target rate | 2 | −3 | 1 |
| High rate minus target rate | 200 | 25 | 25 |
| Intraday standard deviation | 18 | 6 | 7 |

values for intraday standard deviations and peak rates (table 5). When nonborrowed balances were under $11 billion in both 1999 and 2000 (but above $10 billion), evidence is weak that rate volatility was any higher than on other days with higher balances.[22]

The average effective federal funds rate on settlement days was very close to target, ending a two-year period over which rates on these days tended to be soft (chart 17).[23] Rates on these days were closer to the target as some of the factors that inclined the Desk to err on the side of over-estimating demands for Fed balances on settlement days in the preceding two years were absent in 2000.[24] But this change may also have reflected some enhanced ability of the Desk to estimate final-period excess demands. Effective rates on Fridays in 2000 were also closer to the target than before, although still slightly soft on average. This shift may reflect the somewhat lower levels of excess balances the Desk provided on these days—in reaction to the past pattern of soft rates on these days—and the even lower levels of Fed balances implied by the decline in total required balances.

22. These measures of volatility on days with balances above $11 billion are probably elevated by the inclusion of high payment flow days in the sample, all of which in 1999 and 2000 had a level of Fed balances above $11 billion.

23. In years before 1998, rates on settlement days tended to be relatively firm.

24. Amid the pressures in financing markets in the fourth quarter of 1998 in particular, the Desk often provided added levels of liquidity, which on some occasions contributed to very soft rate conditions on maintenance-period settlement days.

## *Appendix A: Authorization for Domestic Open Market Operations*

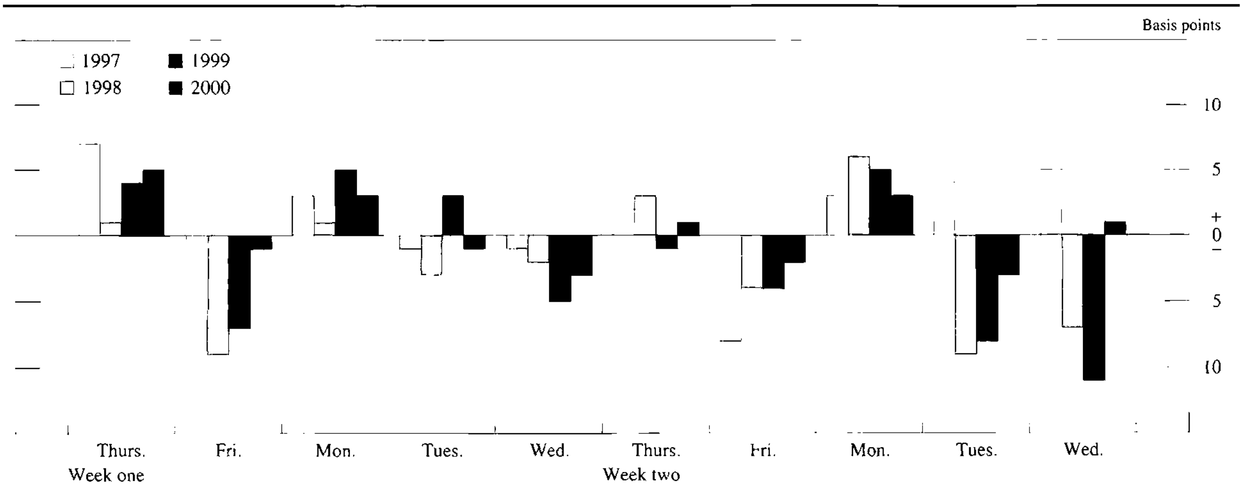
Open market operations during 2000 were conducted under the Authorization for Domestic Open Market Operations. The modifications to several of its provisions during the year are discussed in the section "New Developments in 2000" of the text. In February the Committee also approved the addition to the authorization (paragraph 4) regarding adjustments to the stance of monetary policy during an intermeeting period. The authorization in effect at the end of 2000 is reprinted below.

### *Authorization for Domestic Open Market Operations*

1. The Federal Open Market Committee authorizes and directs the Federal Reserve Bank of New York, to the extent necessary to carry out the most recent domestic policy directive adopted at a meeting of the Committee:

(a) To buy or sell U.S. Government securities, including securities of the Federal Financing Bank, and securities that are direct obligations of, or fully guaranteed as to principal and interest by, any agency of the United States in

17. Average daily effective federal funds rate less target rate, by day in a maintenance period




NOTE. The data exclude high payment flow dates.

the open market, from or to securities dealers and foreign and international accounts maintained at the Federal Reserve Bank of New York, on a cash, regular, or deferred delivery basis, for the System Open Market Account at market prices, and, for such Account, to exchange maturing U.S. Government and Federal agency securities with the Treasury or the individual agencies or to allow them to mature without replacement; provided that the aggregate amount of U.S. Government and Federal agency securities held in such Account (including forward commitments) at the close of business on the day of a meeting of the Committee at which action is taken with respect to a domestic policy directive shall not be increased or decreased by more than $12.0 billion during the period commencing with the opening of business on the day following such meeting and ending with the close of business on the day of the next such meeting;

(b) To buy U.S. Government securities, obligations that are direct obligations of, or fully guaranteed as to principal and interest by, any agency of the United States, from dealers for the account of the Federal Reserve Bank of New York under agreements for repurchase of such securities or obligations in 90 calendar days or less, at rates that, unless otherwise expressly authorized by the Committee, shall be determined by competitive bidding, after applying reasonable limitations on the volume of agreements with individual dealers; provided that in the event Government securities or agency issues covered by any such agreement are not repurchased by the dealer pursuant to the agreement or a renewal thereof, they shall be sold in the market or transferred to the System Open Market Account.

(c) To sell U.S. Government securities and securities that are direct obligations of, or fully guaranteed as to principal and interest by, any agency of the United States to dealers for System Open Market Account under agreements for the resale by dealers of such securities or obligations in 90 calendar days or less, at rates that, unless otherwise expressly authorized by the Committee, shall be determined by competitive bidding, after applying reasonable limitations on the volume of agreements with individual dealers.

2. In order to ensure the effective conduct of open market operations, the Federal Open Market Committee authorizes the Federal Reserve Bank of New York to lend on an overnight basis U.S. Government securities held in the System Open Market Account to dealers at rates that shall be determined by competitive bidding but that in no event shall be less than 1.0 percent per annum of the market value of the securities lent. The Federal Reserve Bank of New York shall apply reasonable limitations on the total amount of a specific issue that may be auctioned and on the amount of securities that each dealer may borrow. The Federal Reserve Bank of New York may reject bids which could facilitate a dealer's ability to control a single issue as determined solely by the Federal Reserve Bank of New York.

3. In order to ensure the effective conduct of open market operations, while assisting in the provision of short-term investments for foreign and international accounts maintained at the Federal Reserve Bank of New York, the Federal Open Market Committee authorizes and directs the Federal Reserve Bank of New York (a) for System Open Market Account, to sell U.S. Government securities to such foreign and international accounts on the bases set forth in paragraph 1(a) under agreements providing for the resale by such accounts of those securities within 90 calendar days on terms comparable to those available on such transactions in the market; and (b) for New York Bank account, when appropriate, to undertake with dealers, subject to the conditions imposed on purchases and sales of securities in paragraph 1(b), repurchase agreements in U.S. Government and agency securities, and to arrange corresponding sale and repurchase agreements between its own account and foreign and international accounts maintained at the Bank. Transactions undertaken with such accounts under the provisions of this paragraph may provide for a service fee when appropriate.

4. In the execution of the Committee's decision regarding policy during any intermeeting period, the Committee authorizes and directs the Federal Reserve Bank of New York, upon the instruction of the Chairman of the Committee, to adjust somewhat in exceptional circumstances the degree of pressure on reserve positions and hence the intended federal funds rate. Any such adjustment shall be made in the context of the Committee's discussion and decision at its most recent meeting and the Committee's long-run objectives for price stability and sustainable economic growth, and shall be based on economic, financial, and monetary developments during the intermeeting period. Consistent with Committee practice, the Chairman, if feasible, will consult with the Committee before making any adjustment.

## *APPENDIX B: GUIDELINES FOR THE CONDUCT OF SYSTEM OPERATIONS IN FEDERAL AGENCY ISSUES*

The FOMC has established specific guidelines for operations in agency securities to ensure that Federal Reserve operations do not have undue market effects and do not serve to support individual issuers. Provisions 3–6 of the guidelines were temporarily suspended in August 1999, in order to expand the types of agency securities the Desk could accept on its operations around the CDC period, and in March 2000 this suspension was extended until the FOMC's first meeting in 2001.

### *Guidelines for the Conduct of System Operations in Federal Agency Issues*

1. System open market operations in Federal agency issues are an integral part of total System open market operations designed to influence bank reserves, money market conditions, and monetary aggregates.

2. System open market operations in Federal agency issues are not designed to support individual sectors of the market or to channel funds into issues of particular agencies.

3. System holdings of agency issues shall be modest relative to holdings of U.S. Government securities, and the amount and timing of System transactions in agency issues

shall be determined with due regard for the desirability of avoiding undue market effects.

4. Purchases will be limited to fully taxable issues, not eligible for purchase by the Federal Financing Bank, for which there is an active secondary market. Purchases will also be limited to issues outstanding in amounts of $300 million or over in cases where the obligations have maturity of five years or less at the time of issuance, and to issues outstanding in amounts of $200 million or over in cases where the securities have a maturity of more than five years at the time of issuance.

5. System holdings of any one issue at any one time will not exceed 30 percent of the amount of the issue outstanding. Aggregate holdings of the issues of any one agency will not exceed 15 percent of the amount of outstanding issues of that agency.

6. All outright purchases, sales and holdings of agency issues will be for the System Open Market Account.

## *APPENDIX C*

C.1. Operations in U.S. government securities and federal agency securities by the Federal Reserve Bank of New York, December 31, 1999–December 29, 2000

Thousands of dollars except as noted

| Type of issue and maturity category | Purchases | Sales | Redemptions | Exchanges | Net change | Holdings, Dec. 29, 2000 | Holdings, Dec. 31, 1999 |
|---|---|---|---|---|---|---|---|
| SYSTEM OPEN MARKET ACCOUNT | | | | | | | |
| *Government securities*[1] | | | | | | | |
| Treasury bills | | | | –477,904,116 | | | |
| Outright | 8,676,086 | 0 | –24,521,854 | 477,904,116 | –15,845,768 | 199,853,676 | 215,699,444 |
| Matched transactions | 4,399,257,371 | –4,381,187,595 | 0 | 0 | 18,069,776 | –21,112,267 | –39,182,043 |
| Total bills | 4,407,933,457 | –4,381,187,595 | –24,521,854 | 0 | 2,224,008 | 178,741,409 | 176,517,401 |
| Treasury notes and bonds | | | | | | | |
| Maturing: | | | | | | | |
| Within 1 year | 8,808,600 | 0 | –3,778,704 | –54,655,642 | –49,625,746[3] | 73,811,576 | 59,899,148 |
| 1 to 5 years | 14,514,092[2] | 0 | 0 | 46,177,176 | 60,691,268[3] | 132,791,992 | 124,169,064 |
| 5 to 10 years | 6,084,751[2] | 0 | 0 | 6,584,785 | 12,669,536[3] | 55,461,173 | 51,106,652 |
| More than 10 years | 5,887,050[2] | 0 | 0 | 1,893,700 | 7,780,750[3] | 70,896,176 | 66,270,245 |
| Total notes and bonds | 35,294,493 | 0 | –3,778,704 | 19 | 31,515,808 | 332,960,917 | 301,445,109 |
| Total government securities | | | | | | | |
| Including matched transactions | 4,443,227,950 | –4,381,187,595 | –28,300,558 | 19 | 33,739,816 | 511,702,326 | 477,962,510 |
| Excluding matched transactions | 43,970,579 | 0 | –28,300,558 | 19 | 15,670,040 | 532,814,593 | 517,144,553 |
| *Federal agency issues* | | | | | | | |
| Maturing: | | | | | | | |
| Within 1 year | 0 | 0 | –51,000 | 0 | –51,000[4] | 0 | 51,000 |
| 1 to 5 years | 0 | 0 | 0 | 0 | 0[4] | 130,000 | 10,000 |
| 5 to 10 years | 0 | 0 | 0 | 0 | 0[4] | 0 | 120,000 |
| More than 10 years | 0 | 0 | 0 | 0 | 0[4] | 0 | 0 |
| Total agency issues | 0 | 0 | –51,000 | 0 | –51,000 | 130,000 | 181,000 |
| Total System Account | | | | | | | |
| Including matched transactions | 4,443,227,950 | –4,381,187,595 | –28,351,558 | 19 | 33,688,816 | 511,832,326 | 478,143,510 |
| Excluding matched transactions | 43,970,579 | 0 | –28,351,558 | 19 | 15,619,040 | 532,944,593 | 517,325,553 |
| FEDERAL RESERVE BANK OF NEW YORK | | | | | | | |
| Repurchase agreements | 890,236,000 | –987,501,000 | 0 | 0 | –97,265,000 | 43,375,000 | 140,640,000 |

NOTE. Data are on a settlement-date basis. There were no customer-related RPs passed through to the market for the period from December 31, 1999, to December 31, 2000.

1. Loans of Treasury securities by the Federal Reserve Bank of New York to primary dealers for the period from December 31, 1999, to December 29, 2000, were as follows:

| | *Securities loans* | *Maturities* | *Net change* | *Loans outstanding* Dec. 29, 2000 | *Loans outstanding* Dec. 31, 1999 |
|---|---|---|---|---|---|
| Loan agreements (thousands of dollars) | 294,057,000 | 294,032,000 | 25,000 | 2,086,000 | 2,061,000 |

2. Includes appreciation of the inflation indexed notes and bonds of $301,011,498.

3. For Treasury notes and bonds, figures do not include the following maturity shifts (thousands of dollars):

| | *Within 1 year* | *1 to 5 years* | *5 to 10 years* | *More than 10 years* |
|---|---|---|---|---|
| Treasury notes and bonds | 63,538,175 | –52,068,340 | –8,315,015 | –3,154,820 |

4. For federal agency securities, figures do not include the following maturity shifts (thousands of dollars):

| | *Within 1 year* | *1 to 5 years* | *5 to 10 years* | *More than 10 years* |
|---|---|---|---|---|
| Federal agency issues | 0 | 120,000 | –120,000 | 0 |

The December 31, 1999, and December 29, 2000 matched sale–purchase transaction was $39,182,043,000 and $21,112,267,000 respectively.

# Financial and Business Statistics

# Guide to Tabular Presentation

## *SYMBOLS AND ABBREVIATIONS*

| | |
|---|---|
| c | Corrected |
| e | Estimated |
| n.a. | Not available |
| n.e.c. | Not elsewhere classified |
| p | Preliminary |
| r | Revised (Notation appears on column heading when about half of the figures in that column are changed.) |
| * | Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions) |
| 0 | Calculated to be zero |
| . . . | Cell not applicable |
| 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 Agriculture 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 |
| HUD | Department of Housing and Urban Development |
| IMF | International Monetary Fund |
| IOs | Interest only, stripped, mortgage-back securities |
| IPCs | Individuals, partnerships, and corporations |
| IRA | Individual retirement account |
| MMDA | Money market deposit account |
| MSA | Metropolitan statistical area |
| 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-back 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 |
| VA | Department of Veterans Affairs |

## *GENERAL INFORMATION*

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

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

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

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

## 1.10 RESERVES, MONEY STOCK, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted[1]

| Monetary or credit aggregate | 2000 | | | 2001 | 2000 | 2001 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Q2 | Q3 | Q4 | Q1[r] | Dec. | Jan.[r] | Feb.[r] | Mar.[r] | Apr. |
| *Reserves of depository institutions*[2] | | | | | | | | | |
| 1 Total | −10.9 | −8.3 | −8.7 | −2.1 | −15.9 | 10.0 | 1.2 | −18.8 | 16.7 |
| 2 Required | −7.7 | −8.6 | −10.4 | −3.5 | −20.3 | 12.7 | −4.5 | −18.0 | 20.8 |
| 3 Nonborrowed | −12.5 | −9.9 | −6.4 | .5 | −13.7 | 14.3 | 1.9 | −19.0 | 17.0 |
| 4 Monetary base[3] | −3.6 | 2.5 | 2.8 | 6.4 | 5.3 | 11.2 | 3.5 | 2.6 | 7.1 |
| *Concepts of money and debt*[4] | | | | | | | | | |
| 5 M1 | −1.8 | −3.6 | −3.0 | 4.8 | 2.0 | 12.1 | .3 | 10.8 | 5.0 |
| 6 M2 | 6.4 | 5.7 | 6.4 | 10.9 | 9.6 | 12.4 | 10.9 | 14.6 | 10.2 |
| 7 M3 | 9.0 | 8.8 | 7.1 | 13.0 | 14.2 | 16.6 | 11.0 | 11.2 | 18.3 |
| 8 Debt | 6.1 | 4.8 | 4.6 | 5.5 | 5.9 | 4.0 | 6.4 | 7.2 | n.a. |
| *Nontransaction components* | | | | | | | | | |
| 9 In M2[5] | 9.0 | 8.5 | 9.2 | 12.6 | 11.8 | 12.4 | 13.8 | 15.6 | 11.7 |
| 10 In M3 only[6] | 15.3[r] | 16.4[r] | 8.6[r] | 18.0 | 25.0 | 26.3 | 11.3 | 3.6 | 36.7 |
| *Time and savings deposits* | | | | | | | | | |
| Commercial banks | | | | | | | | | |
| 11 Savings, including MMDAs | 7.8 | 11.8 | 11.9 | 17.1 | 16.4 | 13.2 | 23.8 | 21.3 | 20.4 |
| 12 Small time[7] | 13.2 | 10.5 | 6.1 | 2.6 | 9.5 | 5.0 | −5.6 | −6.3 | −9.1 |
| 13 Large time[8,9] | 17.1 | 11.5 | 3.5 | −1.3 | 39.2 | 22.3 | −56.6 | −44.9 | 34.5 |
| Thrift institutions | | | | | | | | | |
| 14 Savings, including MMDAs | 1.6 | 3.3 | .0 | 7.3 | −9.2 | 2.1 | 28.1 | 24.6 | 10.4 |
| 15 Small time[7] | 3.3 | 10.8 | 9.7 | 9.1 | 5.6 | 14.9 | 7.5 | 1.4 | 2.7 |
| 16 Large time[8] | .6 | 23.0 | 14.0 | 12.6 | −6.9 | 34.9 | 7.9 | 2.2 | 21.3 |
| *Money market mutual funds* | | | | | | | | | |
| 17 Retail | 13.4 | 3.7 | 11.8 | 17.1 | 19.3 | 20.9 | 8.7 | 23.9 | 17.1 |
| 18 Institution-only | 18.0 | 29.2 | 18.6 | 50.4 | 24.9 | 52.5 | 86.9 | 40.5 | 42.6 |
| *Repurchase agreements and eurodollars* | | | | | | | | | |
| 19 Repurchase agreements[10] | 11.0[r] | 8.2[r] | −3.6[r] | −13.7 | 12.1[r] | −14.0 | −33.7 | −24.3 | 71.5 |
| 20 Eurodollars[10] | 15.0 | .6 | 10.3 | 24.7 | 13.5 | 8.5 | 41.1 | 63.7 | −27.8 |
| *Debt components*[4] | | | | | | | | | |
| 21 Federal | −7.5 | −7.3 | −8.0 | −5.4 | −6.6 | −7.1 | −3.0 | 1.2 | n.a. |
| 22 Nonfederal | 9.7 | 7.8 | 7.6 | 8.0 | 8.7 | 6.6 | 8.5 | 8.6 | n.a. |

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

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

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

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

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

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

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

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

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

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

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

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

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

10. Includes both overnight and term.

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

Millions of dollars

| Factor | Average of daily figures | | | Average of daily figures for week ending on date indicated | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | | | 2001 | | | | | | |
| | Feb. | Mar. | Apr. | Mar. 14 | Mar. 21 | Mar. 28 | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 1 Reserve Bank credit outstanding | 574,233 | 577,856 | 580,694 | 575,106 | 581,252 | 576,086 | 580,821 | 578,385 | 581,623 | 579,189 |
| U.S. government securities[2] | | | | | | | | | | |
| 2 Bought outright—System account[3] | 517,974 | 522,787 | 523,962 | 522,805 | 522,353 | 523,930 | 523,327 | 522,228 | 522,374 | 525,432 |
| 3 Held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency obligations | | | | | | | | | | |
| 4 Bought outright | 81 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 5 Held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Repurchase agreements—triparty[4] | 19,085 | 19,105 | 20,009 | 16,713 | 22,824 | 15,926 | 21,484 | 19,247 | 22,220 | 17,183 |
| 7 Acceptances | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans to depository institutions | | | | | | | | | | |
| 8 Adjustment credit | 29 | 27 | 29 | 14 | 20 | 3 | 81 | 5 | 4 | 29 |
| 9 Seasonal credit | 19 | 19 | 35 | 20 | 22 | 18 | 18 | 35 | 40 | 36 |
| 10 Special Liquidity Facility credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 Extended credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 Float | 1,231 | 406 | 251 | 345 | 299 | 28 | 159 | 1,061 | 613 | −402 |
| 13 Other Federal Reserve assets | 35,815 | 35,502 | 36,398 | 35,199 | 35,724 | 36,171 | 35,743 | 35,800 | 36,362 | 36,900 |
| 14 Gold stock | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 |
| 15 Special drawing rights certificate account | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 |
| 16 Treasury currency outstanding | 32,026[r] | 32,191[r] | 32,299 | 32,165[r] | 32,200[r] | 32,235[r] | 32,271 | 32,285 | 32,299 | 32,313 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 17 Currency in circulation | 582,524[r] | 585,180[r] | 588,037 | 585,070[r] | 585,342[r] | 585,422[r] | 586,790 | 588,029 | 588,815 | 587,931 |
| 18 Reverse repurchase agreements—triparty[4] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 Treasury cash holdings | 485 | 496 | 500 | 504 | 495 | 489 | 479 | 486 | 503 | 512 |
| Deposits, other than reserve balances, with Federal Reserve Banks | | | | | | | | | | |
| 20 Treasury | 4,894 | 5,390 | 5,903 | 4,893 | 6,709 | 4,621 | 5,671 | 5,010 | 5,491 | 6,894 |
| 21 Foreign | 94 | 85 | 92 | 79 | 83 | 98 | 92 | 75 | 79 | 119 |
| 22 Service-related balances and adjustments | 6,533 | 6,859 | 6,940 | 7,109 | 6,936 | 6,708[r] | 6,757 | 6,894 | 6,785 | 7,032 |
| 23 Other | 302 | 260 | 352 | 263 | 237 | 296 | 303 | 372 | 342 | 347 |
| 24 Other Federal Reserve liabilities and capital | 18,168 | 18,232 | 17,806 | 18,343 | 18,318 | 18,325 | 17,554 | 17,590 | 17,953 | 17,971 |
| 25 Reserve balances with Federal Reserve Banks[5] | 6,502 | 6,789[r] | 6,609 | 4,256 | 8,578 | 5,607[r] | 8,691 | 5,458 | 7,199 | 3,941 |

| Factor | End-of-month figures | | | Wednesday figures | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Feb. | Mar. | Apr. | Mar. 14 | Mar. 21 | Mar. 28 | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 1 Reserve Bank credit outstanding | 578,124 | 581,870 | 587,708 | 575,911 | 597,298 | 575,715 | 581,095 | 582,327 | 590,736 | 580,474 |
| U.S. government securities[2] | | | | | | | | | | |
| 2 Bought outright—System account[3] | 519,618 | 523,862 | 525,911 | 523,407 | 523,302 | 524,946 | 523,925 | 523,899 | 525,195 | 527,300 |
| 3 Held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency obligations | | | | | | | | | | |
| 4 Bought outright | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 5 Held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Repurchase agreements—triparty[4] | 23,665 | 21,995 | 25,007 | 17,495 | 38,550 | 15,500 | 21,500 | 18,750 | 29,264 | 16,507 |
| 7 Acceptances | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans to depository institutions | | | | | | | | | | |
| 8 Adjustment credit | 2 | 8 | 44 | 95 | 2 | 0 | 152 | 4 | 11 | 32 |
| 9 Seasonal credit | 15 | 14 | 36 | 17 | 25 | 15 | 25 | 35 | 37 | 34 |
| 10 Special Liquidity Facility credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 Extended credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 Float | 1,016 | 180 | −370 | −688 | −534 | −1,234 | −15 | 3,434 | −274 | −596 |
| 13 Other Federal Reserve assets | 33,798 | 35,801 | 37,069 | 35,576 | 35,943 | 36,477 | 35,497 | 36,195 | 36,494 | 37,188 |
| 14 Gold stock | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 |
| 15 Special drawing rights certificate account | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 |
| 16 Treasury currency outstanding | 32,087[r] | 32,271[r] | 32,327 | 32,165[r] | 32,200[r] | 32,235[r] | 32,271 | 32,285 | 32,299 | 32,313 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 17 Currency in circulation | 585,129[r] | 585,853[r] | 588,100 | 586,274[r] | 586,480[r] | 586,682[r] | 588,612 | 589,519 | 589,745 | 588,761 |
| 18 Reverse repurchase agreements—triparty[4] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 Treasury cash holdings | 505 | 478 | 516 | 496 | 491 | 478 | 484 | 501 | 512 | 516 |
| Deposits, other than reserve balances, with Federal Reserve Banks | | | | | | | | | | |
| 20 Treasury | 4,956 | 5,657 | 7,894 | 4,564 | 4,662 | 4,764 | 5,141 | 5,128 | 6,753 | 7,483 |
| 21 Foreign | 196 | 70 | 102 | 73 | 74 | 145 | 150 | 73 | 107 | 121 |
| 22 Service-related balances and adjustments | 6,623 | 6,757[r] | 7,241 | 7,109 | 6,936 | 6,708[r] | 6,757 | 6,894 | 6,785 | 7,032 |
| 23 Other | 377 | 248 | 403 | 247 | 241 | 251 | 376 | 346 | 335 | 330 |
| 24 Other Federal Reserve liabilities and capital | 17,842 | 17,441 | 18,232 | 18,076 | 18,036 | 18,020 | 17,241 | 17,712 | 17,677 | 17,660 |
| 25 Reserve balances with Federal Reserve Banks[5] | 7,830 | 10,882[r] | 10,792 | 4,482 | 25,823 | 4,147[r] | 7,850 | 7,684 | 14,367 | 4,130 |

1. Amounts of cash held as reserves are shown in table 1.12, line 2.
2. Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale–purchase transactions.
3. Includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities.
4. Cash value of agreements arranged through third-party custodial banks. These agreements are collateralized by U.S. government and federal agency securities.
5. Excludes required clearing balances and adjustments to compensate for float.

## 1.12 RESERVES AND BORROWINGS Depository Institutions[1]

Millions of dollars

| Reserve classification | 1998 Dec. | 1999 Dec. | 2000 Dec. | 2000 Oct. | 2000 Nov. | 2000 Dec. | 2001 Jan. | 2001 Feb. | 2001 Mar.[r] | 2001 Apr. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Prorated monthly averages of biweekly averages | | | | | | | | | |
| 1 Reserve balances with Reserve Banks[2] | 9,026 | 5,262 | 7,159 | 6,778 | 7,156 | 7,159 | 7,190 | 6,615 | 6,737 | 6,866 |
| 2 Total vault cash[3] | 44,294 | 60,619 | 45,120 | 45,178 | 44,546 | 45,120 | 47,506 | 48,397[r] | 44,020 | 43,646 |
| 3 Applied vault cash[4] | 36,183 | 36,392 | 31,381 | 31,998 | 31,629 | 31,381 | 32,601 | 32,734 | 30,978 | 31,729 |
| 4 Surplus vault cash[5] | 8,111 | 24,227 | 13,739 | 13,180 | 12,917 | 13,739 | 14,905 | 15,663[r] | 13,043 | 11,917 |
| 5 Total reserves[6] | 45,209 | 41,654 | 38,540 | 38,776 | 38,786 | 38,540 | 39,791 | 39,349 | 37,715 | 38,595 |
| 6 Required reserves | 43,695 | 40,357 | 37,216 | 37,629 | 37,584 | 37,216 | 38,538 | 37,917 | 36,329 | 37,315 |
| 7 Excess reserve balances at Reserve Banks[7] | 1,514 | 1,297 | 1,325 | 1,147 | 1,201 | 1,325 | 1,253 | 1,432 | 1,385 | 1,280 |
| 8 Total borrowing at Reserve Banks | 117 | 320 | 210 | 418 | 283 | 210 | 73 | 51 | 58 | 51 |
| 9 Adjustment | 101 | 179 | 99 | 119 | 124 | 99 | 39 | 30 | 38 | 15 |
| 10 Seasonal | 15 | 67 | 111 | 299 | 159 | 111 | 34 | 21 | 20 | 35 |
| 11 Special Liquidity Facility[8] | 0 | 74 | 0 | 0 | 0 | 0 | 0 | .. | .. | .. |
| 12 Extended credit[9] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Reserve classification | 2000 Dec. 27 | 2001 Jan. 10 | 2001 Jan. 24 | 2001 Feb. 7 | 2001 Feb. 21 | 2001 Mar. 7 | 2001 Mar. 21 | 2001 Apr. 4[r] | 2001 Apr. 18 | 2001 May 2 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Biweekly averages of daily figures for two-week periods ending on dates indicated | | | | | | | | | |
| 1 Reserve balances with Reserve Banks[2] | 7,208 | 7,085 | 7,656 | 6,410 | 6,608 | 6,836 | 6,296 | 7,287 | 6,328 | 7,354 |
| 2 Total vault cash[3] | 46,220 | 46,696 | 45,558 | 52,561[r] | 48,505[r] | 44,017[r] | 43,785[r] | 44,352 | 43,409 | 43,688 |
| 3 Applied vault cash[4] | 32,370 | 31,579 | 32,316 | 34,631 | 32,380 | 31,547 | 30,304 | 31,523 | 31,201 | 32,413 |
| 4 Surplus vault cash[5] | 13,850 | 15,117 | 13,243[r] | 17,930[r] | 16,125[r] | 12,470[r] | 13,481[r] | 12,830 | 12,207 | 11,274 |
| 5 Total reserves[6] | 39,578 | 38,664 | 39,972 | 41,041 | 38,988 | 38,382 | 36,600 | 38,809 | 37,529 | 39,767 |
| 6 Required reserves | 38,124 | 37,165 | 38,866 | 39,844 | 37,361 | 37,103 | 35,419 | 37,062 | 36,330 | 38,549 |
| 7 Excess reserve balances at Reserve Banks[7] | 1,453 | 1,499 | 1,106 | 1,196 | 1,627 | 1,279 | 1,180 | 1,747 | 1,199 | 1,218 |
| 8 Total borrowing at Reserve Banks | 285 | 110 | 66 | 34 | 38 | 95 | 38 | 60 | 42 | 59 |
| 9 Adjustment | 169 | 56 | 42 | 9 | 18 | 76 | 17 | 42 | 4 | 20 |
| 10 Seasonal | 117 | 55 | 25 | 25 | 20 | 19 | 21 | 18 | 38 | 39 |
| 11 Special Liquidity Facility[8] | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 12 Extended credit[9] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

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

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

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

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

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

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

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

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

## 1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

| Federal Reserve Bank | Adjustment credit[1] | | | Seasonal credit[2] | | | Extended credit[3] | | |
|---|---|---|---|---|---|---|---|---|---|
| | On 6/8/01 | Effective date | Previous rate | On 6/8/01 | Effective date | Previous rate | On 6/8/01 | Effective date | Previous rate |
| Boston | 3.50 | 5/16/01 | 4.00 | 3.95 | 5/31/01 | 4.20 | 4.45 | 5/31/01 | 4.70 |
| New York | | 5/15/01 | | | | | | | |
| Philadelphia | | 5/17/01 | | | | | | | |
| Cleveland | | 5/17/01 | | | | | | | |
| Richmond | | 5/15/01 | | | | | | | |
| Atlanta | | 5/16/01 | | | | | | | |
| Chicago | | 5/15/01 | | | | | | | |
| St. Louis | | 5/16/01 | | | | | | | |
| Minneapolis | | 5/17/01 | | | | | | | |
| Kansas City | | 5/16/01 | | | | | | | |
| Dallas | | 5/16/01 | | | | | | | |
| San Francisco | 3.50 | 5/15/01 | 4.00 | 3.95 | 5/31/01 | 4.20 | 4.45 | 5/31/01 | 4.70 |

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

| Effective date | Range (or level)—All F.R. Banks | F.R. Bank of N.Y. |
|---|---|---|
| In effect Dec. 31, 1977 | 6 | 6 |
| 1978—Jan. 9 | 6–6.5 | 6.5 |
| 20 | 6.5 | 6.5 |
| May 11 | 6.5–7 | 7 |
| 12 | 7 | 7 |
| July 3 | 7–7.25 | 7.25 |
| 10 | 7.25 | 7.25 |
| Aug. 21 | 7.75 | 7.75 |
| Sept. 22 | 8 | 8 |
| Oct. 16 | 8–8.5 | 8.5 |
| 20 | 8.5 | 8.5 |
| Nov. 1 | 8.5–9.5 | 9.5 |
| 3 | 9.5 | 9.5 |
| 1979—July 20 | 10 | 10 |
| Aug. 17 | 10–10.5 | 10.5 |
| 20 | 10.5 | 10.5 |
| Sept. 19 | 10.5–11 | 11 |
| 21 | 11 | 11 |
| Oct. 8 | 11–12 | 12 |
| 10 | 12 | 12 |
| 1980—Feb. 15 | 12–13 | 13 |
| 19 | 13 | 13 |
| May 29 | 12–13 | 13 |
| 30 | 12 | 12 |
| June 13 | 11–12 | 11 |
| 16 | 11 | 11 |
| July 28 | 10–11 | 10 |
| 29 | 10 | 10 |
| Sept. 26 | 11 | 11 |
| Nov. 17 | 12 | 12 |
| Dec. 5 | 12–13 | 13 |
| 8 | 13 | 13 |
| 1981—May 5 | 13–14 | 14 |
| 8 | 14 | 14 |
| Nov. 2 | 13–14 | 13 |
| 6 | 13 | 13 |
| Dec. 4 | 12 | 12 |
| 1982—July 20 | 11.5–12 | 11.5 |
| 23 | 11.5 | 11.5 |
| Aug. 2 | 11–11.5 | 11 |
| 3 | 11 | 11 |
| 16 | 10.5 | 10.5 |
| 27 | 10–10.5 | 10 |
| 30 | 10 | 10 |

| Effective date | Range (or level)—All F.R. Banks | F.R. Bank of N.Y. |
|---|---|---|
| 1982—Oct. 12 | 9.5–10 | 9.5 |
| 13 | 9.5 | 9.5 |
| Nov. 22 | 9–9.5 | 9 |
| 26 | 9 | 9 |
| Dec. 14 | 8.5–9 | 9 |
| 15 | 8.5–9 | 8.5 |
| 17 | 8.5 | 8.5 |
| 1984—Apr. 9 | 8.5–9 | 9 |
| 13 | 9 | 9 |
| Nov. 21 | 8.5–9 | 8.5 |
| 26 | 8.5 | 8.5 |
| Dec. 24 | 8 | 8 |
| 1985—May 20 | 7.5–8 | 7.5 |
| 24 | 7.5 | 7.5 |
| 1986—Mar. 7 | 7–7.5 | 7 |
| 10 | 7 | 7 |
| Apr. 21 | 6.5–7 | 6.5 |
| 23 | 6.5 | 6.5 |
| July 11 | 6 | 6 |
| Aug. 21 | 5.5–6 | 5.5 |
| 22 | 5.5 | 5.5 |
| 1987—Sept. 4 | 5.5–6 | 6 |
| 11 | 6 | 6 |
| 1988—Aug. 9 | 6–6.5 | 6.5 |
| 11 | 6.5 | 6.5 |
| 1989—Feb. 24 | 6.5–7 | 7 |
| 27 | 7 | 7 |
| 1990—Dec. 19 | 6.5 | 6.5 |
| 1991—Feb. 1 | 6–6.5 | 6 |
| 4 | 6 | 6 |
| Apr. 30 | 5.5–6 | 5.5 |
| May 2 | 5.5 | 5.5 |
| Sept. 13 | 5–5.5 | 5 |
| 17 | 5 | 5 |
| Nov. 6 | 4.5–5 | 4.5 |
| 7 | 4.5 | 4.5 |
| Dec. 20 | 3.5–4.5 | 3.5 |
| 24 | 3.5 | 3.5 |
| 1992—July 2 | 3–3.5 | 3 |
| 7 | 3 | 3 |

| Effective date | Range (or level)—All F.R. Banks | F.R. Bank of N.Y. |
|---|---|---|
| 1994—May 17 | 3–3.5 | 3.5 |
| 18 | 3.5 | 3.5 |
| Aug. 16 | 3.5–4 | 4 |
| 18 | 4 | 4 |
| Nov. 15 | 4–4.75 | 4.75 |
| 17 | 4.75 | 4.75 |
| 1995—Feb. 1 | 4.75–5.25 | 5.25 |
| 9 | 5.25 | 5.25 |
| 1996—Jan. 31 | 5.00–5.25 | 5.00 |
| Feb. 5 | 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 |
| 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 |
| May 15 | 3.50–4.00 | 3.50 |
| 17 | 3.50 | 3.50 |
| In effect June 8, 2001 | 3.50 | 3.50 |

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

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

3. May be made available to depository institutions when similar assistance is not reasonably available from other sources, including special industry lenders. Such credit may be provided when exceptional circumstances (including sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance) or practices involve only a particular institution, or to meet the needs of institutions experiencing difficulties adjusting to changing market conditions over a longer period (particularly at times of deposit disintermediation). The discount rate applicable to adjustment credit ordinarily is charged on extended-credit loans outstanding less than thirty days; however, at the discretion of the Federal Reserve Bank, this time period may be shortened. Beyond this initial period, a flexible rate somewhat above rates charged on market sources of funds is charged. The rate ordinarily is reestablished on the first business day of each two-week reserve maintenance period, but it is never less than the discount rate applicable to adjustment credit plus 50 basis points.

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

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

## 1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

| Type of deposit | Requirement | |
|---|---|---|
| | Percentage of deposits | Effective date |
| *Net transaction accounts*[2] | | |
| 1 $0 million–$42.8 million[3] | 3 | 12/28/00 |
| 2 More than $42.8 million[4] | 10 | 12/28/00 |
| 3 Nonpersonal time deposits[5] | 0 | 12/27/90 |
| 4 Eurocurrency liabilities[6] | 0 | 12/27/90 |

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

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

3. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 of each year. Effective with the reserve maintenance period beginning December 28, 2000, for depository institutions that report weekly, and with the period beginning January 18, 2001, for institutions that report quarterly, the amount was decreased from $44.3 million to $42.8 million.

Under the Garn–St Germain Depository Institutions Act of 1982, the Board adjusts the amount of reservable liabilities subject to a zero percent reserve requirement each year for the succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is made in the event of a decrease. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement. Effective with the reserve maintenance period beginning December 28, 2000, for depository institutions that report weekly, and with the period beginning January 18, 2001, for institutions that report quarterly, the exemption was raised from $5.0 million to $5.5 million.

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

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

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

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

## 1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS[1]

Millions of dollars

| Type of transaction and maturity | 1998 | 1999 | 2000 | 2000 Sept. | 2000 Oct. | 2000 Nov. | 2000 Dec. | 2001 Jan. | 2001 Feb. | 2001 Mar. |
|---|---|---|---|---|---|---|---|---|---|---|
| U.S. TREASURY SECURITIES[2] | | | | | | | | | | |
| *Outright transactions (excluding matched transactions)* | | | | | | | | | | |
| Treasury bills | | | | | | | | | | |
| 1 Gross purchases | 3,550 | 0 | 8,676 | 231 | 779 | 2,507 | 509 | 520 | 2,683 | 579 |
| 2 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 Exchanges | 450,835 | 464,218 | 477,904 | 37,006 | 38,142 | 45,182 | 39,428 | 40,769 | 42,767 | 46,712 |
| 4 For new bills | 450,835 | 464,218 | 477,904 | 37,006 | 38,142 | 45,182 | 39,428 | 40,769 | 42,767 | 46,712 |
| 5 Redemptions | 2,000 | 0 | 24,522 | 3,898 | 2,656 | 1,021 | 1,145 | 228 | 638 | 211 |
| Others within one year | | | | | | | | | | |
| 6 Gross purchases | 6,297 | 11,895 | 8,809 | 716 | 0 | 580 | 1,420 | 0 | 1,605 | 67 |
| 7 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 Maturity shifts | 46,062 | 50,590 | 62,025 | 0 | 8,663 | 7,957 | 0 | 5,405 | 10,619 | 0 |
| 9 Exchanges | −49,434 | −53,315 | −54,656 | 0 | −6,608 | −7,012 | 0 | −6,667 | −6,799 | 0 |
| 10 Redemptions | 2,676 | 1,429 | 3,779 | 0 | 787 | 780 | 0 | 2,422 | 1,529 | 0 |
| One to five years | | | | | | | | | | |
| 11 Gross purchases | 12,901 | 19,731 | 14,482 | 2,385 | 734 | 1,332 | 1,045 | 925 | 2,983 | 1,883 |
| 12 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 Maturity shifts | −37,777 | −44,032 | −52,068 | 0 | −8,663 | −5,997 | 0 | −5,405 | −7,794 | 0 |
| 14 Exchanges | 37,154 | 42,604 | 46,177 | 0 | 6,608 | 5,737 | 0 | 6,667 | 4,945 | 0 |
| Five to ten years | | | | | | | | | | |
| 15 Gross purchases | 2,294 | 4,303 | 5,871 | 448 | 0 | 510 | 771 | 1,283 | 0 | 0 |
| 16 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 Maturity shifts | −5,908 | −5,841 | −6,801 | 0 | 0 | −699 | 0 | 0 | −2,825 | 0 |
| 18 Exchanges | 7,439 | 7,583 | 6,585 | 0 | 0 | 1,275 | 0 | 0 | 971 | 0 |
| More than ten years | | | | | | | | | | |
| 19 Gross purchases | 4,884 | 9,428 | 5,833 | 547 | 982 | 0 | 0 | 296 | 495 | 1,000 |
| 20 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 Maturity shifts | −2,377 | −717 | −3,155 | 0 | 0 | −1,261 | 0 | 0 | 0 | 0 |
| 22 Exchanges | 4,842 | 3,139 | 1,894 | 0 | 0 | 0 | 0 | 0 | 883 | 0 |
| All maturities | | | | | | | | | | |
| 23 Gross purchases | 29,926 | 45,357 | 43,670 | 4,326 | 2,495 | 4,929 | 3,745 | 3,024 | 7,766 | 3,529 |
| 24 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 Redemptions | 4,676 | 1,429 | 28,301 | 3,898 | 3,443 | 1,802 | 1,145 | 2,650 | 2,166 | 211 |
| *Matched transactions* | | | | | | | | | | |
| 26 Gross purchases | 4,430,457 | 4,413,430 | 4,399,257 | 335,321 | 344,920 | 351,391 | 345,680 | 356,250 | 320,060 | 396,029 |
| 27 Gross sales | 4,434,358 | 4,431,685 | 4,381,188 | 334,530 | 346,428 | 351,232 | 348,917 | 352,336 | 322,056 | 395,151 |
| *Repurchase agreements* | | | | | | | | | | |
| 28 Gross purchases | 512,671 | 281,599 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29 Gross sales | 514,186 | 301,273 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 Net change in U.S. Treasury securities | 19,835 | 5,999 | 33,439 | 1,219 | −2,457 | 3,286 | −637 | 4,289 | 3,604 | 4,196 |
| FEDERAL AGENCY OBLIGATIONS | | | | | | | | | | |
| *Outright transactions* | | | | | | | | | | |
| 31 Gross purchases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 Gross sales | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 33 Redemptions | 322 | 157 | 51 | 10 | 0 | 0 | 0 | 0 | 120 | 0 |
| *Repurchase agreements* | | | | | | | | | | |
| 34 Gross purchases | 284,316 | 360,069 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 Gross sales | 276,266 | 370,772 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 Net change in federal agency obligations | 7,703 | −10,859 | −51 | −10 | 0 | 0 | 0 | 0 | −120 | 0 |
| *Reverse repurchase agreements* | | | | | | | | | | |
| 37 Gross purchases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 38 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Repurchase agreements* | | | | | | | | | | |
| 39 Gross purchases | 0 | 304,989 | 890,236 | 66,080 | 64,428 | 87,125 | 95,470 | 104,930 | 67,655 | 86,472 |
| 40 Gross sales | 0 | 164,349 | 987,501 | 67,285 | 62,308 | 79,295 | 79,365 | 129,385 | 62,910 | 88,142 |
| 41 Net change in triparty obligations | 0 | 140,640 | −97,265 | −1,205 | 2,120 | 7,830 | 16,105 | −24,455 | 4,745 | −1,670 |
| **42 Total net change in System Open Market Account** | **27,538** | **135,780** | **−63,877** | **4** | **−337** | **11,116** | **15,468** | **−20,166** | **8,229** | **2,526** |

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.

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

Millions of dollars

| Account | Wednesday | | | | | End of month | | |
|---|---|---|---|---|---|---|---|---|
| | 2001 | | | | | 2001 | | |
| | Mar. 28 | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 | Feb. 28 | Mar. 31 | Apr. 30 |
| | Consolidated condition statement | | | | | | | |
| ASSETS | | | | | | | | |
| 1 Gold certificate account | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 |
| 2 Special drawing rights certificate account | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 |
| 3 Coin | 1,147 | 1,154 | 1,148 | 1,137 | 1,121 | 1,115 | 1,179 | 1,129 |
| *Loans* | | | | | | | | |
| 4 To depository institutions | 16 | 178 | 39 | 48 | 66 | 18 | 22 | 80 |
| 5 Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Acceptances held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Triparty Obligations* | | | | | | | | |
| 7 Repurchase agreements—triparty[2] | 15,500 | 21,500 | 18,750 | 29,264 | 16,507 | 23,665 | 21,995 | 25,007 |
| *Federal agency obligations*[3] | | | | | | | | |
| 8 Bought outright | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 9 Held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 **Total U.S. Treasury securities**[3] | **524,946** | **523,925** | **523,899** | **525,195** | **527,300** | **519,618** | **523,862** | **525,911** |
| 11 Bought outright[4] | 524,946 | 523,925 | 523,899 | 525,195 | 527,300 | 519,618 | 523,862 | 525,911 |
| 12 Bills | 185,333 | 184,182 | 182,400 | 182,037 | 181,923 | 182,998 | 184,244 | 180,787 |
| 13 Notes | 243,658 | 243,785 | 244,597 | 246,204 | 248,286 | 241,792 | 243,661 | 247,965 |
| 14 Bonds | 95,956 | 95,958 | 96,901 | 96,953 | 97,091 | 94,827 | 95,957 | 97,159 |
| 15 Held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 **Total loans and securities** | **540,472** | **545,612** | **542,698** | **554,517** | **543,882** | **543,311** | **545,889** | **551,008** |
| 17 Items in process of collection | 6,681 | 9,270 | 11,270 | 9,264 | 8,018 | 9,019 | 6,292 | 2,569 |
| 18 Bank premises | 1,479 | 1,488 | 1,490 | 1,490 | 1,491 | 1,476 | 1,487 | 1,497 |
| *Other assets* | | | | | | | | |
| 19 Denominated in foreign currencies[5] | 15,427 | 14,559 | 14,565 | 14,571 | 14,578 | 15,386 | 14,554 | 14,766 |
| 20 All other[6] | 19,558 | 19,443 | 20,068 | 20,361 | 20,914 | 17,534 | 19,748 | 20,602 |
| 21 **Total assets** | **598,010** | **604,772** | **604,484** | **614,587** | **603,250** | **601,086** | **602,394** | **604,818** |
| LIABILITIES | | | | | | | | |
| 22 Federal Reserve notes | 556,072 | 557,979 | 558,884 | 559,095 | 558,086 | 554,662 | 555,239 | 557,418 |
| 23 Reverse repurchase agreements—triparty[2] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 **Total deposits** | **16,389** | **20,630** | **19,505** | **28,951** | **19,066** | **20,667** | **23,803** | **26,571** |
| 25 Depository institutions | 11,230 | 14,963 | 13,958 | 21,756 | 11,132 | 15,139 | 17,828 | 18,172 |
| 26 U.S. Treasury—General account | 4,764 | 5,141 | 5,128 | 6,753 | 7,483 | 4,956 | 5,657 | 7,894 |
| 27 Foreign—Official accounts | 145 | 150 | 73 | 107 | 121 | 196 | 70 | 102 |
| 28 Other | 251 | 376 | 346 | 335 | 330 | 377 | 248 | 403 |
| 29 Deferred credit items | 7,529 | 8,921 | 8,383 | 8,864 | 8,438 | 7,915 | 5,911 | 2,596 |
| 30 Other liabilities and accrued dividends[7] | 3,817 | 3,748 | 3,674 | 3,583 | 3,524 | 3,931 | 3,858 | 3,520 |
| 31 **Total liabilities** | **583,808** | **591,279** | **590,446** | **600,492** | **589,115** | **587,175** | **588,811** | **590,105** |
| CAPITAL ACCOUNTS | | | | | | | | |
| 32 Capital paid in | 7,029 | 7,031 | 7,043 | 7,046 | 7,050 | 7,023 | 7,029 | 7,043 |
| 33 Surplus | 6,489 | 6,263 | 6,303 | 6,332 | 6,375 | 6,355 | 6,217 | 6,371 |
| 34 Other capital accounts | 685 | 199 | 692 | 716 | 711 | 534 | 336 | 1,299 |
| 35 **Total liabilities and capital accounts** | **598,010** | **604,772** | **604,484** | **614,587** | **603,250** | **601,086** | **602,394** | **604,818** |
| MEMO | | | | | | | | |
| 36 Marketable U.S. Treasury securities held in custody for foreign and international accounts | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| | Federal Reserve note statement | | | | | | | |
| 37 Federal Reserve notes outstanding (issued to Banks) | 741,569 | 741,072 | 740,532 | 740,208 | 740,132 | 744,972 | 741,342 | 739,839 |
| 38 LESS: Held by Federal Reserve Banks | 185,497 | 183,093 | 181,648 | 181,113 | 182,046 | 190,310 | 186,103 | 182,421 |
| 39 Federal Reserve notes, net | 556,072 | 557,979 | 558,884 | 559,095 | 558,086 | 554,662 | 555,239 | 557,418 |
| *Collateral held against notes, net* | | | | | | | | |
| 40 Gold certificate account | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 |
| 41 Special drawing rights certificate account | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 |
| 42 Other eligible assets | 2,370 | 0 | 2,979 | 0 | 1,023 | 0 | 0 | 0 |
| 43 U.S. Treasury and agency securities | 540,456 | 544,733 | 542,659 | 545,850 | 543,817 | 541,417 | 541,993 | 544,172 |
| 44 **Total collateral** | **556,072** | **557,979** | **558,884** | **559,095** | **558,086** | **554,662** | **555,239** | **557,418** |

1. Some of the data in this table also appear in the Board's H.4.1 (503) weekly statistical release. For ordering address, see inside front cover.
2. Cash value of agreements arranged through third-party custodial banks.
3. Face value of the securities.
4. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities. Excludes securities sold and scheduled to be bought back under matched sale–purchase transactions.
5. Valued monthly at market exchange rates.
6. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within ninety days.
7. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign exchange commitments.

## 1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

| Type of holding and maturity | Wednesday 2001 | | | | | End of month 2001 | | |
|---|---|---|---|---|---|---|---|---|
| | Mar. 28 | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 | Feb. 28 | Mar. 31 | Apr. 30 |
| 1 **Total loans** | **16** | **178** | **39** | **48** | **66** | **18** | **22** | **80** |
| 2 Within fifteen days[1] | 16 | 156 | 10 | 47 | 63 | 16 | 22 | 72 |
| 3 Sixteen days to ninety days | 0 | 21 | 29 | 1 | 3 | 2 | 0 | 8 |
| 4 91 days to 1 year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 **Total U.S. Treasury securities**[2] | **524,946** | **523,925** | **523,899** | **525,195** | **527,300** | **519,618** | **523,861** | **525,912** |
| 6 Within fifteen days[1] | 20,700 | 16,330 | 15,132 | 21,132 | 30,649 | 12,450 | 9,959 | 18,127 |
| 7 Sixteen days to ninety days | 116,999 | 121,145 | 121,899 | 116,128 | 107,022 | 116,644 | 126,988 | 113,525 |
| 8 Ninety-one days to one year | 122,571 | 123,351 | 122,013 | 121,421 | 122,317 | 128,775 | 122,234 | 127,821 |
| 9 One year to five years | 136,156 | 134,009 | 134,752 | 136,354 | 136,449 | 134,268 | 136,157 | 135,551 |
| 10 Five years to ten years | 54,921 | 55,488 | 55,558 | 55,612 | 56,313 | 54,893 | 54,923 | 56,337 |
| 11 More than ten years | 73,599 | 73,602 | 74,545 | 74,547 | 74,550 | 72,589 | 73,600 | 74,551 |
| 12 **Total federal agency obligations** | **10** | **10** | **10** | **10** | **10** | **10** | **10** | **10** |
| 13 Within fifteen days[1] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Sixteen days to ninety days | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 Ninety-one days to one year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 One year to five years | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 17 Five years to ten years | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 More than ten years | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

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

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

Billions of dollars, averages of daily figures

| Item | 1997 Dec. | 1998 Dec. | 1999 Dec. | 2000 Dec. | 2000 Sept. | 2000 Oct. | 2000 Nov. | 2000 Dec. | 2001 Jan. | 2001 Feb. | 2001 Mar. | 2001 Apr. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | | | | | | | |
| ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2] | | | | | | | | | | | | |
| 1 Total reserves[3] | 46.85 | 45.18 | 41.78 | 38.51 | 39.39 | 39.02 | 39.02 | 38.51 | 38.83 | 38.87 | 38.26 | 38.79 |
| 2 Nonborrowed reserves[4] | 46.52 | 45.07 | 41.46 | 38.30 | 38.91 | 38.60 | 38.74 | 38.30 | 38.75 | 38.82 | 38.20 | 38.74 |
| 3 Nonborrowed reserves plus extended credit[5] | 46.52 | 45.07 | 41.46 | 38.30 | 38.91 | 38.60 | 38.74 | 38.30 | 38.75 | 38.82 | 38.20 | 38.74 |
| 4 Required reserves | 45.16 | 43.67 | 40.48 | 37.18 | 38.27 | 37.87 | 37.82 | 37.18 | 37.57 | 37.43 | 36.87[r] | 37.51 |
| 5 Monetary base[6] | 479.47 | 513.49 | 593.09 | 583.97 | 578.34 | 579.70 | 581.40 | 583.97 | 589.40 | 591.13[r] | 592.43[r] | 595.93 |
| | Not seasonally adjusted | | | | | | | | | | | |
| 6 Total reserves[7] | 48.01 | 45.31 | 41.89 | 38.60 | 39.22 | 38.84 | 38.85 | 38.60 | 39.78 | 39.38 | 37.76[r] | 38.66 |
| 7 Nonborrowed reserves | 47.69 | 45.19 | 41.57 | 38.39 | 38.75 | 38.42 | 38.56 | 38.39 | 39.70 | 39.33 | 37.71 | 38.61 |
| 8 Nonborrowed reserves plus extended credit[5] | 47.69 | 45.19 | 41.57 | 38.39 | 38.75 | 38.42 | 38.56 | 38.39 | 39.70 | 39.33 | 37.71 | 38.61 |
| 9 Required reserves[8] | 46.33 | 43.80 | 40.59 | 37.27 | 38.11 | 37.69 | 37.65 | 37.27 | 38.52 | 37.95 | 36.38 | 37.38 |
| 10 Monetary base[9] | 484.98 | 518.27 | 600.72 | 590.20 | 576.84 | 578.29 | 582.36 | 590.20 | 591.50[r] | 589.04[r] | 591.36[r] | 594.88 |
| NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10] | | | | | | | | | | | | |
| 11 Total reserves[11] | 47.92 | 45.21 | 41.65 | 38.54 | 39.17 | 38.78 | 38.79 | 38.54 | 39.79 | 39.35 | 37.72 | 38.60 |
| 12 Nonborrowed reserves | 47.60 | 45.09 | 41.33 | 38.33 | 38.69 | 38.36 | 38.50 | 38.33 | 39.72 | 39.30 | 37.66 | 38.54 |
| 13 Nonborrowed reserves plus extended credit[5] | 47.60 | 45.09 | 41.33 | 38.33 | 38.69 | 38.36 | 38.50 | 38.33 | 39.72 | 39.30 | 37.66 | 38.54 |
| 14 Required reserves | 46.24 | 43.70 | 40.36 | 37.22 | 38.05 | 37.63 | 37.58 | 37.22 | 38.54 | 37.92 | 36.33 | 37.32 |
| 15 Monetary base[12] | 491.79 | 525.06 | 608.02 | 597.12 | 583.52 | 585.01 | 589.12 | 597.12 | 598.38[r] | 595.59[r] | 598.20[r] | 601.79 |
| 16 Excess reserves[13] | 1.69 | 1.51 | 1.30 | 1.33 | 1.12 | 1.15 | 1.20 | 1.33 | 1.25 | 1.43 | 1.39[r] | 1.28 |
| 17 Borrowings from the Federal Reserve | .32 | .12 | .32 | .21 | .48 | .42 | .28 | .21 | .07 | .05 | .06 | .05 |

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

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

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

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

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

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

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

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

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

## 1.21 MONEY STOCK AND DEBT MEASURES[1]

Billions of dollars, averages of daily figures

| Item | 1997 Dec. | 1998 Dec. | 1999 Dec. | 2000 Dec. | 2001 Jan.[r] | 2001 Feb.[r] | 2001 Mar.[r] | 2001 Apr. |
|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | | | |
| *Measures*[2] | | | | | | | | |
| 1 M1 | 1,073.4 | 1,097.0 | 1,124.3 | 1,090.3 | 1,101.3 | 1,101.6 | 1,111.5 | 1,116.1 |
| 2 M2 | 4,030.4 | 4,383.4 | 4,650.0 | 4,943.4 | 4,994.3 | 5,039.5 | 5,100.7 | 5,144.2 |
| 3 M3 | 5,427.8 | 6,027.3 | 6,526.4[r] | 7,098.1[r] | 7,196.3 | 7,262.1 | 7,330.1 | 7,441.7 |
| 4 Debt | 15,223.1 | 16,277.9 | 17,379.4 | 18,303.3 | 18,364.8 | 18,462.5 | 18,573.4 | n.a. |
| *M1 components* | | | | | | | | |
| 5 Currency[3] | 424.3 | 459.2 | 516.7 | 530.1 | 534.5 | 537.4 | 539.2 | 541.9 |
| 6 Travelers checks[4] | 8.1 | 8.2 | 8.2 | 8.0 | 8.1 | 8.0 | 7.9 | 7.8 |
| 7 Demand deposits[5] | 395.4 | 379.4 | 355.6 | 313.2 | 317.1 | 315.0 | 315.7 | 311.9 |
| 8 Other checkable deposits[6] | 245.7 | 250.1 | 243.7 | 239.0 | 241.7 | 241.3 | 248.7 | 254.6 |
| *Nontransaction components* | | | | | | | | |
| 9 In M2[7] | 2,957.0 | 3,286.4 | 3,525.7 | 3,853.1 | 3,893.0 | 3,937.9 | 3,989.2 | 4,028.1 |
| 10 In M3 only[8] | 1,397.4 | 1,643.9 | 1,876.5[r] | 2,154.7[r] | 2,201.9 | 2,222.6 | 2,229.3 | 2,297.4 |
| *Commercial banks* | | | | | | | | |
| 11 Savings deposits, including MMDAs | 1,021.1 | 1,185.8 | 1,287.0 | 1,420.4 | 1,436.0 | 1,464.5 | 1,490.5 | 1,515.8 |
| 12 Small time deposits[9] | 625.5 | 626.4 | 635.2 | 699.9 | 702.8 | 699.5 | 695.8 | 690.5 |
| 13 Large time deposits[10, 11] | 517.6 | 575.4 | 648.6 | 726.9 | 740.4 | 705.5 | 679.1 | 698.6 |
| *Thrift institutions* | | | | | | | | |
| 14 Savings deposits, including MMDAs | 376.8 | 414.1 | 449.3 | 451.7 | 452.5 | 463.1 | 472.6 | 476.7 |
| 15 Small time deposits[9] | 342.9 | 325.8 | 320.9 | 346.3 | 350.6 | 352.8 | 353.2 | 354.0 |
| 16 Large time deposits[10] | 85.5 | 88.7 | 91.3 | 103.1 | 106.1 | 106.8 | 107.0 | 108.9 |
| *Money market mutual funds* | | | | | | | | |
| 17 Retail | 590.6 | 734.3 | 833.4 | 934.8 | 951.1 | 958.0 | 977.1 | 991.0 |
| 18 Institution-only | 390.0 | 530.4 | 622.4 | 767.4 | 801.0 | 859.0 | 888.0 | 919.5 |
| *Repurchase agreements and eurodollars* | | | | | | | | |
| 19 Repurchase agreements[12] | 254.3 | 297.5 | 340.8[r] | 360.2[r] | 356.0 | 346.0 | 339.0 | 359.2 |
| 20 Eurodollars[12] | 150.0 | 151.8 | 173.3 | 197.1 | 198.5 | 205.3 | 216.2 | 211.2 |
| *Debt components* | | | | | | | | |
| 21 Federal debt | 3,800.6 | 3,751.2 | 3,660.3 | 3,400.5 | 3,380.4 | 3,372.0 | 3,375.4 | n.a. |
| 22 Nonfederal debt | 11,422.5 | 12,526.6 | 13,719.1 | 14,902.9[r] | 14,984.4 | 15,090.5 | 15,198.1 | n.a. |
| | Not seasonally adjusted | | | | | | | |
| *Measures*[2] | | | | | | | | |
| 23 M1 | 1,096.9 | 1,120.4 | 1,147.8 | 1,114.6 | 1,101.5 | 1,089.0 | 1,106.2 | 1,121.3 |
| 24 M2 | 4,051.8 | 4,405.7 | 4,674.0 | 4,972.1 | 5,003.7 | 5,038.2 | 5,135.2 | 5,208.1 |
| 25 M3 | 5,453.1 | 6,059.4 | 6,563.9[r] | 7,143.2[r] | 7,226.5 | 7,297.0 | 7,392.3 | 7,504.4 |
| 26 Debt | 15,218.8 | 16,273.1 | 17,374.8 | 18,295.4[r] | 18,362.0 | 18,457.5 | 18,571.9 | n.a. |
| *M1 components* | | | | | | | | |
| 27 Currency[3] | 428.1 | 463.3 | 521.5 | 535.4 | 532.3 | 535.9 | 539.2 | 542.3 |
| 28 Travelers checks[4] | 8.3 | 8.4 | 8.4 | 8.1 | 8.2 | 8.2 | 8.0 | 7.9 |
| 29 Demand deposits[5] | 412.4 | 395.9 | 371.2 | 328.6 | 317.1 | 305.9 | 310.6 | 312.0 |
| 30 Other checkable deposits[6] | 248.2 | 252.8 | 246.6 | 242.5 | 244.0 | 239.0 | 248.4 | 259.1 |
| *Nontransaction components* | | | | | | | | |
| 31 In M2[7] | 2,954.9 | 3,285.3 | 3,526.3 | 3,857.5 | 3,902.2 | 3,949.2 | 4,029.0 | 4,086.8 |
| 32 In M3 only[8] | 1,401.3 | 1,653.7 | 1,889.9[r] | 2,171.1[r] | 2,222.8 | 2,258.8 | 2,257.0 | 2,296.3 |
| *Commercial banks* | | | | | | | | |
| 33 Savings deposits, including MMDAs | 1,020.4 | 1,186.0 | 1,288.5 | 1,425.1 | 1,433.7 | 1,456.3 | 1,497.4 | 1,540.9 |
| 34 Small time deposits[9] | 625.3 | 626.5 | 635.4 | 700.1 | 704.1 | 701.9 | 697.6 | 691.0 |
| 35 Large time deposits[10, 11] | 517.0 | 574.8 | 648.0 | 726.3[r] | 734.0 | 705.9 | 684.6 | 703.4 |
| *Thrift institutions* | | | | | | | | |
| 36 Savings deposits, including MMDAs | 376.5 | 414.2 | 449.8 | 453.2 | 451.8 | 460.4 | 474.8 | 484.6 |
| 37 Small time deposits[9] | 342.8 | 325.8 | 321.0 | 346.5 | 351.2 | 354.0 | 354.1 | 354.3 |
| 38 Large time deposits[10] | 85.4 | 88.6 | 91.2 | 103.0 | 105.2 | 106.9 | 107.9 | 109.7 |
| *Money market mutual funds* | | | | | | | | |
| 39 Retail | 589.9 | 732.7 | 831.5 | 932.6 | 961.4 | 976.7 | 1,005.1 | 1,016.0 |
| 40 Institution-only | 397.0 | 542.4 | 637.3 | 785.3 | 827.8 | 889.0 | 905.7 | 915.4 |
| *Repurchase agreements and eurodollars* | | | | | | | | |
| 41 Repurchase agreements[12] | 249.5 | 293.4 | 337.4[r] | 357.1[r] | 355.4 | 350.5 | 341.7 | 355.9 |
| 42 Eurodollars[12] | 152.3 | 154.5 | 176.0 | 199.5 | 200.3 | 206.5 | 217.2 | 211.8 |
| *Debt components* | | | | | | | | |
| 43 Federal debt | 3,805.8 | 3,754.9 | 3,663.2 | 3,403.5 | 3,373.1 | 3,368.7 | 3,392.5 | n.a. |
| 44 Nonfederal debt | 11,413.0 | 12,518.2 | 13,711.6 | 14,892.0 | 14,988.9 | 15,088.9 | 15,179.4 | n.a. |

Footnotes appear on following page.

NOTES TO TABLE 1.21

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

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

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

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

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

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

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 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 2000[r] | | | 2001 | | | | 2001 | | | |
| | Apr.[r] | Oct. | Nov. | Dec. | Jan. | Feb.[r] | Mar.[r] | Apr. | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 |
| | Seasonally adjusted | | | | | | | | | | | |
| *Assets* | | | | | | | | | | | | |
| 1 Bank credit | 4,941.6 | 5,147.5 | 5,166.4 | 5,216.3 | 5,267.0[r] | 5,281.0 | 5,289.1 | 5,310.2 | 5,304.5 | 5,321.0 | 5,303.6 | 5,311.0 |
| 2 Securities in bank credit | 1,294.0 | 1,316.8 | 1,311.4 | 1,335.4 | 1,357.0[r] | 1,351.8 | 1,345.1 | 1,361.1 | 1,367.7 | 1,361.9 | 1,354.9 | 1,363.6 |
| 3 U.S. government securities | 816.7 | 794.3 | 785.9 | 788.8 | 787.1[r] | 777.8 | 758.5 | 766.7 | 767.8 | 768.8 | 756.6 | 772.8 |
| 4 Other securities | 477.3 | 522.5 | 525.4 | 546.6 | 569.8[r] | 574.0 | 586.7 | 594.3 | 599.9 | 593.2 | 598.3 | 590.8 |
| 5 Loans and leases in bank credit[2] | 3,647.6 | 3,830.7 | 3,855.1 | 3,880.9 | 3,910.0 | 3,929.2 | 3,943.9 | 3,949.1 | 3,936.8 | 3,959.1 | 3,948.7 | 3,947.4 |
| 6 Commercial and industrial | 1,040.4 | 1,082.8 | 1,087.0 | 1,094.4 | 1,109.9[r] | 1,118.5 | 1,117.9 | 1,114.2 | 1,109.6 | 1,114.2 | 1,115.4 | 1,115.7 |
| 7 Real estate | 1,555.1 | 1,638.4 | 1,651.3 | 1,658.0 | 1,661.1 | 1,671.4 | 1,679.0 | 1,685.3 | 1,680.0 | 1,689.6 | 1,684.9 | 1,680.6 |
| 8 Revolving home equity | 112.5 | 125.0 | 127.1 | 129.4 | 131.2 | 132.3 | 133.8 | 134.8 | 134.0 | 134.2 | 134.7 | 135.0 |
| 9 Other | 1,442.6 | 1,513.4 | 1,524.2 | 1,528.6 | 1,529.9 | 1,539.1 | 1,545.2 | 1,550.6 | 1,546.0 | 1,555.3 | 1,550.2 | 1,545.6 |
| 10 Consumer | 507.9 | 530.1 | 533.9 | 537.0 | 540.8 | 540.3 | 538.3 | 541.8 | 539.5 | 540.0 | 543.6 | 542.7 |
| 11 Security[3] | 147.4 | 164.1 | 165.1 | 168.8 | 170.3 | 169.1 | 173.9 | 174.7 | 180.0 | 185.1 | 174.2 | 168.5 |
| 12 Other loans and leases | 396.9 | 415.4 | 417.8 | 422.8 | 427.9 | 429.9 | 434.9 | 433.1 | 427.8 | 430.2 | 430.7 | 439.8 |
| 13 Interbank loans | 223.8 | 246.5 | 245.9 | 252.2 | 270.2 | 266.7 | 275.0 | 292.0 | 281.9 | 282.2 | 293.7 | 307.9 |
| 14 Cash assets[4] | 281.2 | 267.1 | 256.1 | 267.2 | 273.1[r] | 265.2 | 268.0 | 271.0 | 266.1 | 269.0 | 278.0 | 265.3 |
| 15 Other assets[5] | 370.5 | 413.6 | 402.7 | 397.1 | 412.1[r] | 414.2 | 430.2 | 429.6 | 431.6 | 423.0 | 423.2 | 440.4 |
| 16 **Total assets[6]** | **5,757.6** | **6,012.5** | **6,008.4** | **6,068.9** | **6,157.7** | **6,162.1** | **6,197.4** | **6,237.6** | **6,219.0** | **6,230.1** | **6,233.2** | **6,259.3** |
| *Liabilities* | | | | | | | | | | | | |
| 17 Deposits | 3,626.3 | 3,784.4 | 3,778.7 | 3,845.9 | 3,891.3[r] | 3,889.1 | 3,923.4 | 3,984.4 | 3,982.1 | 3,974.3 | 3,997.5 | 3,986.8 |
| 18 Transaction | 627.3 | 611.1 | 601.2 | 602.0 | 608.7[r] | 607.6 | 607.0 | 611.6 | 587.6 | 596.1 | 613.8 | 648.4 |
| 19 Nontransaction | 2,999.0 | 3,173.3 | 3,177.5 | 3,243.9 | 3,282.7[r] | 3,281.5 | 3,316.4 | 3,372.8 | 3,394.5 | 3,378.1 | 3,383.7 | 3,338.4 |
| 20 Large time | 870.6 | 917.6 | 917.4 | 935.3 | 946.8 | 941.5 | 933.5 | 945.5 | 954.7 | 947.0 | 946.8 | 946.4 |
| 21 Other | 2,128.4 | 2,255.7 | 2,260.1 | 2,308.6 | 2,335.9[r] | 2,340.0 | 2,382.9 | 2,427.4 | 2,439.9 | 2,431.1 | 2,436.9 | 2,392.1 |
| 22 Borrowings | 1,184.7 | 1,208.7 | 1,202.9 | 1,242.2 | 1,262.3 | 1,258.0 | 1,243.8 | 1,278.1 | 1,270.5 | 1,283.2 | 1,278.4 | 1,284.1 |
| 23 From banks in the U.S. | 375.6 | 374.0 | 368.7 | 396.7 | 397.2[r] | 396.0 | 395.6 | 405.8 | 408.5 | 412.5 | 406.0 | 411.8 |
| 24 From others | 809.2 | 834.8 | 834.2 | 845.5 | 865.1[r] | 861.9 | 848.2 | 872.3 | 862.0 | 870.7 | 872.4 | 872.3 |
| 25 Net due to related foreign offices | 222.9 | 252.6 | 244.3 | 225.7 | 221.2 | 219.3 | 233.6 | 193.2 | 167.0 | 182.4 | 186.1 | 210.4 |
| 26 Other liabilities | 297.9 | 347.9 | 347.2 | 345.1 | 362.7 | 343.5 | 355.5 | 351.3 | 359.6 | 355.7 | 357.1 | 344.4 |
| 27 **Total liabilities** | **5,331.8** | **5,593.7** | **5,573.0** | **5,658.9** | **5,737.5[r]** | **5,709.9** | **5,756.3** | **5,807.1** | **5,779.3** | **5,795.4** | **5,819.0** | **5,825.7** |
| 28 Residual (assets less liabilities)[7] | 425.7 | 418.8 | 435.4 | 410.0 | 420.2 | 452.2 | 441.1 | 430.4 | 439.7 | 434.7 | 414.2 | 433.7 |
| | Not seasonally adjusted | | | | | | | | | | | |
| *Assets* | | | | | | | | | | | | |
| 29 Bank credit | 4,939.0 | 5,154.9 | 5,185.6 | 5,252.7 | 5,281.8[r] | 5,276.0 | 5,276.4 | 5,302.7 | 5,288.3 | 5,303.6 | 5,308.6 | 5,300.6 |
| 30 Securities in bank credit | 1,296.8 | 1,313.7 | 1,315.4 | 1,341.0 | 1,362.2[r] | 1,353.6 | 1,349.2 | 1,362.7 | 1,372.2 | 1,366.0 | 1,357.6 | 1,361.5 |
| 31 U.S. government securities | 822.3 | 789.2 | 787.0 | 788.6 | 789.3[r] | 779.5 | 764.3 | 771.6 | 776.3 | 776.7 | 762.4 | 774.4 |
| 32 Other securities | 474.5 | 524.4 | 528.3 | 552.4 | 572.8[r] | 574.0 | 584.9 | 591.1 | 595.9 | 589.3 | 595.3 | 587.1 |
| 33 Loans and leases in bank credit[2] | 3,642.2 | 3,841.3 | 3,870.2 | 3,911.7 | 3,919.6 | 3,922.4 | 3,927.2 | 3,940.0 | 3,916.2 | 3,937.7 | 3,951.0 | 3,939.2 |
| 34 Commercial and industrial | 1,045.5 | 1,082.3 | 1,088.1 | 1,096.6 | 1,107.1 | 1,117.9 | 1,119.4 | 1,118.9 | 1,114.2 | 1,115.1 | 1,122.6 | 1,120.1 |
| 35 Real estate | 1,551.3 | 1,641.7 | 1,656.9 | 1,662.6 | 1,660.2 | 1,664.9 | 1,671.6 | 1,681.0 | 1,673.6 | 1,684.7 | 1,680.4 | 1,676.7 |
| 36 Revolving home equity | 111.6 | 126.0 | 127.7 | 129.5 | 130.4 | 131.2 | 132.2 | 133.8 | 132.2 | 132.6 | 133.7 | 134.7 |
| 37 Other | 1,439.6 | 1,515.7 | 1,529.1 | 1,533.2 | 1,529.8 | 1,533.7 | 1,539.4 | 1,547.2 | 1,541.3 | 1,552.1 | 1,546.7 | 1,542.0 |
| 38 Consumer | 506.1 | 529.9 | 534.3 | 542.8 | 545.1 | 540.9 | 534.5 | 538.7 | 534.1 | 535.2 | 540.3 | 541.5 |
| 39 Credit cards and related plans | n.a. | 206.7 | 209.9 | 218.7 | 218.8 | 213.8 | 209.6 | 214.7 | 210.9 | 211.2 | 215.2 | 217.7 |
| 40 Other | n.a. | 323.2 | 324.4 | 324.1 | 326.3 | 327.1 | 324.9 | 324.0 | 323.2 | 324.0 | 325.1 | 323.8 |
| 41 Security[3] | 144.5 | 171.2 | 171.1 | 181.0 | 178.1 | 171.9 | 170.0 | 170.4 | 165.2 | 174.4 | 177.7 | 166.4 |
| 42 Other loans and leases | 394.9 | 416.1 | 419.9 | 428.7 | 429.1 | 426.8 | 431.7 | 431.0 | 429.0 | 428.3 | 430.0 | 434.5 |
| 43 Interbank loans | 228.1 | 242.0 | 252.6 | 261.0 | 272.2 | 268.5 | 282.3 | 298.1 | 300.9 | 299.0 | 305.4 | 296.5 |
| 44 Cash assets[4] | 277.5 | 267.9 | 263.2 | 286.5 | 289.2[r] | 266.3 | 258.1 | 266.8 | 261.7 | 259.1 | 280.2 | 255.8 |
| 45 Other assets[5] | 370.4 | 410.0 | 402.4 | 403.3 | 414.0[r] | 413.4 | 429.5 | 429.4 | 435.5 | 423.2 | 423.0 | 436.3 |
| 46 **Total assets[6]** | **5,755.7** | **6,012.9** | **6,041.0** | **6,139.5** | **6,192.7** | **6,159.1** | **6,181.5** | **6,232.0** | **6,221.6** | **6,220.1** | **6,252.3** | **6,224.4** |
| *Liabilities* | | | | | | | | | | | | |
| 47 Deposits | 3,645.0 | 3,773.0 | 3,800.7 | 3,892.4 | 3,906.1[r] | 3,906.0 | 3,933.8 | 4,003.7 | 4,022.9 | 4,013.4 | 4,031.5 | 3,969.6 |
| 48 Transaction | 634.8 | 605.1 | 607.4 | 631.2 | 620.4[r] | 599.4 | 601.0 | 617.8 | 601.5 | 605.0 | 632.8 | 636.4 |
| 49 Nontransaction | 3,010.2 | 3,167.9 | 3,193.3 | 3,261.2 | 3,285.7[r] | 3,306.6 | 3,332.7 | 3,385.8 | 3,421.4 | 3,408.4 | 3,398.8 | 3,333.2 |
| 50 Large time | 872.0 | 912.6 | 924.8 | 949.3 | 959.9 | 953.3 | 936.6 | 946.8 | 954.9 | 947.3 | 947.7 | 948.5 |
| 51 Other | 2,138.2 | 2,255.3 | 2,268.5 | 2,311.9 | 2,325.8[r] | 2,353.3 | 2,396.1 | 2,439.1 | 2,466.5 | 2,461.1 | 2,451.0 | 2,384.7 |
| 52 Borrowings | 1,186.4 | 1,206.9 | 1,211.3 | 1,245.0 | 1,279.6 | 1,261.6 | 1,242.1 | 1,278.9 | 1,261.7 | 1,268.3 | 1,279.9 | 1,293.9 |
| 53 From banks in the U.S. | 379.3 | 369.3 | 369.5 | 398.6 | 403.4[r] | 400.4 | 399.2 | 409.0 | 410.8 | 411.8 | 409.7 | 416.5 |
| 54 From others | 807.1 | 837.6 | 841.8 | 846.5 | 876.2[r] | 861.1 | 842.9 | 869.8 | 851.0 | 856.5 | 870.2 | 877.4 |
| 55 Net due to related foreign offices | 216.2 | 253.0 | 246.6 | 230.6 | 225.4 | 225.5 | 232.5 | 186.1 | 163.1 | 173.9 | 176.2 | 201.3 |
| 56 Other liabilities | 293.7 | 348.1 | 349.1 | 347.5 | 365.1 | 347.4 | 354.3 | 346.4 | 356.0 | 347.7 | 348.9 | 340.9 |
| 57 **Total liabilities** | **5,341.3** | **5,581.0** | **5,607.7** | **5,715.6** | **5,776.2** | **5,740.5** | **5,762.7** | **5,815.0** | **5,803.8** | **5,803.3** | **5,836.5** | **5,805.7** |
| 58 Residual (assets less liabilities)[7] | 414.3 | 431.9 | 433.3 | 423.9 | 416.5 | 418.6 | 418.8 | 416.9 | 417.9 | 416.7 | 415.8 | 418.6 |

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 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 2000r | | | 2001 | | | | 2001 | | | |
| | Apr.r | Oct. | Nov. | Dec. | Jan. | Feb.r | Mar.r | Apr. | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 |
| | Seasonally adjusted | | | | | | | | | | | |
| *Assets* | | | | | | | | | | | | |
| 1 Bank credit | 4,372.2 | 4,560.2 | 4,578.3 | 4,616.9 | 4,652.2r | 4,670.6 | 4,668.7 | 4,693.4 | 4,678.7 | 4,690.1 | 4,692.0 | 4,696.5 |
| 2 Securities in bank credit | 1,089.3 | 1,115.0 | 1,115.8 | 1,130.3 | 1,148.1r | 1,151.9 | 1,139.7 | 1,146.4 | 1,152.9 | 1,146.6 | 1,142.6 | 1,145.4 |
| 3 U.S. government securities | 736.4 | 724.3 | 717.9 | 719.5 | 719.8r | 713.2 | 690.6 | 691.7 | 693.4 | 694.2 | 683.9 | 692.4 |
| 4 Other securities | 352.8 | 390.7 | 398.0 | 410.8 | 428.3r | 438.7 | 449.1 | 454.7 | 459.5 | 452.4 | 458.7 | 452.9 |
| 5 Loans and leases in bank credit[2] | 3,282.9 | 3,445.1 | 3,462.5 | 3,486.5 | 3,504.1 | 3,518.7 | 3,529.0 | 3,547.0 | 3,525.8 | 3,543.5 | 3,549.4 | 3,551.1 |
| 6 Commercial and industrial | 840.1 | 879.1 | 881.0 | 885.4 | 895.3 | 900.3 | 897.7 | 893.5 | 890.7 | 892.4 | 894.8 | 894.2 |
| 7 Real estate | 1,537.8 | 1,620.3 | 1,632.8 | 1,639.4 | 1,642.2 | 1,652.7 | 1,660.5 | 1,667.3 | 1,662.0 | 1,671.2 | 1,666.7 | 1,662.7 |
| 8 Revolving home equity | 112.5 | 125.0 | 127.1 | 129.4 | 131.2 | 132.3 | 133.8 | 134.8 | 134.0 | 134.2 | 134.7 | 135.0 |
| 9 Other | 1,425.3 | 1,495.3 | 1,505.7 | 1,510.0 | 1,510.9 | 1,520.4 | 1,526.7 | 1,532.5 | 1,528.0 | 1,537.0 | 1,532.0 | 1,527.7 |
| 10 Consumer | 507.9 | 530.1 | 533.9 | 537.0 | 540.8 | 540.3 | 538.3 | 541.8 | 539.5 | 540.0 | 543.6 | 542.7 |
| 11 Security[3] | 68.8 | 67.4 | 64.7 | 68.7 | 65.1 | 63.3 | 67.4 | 79.3 | 73.7 | 78.2 | 81.3 | 79.4 |
| 12 Other loans and leases | 328.2 | 348.2 | 350.1 | 356.0 | 360.7 | 362.0 | 365.1 | 365.1 | 359.9 | 361.7 | 363.1 | 372.0 |
| 13 Interbank loans | 194.9 | 219.4 | 219.1 | 225.2 | 240.9 | 238.1 | 244.4 | 262.6 | 253.8 | 253.9 | 263.0 | 277.9 |
| 14 Cash assets[4] | 235.0 | 225.0 | 217.5 | 227.3 | 231.5 | 223.3 | 227.3 | 231.7 | 224.2 | 229.1 | 239.0 | 226.3 |
| 15 Other assets[5] | 331.0 | 372.3 | 362.7 | 360.9 | 375.0r | 377.6 | 391.9 | 388.7 | 389.3 | 382.2 | 379.9 | 400.0 |
| 16 **Total assets[6]** | **5,073.9** | **5,315.1** | **5,315.4** | **5,366.8** | **5,435.4** | **5,445.0** | **5,467.9** | **5,511.5** | **5,481.2** | **5,490.5** | **5,509.0** | **5,535.8** |
| *Liabilities* | | | | | | | | | | | | |
| 17 Deposits | 3,240.0 | 3,405.5 | 3,401.5 | 3,467.6 | 3,505.4 | 3,510.0 | 3,546.0 | 3,591.9 | 3,588.8 | 3,583.2 | 3,601.8 | 3,588.7 |
| 18 Transaction | 616.3 | 600.4 | 590.4 | 591.3 | 598.0r | 597.4 | 597.6 | 601.1 | 577.7 | 585.2 | 603.6 | 637.7 |
| 19 Nontransaction | 2,623.7 | 2,805.1 | 2,811.1 | 2,876.3 | 2,907.4r | 2,912.6 | 2,948.5 | 2,990.8 | 3,011.0 | 2,998.1 | 2,998.2 | 2,951.0 |
| 20 Large time | 497.8 | 545.6 | 547.2 | 563.9 | 567.5 | 568.8 | 567.7 | 565.7 | 573.4 | 569.2 | 563.6 | 561.1 |
| 21 Other | 2,126.0 | 2,259.5 | 2,263.9 | 2,312.5 | 2,339.9r | 2,343.9 | 2,380.7 | 2,425.1 | 2,437.7 | 2,428.8 | 2,434.6 | 2,389.9 |
| 22 Borrowings | 985.5 | 987.7 | 979.9 | 1,002.8 | 1,020.7 | 1,020.8 | 1,010.2 | 1,042.1 | 1,031.8 | 1,039.1 | 1,033.9 | 1,052.7 |
| 23 From banks in the U.S. | 354.6 | 355.0 | 350.1 | 374.5 | 372.1r | 373.7 | 371.4 | 382.3 | 383.0 | 391.0 | 379.6 | 386.7 |
| 24 From others | 630.9 | 632.7 | 629.8 | 628.3 | 648.6r | 647.1 | 638.9 | 659.9 | 648.8 | 648.1 | 654.3 | 666.0 |
| 25 Net due to related foreign offices | 207.3 | 236.1 | 237.1 | 227.6 | 217.7 | 214.6 | 211.8 | 189.0 | 167.8 | 179.2 | 187.7 | 201.8 |
| 26 Other liabilities | 220.6 | 268.2 | 271.8 | 272.8 | 285.2 | 266.1 | 272.6 | 263.1 | 271.9 | 268.5 | 269.6 | 252.7 |
| 27 **Total liabilities** | **4,653.4** | **4,897.5** | **4,890.2** | **4,970.8** | **5,029.0** | **5,011.4** | **5,040.7** | **5,086.2** | **5,060.2** | **5,070.0** | **5,093.0** | **5,096.0** |
| 28 Residual (assets less liabilities)[7] | 420.4 | 417.5 | 425.2 | 395.9 | 406.5 | 433.5 | 427.2 | 425.4 | 421.0 | 420.5 | 416.0 | 439.8 |
| | Not seasonally adjusted | | | | | | | | | | | |
| *Assets* | | | | | | | | | | | | |
| 29 Bank credit | 4,371.4 | 4,563.5 | 4,594.8 | 4,642.5 | 4,658.9r | 4,662.3 | 4,660.9 | 4,688.7 | 4,673.7 | 4,682.5 | 4,692.9 | 4,685.9 |
| 30 Securities in bank credit | 1,092.0 | 1,111.9 | 1,119.8 | 1,135.9 | 1,153.3r | 1,153.7 | 1,143.8 | 1,148.0 | 1,157.4 | 1,150.6 | 1,145.3 | 1,143.3 |
| 31 U.S. government securities | 742.1 | 719.2 | 718.9 | 719.3 | 722.0r | 715.0 | 696.5 | 696.6 | 701.9 | 702.1 | 689.7 | 694.1 |
| 32 Other securities | 350.0 | 392.7 | 400.9 | 416.6 | 431.3r | 438.7 | 447.3 | 451.4 | 455.5 | 448.4 | 455.6 | 449.2 |
| 33 Loans and leases in bank credit[2] | 3,279.4 | 3,451.6 | 3,475.0 | 3,506.6 | 3,505.7r | 3,508.6 | 3,517.1 | 3,540.8 | 3,516.3 | 3,532.0 | 3,547.6 | 3,542.6 |
| 34 Commercial and industrial | 846.8 | 878.4 | 881.4 | 885.2 | 890.9 | 897.5 | 898.1 | 900.0 | 895.1 | 895.5 | 903.0 | 901.2 |
| 35 Real estate | 1,534.0 | 1,623.6 | 1,638.3 | 1,644.1 | 1,641.2 | 1,646.2 | 1,653.2 | 1,662.9 | 1,655.6 | 1,666.3 | 1,662.2 | 1,658.8 |
| 36 Revolving home equity | 111.6 | 126.0 | 127.7 | 129.5 | 130.4 | 131.2 | 132.2 | 133.8 | 132.2 | 132.6 | 133.7 | 134.7 |
| 37 Other | 1,422.3 | 1,497.6 | 1,510.6 | 1,514.6 | 1,510.8 | 1,515.0 | 1,520.9 | 1,529.1 | 1,523.3 | 1,533.8 | 1,528.5 | 1,524.1 |
| 38 Consumer | 506.1 | 529.9 | 534.3 | 542.8 | 545.1 | 540.9 | 534.5 | 538.7 | 534.1 | 535.2 | 540.3 | 541.5 |
| 39 Credit cards and related plans | n.a. | 206.7 | 209.9 | 218.7 | 218.8 | 213.8 | 209.6 | 214.7 | 210.9 | 211.2 | 215.2 | 217.7 |
| 40 Other | n.a. | 323.2 | 324.4 | 324.1 | 326.3 | 327.1 | 324.9 | 324.0 | 323.2 | 324.0 | 325.1 | 323.8 |
| 41 Security[3] | 66.6 | 70.3 | 69.2 | 74.7 | 67.6 | 65.1 | 69.4 | 76.4 | 70.4 | 75.1 | 80.4 | 74.9 |
| 42 Other loans and leases | 326.1 | 349.4 | 351.7 | 359.7 | 360.8 | 358.9 | 361.9 | 362.9 | 361.1 | 359.9 | 361.7 | 366.2 |
| 43 Interbank loans | 199.1 | 215.0 | 225.8 | 233.9 | 242.9 | 239.9 | 251.7 | 268.7 | 272.8 | 270.7 | 274.7 | 266.5 |
| 44 Cash assets[4] | 233.2 | 225.0 | 222.5 | 243.8 | 245.0r | 224.2 | 218.8 | 229.0 | 221.4 | 221.2 | 242.7 | 218.6 |
| 45 Other assets[5] | 331.8 | 369.3 | 362.4 | 365.4 | 375.6r | 375.8 | 390.6 | 389.4 | 393.6 | 383.2 | 380.9 | 397.0 |
| 46 **Total assets[6]** | **5,076.6** | **5,311.2** | **5,343.1** | **5,422.1** | **5,458.5** | **5,437.7** | **5,457.5** | **5,511.3** | **5,497.2** | **5,493.1** | **5,526.5** | **5,503.3** |
| *Liabilities* | | | | | | | | | | | | |
| 47 Deposits | 3,255.9 | 3,400.3 | 3,420.8 | 3,503.5 | 3,510.3 | 3,518.8 | 3,551.9 | 3,608.3 | 3,626.8 | 3,621.5 | 3,633.9 | 3,567.4 |
| 48 Transaction | 624.3 | 594.3 | 596.4 | 619.8 | 609.6r | 589.4 | 591.8 | 607.9 | 591.9 | 594.7 | 623.1 | 626.5 |
| 49 Nontransaction | 2,631.5 | 2,806.0 | 2,824.4 | 2,883.7 | 2,900.7r | 2,929.3 | 2,960.1 | 3,000.4 | 3,034.9 | 3,026.8 | 3,010.8 | 2,940.9 |
| 50 Large time | 495.7 | 546.9 | 552.1 | 567.7 | 570.8 | 572.1 | 566.2 | 563.6 | 570.6 | 567.9 | 562.1 | 558.5 |
| 51 Other | 2,135.8 | 2,259.0 | 2,272.3 | 2,315.9 | 2,329.9r | 2,357.3 | 2,393.9 | 2,436.8 | 2,464.2 | 2,458.9 | 2,448.8 | 2,382.4 |
| 52 Borrowings | 987.2 | 985.9 | 988.3 | 1,005.7 | 1,038.0 | 1,024.4 | 1,008.6 | 1,042.8 | 1,023.0 | 1,024.2 | 1,035.5 | 1,062.6 |
| 53 From banks in the U.S. | 358.4 | 350.3 | 350.9 | 376.4 | 378.3r | 378.1 | 375.0 | 385.5 | 385.3 | 390.3 | 383.4 | 391.4 |
| 54 From others | 628.8 | 635.5 | 637.4 | 629.3 | 659.7r | 646.3 | 633.6 | 657.3 | 637.7 | 633.9 | 652.1 | 671.1 |
| 55 Net due to related foreign offices | 205.0 | 236.3 | 239.0 | 227.7 | 218.6 | 217.4 | 210.6 | 186.5 | 164.7 | 173.0 | 181.8 | 203.6 |
| 56 Other liabilities | 218.3 | 268.3 | 273.5 | 273.2 | 286.2 | 268.6 | 271.3 | 260.3 | 268.6 | 261.5 | 263.3 | 254.2 |
| 57 **Total liabilities** | **4,666.4** | **4,890.7** | **4,921.6** | **5,010.0** | **5,053.0r** | **5,029.2** | **5,042.4** | **5,098.0** | **5,083.1** | **5,080.2** | **5,114.6** | **5,087.8** |
| 58 Residual (assets less liabilities)[7] | 410.2 | 420.5 | 421.5 | 412.1 | 405.4 | 408.5 | 415.1 | 413.3 | 414.1 | 412.9 | 411.9 | 415.5 |

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 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 2000[r] | | | 2001 | | | | 2001 | | | |
| | Apr.[r] | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 |
| | Seasonally adjusted | | | | | | | | | | | |
| *Assets* | | | | | | | | | | | | |
| 1 Bank credit | 2,471.5 | 2,537.3 | 2,535.8 | 2,553.5 | 2,571.3 | 2,582.7 | 2,590.1 | 2,610.3 | 2,601.5 | 2,610.0 | 2,606.3 | 2,613.7 |
| 2 Securities in bank credit | 574.1 | 577.9 | 573.6 | 580.8 | 592.2 | 595.3 | 591.1 | 597.5 | 606.0 | 598.1 | 592.7 | 596.8 |
| 3 U.S. government securities | 363.4 | 355.4 | 348.6 | 352.1 | 353.3 | 349.4 | 338.8 | 341.7 | 344.0 | 344.0 | 333.1 | 342.9 |
| 4 Trading account | 21.4 | 21.2 | 21.6 | 28.8 | 34.2 | 37.5 | 35.4 | 33.7 | 41.1 | 41.7 | 32.5 | 26.8 |
| 5 Investment account | 341.9 | 334.2 | 327.0 | 323.2 | 319.1 | 311.9 | 303.3 | 308.0 | 302.9 | 302.3 | 300.6 | 316.1 |
| 6 Other securities | 210.8 | 222.5 | 225.0 | 228.7 | 238.9 | 245.9 | 252.3 | 255.8 | 262.0 | 254.1 | 259.5 | 253.9 |
| 7 Trading account | 94.1 | 111.7 | 114.5 | 119.0 | 126.0 | 129.3 | 132.5 | 135.9 | 141.5 | 133.8 | 140.2 | 134.9 |
| 8 Investment account | 116.7 | 110.7 | 110.6 | 109.8 | 112.9 | 116.6 | 119.9 | 119.9 | 120.5 | 120.2 | 119.3 | 119.0 |
| 9 State and local government | 25.5 | 25.9 | 26.3 | 26.3 | 27.1 | 27.6 | 28.1 | 28.4 | 28.4 | 28.4 | 28.5 | 28.5 |
| 10 Other | 91.2 | 84.8 | 84.3 | 83.5 | 85.8 | 89.0 | 91.8 | 91.5 | 92.1 | 91.9 | 90.8 | 90.5 |
| 11 Loans and leases in bank credit[2] | 1,897.4 | 1,959.4 | 1,962.2 | 1,972.7 | 1,979.1 | 1,987.4 | 1,999.0 | 2,012.8 | 1,995.4 | 2,012.0 | 2,013.7 | 2,016.9 |
| 12 Commercial and industrial | 573.9 | 591.5 | 590.8 | 594.6 | 599.9 | 602.9 | 599.5 | 596.1 | 592.5 | 594.7 | 596.6 | 598.2 |
| 13 Bankers acceptances | 1.1 | .8 | .9 | .9 | .8 | .8 | .8 | .8 | .8 | .8 | .8 | .8 |
| 14 Other | 572.8 | 590.7 | 590.0 | 593.8 | 599.1 | 602.1 | 598.8 | 595.3 | 591.7 | 594.0 | 595.8 | 597.4 |
| 15 Real estate | 791.1 | 817.8 | 821.1 | 820.9 | 821.7 | 827.7 | 835.7 | 842.2 | 838.5 | 846.1 | 841.8 | 838.4 |
| 16 Revolving home equity | 73.3 | 79.5 | 81.0 | 82.4 | 83.6 | 84.3 | 85.8 | 86.4 | 85.9 | 86.1 | 86.3 | 86.8 |
| 17 Other | 717.8 | 738.4 | 740.1 | 738.5 | 738.1 | 743.4 | 749.9 | 755.8 | 752.6 | 760.0 | 755.5 | 751.6 |
| 18 Consumer | 229.2 | 235.0 | 236.4 | 236.3 | 236.8 | 238.8 | 239.7 | 240.5 | 239.7 | 239.9 | 241.4 | 241.0 |
| 19 Security[3] | 62.5 | 60.5 | 58.1 | 61.6 | 57.9 | 55.7 | 59.3 | 70.8 | 65.4 | 70.0 | 72.7 | 70.4 |
| 20 Federal funds sold to and repurchase agreements with broker–dealers | 39.8 | 42.8 | 41.7 | 46.2 | 41.7 | 39.4 | 43.6 | 53.8 | 48.9 | 53.4 | 57.2 | 52.6 |
| 21 Other | 22.7 | 17.7 | 16.4 | 15.3 | 16.2 | 16.2 | 15.7 | 17.0 | 16.5 | 16.5 | 15.5 | 17.8 |
| 22 State and local government | 12.5 | 12.8 | 12.7 | 12.5 | 12.6 | 12.6 | 12.7 | 12.6 | 12.6 | 12.6 | 12.6 | 12.6 |
| 23 Agricultural | 9.5 | 9.5 | 9.6 | 9.7 | 9.8 | 10.0 | 10.1 | 10.2 | 10.1 | 10.1 | 10.0 | 10.2 |
| 24 Federal funds sold to and repurchase agreements with others | 13.7 | 17.0 | 19.0 | 21.0 | 25.7 | 26.1 | 26.0 | 22.8 | 21.9 | 24.8 | 22.0 | 21.1 |
| 25 All other loans | 85.0 | 87.5 | 86.4 | 87.7 | 86.2 | 84.8 | 85.6 | 86.6 | 84.1 | 83.0 | 85.4 | 93.6 |
| 26 Lease-financing receivables | 119.9 | 127.8 | 128.1 | 128.4 | 128.4 | 128.8 | 130.3 | 131.1 | 130.6 | 130.8 | 131.2 | 131.4 |
| 27 Interbank loans | 129.0 | 137.0 | 138.6 | 137.7 | 153.6 | 140.6 | 136.6 | 144.4 | 141.7 | 144.4 | 146.1 | 149.3 |
| 28 Federal funds sold to and repurchase agreements with commercial banks | 64.7 | 59.1 | 62.1 | 63.8 | 78.9 | 70.3 | 70.3 | 81.7 | 79.8 | 79.9 | 82.7 | 88.0 |
| 29 Other | 64.3 | 77.8 | 76.6 | 73.9 | 74.8 | 70.3 | 66.2 | 62.6 | 62.0 | 64.5 | 63.5 | 61.3 |
| 30 Cash assets[4] | 156.0 | 143.8 | 139.0 | 144.1 | 146.0 | 137.3 | 141.6 | 145.1 | 137.5 | 143.6 | 153.8 | 139.2 |
| 31 Other assets[5] | 223.0 | 259.8 | 254.1 | 248.5 | 260.2 | 262.5 | 271.4 | 264.9 | 263.4 | 258.5 | 258.1 | 275.8 |
| 32 **Total assets**[6] | **2,944.6** | **3,042.3** | **3,031.8** | **3,047.1** | **3,093.8** | **3,085.4** | **3,102.1** | **3,126.9** | **3,106.3** | **3,118.7** | **3,126.7** | **3,140.2** |
| *Liabilities* | | | | | | | | | | | | |
| 33 Deposits | 1,655.0 | 1,652.9 | 1,642.2 | 1,672.1 | 1,679.9 | 1,673.3 | 1,699.5 | 1,721.1 | 1,724.6 | 1,719.5 | 1,728.9 | 1,713.7 |
| 34 Transaction | 314.4 | 304.5 | 296.2 | 297.0 | 300.1 | 298.0 | 301.4 | 302.2 | 290.1 | 294.6 | 302.9 | 320.8 |
| 35 Nontransaction | 1,340.6 | 1,348.4 | 1,346.0 | 1,375.1 | 1,379.8 | 1,375.3 | 1,398.0 | 1,418.9 | 1,434.5 | 1,425.0 | 1,426.0 | 1,392.9 |
| 36 Large time | 245.8 | 256.2 | 254.4 | 265.1 | 267.0 | 262.5 | 264.6 | 262.5 | 269.4 | 265.3 | 261.8 | 257.7 |
| 37 Other | 1,094.8 | 1,092.2 | 1,091.6 | 1,110.0 | 1,112.7 | 1,112.8 | 1,133.4 | 1,156.4 | 1,165.1 | 1,159.7 | 1,164.2 | 1,135.2 |
| 38 Borrowings | 653.7 | 657.8 | 652.6 | 666.2 | 676.8 | 679.5 | 676.8 | 705.3 | 698.6 | 708.4 | 696.3 | 713.3 |
| 39 From banks in the U.S. | 198.8 | 198.1 | 196.0 | 214.0 | 213.9 | 215.6 | 219.6 | 229.8 | 233.8 | 242.5 | 225.5 | 231.2 |
| 40 From others | 454.9 | 459.7 | 456.7 | 452.3 | 462.9 | 463.9 | 457.2 | 475.5 | 464.7 | 465.9 | 470.8 | 482.2 |
| 41 Net due to related foreign offices | 202.0 | 212.7 | 213.4 | 206.7 | 200.9 | 197.9 | 196.4 | 176.2 | 157.8 | 166.7 | 177.1 | 186.0 |
| 42 Other liabilities | 163.4 | 216.1 | 217.9 | 218.7 | 231.8 | 212.2 | 216.6 | 206.8 | 215.2 | 212.1 | 213.3 | 196.4 |
| 43 **Total liabilities** | **2,674.1** | **2,739.5** | **2,726.1** | **2,763.7** | **2,789.4** | **2,763.0** | **2,789.3** | **2,809.5** | **2,796.2** | **2,806.7** | **2,815.6** | **2,809.4** |
| 44 Residual (assets less liabilities)[7] | 270.5 | 302.8 | 305.7 | 283.5 | 304.4 | 322.4 | 312.8 | 317.4 | 310.1 | 312.0 | 311.1 | 330.8 |

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 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 2000[r] | | | 2001 | | | | 2001 | | | |
| | Apr.[r] | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 |
| | Not seasonally adjusted | | | | | | | | | | | |
| *Assets* | | | | | | | | | | | | |
| 45 Bank credit | 2,469.7 | 2,539.3 | 2,551.6 | 2,574.6 | 2,582.3 | 2,585.5 | 2,586.6 | 2,605.9 | 2,597.9 | 2,603.1 | 2,606.6 | 2,603.1 |
| 46 Securities in bank credit | 574.2 | 577.2 | 579.4 | 587.2 | 598.0 | 599.0 | 593.0 | 596.4 | 607.3 | 599.1 | 592.7 | 592.0 |
| 47 U.S. government securities | 366.3 | 352.8 | 351.4 | 352.7 | 356.1 | 353.1 | 342.4 | 343.9 | 349.3 | 348.9 | 336.2 | 341.9 |
| 48 Trading account | 21.6 | 21.1 | 21.8 | 28.9 | 34.5 | 37.9 | 35.8 | 34.0 | 41.7 | 42.3 | 32.8 | 26.7 |
| 49 Investment account | 344.6 | 331.8 | 329.6 | 323.8 | 321.6 | 315.2 | 306.6 | 309.9 | 307.6 | 306.6 | 303.4 | 315.2 |
| 50 Mortgage-backed securities | 222.6 | 211.1 | 211.4 | 213.4 | 219.7 | 215.6 | 214.0 | 221.4 | 215.7 | 215.4 | 214.1 | 229.8 |
| 51 Other | 122.0 | 120.7 | 118.2 | 110.4 | 101.9 | 99.6 | 92.5 | 88.6 | 91.9 | 91.2 | 89.3 | 85.3 |
| 52 One year or less | 29.9 | 32.0 | 32.7 | 31.3 | 31.4 | 33.6 | 33.3 | 31.7 | 34.0 | 32.8 | 31.2 | 29.8 |
| 53 One to five years | 53.4 | 51.6 | 49.9 | 45.0 | 38.4 | 37.0 | 34.1 | 31.2 | 33.3 | 33.9 | 32.1 | 29.2 |
| 54 More than five years | 38.8 | 37.0 | 35.6 | 34.1 | 32.0 | 29.0 | 25.2 | 25.7 | 24.7 | 24.5 | 26.0 | 26.3 |
| 55 Other securities | 207.9 | 224.4 | 228.0 | 234.5 | 241.9 | 246.0 | 250.5 | 252.5 | 258.0 | 250.2 | 256.5 | 250.1 |
| 56 Trading account | 92.9 | 112.7 | 116.0 | 122.0 | 127.6 | 129.3 | 131.5 | 134.2 | 139.3 | 131.8 | 138.6 | 132.9 |
| 57 Investment account | 115.0 | 111.7 | 112.0 | 112.5 | 114.3 | 116.6 | 119.0 | 118.4 | 118.7 | 118.4 | 117.9 | 117.3 |
| 58 State and local government | 25.1 | 26.1 | 26.6 | 26.9 | 27.5 | 27.6 | 27.9 | 28.0 | 28.0 | 27.9 | 28.1 | 28.1 |
| 59 Other | 89.8 | 85.6 | 85.4 | 85.6 | 86.8 | 89.0 | 91.1 | 90.3 | 90.7 | 90.5 | 89.8 | 89.1 |
| 60 Loans and leases in bank credit[2] | 1,895.5 | 1,962.1 | 1,972.2 | 1,987.4 | 1,984.3 | 1,986.4 | 1,993.7 | 2,009.5 | 1,990.6 | 2,004.0 | 2,013.9 | 2,011.1 |
| 61 Commercial and industrial | 578.8 | 591.3 | 592.0 | 593.7 | 596.4 | 601.7 | 600.3 | 600.4 | 596.6 | 596.7 | 602.3 | 602.1 |
| 62 Bankers acceptances | 1.1 | .8 | .9 | .9 | .8 | .8 | .8 | .8 | .8 | .8 | .8 | .8 |
| 63 Other | 577.7 | 590.4 | 591.1 | 592.8 | 595.6 | 601.0 | 599.5 | 599.7 | 595.8 | 595.9 | 601.5 | 601.3 |
| 64 Real estate | 787.4 | 820.2 | 826.3 | 825.5 | 822.4 | 824.5 | 829.9 | 838.2 | 832.9 | 841.8 | 837.6 | 834.5 |
| 65 Revolving home equity | 72.4 | 80.3 | 81.4 | 82.3 | 82.8 | 83.3 | 84.4 | 85.5 | 84.4 | 84.6 | 85.5 | 86.3 |
| 66 Other | 432.9 | 454.3 | 457.5 | 455.9 | 454.5 | 454.6 | 459.0 | 465.6 | 462.5 | 471.0 | 465.1 | 460.3 |
| 67 Commercial | 282.1 | 285.6 | 287.4 | 287.3 | 285.1 | 286.5 | 286.6 | 287.1 | 286.0 | 286.2 | 287.1 | 287.9 |
| 68 Consumer | 229.8 | 232.8 | 234.9 | 238.3 | 240.3 | 240.9 | 239.4 | 241.1 | 239.1 | 239.8 | 242.1 | 242.3 |
| 69 Credit cards and related plans | n.a. | 76.5 | 78.0 | 82.3 | 83.3 | 83.0 | 82.5 | 84.5 | 82.9 | 83.4 | 84.9 | 85.5 |
| 70 Other | n.a. | 156.3 | 156.9 | 156.1 | 157.0 | 157.9 | 156.9 | 156.6 | 156.2 | 156.4 | 157.2 | 156.8 |
| 71 Security[3] | 60.1 | 63.3 | 62.2 | 67.4 | 60.5 | 57.5 | 61.1 | 67.7 | 61.4 | 66.2 | 71.6 | 66.5 |
| 72 Federal funds sold to and repurchase agreements with broker–dealers | 38.3 | 44.8 | 44.6 | 50.6 | 43.6 | 40.7 | 44.9 | 51.4 | 45.9 | 50.5 | 56.3 | 49.6 |
| 73 Other | 21.9 | 18.5 | 17.6 | 16.8 | 16.9 | 16.8 | 16.1 | 16.2 | 15.5 | 15.7 | 15.3 | 16.8 |
| 74 State and local government | 12.5 | 12.8 | 12.7 | 12.5 | 12.6 | 12.6 | 12.7 | 12.6 | 12.6 | 12.6 | 12.6 | 12.6 |
| 75 Agricultural | 9.4 | 9.6 | 9.6 | 9.7 | 9.8 | 9.8 | 9.9 | 10.0 | 9.9 | 9.9 | 9.9 | 10.1 |
| 76 Federal funds sold to and repurchase agreements with others | 13.7 | 17.0 | 19.0 | 21.0 | 25.7 | 26.1 | 26.0 | 22.8 | 21.9 | 24.8 | 22.0 | 21.1 |
| 77 All other loans | 83.9 | 87.6 | 87.7 | 90.6 | 86.2 | 83.1 | 83.7 | 85.4 | 85.2 | 81.2 | 84.6 | 90.8 |
| 78 Lease-financing receivables | 120.0 | 127.5 | 127.8 | 128.7 | 130.4 | 130.2 | 130.8 | 131.2 | 131.1 | 131.1 | 131.2 | 131.1 |
| 79 Interbank loans | 131.2 | 131.4 | 139.5 | 141.5 | 155.1 | 139.5 | 137.7 | 146.5 | 145.3 | 144.4 | 150.0 | 148.8 |
| 80 Federal funds sold to and repurchase agreements with commercial banks | 65.8 | 56.8 | 62.5 | 65.6 | 79.6 | 69.8 | 70.9 | 82.9 | 81.8 | 79.9 | 84.8 | 87.7 |
| 81 Other | 65.3 | 74.6 | 77.0 | 76.0 | 75.6 | 69.7 | 66.8 | 63.6 | 63.5 | 64.5 | 65.1 | 61.1 |
| 82 Cash assets[4] | 156.2 | 143.3 | 140.1 | 155.4 | 156.9 | 139.1 | 136.8 | 145.3 | 136.3 | 138.9 | 159.5 | 137.1 |
| 83 Other assets[5] | 223.8 | 256.8 | 253.7 | 253.0 | 260.8 | 260.7 | 270.1 | 265.6 | 267.8 | 259.6 | 259.1 | 272.9 |
| 84 **Total assets[6]** | **2,946.2** | **3,035.4** | **3,049.0** | **3,087.9** | **3,118.0** | **3,087.1** | **3,093.5** | **3,125.8** | **3,109.8** | **3,108.4** | **3,137.6** | **3,124.4** |
| *Liabilities* | | | | | | | | | | | | |
| 85 Deposits | 1,665.0 | 1,646.8 | 1,649.4 | 1,689.9 | 1,686.1 | 1,681.1 | 1,697.9 | 1,730.3 | 1,741.9 | 1,737.3 | 1,749.8 | 1,702.6 |
| 86 Transaction | 322.4 | 299.0 | 298.5 | 314.8 | 309.1 | 294.9 | 297.7 | 309.5 | 299.4 | 300.9 | 319.1 | 319.1 |
| 87 Nontransaction | 1,342.6 | 1,347.8 | 1,350.8 | 1,375.1 | 1,377.0 | 1,386.2 | 1,400.2 | 1,420.7 | 1,442.5 | 1,436.5 | 1,430.7 | 1,383.5 |
| 88 Large time | 243.8 | 257.6 | 259.2 | 269.0 | 270.4 | 265.8 | 263.1 | 260.4 | 266.7 | 263.9 | 260.2 | 255.1 |
| 89 Other | 1,098.8 | 1,090.1 | 1,091.6 | 1,106.1 | 1,106.7 | 1,120.4 | 1,137.1 | 1,160.3 | 1,175.8 | 1,172.5 | 1,170.4 | 1,128.4 |
| 90 Borrowings | 655.4 | 656.0 | 661.1 | 669.1 | 694.0 | 683.1 | 675.2 | 706.0 | 689.8 | 693.5 | 697.9 | 723.2 |
| 91 From banks in the U.S. | 202.6 | 193.4 | 196.8 | 215.8 | 220.1 | 220.0 | 223.2 | 233.1 | 236.1 | 241.8 | 229.3 | 235.9 |
| 92 From nonbanks in the U.S. | 452.8 | 462.6 | 464.3 | 453.3 | 473.9 | 463.1 | 452.0 | 473.0 | 453.7 | 451.7 | 468.6 | 487.3 |
| 93 Net due to related foreign offices | 199.6 | 212.8 | 215.4 | 206.8 | 201.8 | 200.8 | 195.2 | 173.8 | 154.7 | 160.5 | 171.2 | 187.8 |
| 94 Other liabilities | 161.2 | 216.1 | 219.7 | 219.0 | 232.8 | 214.8 | 215.3 | 203.9 | 212.0 | 205.1 | 207.0 | 197.8 |
| 95 **Total liabilities** | **2,681.1** | **2,731.7** | **2,745.4** | **2,784.8** | **2,814.8** | **2,779.8** | **2,783.6** | **2,814.0** | **2,798.4** | **2,796.5** | **2,825.9** | **2,811.4** |
| 96 Residual (assets less liabilities)[7] | 265.1 | 303.7 | 303.6 | 303.1 | 303.2 | 307.4 | 309.9 | 311.8 | 311.4 | 311.8 | 311.7 | 313.0 |

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 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 2000[r] | | | 2001 | | | | 2001 | | | |
| | Apr.[r] | Oct. | Nov. | Dec. | Jan. | Feb.[r] | Mar.[r] | Apr. | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 |
| | Seasonally adjusted | | | | | | | | | | | |
| *Assets* | | | | | | | | | | | | |
| 1 Bank credit | 1,900.7 | 2,022.8 | 2,042.5 | 2,063.4 | 2,081.0[r] | 2,087.9 | 2,078.7 | 2,083.1 | 2,077.2 | 2,080.0 | 2,085.7 | 2,082.8 |
| 2 Securities in bank credit | 515.1 | 537.1 | 542.2 | 549.6 | 555.9[r] | 556.6 | 548.6 | 548.8 | 546.9 | 548.5 | 549.9 | 548.6 |
| 3 U.S. government securities | 373.1 | 368.9 | 369.3 | 367.5 | 366.5[r] | 363.9 | 351.8 | 350.0 | 349.4 | 350.2 | 350.8 | 349.5 |
| 4 Other securities | 142.1 | 168.3 | 172.9 | 182.1 | 189.4[r] | 192.8 | 196.8 | 198.9 | 197.5 | 198.3 | 199.2 | 199.1 |
| 5 Loans and leases in bank credit[2] | 1,385.5 | 1,485.7 | 1,500.3 | 1,513.8 | 1,525.1 | 1,531.3 | 1,530.1 | 1,534.3 | 1,530.3 | 1,531.5 | 1,535.8 | 1,534.2 |
| 6 Commercial and industrial | 266.3 | 287.6 | 290.1 | 290.8 | 295.4 | 297.4 | 298.2 | 297.4 | 298.1 | 297.7 | 298.2 | 296.0 |
| 7 Real estate | 746.7 | 802.4 | 811.7 | 818.5 | 820.4 | 825.0 | 824.9 | 825.1 | 823.6 | 825.1 | 824.9 | 824.4 |
| 8 Revolving home equity | 39.3 | 45.5 | 46.1 | 47.0 | 47.6 | 48.0 | 48.0 | 48.3 | 48.1 | 48.2 | 48.3 | 48.2 |
| 9 Other | 707.5 | 757.0 | 765.6 | 771.5 | 772.8 | 777.0 | 776.9 | 776.7 | 775.4 | 776.9 | 776.5 | 776.1 |
| 10 Consumer | 278.7 | 295.1 | 297.5 | 300.7 | 304.0 | 301.6 | 298.6 | 301.3 | 299.8 | 300.1 | 302.2 | 301.7 |
| 11 Security[3] | 6.4 | 6.9 | 6.7 | 7.1 | 7.2 | 7.6 | 8.1 | 8.6 | 8.3 | 8.2 | 8.6 | 9.0 |
| 12 Other loans and leases | 87.5 | 93.7 | 94.3 | 96.8 | 98.0 | 99.6 | 100.3 | 101.9 | 100.6 | 100.4 | 101.9 | 103.1 |
| 13 Interbank loans | 65.9 | 82.5 | 80.4 | 87.5 | 87.3 | 97.5 | 107.8 | 118.3 | 112.1 | 109.5 | 116.8 | 128.6 |
| 14 Cash assets[4] | 79.1 | 81.2 | 78.6 | 83.2 | 85.5[r] | 86.1 | 85.7 | 86.6 | 86.7 | 85.5 | 85.1 | 87.2 |
| 15 Other assets[5] | 108.0 | 112.5 | 108.7 | 112.4 | 114.8[r] | 115.0 | 120.4 | 123.8 | 125.8 | 123.7 | 121.7 | 124.2 |
| 16 **Total assets**[6] | **2,129.3** | **2,272.8** | **2,283.6** | **2,319.6** | **2,341.7** | **2,359.6** | **2,365.8** | **2,384.7** | **2,374.9** | **2,371.8** | **2,382.3** | **2,395.6** |
| *Liabilities* | | | | | | | | | | | | |
| 17 Deposits | 1,585.0 | 1,752.6 | 1,759.3 | 1,795.6 | 1,825.5 | 1,836.7 | 1,846.6 | 1,870.8 | 1,864.1 | 1,863.7 | 1,872.9 | 1,875.0 |
| 18 Transaction | 301.9 | 295.9 | 294.2 | 294.3 | 297.9[r] | 299.3 | 296.1 | 298.9 | 287.6 | 290.6 | 300.7 | 316.9 |
| 19 Nontransaction | 1,283.1 | 1,456.7 | 1,465.1 | 1,501.2 | 1,527.6 | 1,537.3 | 1,550.4 | 1,571.9 | 1,576.5 | 1,573.1 | 1,572.2 | 1,558.1 |
| 20 Large time | 252.0 | 289.3 | 292.8 | 298.7 | 300.5 | 306.3 | 303.1 | 303.2 | 303.9 | 303.9 | 301.8 | 303.4 |
| 21 Other | 1,031.1 | 1,167.3 | 1,172.3 | 1,202.5 | 1,227.1 | 1,231.1 | 1,247.3 | 1,268.7 | 1,272.6 | 1,269.2 | 1,270.4 | 1,254.7 |
| 22 Borrowings | 331.8 | 329.9 | 327.3 | 336.6 | 343.9 | 341.3 | 333.4 | 336.8 | 333.2 | 330.7 | 337.6 | 339.4 |
| 23 From banks in the U.S. | 155.8 | 156.9 | 154.1 | 160.5 | 158.2[r] | 158.1 | 151.8 | 152.4 | 149.2 | 148.5 | 154.1 | 155.5 |
| 24 From others | 176.0 | 173.0 | 173.2 | 176.0 | 185.8[r] | 183.2 | 181.6 | 184.4 | 184.1 | 182.2 | 183.5 | 183.9 |
| 25 Net due to related foreign offices | 5.3 | 23.4 | 23.7 | 20.9 | 16.8 | 16.7 | 15.4 | 12.8 | 9.9 | 12.5 | 10.6 | 15.8 |
| 26 Other liabilities | 57.2 | 52.1 | 53.9 | 54.1 | 53.4 | 53.8 | 56.0 | 56.3 | 56.6 | 56.4 | 56.3 | 56.4 |
| 27 **Total liabilities** | **1,979.4** | **2,158.0** | **2,164.1** | **2,207.2** | **2,239.6** | **2,248.5** | **2,251.4** | **2,276.7** | **2,264.0** | **2,263.3** | **2,277.5** | **2,286.6** |
| 28 Residual (assets less liabilities)[7] | 149.9 | 114.8 | 119.5 | 112.5 | 102.1 | 111.1 | 114.4 | 108.0 | 110.9 | 108.6 | 104.8 | 109.0 |
| | Not seasonally adjusted | | | | | | | | | | | |
| *Assets* | | | | | | | | | | | | |
| 29 Bank credit | 1,901.7 | 2,024.2 | 2,043.2 | 2,067.9 | 2,076.7[r] | 2,076.8 | 2,074.3 | 2,082.8 | 2,075.8 | 2,079.5 | 2,086.3 | 2,082.7 |
| 30 Securities in bank credit | 517.9 | 534.7 | 540.4 | 548.7 | 555.3[r] | 554.7 | 550.9 | 551.5 | 550.1 | 551.5 | 552.6 | 551.3 |
| 31 U.S. government securities | 375.8 | 366.4 | 367.5 | 366.7 | 365.9[r] | 361.9 | 354.1 | 352.7 | 352.6 | 353.2 | 353.5 | 352.2 |
| 32 Other securities | 142.1 | 168.3 | 172.9 | 182.1 | 189.4[r] | 192.8 | 196.8 | 198.9 | 197.5 | 198.3 | 199.2 | 199.1 |
| 33 Loans and leases in bank credit[2] | 1,383.8 | 1,489.5 | 1,502.8 | 1,519.1 | 1,521.4 | 1,522.2 | 1,523.5 | 1,531.3 | 1,525.7 | 1,528.0 | 1,533.7 | 1,531.5 |
| 34 Commercial and industrial | 267.9 | 287.2 | 289.4 | 291.6 | 294.5 | 295.7 | 297.8 | 299.5 | 298.5 | 298.8 | 300.7 | 299.1 |
| 35 Real estate | 746.6 | 803.3 | 812.1 | 818.5 | 818.9 | 821.7 | 823.3 | 824.7 | 822.7 | 824.5 | 824.6 | 824.3 |
| 36 Revolving home equity | 39.2 | 45.7 | 46.4 | 47.1 | 47.6 | 47.8 | 47.9 | 48.3 | 47.9 | 48.0 | 48.3 | 48.4 |
| 37 Other | 707.3 | 757.6 | 765.7 | 771.4 | 771.3 | 773.9 | 775.4 | 776.4 | 774.8 | 776.6 | 776.4 | 775.9 |
| 38 Consumer | 276.3 | 297.1 | 299.5 | 304.5 | 304.8 | 300.0 | 295.1 | 297.6 | 295.0 | 295.3 | 298.2 | 299.2 |
| 39 Credit cards and related plans | n.a. | 130.2 | 131.9 | 136.4 | 135.5 | 130.9 | 127.1 | 130.2 | 128.0 | 127.8 | 130.3 | 132.2 |
| 40 Other | n.a. | 166.9 | 167.6 | 168.0 | 169.3 | 169.2 | 168.0 | 167.4 | 167.0 | 167.6 | 167.9 | 167.0 |
| 41 Security[3] | 6.4 | 7.0 | 7.0 | 7.3 | 7.1 | 7.6 | 8.4 | 8.7 | 9.0 | 8.9 | 8.8 | 8.4 |
| 42 Other loans and leases | 86.6 | 94.9 | 94.8 | 97.2 | 96.1 | 97.0 | 98.9 | 100.8 | 100.5 | 100.4 | 101.3 | 100.4 |
| 43 Interbank loans | 68.0 | 83.6 | 86.3 | 92.4 | 87.8 | 100.4 | 114.0 | 122.2 | 127.5 | 126.3 | 124.7 | 117.7 |
| 44 Cash assets[4] | 77.0 | 81.7 | 82.4 | 88.4 | 88.1[r] | 85.1 | 82.1 | 83.7 | 85.1 | 82.2 | 83.2 | 81.5 |
| 45 Other assets[5] | 108.0 | 112.5 | 108.7 | 112.4 | 114.8[r] | 115.0 | 120.4 | 123.8 | 125.8 | 123.7 | 121.7 | 124.2 |
| 46 **Total assets**[6] | **2,130.3** | **2,275.8** | **2,294.1** | **2,334.1** | **2,340.5** | **2,350.5** | **2,364.0** | **2,385.5** | **2,387.3** | **2,384.8** | **2,388.8** | **2,379.0** |
| *Liabilities* | | | | | | | | | | | | |
| 47 Deposits | 1,590.9 | 1,753.5 | 1,771.4 | 1,813.6 | 1,824.2 | 1,837.6 | 1,854.0 | 1,878.0 | 1,884.9 | 1,884.1 | 1,884.1 | 1,864.9 |
| 48 Transaction | 301.9 | 295.3 | 297.9 | 305.1 | 300.5[r] | 294.5 | 294.1 | 298.4 | 292.5 | 293.8 | 304.0 | 307.4 |
| 49 Nontransaction | 1,289.0 | 1,458.2 | 1,473.5 | 1,508.6 | 1,523.7[r] | 1,543.2 | 1,559.9 | 1,579.7 | 1,592.4 | 1,590.3 | 1,580.2 | 1,557.5 |
| 50 Large time | 252.0 | 289.3 | 292.8 | 298.7 | 300.5 | 306.3 | 303.1 | 303.2 | 303.9 | 303.9 | 301.8 | 303.4 |
| 51 Other | 1,037.0 | 1,168.9 | 1,180.7 | 1,209.8 | 1,223.2[r] | 1,236.9 | 1,256.8 | 1,276.5 | 1,288.5 | 1,286.3 | 1,278.3 | 1,254.1 |
| 52 Borrowings | 331.8 | 329.9 | 327.3 | 336.6 | 343.9 | 341.3 | 333.4 | 336.8 | 333.2 | 330.7 | 337.6 | 339.4 |
| 53 From banks in the U.S. | 155.8 | 156.9 | 154.1 | 160.5 | 158.2[r] | 158.1 | 151.8 | 152.4 | 149.2 | 148.5 | 154.1 | 155.5 |
| 54 From others | 176.0 | 173.0 | 173.2 | 176.0 | 185.8[r] | 183.2 | 181.6 | 184.4 | 184.1 | 182.2 | 183.5 | 183.9 |
| 55 Net due to related foreign offices | 5.3 | 23.4 | 23.7 | 20.9 | 16.8 | 16.7 | 15.4 | 12.8 | 9.9 | 12.5 | 10.6 | 15.8 |
| 56 Other liabilities | 57.2 | 52.1 | 53.9 | 54.1 | 53.4 | 53.8 | 56.0 | 56.3 | 56.6 | 56.4 | 56.3 | 56.4 |
| 57 **Total liabilities** | **1,985.2** | **2,159.0** | **2,176.2** | **2,225.2** | **2,238.3** | **2,249.4** | **2,258.8** | **2,284.0** | **2,284.7** | **2,283.7** | **2,288.7** | **2,276.5** |
| 58 Residual (assets less liabilities)[7] | 145.1 | 116.8 | 117.9 | 108.9 | 102.2 | 101.1 | 105.2 | 101.5 | 102.7 | 101.1 | 100.1 | 102.5 |

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 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 2000[r] | | | 2001 | | | | 2001 | | | |
| | Apr.[r] | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 |
| | Seasonally adjusted | | | | | | | | | | | |
| *Assets* | | | | | | | | | | | | |
| 1 Bank credit | 569.5 | 587.4 | 588.1 | 599.5 | 614.8 | 610.4 | 620.3 | 616.8 | 625.8 | 631.0 | 611.6 | 614.5 |
| 2 Securities in bank credit | 204.7 | 201.8 | 195.5 | 205.1 | 208.9 | 199.9 | 205.4 | 214.7 | 214.8 | 215.4 | 212.3 | 218.2 |
| 3 U.S. government securities | 80.2 | 70.0 | 68.1 | 69.3 | 67.3 | 64.5 | 67.8 | 75.0 | 74.4 | 74.6 | 72.7 | 80.3 |
| 4 Other securities | 124.5 | 131.8 | 127.5 | 135.8 | 141.6 | 135.3 | 137.6 | 139.7 | 140.4 | 140.8 | 139.6 | 137.9 |
| 5 Loans and leases in bank credit[2] | 364.7 | 385.6 | 392.6 | 394.4 | 405.9 | 410.5 | 414.9 | 402.1 | 411.0 | 415.6 | 399.3 | 396.3 |
| 6 Commercial and industrial | 200.2 | 203.7 | 206.1 | 209.0 | 214.5 | 218.2 | 220.2 | 220.7 | 218.9 | 221.8 | 220.6 | 221.5 |
| 7 Real estate | 17.3 | 18.1 | 18.5 | 18.6 | 18.9 | 18.7 | 18.4 | 18.1 | 18.0 | 18.4 | 18.2 | 17.9 |
| 8 Security[3] | 78.5 | 96.7 | 100.3 | 100.1 | 105.2 | 105.8 | 106.4 | 95.4 | 106.2 | 107.0 | 92.9 | 89.1 |
| 9 Other loans and leases | 68.6 | 67.1 | 67.7 | 66.7 | 67.2 | 67.8 | 69.8 | 67.9 | 67.9 | 68.5 | 67.6 | 67.8 |
| 10 Interbank loans | 28.9 | 27.0 | 26.8 | 27.0 | 29.2 | 28.5 | 30.6 | 29.4 | 28.1 | 28.3 | 30.7 | 30.0 |
| 11 Cash assets[4] | 46.1 | 42.1 | 38.5 | 39.9 | 41.6 | 41.9 | 40.7 | 39.3 | 42.0 | 39.9 | 39.0 | 38.9 |
| 12 Other assets[5] | 39.5 | 41.3 | 40.0 | 36.1 | 37.1 | 36.6 | 38.3 | 40.9 | 42.4 | 40.8 | 43.3 | 40.5 |
| 13 **Total assets[6]** | **683.7** | **697.4** | **693.1** | **702.2** | **722.3** | **717.1** | **729.6[r]** | **726.0** | **737.8** | **739.6** | **724.2** | **723.5** |
| *Liabilities* | | | | | | | | | | | | |
| 14 Deposits | 386.3 | 378.9 | 377.2 | 378.3 | 385.9 | 379.1 | 377.4 | 392.5 | 393.4 | 391.0 | 395.7 | 398.1 |
| 15 Transaction | 11.0 | 10.7 | 10.8 | 10.7 | 10.7 | 10.3 | 9.4 | 10.5 | 9.9 | 11.0 | 10.2 | 10.6 |
| 16 Nontransaction | 375.3 | 368.2 | 366.4 | 367.6 | 375.3 | 368.9 | 368.0 | 382.0 | 383.5 | 380.0 | 385.4 | 387.5 |
| 17 Borrowings | 199.2 | 221.0 | 223.0 | 239.4 | 241.6 | 237.2 | 233.5[r] | 236.0 | 238.7 | 244.1 | 244.5 | 231.3 |
| 18 From banks in the U.S. | 21.0 | 19.0 | 18.6 | 22.2 | 25.1 | 22.3 | 24.2[r] | 23.5 | 25.5 | 21.5 | 26.4 | 25.1 |
| 19 From others | 178.3 | 202.1 | 204.4 | 217.2 | 216.5 | 214.8 | 209.3[r] | 212.5 | 213.3 | 222.6 | 218.1 | 206.3 |
| 20 Net due to related foreign offices | 15.6 | 16.5 | 7.3 | −1.9 | 3.5 | 4.7 | 21.8[r] | 4.2 | −.7 | 3.1 | −1.6 | 8.6 |
| 21 Other liabilities | 77.3 | 79.7 | 75.4 | 72.3 | 77.5 | 77.4 | 82.9 | 88.2 | 87.7 | 87.2 | 87.5 | 91.6 |
| 22 **Total liabilities** | **678.4** | **696.1** | **682.8** | **688.1** | **708.6** | **698.4** | **715.6** | **720.9** | **719.1** | **725.4** | **726.0** | **729.7** |
| 23 Residual (assets less liabilities)[7] | 5.3 | 1.3 | 10.2 | 14.1 | 13.7 | 18.7 | 14.0[r] | 5.1 | 18.7 | 14.2 | −1.8 | −6.2 |
| | Not seasonally adjusted | | | | | | | | | | | |
| *Assets* | | | | | | | | | | | | |
| 24 Bank credit | 567.6 | 591.4 | 590.8 | 610.2 | 622.9 | 613.6 | 615.5 | 613.9 | 614.7 | 621.1 | 615.7 | 614.8 |
| 25 Securities in bank credit | 204.7 | 201.8 | 195.5 | 205.1 | 208.9 | 199.9 | 205.4 | 214.7 | 214.8 | 215.4 | 212.3 | 218.2 |
| 26 U.S. government securities | 80.2 | 70.0 | 68.1 | 69.3 | 67.3 | 64.5 | 67.8 | 75.0 | 74.4 | 74.6 | 72.7 | 80.3 |
| 27 Trading account | 11.8 | 11.8 | 10.9 | 11.8 | 11.2 | 10.5 | 9.5[r] | 14.2 | 12.6 | 13.2 | 12.4 | 19.1 |
| 28 Investment account | 68.4 | 58.2 | 57.2 | 57.5 | 56.1 | 54.1 | 58.3[r] | 60.8 | 61.8 | 61.4 | 60.3 | 61.2 |
| 29 Other securities | 124.5 | 131.8 | 127.5 | 135.8 | 141.6 | 135.3 | 137.6 | 139.7 | 140.4 | 140.8 | 139.6 | 137.9 |
| 30 Trading account | 80.5 | 90.5 | 88.0 | 90.6 | 95.8 | 91.2 | 94.4 | 96.6 | 97.6 | 97.8 | 96.3 | 94.9 |
| 31 Investment account | 44.0 | 41.3 | 39.4 | 45.2 | 45.8 | 44.1 | 43.2 | 43.1 | 42.8 | 43.1 | 43.4 | 43.0 |
| 32 Loans and leases in bank credit[2] | 362.8 | 389.7 | 395.3 | 405.1 | 414.0 | 413.8 | 410.1[r] | 399.2 | 399.9 | 405.7 | 403.4 | 396.6 |
| 33 Commercial and industrial | 198.7 | 203.9 | 206.7 | 211.3 | 216.2 | 220.4 | 221.3 | 219.0 | 219.1 | 219.6 | 219.7 | 218.9 |
| 34 Real estate | 17.3 | 18.1 | 18.5 | 18.6 | 18.9 | 18.7 | 18.4 | 18.1 | 18.0 | 18.4 | 18.2 | 17.9 |
| 35 Security[3] | 77.9 | 100.9 | 101.8 | 106.2 | 110.5 | 106.8 | 100.5 | 94.0 | 94.9 | 99.3 | 97.3 | 91.5 |
| 36 Other loans and leases | 68.9 | 66.7 | 68.2 | 69.0 | 68.3 | 67.9 | 69.8 | 68.2 | 67.9 | 68.4 | 68.3 | 68.3 |
| 37 Interbank loans | 28.9 | 27.0 | 26.8 | 27.0 | 29.2 | 28.5 | 30.6 | 29.4 | 28.1 | 28.3 | 30.7 | 30.0 |
| 38 Cash assets[4] | 44.3 | 42.9 | 40.6 | 42.7 | 44.2 | 42.0 | 39.3 | 37.7 | 40.3 | 37.9 | 37.5 | 37.3 |
| 39 Other assets[5] | 38.6 | 40.7 | 40.0 | 37.9 | 38.3 | 37.6 | 38.9 | 40.0 | 41.9 | 40.0 | 42.2 | 39.3 |
| 40 **Total assets[6]** | **679.1** | **701.7** | **697.9** | **717.5** | **734.2** | **721.5[r]** | **724.0[r]** | **720.7** | **724.5** | **726.9** | **725.8** | **721.0** |
| *Liabilities* | | | | | | | | | | | | |
| 41 Deposits | 389.1 | 372.7 | 379.9 | 388.9 | 395.8 | 387.3 | 381.9 | 395.4 | 396.2 | 391.9 | 397.6 | 402.2 |
| 42 Transaction | 10.5 | 10.8 | 11.0 | 11.4 | 10.9 | 10.0 | 9.2 | 10.0 | 9.6 | 10.3 | 9.6 | 10.0 |
| 43 Nontransaction | 378.7 | 361.9 | 368.9 | 377.6 | 385.0 | 377.2 | 372.7 | 385.4 | 386.5 | 381.6 | 387.9 | 392.2 |
| 44 Borrowings | 199.2 | 221.0 | 223.0 | 239.4 | 241.6 | 237.2 | 233.5[r] | 236.0 | 238.7 | 244.1 | 244.5 | 231.3 |
| 45 From banks in the U.S. | 21.0 | 19.0 | 18.6 | 22.2 | 25.1 | 22.3 | 24.2[r] | 23.5 | 25.5 | 21.5 | 26.4 | 25.1 |
| 46 From others | 178.3 | 202.1 | 204.4 | 217.2 | 216.5 | 214.8 | 209.3[r] | 212.5 | 213.3 | 222.6 | 218.1 | 206.3 |
| 47 Net due to related foreign offices | 11.3 | 16.7 | 7.6 | 2.9 | 6.8 | 8.0 | 22.0[r] | −.4 | −1.5 | .9 | −5.7 | −2.3 |
| 48 Other liabilities | 75.4 | 79.8 | 75.6 | 74.4 | 78.9 | 78.8 | 82.9 | 86.1 | 87.3 | 86.2 | 85.6 | 86.7 |
| 49 **Total liabilities** | **675.0** | **690.3** | **686.0** | **705.6** | **723.2[r]** | **711.3** | **720.3** | **717.1** | **720.7** | **723.1** | **721.9** | **717.9** |
| 50 Residual (assets less liabilities)[7] | 4.1 | 11.4 | 11.8 | 11.8 | 11.1 | 10.1 | 3.7 | 3.6 | 3.8 | 3.8 | 3.9 | 3.1 |

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

### F. Memo items

Billions of dollars

| Account | Monthly averages | | | | | | | | Wednesday figures | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 2000 | | | 2001 | | | | 2001 | | | |
| | Apr.[1] | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 |
| | Not seasonally adjusted | | | | | | | | | | | |
| MEMO | | | | | | | | | | | | |
| *Large domestically chartered banks, adjusted for mergers* | | | | | | | | | | | | |
| 1 Revaluation gains on off-balance-sheet items[8] | 65.1 | 70.9 | 68.0 | 77.8 | 79.5 | 77.6 | 80.6 | 79.6 | 87.7 | 76.9 | 84.3 | 76.2 |
| 2 Revaluation losses on off-balance-sheet items[8] | 65.0 | 72.8 | 72.6 | 83.1 | 82.5 | 81.0 | 79.8 | 74.9 | 87.6 | 75.8 | 77.4 | 68.9 |
| 3 Mortgage-backed securities[9] | 256.5 | 240.5 | 240.6 | 242.6 | 248.0 | 244.5 | 244.8 | 252.2 | 246.6 | 246.1 | 244.7 | 260.5 |
| 4 Pass-through | 180.2 | 173.9 | 174.3 | 177.5 | 182.8 | 179.5 | 181.5 | 190.3 | 186.3 | 185.1 | 184.1 | 198.0 |
| 5 CMO, REMIC, and other | 76.3 | 66.6 | 66.4 | 65.0 | 65.2 | 65.0 | 63.3 | 61.8 | 60.3 | 61.0 | 60.6 | 62.4 |
| 6 Net unrealized gains (losses) on available-for-sale securities[10] | −16.3 | −4.2 | −1.2 | 1.4 | −2.5 | −.6 | −.3 | −.3 | .0 | .0 | .0 | −.3 |
| 7 Off-shore credit to U.S. residents[11] | 24.4 | 22.3 | 23.1 | 23.4 | 23.0 | 22.7 | 22.6 | 21.7 | 21.6 | 21.8 | 21.5 | 21.9 |
| 8 Securitized consumer loans[12] | n.a. | 80.8 | 80.5 | 82.2 | 82.4 | 80.8 | 80.2 | 79.0 | 79.5 | 79.5 | 78.6 | 78.4 |
| 9 Credit cards and related plans | n.a. | 67.2 | 67.3 | 68.6 | 68.5 | 67.3 | 67.3 | 66.6 | 67.0 | 66.9 | 66.1 | 66.0 |
| 10 Other | n.a. | 13.6 | 13.2 | 13.6 | 13.9 | 13.4 | 12.9 | 12.4 | 12.6 | 12.5 | 12.4 | 12.4 |
| 11 Securitized business loans[12] | n.a. | 15.2 | 17.8 | 18.6 | 18.4 | 18.6 | 18.7 | 18.8 | 18.7 | 18.6 | 18.6 | 18.6 |
| *Small domestically chartered commercial banks, adjusted for mergers* | | | | | | | | | | | | |
| 12 Mortgage-backed securities[9] | 205.3 | 211.6 | 213.0 | 214.5 | 218.0 | 222.3 | 228.7[r] | 237.3 | 235.0 | 236.7 | 236.9 | 237.6 |
| 13 Securitized consumer loans[12] | n.a. | 224.5 | 225.6 | 231.1 | 231.4 | 235.6 | 238.5 | 239.9 | 240.0 | 241.2 | 240.4 | 238.7 |
| 14 Credit cards and related plans | n.a. | 215.2 | 216.1 | 221.9 | 222.4 | 226.8 | 229.9 | 232.6 | 231.6 | 232.7 | 231.9 | 233.2 |
| 15 Other | n.a. | 9.3 | 9.5 | 9.1 | 9.0 | 8.8 | 8.5 | 7.3 | 8.4 | 8.5 | 8.5 | 5.5 |
| *Foreign-related institutions* | | | | | | | | | | | | |
| 16 Revaluation gains on off-balance-sheet items[8] | 44.5 | 47.3 | 44.6 | 45.5 | 50.8 | 49.6 | 52.4 | 54.1 | 54.5 | 54.1 | 54.3 | 53.3 |
| 17 Revaluation losses on off-balance-sheet items[8] | 40.8 | 44.7 | 40.8 | 41.3 | 46.9 | 47.4 | 49.9 | 50.9 | 51.7 | 51.0 | 51.2 | 50.2 |
| 18 Securitized business loans[12] | n.a. | 23.0 | 22.8 | 23.1 | 23.2 | 22.4 | 21.5 | 19.8 | 20.6 | 20.3 | 20.2 | 19.4 |

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 made 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 AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

### A. Commercial Paper

Millions of dollars, seasonally adjusted, end of period

| Item | Year ending December | | | | | 2000 | | | 2001 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1996 | 1997 | 1998 | 1999 | 2000 | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| 1 **All issuers** | **775,371** | **966,699** | **1,163,303** | **1,403,023** | **1,615,341** | **1,587,591** | **1,624,421** | **1,615,341** | **1,566,104** | **1,544,572** | **1,511,354** |
| Financial companies[1] | | | | | | | | | | | |
| 2 Dealer-placed paper, total[2] | 361,147 | 513,307 | 614,142 | 786,643 | 973,060 | 912,739 | 960,701 | 973,060 | 976,735 | 977,791 | 978,225 |
| 3 Directly placed paper, total[3] | 229,662 | 252,536 | 322,030 | 337,240 | 298,848 | 328,049 | 312,438 | 298,848 | 270,922 | 263,554 | 249,420 |
| 4 Nonfinancial companies[4] | 184,563 | 200,857 | 227,132 | 279,140 | 343,433 | 346,803 | 351,282 | 343,433 | 318,447 | 303,227 | 283,711 |

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

### B. Bankers Dollar Acceptances[1]

Millions of dollars, not seasonally adjusted, year ending September[2]

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

1. Includes eligible, dollar-denominated bankers acceptances legally payable in the United States. Eligible acceptances are those that are eligible for discount by Federal Reserve Banks; that is, those acceptances that meet the criteria of Paragraph 7 of Section 13 of the Federal Reserve Act (12 U.S.C. §372).
2. Data on bankers dollar acceptances are gathered from approximately 40 institutions; includes U.S. chartered commerical banks (domestic and foreign offices), U.S. branches and agencies of foreign banks, and Edge and agreement corporations. The reporting group is revised every year.

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

Percent per year

| Date of change | Rate | Period | Average rate | Period | Average rate | Period | Average rate |
|---|---|---|---|---|---|---|---|
| 1998—Jan. 1 | 8.50 | 1998 | 8.35 | 1999—Jan. | 7.75 | 2000—Jan. | 8.50 |
| Sept. 30 | 8.25 | 1999 | 8.00 | Feb. | 7.75 | Feb. | 8.73 |
| Oct. 16 | 8.00 | 2000 | 9.23 | Mar. | 7.75 | Mar. | 8.83 |
| Nov. 18 | 7.75 | | | Apr. | 7.75 | Apr. | 9.00 |
| | | 1998—Jan. | 8.50 | May | 7.75 | May | 9.24 |
| 1999—July 1 | 8.00 | Feb. | 8.50 | June | 7.75 | June | 9.50 |
| Aug. 25 | 8.25 | Mar. | 8.50 | July | 8.00 | July | 9.50 |
| Nov. 17 | 8.50 | Apr. | 8.50 | Aug. | 8.06 | Aug. | 9.50 |
| | | May | 8.50 | Sept. | 8.25 | Sept. | 9.50 |
| 2000—Feb. 3 | 8.75 | June | 8.50 | Oct. | 8.25 | Oct. | 9.50 |
| Mar. 22 | 9.00 | July | 8.50 | Nov. | 8.37 | Nov. | 9.50 |
| May 17 | 9.50 | Aug. | 8.50 | Dec. | 8.50 | Dec. | 9.50 |
| | | Sept. | 8.49 | | | | |
| 2001—Jan. 4 | 9.00 | Oct. | 8.12 | | | 2001—Jan. | 9.05 |
| Feb. 1 | 8.50 | Nov. | 7.89 | | | Feb. | 8.50 |
| Mar. 21 | 8.00 | Dec. | 7.75 | | | Mar. | 8.32 |
| Apr. 19 | 7.50 | | | | | Apr. | 7.80 |
| May 16 | 7.00 | | | | | May | 7.24 |

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

## 1.35 INTEREST RATES Money and Capital Markets

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

| Item | 1998 | 1999 | 2000 | 2001 Jan. | 2001 Feb. | 2001 Mar. | 2001 Apr. | 2001, week ending Mar. 30 | Apr. 6 | Apr. 13 | Apr. 20 | Apr. 27 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MONEY MARKET INSTRUMENTS | | | | | | | | | | | | |
| 1 Federal funds[1,2,3] | 5.35 | 4.97 | 6.24 | 5.98 | 5.49 | 5.31 | 4.80 | 5.00 | 5.21 | 4.96 | 4.98 | 4.42 |
| 2 Discount window borrowing[2,4] | 4.92 | 4.62 | 5.73 | 5.52 | 5.00 | 4.81 | 4.28 | 4.50 | 4.50 | 4.50 | 4.43 | 4.00 |
| *Commercial paper*[3,5,6] | | | | | | | | | | | | |
| Nonfinancial | | | | | | | | | | | | |
| 3 1-month | 5.40 | 5.09 | 6.27 | 5.74 | 5.39 | 5.02 | 4.71 | 4.94 | 4.93 | 4.92 | 4.74 | 4.36 |
| 4 2-month | 5.38 | 5.14 | 6.29 | 5.59 | 5.25 | 4.87 | 4.54 | 4.77 | 4.77 | 4.68 | 4.55 | 4.25 |
| 5 3-month | 5.34 | 5.18 | 6.31 | 5.49 | 5.14 | 4.78 | 4.44 | 4.69 | 4.64 | 4.55 | 4.46 | 4.19 |
| Financial | | | | | | | | | | | | |
| 6 1-month | 5.42 | 5.11 | 6.28 | 5.75 | 5.41 | 5.06 | 4.74 | 4.99 | 4.95 | 4.93 | 4.77 | 4.41 |
| 7 2-month | 5.40 | 5.16 | 6.30 | 5.62 | 5.29 | 4.93 | 4.57 | 4.86 | 4.81 | 4.71 | 4.58 | 4.28 |
| 8 3-month | 5.37 | 5.22 | 6.33 | 5.51 | 5.19 | 4.81 | 4.47 | 4.70 | 4.68 | 4.60 | 4.49 | 4.21 |
| *Commercial paper (historical)*[3,5,7] | | | | | | | | | | | | |
| 9 1-month | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 10 3-month | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 11 6-month | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| *Finance paper, directly placed (historical)*[3,5,8] | | | | | | | | | | | | |
| 12 1-month | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 13 3-month | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 14 6-month | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| *Bankers acceptances*[3,5,9] | | | | | | | | | | | | |
| 15 3-month | 5.39 | 5.24 | 6.23 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 16 6-month | 5.30 | 5.30 | 6.37 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| *Certificates of deposit, secondary market*[3,10] | | | | | | | | | | | | |
| 17 1-month | 5.49 | 5.19 | 6.35 | 5.83 | 5.47 | 5.09 | 4.77 | 5.03 | 5.02 | 4.99 | 4.70 | 4.42 |
| 18 3-month | 5.47 | 5.33 | 6.46 | 5.62 | 5.26 | 4.89 | 4.53 | 4.80 | 4.74 | 4.69 | 4.50 | 4.26 |
| 19 6-month | 5.44 | 5.46 | 6.59 | 5.45 | 5.12 | 4.74 | 4.41 | 4.63 | 4.55 | 4.53 | 4.41 | 4.20 |
| 20 Eurodollar deposits, 3-month[3,11] | 5.45 | 5.31 | 6.45 | 5.62 | 5.26 | 4.89 | 4.55 | 4.80 | 4.73 | 4.69 | 4.56 | 4.26 |
| *U.S. Treasury bills* | | | | | | | | | | | | |
| Secondary market[3,5] | | | | | | | | | | | | |
| 21 3-month | 4.78 | 4.64 | 5.82 | 5.15 | 4.88 | 4.42 | 3.87 | 4.22 | 4.01 | 3.90 | 3.87 | 3.72 |
| 22 6-month | 4.83 | 4.75 | 5.90 | 4.95 | 4.71 | 4.28 | 3.85 | 4.04 | 3.93 | 3.91 | 3.89 | 3.71 |
| 23 1-year | 4.80 | 4.81 | 5.78 | 4.63 | 4.51 | 4.11 | 3.80 | 4.01 | 3.83 | 3.89 | 3.87 | 3.65 |
| Auction high[3,5,12] | | | | | | | | | | | | |
| 24 3-month | 4.81 | 4.66 | 5.66 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 25 6-month | 4.85 | 4.76 | 5.85 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 26 1-year | 4.85 | 4.78 | 5.85 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a |
| U.S. TREASURY NOTES AND BONDS | | | | | | | | | | | | |
| *Constant maturities*[13] | | | | | | | | | | | | |
| 27 1-year | 5.05 | 5.08 | 6.11 | 4.81 | 4.68 | 4.30 | 3.98 | 4.19 | 4.00 | 4.07 | 4.04 | 3.82 |
| 28 2-year | 5.13 | 5.43 | 6.26 | 4.76 | 4.66 | 4.34 | 4.23 | 4.29 | 4.15 | 4.25 | 4.34 | 4.19 |
| 29 3-year | 5.14 | 5.49 | 6.22 | 4.77 | 4.71 | 4.43 | 4.42 | 4.41 | 4.30 | 4.41 | 4.53 | 4.43 |
| 30 5-year | 5.15 | 5.55 | 6.16 | 4.86 | 4.89 | 4.64 | 4.76 | 4.65 | 4.60 | 4.71 | 4.86 | 4.83 |
| 31 7-year | 5.28 | 5.79 | 6.20 | 5.13 | 5.10 | 4.88 | 5.03 | 4.90 | 4.87 | 4.98 | 5.13 | 5.11 |
| 32 10-year | 5.26 | 5.65 | 6.03 | 5.16 | 5.10 | 4.89 | 5.14 | 4.95 | 4.95 | 5.08 | 5.24 | 5.25 |
| 33 20-year | 5.72 | 6.20 | 6.23 | 5.65 | 5.62 | 5.49 | 5.78 | 5.59 | 5.62 | 5.72 | 5.86 | 5.88 |
| 34 30-year | 5.58 | 5.87 | 5.94 | 5.54 | 5.45 | 5.34 | 5.65 | 5.44 | 5.49 | 5.59 | 5.71 | 5.76 |
| *Composite* | | | | | | | | | | | | |
| 35 More than 10 years (long-term) | 5.69 | 6.14 | 6.41 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| STATE AND LOCAL NOTES AND BONDS | | | | | | | | | | | | |
| *Moody's series*[14] | | | | | | | | | | | | |
| 36 Aaa | 4.93 | 5.28 | 5.58 | 4.99 | 5.09 | 5.00 | 5.14 | 4.99 | 5.05 | 5.14 | 5.22 | 5.16 |
| 37 Baa | 5.14 | 5.70 | 6.19 | 5.76 | 5.86 | 5.80 | 5.96 | 5.85 | 5.88 | 5.92 | 6.02 | 6.01 |
| 38 *Bond Buyer* series[15] | 5.09 | 5.43 | 5.71 | 5.10 | 5.18 | 5.13 | 5.27 | 5.14 | 5.18 | 5.24 | 5.33 | 5.34 |
| CORPORATE BONDS | | | | | | | | | | | | |
| 39 Seasoned issues, all industries[16] | 6.87 | 7.45 | 7.98 | 7.55 | 7.50 | 7.41 | 7.63 | 7.50 | 7.52 | 7.61 | 7.71 | 7.68 |
| *Rating group* | | | | | | | | | | | | |
| 40 Aaa | 6.53 | 7.05 | 7.62 | 7.15 | 7.10 | 6.98 | 7.20 | 7.06 | 7.08 | 7.18 | 7.27 | 7.26 |
| 41 Aa | 6.80 | 7.36 | 7.83 | 7.38 | 7.32 | 7.22 | 7.43 | 7.29 | 7.31 | 7.41 | 7.50 | 7.49 |
| 42 A | 6.93 | 7.53 | 8.11 | 7.75 | 7.69 | 7.61 | 7.82 | 7.67 | 7.69 | 7.79 | 7.90 | 7.88 |
| 43 Baa | 7.22 | 7.88 | 8.36 | 7.93 | 7.87 | 7.84 | 8.07 | 7.97 | 7.98 | 8.06 | 8.15 | 8.09 |
| MEMO | | | | | | | | | | | | |
| *Dividend–price ratio*[17] | | | | | | | | | | | | |
| 44 Common stocks | 1.49 | 1.25 | 1.15 | 1.16 | 1.22 | 1.33 | 1.32 | 1.35 | 1.41 | 1.33 | 1.26 | 1.27 |

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

1. The daily effective federal funds rate is a weighted average of rates on trades through New York brokers.
2. Weekly figures are averages of seven calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.
3. Annualized using a 360-day year or bank interest.
4. Rate for the Federal Reserve Bank of New York.
5. Quoted on a discount basis.
6. Interest rates interpolated from data on certain commercial paper trades settled by the Depository Trust Company. The trades represent sales of commercial paper by dealers or direct issuers to investors (that is, the offer side). See the Board's Commercial Paper web pages (http://www.federalreserve.gov/releases/cp) for more information.
7. An average of offering rates on commercial paper for firms whose bond rating is AA or the equivalent. Series ended August 29, 1997.
8. An average of offering rates on paper directly placed by finance companies. Series ended August 29, 1997.
9. Representative closing yields for acceptances of the highest-rated money center banks.
10. An average of dealer offering rates on nationally traded certificates of deposit.
11. Bid rates for eurodollar deposits collected around 9:30 a.m. Eastern time. Data are for indication purposes only.
12. Auction date for daily data; weekly and monthly averages computed on an issue-date basis. On or after October 28, 1998, data are stop yields from uniform-price auctions. Before that, they are weighted average yields from multiple-price auctions.
13. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Department of the Treasury.
14. General obligation bonds based on Thursday figures; Moody's Investors Service.
15. State and local government general obligation bonds maturing in twenty years are used in compiling this index. The twenty-bond index has a rating roughly equivalent to Moody's' A1 rating. Based on Thursday figures.
16. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.
17. Standard & Poor's corporate series. Common stock ratio is based on the 500 stocks in the price index.

## 1.36 STOCK MARKET Selected Statistics

| Indicator | 1998 | 1999 | 2000 | 2000 Aug. | Sept. | Oct. | Nov. | Dec. | 2001 Jan. | Feb. | Mar. | Apr. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Prices and trading volume (averages of daily figures) | | | | | | | | | | | |
| *Common stock prices (indexes)* | | | | | | | | | | | | |
| 1 New York Stock Exchange (Dec. 31, 1965 = 50) | 550.65 | 619.52 | 643.71 | 666.14 | 667.05 | 646.53 | 646.64 | 645.44 | 650.55 | 648.05 | 603.44 | 607.06 |
| 2 Industrial | 684.35 | 775.29 | 809.40 | 837.23 | 829.99 | 797.00 | 800.88 | 792.66 | 796.74 | 799.38 | 744.21 | 747.48 |
| 3 Transportation | 468.61 | 491.62 | 414.73 | 419.84 | 404.23 | 403.20 | 434.92 | 457.53 | 471.21 | 482.26 | 452.36 | 455.22 |
| 4 Utility | 190.52 | 284.82 | 478.99 | 459.91 | 463.76 | 469.16 | 455.66 | 444.16 | 440.36 | 424.53 | 395.34 | 400.49 |
| 5 Finance | 516.65 | 530.97 | 552.48 | 597.17 | 616.89 | 587.76 | 600.45 | 621.62 | 634.17 | 626.41 | 583.38 | 587.88 |
| 6 Standard & Poor's Corporation (1941–43 = 10)[1] | 1,085.50 | 1,327.33 | 1,427.22 | 1,485.46 | 1,468.06 | 1,390.14 | 1,375.04 | 1,330.93 | 1,335.63 | 1,305.75 | 1,185.85 | 1,189.84 |
| 7 American Stock Exchange (Aug. 31, 1973 = 50)[2] | 682.69 | 770.90 | 922.22 | 920.54 | 952.74 | 913.64 | 892.60 | 870.16 | 898.18 | 923.99 | 891.22 | 891.18 |
| *Volume of trading (thousands of shares)* | | | | | | | | | | | | |
| 8 New York Stock Exchange | 666,534 | 799,554 | 1,026,867 | 875,087 | 1,026,597 | 1,167,025 | 1,015,606 | 1,183,149 | 1,299,986 | 1,117,977 | 1,251,569 | 1,247,382 |
| 9 American Stock Exchange | 28,870 | 32,629 | 51,437 | 35,695 | 47,047 | 57,915 | 58,541 | 73,759 | 72,312 | 70,648 | 81,666 | 77,612 |
| | Customer financing (millions of dollars, end-of-period balances) | | | | | | | | | | | |
| 10 **Margin credit at broker–dealers**[3] | **140,980** | **228,530** | **198,790** | **247,560** | **250,780** | **233,380** | **219,110** | **198,790** | **197,110** | **186,810** | **165,350** | **166,940** |
| *Free credit balances at brokers*[4] | | | | | | | | | | | | |
| 11 Margin accounts[5] | 40,250 | 55,130 | 100,680 | 68,020 | 70,960 | 82,990 | 96,730 | 100,680 | 90,380 | 99,390 | 106,300 | 97,470 |
| 12 Cash accounts | 62,450 | 79,070 | 84,400 | 72,640 | 74,766 | 73,410 | 74,050 | 84,400 | 81,380 | 78,660 | 77,520 | 77,460 |
| | 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.

## 1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

| Type of account or operation | Fiscal year | | | Calendar year | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 2000 | | 2001 | | | |
| | 1998 | 1999 | 2000 | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| *U.S. budget*[1] | | | | | | | | | |
| 1 Receipts, total | 1,721,798 | 1,827,302 | 2,025,218 | 125,666 | 200,489 | 219,215 | 110,481 | 130,074 | 331,796 |
| 2 On-budget | 1,305,999 | 1,382,986 | 1,544,634 | 89,216 | 161,737 | 171,001 | 70,555 | 84,123 | 278,611 |
| 3 Off-budget | 415,799 | 444,468 | 480,584 | 36,450 | 38,752 | 48,214 | 39,926 | 45,951 | 53,185 |
| 4 Outlays, total | 1,652,619 | 1,702,875 | 1,788,826 | 149,356 | 167,823 | 142,836 | 158,649 | 180,736 | 141,999 |
| 5 On-budget | 1,336,015 | 1,382,097 | 1,458,061 | 116,737 | 132,747 | 144,448 | 123,573 | 145,186 | 109,938 |
| 6 Off-budget | 316,604 | 320,778 | 330,765 | 32,619 | 35,075 | −1,613 | 35,076 | 35,550 | 32,062 |
| 7 Surplus or deficit (−), total | 69,179 | 124,579 | 236,392 | −23,690 | 32,666 | 76,379 | −48,168 | −50,662 | 189,796 |
| 8 On-budget | −30,016 | 889 | 86,573 | −27,521 | 28,990 | 26,553 | −53,018 | −61,062 | 168,673 |
| 9 Off-budget | 99,195 | 123,690 | 149,819 | 3,831 | 3,677 | 49,827 | 4,850 | 10,401 | 21,123 |
| *Source of financing (total)* | | | | | | | | | |
| 10 Borrowing from the public | −51,211 | −88,674 | −222,672 | 41,325 | −36,689 | −23,990 | 15,100 | 32,557 | −135,572 |
| 11 Operating cash (decrease, or increase [−]) | 4,743 | −17,580 | 3,799 | −1,431 | −9,632 | −45,761 | 45,717 | −7,171 | −36,846 |
| 12 Other[2] | −22,711 | −18,325 | −17,519 | −16,204 | 13,655 | −6,628 | −12,649 | 25,276 | −17,378 |
| MEMO | | | | | | | | | |
| 13 Treasury operating balance (level, end of period) | 38,878 | 56,458 | 52,659 | 11,437 | 21,069 | 66,830 | 21,113 | 28,284 | 65,130 |
| 14 Federal Reserve Banks | 4,952 | 6,641 | 8,459 | 4,382 | 5,149 | 5,256 | 4,956 | 5,657 | 7,894 |
| 15 Tax and loan accounts | 33,926 | 49,817 | 44,199 | 7,055 | 15,920 | 61,574 | 16,158 | 22,627 | 57,236 |

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

2. Includes special drawing rights (SDRs); reserve position on the U.S. quota in the International Monetary Fund (IMF); loans to the IMF; other cash and monetary assets; accrued interest payable to the public; allocations of SDRs; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain or loss for U.S. currency valuation adjustment; net gain or loss for IMF loan-valuation adjustment; and profit on sale of gold.

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

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

Millions of dollars

| Source or type | Fiscal year | | Calendar year | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 1999 | | 2000 | | 2001 | | |
| | | | H1 | H2 | H1 | H2 | Feb. | Mar. | Apr. |
| RECEIPTS | | | | | | | | | |
| 1 **All sources** | **1,827,302** | **2,025,218** | **966,045** | **892,266** | **1,089,763** | **952,942** | **110,481** | **130,071** | **331,796** |
| 2 Individual income taxes, net | 879,480 | 1,004,462 | 481,907 | 425,451 | 550,208 | 458,679 | 48,030 | 33,591 | 220,015 |
| 3 Withheld | 693,940 | 780,397 | 351,068 | 372,012 | 388,526 | 395,572 | 70,179 | 67,068 | 64,489 |
| 4 Nonwithheld | 308,185 | 358,049 | 240,278 | 68,302 | 281,103 | 77,732 | 3,454 | 7,662 | 187,032 |
| 5 Refunds | 122,706 | 134,046 | 109,467 | 14,841 | 119,477 | 14,628 | 25,610 | 41,153 | 31,518 |
| Corporation income taxes | | | | | | | | | |
| 6 Gross receipts | 216,324 | 235,655 | 106,861 | 110,111 | 119,166 | 123,962 | 3,474 | 26,986 | 26,693 |
| 7 Refunds | 31,645 | 28,367 | 17,092 | 13,996 | 13,781 | 15,776 | 4,973 | 4,849 | 2,948 |
| 8 Social insurance taxes and contributions, net | 611,833 | 652,852 | 324,831 | 292,551 | 353,514 | 310,122 | 53,473 | 60,135 | 73,887 |
| 9 Employment taxes and contributions[2] | 580,880 | 620,451 | 306,235 | 280,059 | 333,584 | 297,665 | 50,868 | 59,499 | 68,773 |
| 10 Unemployment insurance | 26,480 | 27,640 | 16,378 | 10,173 | 17,562 | 10,097 | 2,147 | 209 | 4,760 |
| 11 Other net receipts[3] | 4,473 | 4,761 | 2,216 | 2,319 | 2,368 | 2,360 | 457 | 427 | 354 |
| 12 Excise taxes | 70,414 | 68,865 | 31,015 | 34,262 | 33,532 | 35,501 | 4,074 | 7,064 | 5,690 |
| 13 Customs deposits | 18,336 | 19,914 | 8,440 | 10,287 | 9,218 | 10,676 | 1,474 | 1,653 | 1,477 |
| 14 Estate and gift taxes | 27,782 | 29,010 | 14,915 | 14,001 | 15,073 | 13,216 | 1,879 | 2,215 | 4,471 |
| 15 Miscellaneous receipts[4] | 34,929 | 42,826 | 15,140 | 19,569 | 22,831 | 16,556 | 3,050 | 3,276 | 2,510 |
| OUTLAYS | | | | | | | | | |
| 16 **All types** | **1,702,875** | **1,788,826** | **817,227** | **882,465** | **892,947** | **894,905** | **158,649** | **180,733** | **141,999** |
| 17 National defense | 274,873 | 294,494 | 134,414 | 149,573 | 143,476 | 147,651 | 22,555 | 31,144 | 22,253 |
| 18 International affairs | 15,243 | 17,216 | 6,879 | 8,530 | 7,250 | 11,902 | 1,153 | 1,980 | 1,272 |
| 19 General science, space, and technology | 18,125 | 18,637 | 9,319 | 10,089 | 9,601 | 10,389 | 1,619 | 1,811 | 1,547 |
| 20 Energy | 912 | −1,060 | 797 | −90 | −893 | −595 | −174 | 187 | −390 |
| 21 Natural resources and environment | 23,970 | 25,031 | 10,351 | 12,100 | 10,814 | 12,907 | 1,737 | 1,822 | 1,741 |
| 22 Agriculture | 23,011 | 36,641 | 9,803 | 20,887 | 11,164 | 20,977 | 2,003 | 2,083 | 1,272 |
| 23 Commerce and housing credit | 2,649 | 3,211 | −1,629 | 7,353 | −2,497 | 4,408 | −487 | 1,025 | −260 |
| 24 Transportation | 42,531 | 46,854 | 17,082 | 23,199 | 21,054 | 25,841 | 3,502 | 3,899 | 3,593 |
| 25 Community and regional development | 11,870 | 10,629 | 5,368 | 6,806 | 5,050 | 5,962 | 939 | 616 | 855 |
| 26 Education, training, employment, and social services | 56,402 | 59,201 | 29,003 | 27,532 | 31,234 | 29,263 | 5,957 | 6,874 | 4,798 |
| 27 Health | 141,079 | 154,534 | 69,320 | 74,490 | 75,871 | 81,413 | 13,011 | 14,763 | 14,844 |
| 28 Social security and Medicare | 580,488 | 606,549 | 261,146 | 295,030 | 306,966 | 307,473 | 52,154 | 57,468 | 50,826 |
| 29 Income security | 237,707 | 247,895 | 126,552 | 113,504 | 133,915 | 113,212 | 33,203 | 31,652 | 19,913 |
| 30 Veterans benefits and services | 43,212 | 47,083 | 20,105 | 23,412 | 23,174 | 22,615 | 4,089 | 6,333 | 2,164 |
| 31 Administration of justice | 25,924 | 27,820 | 13,149 | 13,459 | 13,981 | 14,635 | 2,201 | 2,559 | 2,562 |
| 32 General government | 15,771 | 13,454 | 6,641 | 7,010 | 6,198 | 6,461 | 2,400 | 1,100 | 1,162 |
| 33 Net interest[5] | 229,735 | 223,218 | 116,655 | 112,420 | 115,545 | 104,685 | 17,590 | 18,568 | 17,816 |
| 34 Undistributed offsetting receipts[6] | −40,445 | −42,581 | −17,724 | −22,850 | −19,346 | −24,070 | −4,802 | −3,150 | −3,970 |

1. Functional details do not sum to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for receipts and outlays do not correspond to calendar year data because revisions from the *Budget* have not been fully distributed across months.
2. Old-age, disability, and hospital insurance, and railroad retirement accounts.
3. Federal employee retirement contributions and civil service retirement and disability fund.
4. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
5. Includes interest received by trust funds.
6. Rents and royalties for the outer continental shelf, U.S. government contributions for employee retirement, and certain asset sales.

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

## 1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

| Item | 1999 | | | | 2000 | | | | 2001 |
|---|---|---|---|---|---|---|---|---|---|
| | Mar. 31 | June 30 | Sept. 30 | Dec. 31 | Mar. 31 | June 30 | Sept. 30 | Dec. 31 | Mar. 31 |
| 1 **Federal debt outstanding** | **5,681** | **5,668** | **5,685** | **5,805** | **5,802** | **5,714** | **5,702** | **5,690** | **5,801** |
| 2 Public debt securities | 5,652 | 5,639 | 5,656 | 5,776 | 5,773 | 5,686 | 5,674 | 5,662 | 5,774 |
| 3 Held by public | 3,795 | 3,685 | 3,667 | 3,716 | 3,688 | 3,496 | 3,439 | 3,414 | 3,434 |
| 4 Held by agencies | 1,857 | 1,954 | 1,989 | 2,061 | 2,085 | 2,190 | 2,236 | 2,249 | 2,339 |
| 5 Agency securities | 29 | 29 | 29 | 29 | 28 | 28 | 28 | 27 | 27 |
| 6 Held by public | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 27 | 27 |
| 7 Held by agencies | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| 8 **Debt subject to statutory limit** | **5,566** | **5,552** | **5,568** | **5,687** | **5,687** | **5,601** | **5,592** | **5,581** | **5,693** |
| 9 Public debt securities | 5,566 | 5,552 | 5,568 | 5,687 | 5,686 | 5,601 | 5,591 | 5,580 | 5,692 |
| 10 Other debt[1] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MEMO | | | | | | | | | |
| 11 Statutory debt limit | 5,950 | 5,950 | 5,950 | 5,950 | 5,950 | 5,950 | 5,950 | 5,950 | 5,950 |

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

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

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

Billions of dollars, end of period

| Type and holder | 1997 | 1998 | 1999 | 2000 | 2000 | | | 2001 |
|---|---|---|---|---|---|---|---|---|
| | | | | | Q2 | Q3 | Q4 | Q1 |
| 1 **Total gross public debt** | **5,502.4** | **5,614.2** | **5,776.1** | **5,662.2** | **5,685.9** | **5,674.2** | **5,662.2** | **5,773.7** |
| *By type* | | | | | | | | |
| 2 Interest-bearing | 5,494.9 | 5,605.4 | 5,766.1 | 5,618.1 | 5,675.9 | 5,622.1 | 5,618.1 | 5,752.0 |
| 3 Marketable | 3,456.8 | 3,355.5 | 3,281.0 | 2,966.9 | 3,070.7 | 2,992.8 | 2,966.9 | 2,981.9 |
| 4 Bills | 715.4 | 691.0 | 737.1 | 646.9 | 629.9 | 616.2 | 646.9 | 712.0 |
| 5 Notes | 2,106.1 | 1,960.7 | 1,784.5 | 1,557.3 | 1,679.1 | 1,611.3 | 1,557.3 | 1,499.0 |
| 6 Bonds | 587.3 | 621.2 | 643.7 | 626.5 | 637.7 | 635.3 | 626.5 | 627.9 |
| 7 Inflation-indexed notes and bonds[1] | 33.0 | 67.6 | 100.7 | 121.2 | 109.0 | 115.0 | 121.2 | 128.0 |
| 8 Nonmarketable[2] | 2,038.1 | 2,249.9 | 2,485.1 | 2,651.2 | 2,605.2 | 2,629.3 | 2,651.2 | 2,770.0 |
| 9 State and local government series | 124.1 | 165.3 | 165.7 | 151.0 | 160.4 | 153.3 | 151.0 | 152.9 |
| 10 Foreign issues[3] | 36.2 | 34.3 | 31.3 | 27.2 | 27.7 | 25.4 | 27.2 | 24.7 |
| 11 Government | 36.2 | 34.3 | 31.3 | 27.2 | 27.7 | 25.4 | 27.2 | 24.7 |
| 12 Public | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 13 Savings bonds and notes | 181.2 | 180.3 | 179.4 | 176.9 | 177.7 | 177.7 | 176.9 | 177.4 |
| 14 Government account series[4] | 1,666.7 | 1,840.0 | 2,078.7 | 2,266.1 | 2,209.4 | 2,242.9 | 2,266.1 | 2,360.3 |
| 15 Non-interest-bearing | 7.5 | 8.8 | 10.0 | 44.2 | 10.1 | 52.1 | 44.2 | 46.5 |
| *By holder*[5] | | | | | | | | |
| 16 U.S. Treasury and other federal agencies and trust funds | 1,657.1 | 1,828.1 | 2,064.2 | 2,270.2 | 2,193.6 | 2,226.5 | 2,270.2 | 2,357.0 |
| 17 Federal Reserve Banks[6] | 430.7 | 452.1 | 478.0 | 511.7 | 504.9 | 511.4 | 511.7 | 523.9 |
| 18 Private investors | 3,414.6 | 3,334.0 | 3,233.9 | 2,880.4 | 2,987.4 | 2,936.2 | 2,880.4 | 2,892.9 |
| 19 Depository institutions | 300.3 | 237.3 | 266.1[r] | 197.7[r] | 219.3[r] | 218.3 | 197.7[r] | 188.1 |
| 20 Mutual funds | 321.5 | 343.2 | 348.6 | 338.9[r] | 322.9[r] | 324.3[r] | 338.9[r] | 348.2 |
| 21 Insurance companies | 176.6 | 144.5 | 125.3 | 116.6[r] | 122.0[r] | 119.3[r] | 116.6[r] | 112.8 |
| 22 State and local treasuries[7] | 239.3 | 269.3 | 266.8 | 246.2 | 256.4 | 241.9[r] | 246.2 | 234.1 |
| Individuals | | | | | | | | |
| 23 Savings bonds | 186.5 | 186.6 | 186.2[r] | 184.8 | 184.6 | 184.3 | 184.8 | 184.8 |
| 24 Pension funds | 360.5 | 375.3 | 380.9 | 375.8 | 384.1 | 383.1[r] | 375.8 | 384.9 |
| 25 Private | 143.5 | 157.6 | 167.7 | 181.6[r] | 173.6 | 179.2 | 181.6[r] | 181.3 |
| 26 State and Local | 216.9 | 217.7 | 213.2 | 206.1[r] | 210.5 | 203.9[r] | 206.1[r] | 203.6 |
| 27 Foreign and international[8] | 1,241.6 | 1,278.7 | 1,268.7[r] | 1,201.4[r] | 1,248.8 | 1,225.2 | 1,201.4[r] | 1,196.2 |
| 28 Other miscellaneous investors[7,9] | 589.5 | 499.0[r] | 410.8[r] | 218.1 | 250.4[r] | 237.9[r] | 218.1 | 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 | 2001 | | | 2001, week ending | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jan. | Feb. | Mar. | Feb. 28 | Mar. 7 | Mar. 14 | Mar. 21 | Mar. 28 | Apr. 4 | Apr. 11 | Apr. 18 | Apr. 25 |
| OUTRIGHT TRANSACTIONS[2] | | | | | | | | | | | | |
| *By type of security* | | | | | | | | | | | | |
| 1 U.S. Treasury bills | 30,524 | 30,944 | 32,042 | 48,699 | 33,360 | 27,243 | 27,234 | 38,628 | 36,299 | 31,998 | 44,646 | 27,625 |
| Coupon securities, by maturity | | | | | | | | | | | | |
| 2 Five years or less | 185,208 | 177,385 | 170,530 | 209,177 | 163,884 | 160,131 | 173,259 | 182,779 | 175,696 | 159,026 | 190,179 | 196,537 |
| 3 More than five years | 92,568 | 97,333 | 87,263 | 106,598 | 92,217 | 88,386 | 84,222 | 85,166 | 84,918 | 85,880 | 78,227 | 82,033 |
| 4 Inflation-indexed | 2,801 | 1,673 | 1,575 | 2,209 | 1,267 | 1,716 | 1,881 | 1,349 | 1,794 | 1,676 | 1,771 | 1,995 |
| Federal agency | | | | | | | | | | | | |
| 5 Discount notes | 62,160 | 66,280 | 62,429 | 70,415 | 62,925 | 62,472 | 63,276 | 63,071 | 57,355 | 56,817 | 61,195 | 66,497 |
| Coupon securities, by maturity | | | | | | | | | | | | |
| 6 One year or less | 1,451 | 1,405 | 998 | 1,005 | 675 | 1,356 | 748 | 1,228 | 965 | 647 | 1,517 | 1,502 |
| 7 More than one year, but less than or equal to five years | 15,202 | 19,340 | 16,460 | 32,471 | 17,155 | 16,709 | 16,135 | 17,606 | 12,047 | 17,969 | 18,396 | 23,675 |
| 8 More than five years | 12,991 | 9,935 | 13,911 | 10,665 | 10,762 | 19,876 | 11,826 | 15,514 | 8,079 | 6,378 | 5,274 | 8,070 |
| 9 Mortgage-backed | 100,680 | 108,394 | 105,381 | 78,285 | 124,025 | 110,680 | 111,387 | 84,348 | 83,096 | 144,118 | 126,096 | 88,470 |
| *By type of counterparty* | | | | | | | | | | | | |
| With interdealer broker | | | | | | | | | | | | |
| 10 U.S. Treasury | 145,363 | 142,567 | 129,797 | 165,470 | 128,123 | 126,213 | 132,779 | 130,887 | 132,765 | 123,142 | 139,093 | 134,568 |
| 11 Federal agency | 13,683 | 12,617 | 13,272 | 15,803 | 11,965 | 14,719 | 14,785 | 13,079 | 9,624 | 9,901 | 10,294 | 13,466 |
| 12 Mortgage-backed | 31,191 | 32,659 | 34,045 | 27,846 | 35,155 | 35,768 | 38,320 | 29,291 | 28,157 | 43,120 | 39,724 | 29,240 |
| With other | | | | | | | | | | | | |
| 13 U.S. Treasury | 165,738 | 164,767 | 161,613 | 201,213 | 162,604 | 151,263 | 153,817 | 177,035 | 165,941 | 155,439 | 175,729 | 173,623 |
| 14 Federal agency | 78,120 | 84,344 | 80,526 | 98,753 | 79,553 | 85,694 | 77,200 | 84,340 | 68,821 | 71,910 | 76,088 | 86,278 |
| 15 Mortgage-backed | 69,489 | 75,735 | 71,337 | 50,439 | 88,870 | 74,911 | 73,067 | 55,057 | 54,940 | 100,998 | 86,373 | 59,231 |
| FUTURES TRANSACTIONS[3] | | | | | | | | | | | | |
| *By type of deliverable security* | | | | | | | | | | | | |
| 16 U.S. Treasury bills | n.a. | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Coupon securities, by maturity | | | | | | | | | | | | |
| 17 Five years or less | 3,821 | 4,230 | 4,208 | 6,171 | 5,550 | 3,385 | 4,812 | 3,373 | 3,488 | 3,919 | 3,766 | 3,007 |
| 18 More than five years | 15,474 | 17,291 | 16,989 | 22,167 | 16,672 | 18,107 | 18,218 | 15,196 | 16,395 | 18,265 | 16,792 | 17,124 |
| 19 Inflation-indexed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency | | | | | | | | | | | | |
| 20 Discount notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coupon securities, by maturity | | | | | | | | | | | | |
| 21 One year or less | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22 More than one year, but less than or equal to five years | 0 | 0 | 0 | 0 | 0 | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| 23 More than five years | 63 | 66 | 55 | 139 | 55 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 24 Mortgage-backed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OPTIONS TRANSACTIONS[4] | | | | | | | | | | | | |
| *By type of underlying security* | | | | | | | | | | | | |
| 25 U.S. Treasury bills | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coupon securities, by maturity | | | | | | | | | | | | |
| 26 Five years or less | 1,116 | 971 | 1,167 | 743 | 1,173 | 1,067 | 1,010 | 1,191 | 1,739 | 502 | 1,908 | 598 |
| 27 More than five years | 4,423 | 4,166 | 4,188 | 3,778 | 4,406 | 5,113 | 2,901 | 4,083 | 4,805 | 4,563 | 4,848 | 3,615 |
| 28 Inflation-indexed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency | | | | | | | | | | | | |
| 29 Discount notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coupon securities, by maturity | | | | | | | | | | | | |
| 30 One year or less | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 More than one year, but less than or equal to five years | 20 | 29 | 85 | 80 | n.a. | n.a. | n.a. | n.a. | 85 | n.a. | 63 | n.a. |
| 32 More than five years | 105 | 119 | 133 | 278 | 27 | 269 | 92 | 168 | 75 | 172 | 29 | n.a. |
| 33 Mortgage-backed | 1,269 | 1,444 | 1,863 | 1,104 | 2,564 | 1,543 | 2,160 | 1,608 | 802 | 1,251 | 1,753 | 404 |

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Monthly averages are based on the number of trading days in the month. Transactions are assumed to be evenly distributed among the trading days of the report week. Immediate, forward, and futures transactions are reported at principal value, which does not include accrued interest; options transactions are reported at the face value of the underlying securities.

Dealers report cumulative transactions for each week ending Wednesday.

2. Outright transactions include immediate and forward transactions. Immediate delivery refers to purchases or sales of securities (other than mortgage-backed federal agency securities) for which delivery is scheduled in five business days or less and "when-issued" securities that settle on the issue date of offering. Transactions for immediate delivery of mortgage-backed agency securities include purchases and sales for which delivery is scheduled in thirty business days or less. Stripped securities are reported at market value by maturity of coupon or corpus.

Forward transactions are agreements made in the over-the-counter market that specify delayed delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

3. Futures transactions are standardized agreements arranged on an exchange. All futures transactions are included regardless of time to delivery.

4. Options transactions are purchases or sales of put and call options, whether arranged on an organized exchange or in the over-the-counter market, and include options on futures contracts on U.S. Treasury and federal agency securities.

NOTE. "n.a." indicates that data are not published because of insufficient activity.

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

Millions of dollars

| Item | 2001 | | | 2001, week ending | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jan. | Feb. | Mar. | Feb. 28 | Mar. 7 | Mar. 14 | Mar. 21 | Mar. 28 | Apr. 4 | Apr. 11 | Apr. 18 |
| | Positions[2] | | | | | | | | | | |
| NET OUTRIGHT POSITIONS[3] | | | | | | | | | | | |
| *By type of security* | | | | | | | | | | | |
| 1 U.S. Treasury bills | 10,534 | 9,779 | 20,272 | 27,862 | 15,125 | 13,380 | 12,098 | 30,249 | 44,155 | 40,934 | 57,291 |
| Coupon securities, by maturity | | | | | | | | | | | |
| 2 Five years or less | −12,508 | −17,917 | −14,721 | −21,623 | −16,189 | −14,725 | −13,003 | −14,925 | −14,819 | −16,003 | −18,297 |
| 3 More than five years | −10,547 | −3,985 | −6,315 | −3,992 | −5,695 | −6,897 | −5,836 | −6,645 | −6,752 | −7,782 | −7,227 |
| 4 Inflation-indexed | 3,571 | 3,907 | 4,146 | 4,568 | 4,186 | 4,171 | 3,663 | 4,548 | 4,188 | 4,377 | 4,508 |
| Federal agency | | | | | | | | | | | |
| 5 Discount notes | 30,005 | 32,994 | 36,096 | 31,168 | 34,956 | 40,015 | 33,643 | 33,222 | 42,037 | 49,299 | 54,292 |
| Coupon securities, by maturity | | | | | | | | | | | |
| 6 One year or less | 17,285 | 18,229 | 16,162 | 18,036 | 17,018 | 15,975 | 15,852 | 15,651 | 16,519 | 16,307 | 15,823 |
| 7 More than one year, but less than or equal to five years | 6,450 | 6,215 | 5,802 | 6,424 | 6,268 | 6,633 | 5,420 | 5,540 | 4,274 | 4,776 | 7,117 |
| 8 More than five years | 6,360 | 5,480 | 8,578 | 5,416 | 6,501 | 7,333 | 9,997 | 10,198 | 9,240 | 9,926 | 8,534 |
| 9 Mortgage-backed | 15,656 | 10,110 | 9,611 | 7,830 | 10,254 | 9,305 | 6,710 | 10,687 | 13,082 | 9,749 | 9,762 |
| NET FUTURES POSITIONS[4] | | | | | | | | | | | |
| *By type of deliverable security* | | | | | | | | | | | |
| 10 U.S. Treasury bills | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Coupon securities, by maturity | | | | | | | | | | | |
| 11 Five years or less | 1,131 | 2,344 | −1,421 | 950 | −1,764 | −2,153 | −1,904 | 108 | −1,353 | −1,646 | −424 |
| 12 More than five years | −6,366 | −11,744 | −10,207 | −11,200 | −10,632 | −9,606 | −11,711 | −9,652 | −8,406 | −6,516 | −6,782 |
| 13 Inflation-indexed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency | | | | | | | | | | | |
| 14 Discount notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coupon securities, by maturity | | | | | | | | | | | |
| 15 One year or less | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 More than one year, but less than or equal to five years | 0 | n.a. | 0 | n.a. | n.a. | 0 | n.a. | 0 | 0 | 0 | 0 |
| 17 More than five years | −91 | −300 | −341 | −339 | −309 | −299 | n.a. | −395 | −385 | −380 | −364 |
| 18 Mortgage-backed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NET OPTIONS POSITIONS | | | | | | | | | | | |
| *By type of deliverable security* | | | | | | | | | | | |
| 19 U.S. Treasury bills | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coupon securities, by maturity | | | | | | | | | | | |
| 20 Five years or less | 767 | 604 | 295 | −109 | 989 | −149 | −55 | 784 | −612 | −1,472 | −719 |
| 21 More than five years | 1,054 | −815 | 730 | −1,211 | 524 | 1,163 | 640 | 423 | 1,131 | 377 | 1,163 |
| 22 Inflation-indexed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency | | | | | | | | | | | |
| 23 Discount notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coupon securities, by maturity | | | | | | | | | | | |
| 24 One year or less | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 More than one year, but less than or equal to five years | −529 | −578 | 355 | −348 | 232 | 312 | 489 | 315 | 519 | 216 | 236 |
| 26 More than five years | 603 | 558 | 593 | 1,079 | 1,226 | 967 | 587 | −164 | 20 | 82 | 24 |
| 27 Mortgage-backed | 894 | 2,002 | 2,485 | 3,438 | 1,276 | 2,293 | 3,851 | 2,634 | 2,220 | 823 | 1,121 |
| | Financing[5] | | | | | | | | | | |
| *Reverse repurchase agreements* | | | | | | | | | | | |
| 28 Overnight and continuing | 348,805 | 350,827 | 376,076 | 389,259 | 390,153 | 378,049 | 385,554 | 353,528 | 369,121 | 360,179 | 361,327 |
| 29 Term | 803,216 | 845,692 | 881,202 | 799,665 | 850,292 | 902,950 | 869,504 | 918,959 | 841,773 | 902,139 | 919,879 |
| *Securities borrowed* | | | | | | | | | | | |
| 30 Overnight and continuing | 270,561 | 278,815 | 278,034 | 269,630 | 286,322 | 275,096 | 285,120 | 268,650 | 270,908 | 268,931 | 279,432 |
| 31 Term | 129,862 | 120,113 | 123,908 | 126,965 | 121,085 | 123,020 | 123,331 | 128,376 | 123,493 | 128,356 | 124,767 |
| *Securities received as pledge* | | | | | | | | | | | |
| 32 Overnight and continuing | 3,382 | 3,002 | 3,391 | 3,180 | 3,395 | 4,033 | 3,245 | 3,073 | 2,963 | 3,127 | 3,299 |
| 33 Term | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| *Repurchase agreements* | | | | | | | | | | | |
| 34 Overnight and continuing | 794,087 | 803,148 | 836,852 | 835,851 | 835,369 | 847,662 | 833,359 | 820,374 | 861,690 | 864,697 | 867,654 |
| 35 Term | 764,792 | 801,371 | 842,163 | 762,927 | 818,097 | 857,600 | 840,322 | 881,095 | 775,748 | 833,753 | 860,415 |
| *Securities loaned* | | | | | | | | | | | |
| 36 Overnight and continuing | 9,914 | 9,648 | 9,463 | 9,709 | 9,209 | 9,234 | 9,657 | 9,786 | 9,386 | 10,065 | 9,561 |
| 37 Term | 4,185 | 4,194 | 4,429 | n.a. | 4,067 | n.a. | 4,543 | 4,678 | n.a. | n.a. | 4,469 |
| *Securities pledged* | | | | | | | | | | | |
| 38 Overnight and continuing | 54,311 | 51,166 | 50,758 | 49,833 | 51,954 | 49,957 | 51,553 | 50,052 | 49,627 | 53,160 | 52,868 |
| 39 Term | 4,032 | 5,029 | 5,938 | 5,601 | 5,639 | 6,000 | 5,944 | 6,068 | 6,174 | 6,500 | 6,362 |
| *Collateralized loans* | | | | | | | | | | | |
| 40 Total | 24,507 | 21,373 | 23,731 | 18,895 | 21,116 | 28,881 | 24,727 | 18,640 | 27,366 | 22,520 | 24,447 |

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. Securities positions are reported at market value.

3. Net outright positions include immediate and forward positions. Net immediate positions include securities purchased or sold (other than mortgage-backed agency securities) that have been delivered or are scheduled to be delivered in five business days or less and "when-issued" securities that settle on the issue date of offering. Net immediate positions for mortgage-backed agency securities include securities purchased or sold that have been delivered or are scheduled to be delivered in thirty business days or less.

Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

4. Futures positions reflect standardized agreements arranged on an exchange. All futures positions are included regardless of time to delivery.

5. Overnight financing refers to agreements made on one business day that mature on the next business day; continuing contracts are agreements that remain in effect for more than one business day but have no specific maturity and can be terminated without advance notice by either party; term agreements have a fixed maturity of more than one business day. Financing data are reported in terms of actual funds paid or received, including accrued interest.

NOTE. "n.a." indicates that data are not published because of insufficient activity.

## 1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

| Agency | 1997 | 1998 | 1999 | 2000 | 2000 | | | 2001 | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Oct. | Nov. | Dec. | Jan. | Feb. |
| 1 **Federal and federally sponsored agencies** | **1,022,609** | **1,296,477** | **1,616,492** | **1,851,632** | n.a. | **1,833,155** | **1,851,632** | n.a. | **1,917,503** |
| 2 Federal agencies | 27,792 | 26,502 | 26,376 | 25,666 | 25,523 | 25,555 | 25,666 | 25,426 | 25,141 |
| 3 Defense Department[1] | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| 4 Export-Import Bank[2,3] | 552 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 5 Federal Housing Administration[4] | 102 | 205 | 126 | 255 | 237 | 239 | 255 | 275 | 291 |
| 6 Government National Mortgage Association certificates of participation[5] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 7 Postal Service[6] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 8 Tennessee Valley Authority | 27,786 | 26,496 | 26,370 | 25,660 | 25,517 | 25,549 | 25,660 | 25,420 | 25,135 |
| 9 United States Railway Association[6] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 10 Federally sponsored agencies[7] | 994,817 | 1,269,975 | 1,590,116 | 1,825,966 | 1,777,824 | 1,807,600 | 1,825,966 | 1,873,199 | 1,892,362 |
| 11 Federal Home Loan Banks | 313,919 | 382,131 | 529,005 | 594,404 | 576,689 | 580,957 | 594,404 | 604,904 | 598,586 |
| 12 Federal Home Loan Mortgage Corporation | 169,200 | 287,396 | 360,711 | 426,899 | 422,960 | 429,617 | 426,899 | 446,997 | 455,623 |
| 13 Federal National Mortgage Association | 369,774 | 460,291 | 547,619 | 642,700 | 615,463 | 633,100 | 642,700 | 654,200 | 668,200 |
| 14 Farm Credit Banks[8] | 63,517 | 63,488 | 68,883 | 74,181 | 71,345 | 71,667 | 74,181 | 73,925 | 73,647 |
| 15 Student Loan Marketing Association[9] | 37,717 | 35,399 | 41,988 | 45,375 | 48,988 | 50,016 | 45,375 | 50,669 | 53,886 |
| 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] | **49,090** | **44,129** | **42,152** | **40,575** | **41,280** | **40,170** | **40,575** | **39,348** | **38,924** |
| *Lending to federal and federally sponsored agencies* | | | | | | | | | |
| 20 Export-Import Bank[3] | 552 | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| 21 Postal Service[6] | 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. | | | | | | | | |
| 24 United States Railway Association[6] | n.a. | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ |
| *Other lending*[14] | | | | | | | | | |
| 25 Farmers Home Administration | 13,530 | 9,500 | 6,665 | 5,275 | 5,540 | 5,320 | 5,275 | 5,155 | 5,155 |
| 26 Rural Electrification Administration | 14,898 | 14,091 | 14,085 | 13,126 | 12,891 | 13,023 | 13,126 | 13,197 | 13,281 |
| 27 Other | 20,110 | 20,538 | 21,402 | 22,174 | 22,849 | 21,827 | 22,174 | 20,996 | 20,488 |

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 Agricultural Mortgage Corporation; therefore, details do not sum to total. Some data are estimated.
8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, which is shown on line 17.
9. Before late 1982, the association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 22.
10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.
11. The Farm Credit Financial Assistance Corporation, established in January 1988 to provide assistance to the Farm Credit System, undertook its first borrowing in July 1988.
12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.
13. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Because FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table to avoid double counting.
14. Includes FFB purchases of agency assets and guaranteed loans; the latter are loans guaranteed by numerous agencies, with the amounts guaranteed by any one agency generally being small. The Farmers Home Administration entry consists exclusively of agency assets, whereas the Rural Electrification Administration entry consists of both agency assets and guaranteed loans.

## 1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

| Type of issue or issuer, or use | 1998 | 1999 | 2000 | 2000 | | | | 2001 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| 1 **All issues, new and refunding**[1] | **262,342** | **215,427** | **180,403** | **15,598** | **18,035** | **18,079** | **15,348** | **11,255** | **19,829** | **24,495** | **16,985** |
| *By type of issue* | | | | | | | | | | | |
| 2 General obligation | 87,015 | 73,308 | 64,475 | 6,888 | 5,871 | 5,044 | 5,060 | 6,256 | 9,389 | 7,668 | 6,890 |
| 3 Revenue | 175,327 | 142,120 | 115,928 | 8,710 | 12,163 | 13,036 | 10,288 | 4,999 | 10,441 | 16,827 | 10,094 |
| *By type of issuer* | | | | | | | | | | | |
| 4 State | 23,506 | 16,376 | 19,944 | 2,022 | 3,005 | 1,942 | 1,640 | 1,738 | 3,268 | 1,893 | 1,900 |
| 5 Special district or statutory authority[2] | 178,421 | 152,418 | 111,695 | 10,152 | 11,224 | 12,311 | 1,053 | 7,061 | 11,011 | 17,280 | 113,344 |
| 6 Municipality, county, or township | 60,173 | 46,634 | 39,273 | 3,424 | 3,806 | 3,827 | 3,165 | 2,456 | 5,550 | 5,323 | 3,740 |
| 7 **Issues for new capital** | **160,568** | **161,065** | **154,257** | **13,968** | **16,387** | **14,520** | **13,286** | **8,758** | **13,384** | **15,387** | **12,264** |
| *By use of proceeds* | | | | | | | | | | | |
| 8 Education | 36,904 | 36,563 | 38,665 | 3,210 | 3,492 | 3,446 | 2,919 | 2,786 | 3,102 | 5,343 | 3,731 |
| 9 Transportation | 19,926 | 17,394 | 19,730 | 1,574 | 2,575 | 2,124 | 1,381 | 780 | 2,411 | 1,219 | 1,381 |
| 10 Utilities and conservation | 21,037 | 15,098 | 11,917 | 1,408 | 1,272 | 1,973 | 1,307 | 678 | 1,335 | 1,677 | 1,447 |
| 11 Social welfare | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 12 Industrial aid | 8,594 | 9,099 | 7,122 | 387 | 730 | 500 | 615 | 63 | 281 | 396 | 436 |
| 13 Other purposes | 42,450 | 47,896 | 47,309 | 5,243 | 6,558 | 3,787 | 4,264 | 3,013 | 4,742 | 4,368 | 3,010 |

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

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

## 1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

| Type of issue, offering, or issuer | 1998 | 1999 | 2000 | 2000 | | | | | 2001 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| 1 **All issues**[1] | **1,128,491** | **1,072,866** | **942,198** | **82,752** | **94,492** | **62,466** | **95,595** | **61,378** | **125,894** | **96,206**[r] | **138,655** |
| 2 **Bonds**[2] | **1,001,736** | **941,298** | **807,281** | **69,875** | **88,102** | **53,345** | **84,094** | **58,713** | **118,372** | **88,806** | **127,956** |
| *By type of offering* | | | | | | | | | | | |
| 3 Sold in the United States | 923,771 | 818,683 | 684,484 | 56,133 | 73,516 | 47,415 | 76,383 | 57,189 | 115,583 | 86,146 | 118,779 |
| 4 Sold abroad | 77,965 | 122,615 | 122,798 | 13,742 | 14,586 | 5,930 | 7,712 | 1,525 | 2,789 | 2,660 | 9,177 |
| MEMO | | | | | | | | | | | |
| 5 Private placements, domestic | n.a. | n.a. | n.a. | 241 | 376 | 127 | 5,534 | 3,709 | 26 | 1,897 | 652 |
| *By industry group* | | | | | | | | | | | |
| 6 Nonfinancial | 307,711 | 293,963 | 242,452 | 17,947 | 24,483 | 12,547 | 25,784 | 18,219 | 44,443 | 34,604 | 44,385 |
| 7 Financial | 694,025 | 647,335 | 564,829 | 51,928 | 63,619 | 40,799 | 58,310 | 40,495 | 73,928 | 54,201 | 83,571 |
| 8 **Stocks**[3] | **182,055** | **223,968** | **283,717** | **25,277** | **18,790** | **21,521** | **23,901** | **15,065** | **7,522** | **7,400** | **11,308** |
| *By type of offering* | | | | | | | | | | | |
| 9 Public | 126,755 | 131,568 | 134,917 | 12,877 | 6,390 | 9,121 | 11,501 | 2,665 | 7,522 | 7,400 | 11,308 |
| 10 Private placement[4] | 55,300 | 92,400 | 148,800 | 12,400 | 12,400 | 12,400 | 12,400 | 12,400 | n.a. | n.a. | n.a. |
| *By industry group* | | | | | | | | | | | |
| 11 Nonfinancial | 74,113 | 110,284 | 118,369 | 8,645 | 6,205 | 8,278 | 10,794 | 2,146 | 4,356 | 4,463 | 7,718 |
| 12 Financial | 52,642 | 21,284 | 16,548 | 4,232 | 185 | 843 | 707 | 519 | 3,166 | 2,937 | 3,590 |

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

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

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

Millions of dollars

| Item | 1999 | 2000 | 2000 Sept. | 2000 Oct. | 2000 Nov. | 2000 Dec. | 2001 Jan. | 2001 Feb. | 2001 Mar.[r] | 2001 Apr. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Sales of own shares**[2] | **1,791,894** | **2,279,315** | **159,809** | **169,071** | **143,412** | **170,255** | **206,765** | **148,362** | **162,548** | **152,491** |
| 2 Redemptions of own shares | 1,621,987 | 2,057,277 | 147,644 | 153,067 | 138,791 | 160,918 | 171,819 | 141,663 | 175,633 | 130,560 |
| 3 Net sales[3] | 169,906 | 222,038 | 12,166 | 16,004 | 4,621 | 9,337 | 34,946 | 6,699 | −13,085 | 21,931 |
| 4 **Assets**[4] | **5,233,191** | **5,123,747** | **5,550,176** | **5,442,937** | **4,993,008** | **5,123,747** | **5,280,222** | **4,879,229** | **4,594,182** | **4,913,571** |
| 5 Cash[5] | 219,189 | 277,386 | 280,192 | 302,682 | 300,133 | 277,386 | 280,472 | 274,077 | 241,518 | 250,218 |
| 6 Other | 5,014,002 | 4,846,361 | 5,269,984 | 5,140,255 | 4,692,875 | 4,846,361 | 4,999,750 | 4,605,152 | 4,352,664 | 4,663,353 |

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

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

## 1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

| Account | 1998 | 1999 | 2000 | 1999 Q2 | 1999 Q3 | 1999 Q4 | 2000 Q1 | 2000 Q2 | 2000 Q3 | 2000 Q4 | 2001 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Profits with inventory valuation and capital consumption adjustment | 815.0 | 856.0 | 946.2 | 836.8 | 842.0 | 893.2 | 936.3 | 963.6 | 970.3 | 914.7 | 893.4 |
| 2 Profits before taxes | 758.2 | 823.0 | 925.6 | 804.5 | 819.0 | 870.7 | 920.7 | 942.5 | 945.1 | 894.1 | 866.2 |
| 3 Profits-tax liability | 244.6 | 255.9 | 284.2 | 250.8 | 254.2 | 270.8 | 286.3 | 292.0 | 290.6 | 267.7 | 259.0 |
| 4 Profits after taxes | 513.6 | 567.1 | 641.4 | 553.7 | 564.8 | 599.9 | 634.4 | 650.4 | 654.4 | 626.4 | 607.2 |
| 5 Dividends | 351.5 | 370.7 | 397.0 | 367.2 | 373.9 | 380.6 | 387.3 | 393.0 | 400.1 | 407.6 | 414.7 |
| 6 Undistributed profits | 162.1 | 196.4 | 244.4 | 186.5 | 190.9 | 219.3 | 247.1 | 257.4 | 254.4 | 218.8 | 192.6 |
| 7 Inventory valuation | 17.0 | −9.1 | −12.9 | −8.9 | −19.7 | −19.2 | −25.0 | −13.6 | −4.5 | −8.5 | −3.5 |
| 8 Capital consumption adjustment | 39.9 | 42.1 | 33.5 | 41.2 | 42.7 | 41.6 | 40.6 | 34.7 | 29.7 | 29.1 | 30.7 |

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

## 1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities[1]

Billions of dollars, end of period; not seasonally adjusted

| Account | 1998 | 1999 | 2000[r] | 1999 Q3 | 1999 Q4 | 2000 Q1 | 2000 Q2 | 2000 Q3 | 2000 Q4[r] | 2001 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | | | |
| 1 Accounts receivable, gross[2] | 711.7 | 811.5 | 915.6 | 776.3 | 811.5 | 848.7 | 884.4 | 900.1 | 915.6 | 916.6 |
| 2 Consumer | 261.8 | 279.8 | 296.1 | 271.0 | 279.8 | 285.4 | 294.1 | 301.9 | 296.1 | 292.9 |
| 3 Business | 347.5 | 405.2 | 471.1 | 383.0 | 405.2 | 434.6 | 454.1 | 455.7 | 471.1 | 472.1 |
| 4 Real estate | 102.3 | 126.5 | 148.3 | 122.3 | 126.5 | 128.8 | 136.2 | 142.4 | 148.3 | 151.6 |
| 5 LESS: Reserves for unearned income | 56.3 | 53.5 | 60.0 | 54.0 | 53.5 | 54.0 | 57.1 | 58.8 | 60.0 | 60.3 |
| 6 Reserves for losses | 13.8 | 13.5 | 15.1 | 13.6 | 13.5 | 14.0 | 14.4 | 14.2 | 15.1 | 15.6 |
| 7 Accounts receivable, net | 641.6 | 744.6 | 840.5 | 708.6 | 744.6 | 780.7 | 813.0 | 827.1 | 840.5 | 840.7 |
| 8 All other | 337.9 | 406.3 | 461.8 | 368.5 | 406.3 | 412.7 | 418.3 | 441.4 | 461.8 | 474.8 |
| 9 **Total assets** | **979.5** | **1,150.9** | **1,302.4** | **1,077.2** | **1,150.9** | **1,193.4** | **1,231.3** | **1,268.4** | **1,302.4** | **1,315.5** |
| LIABILITIES AND CAPITAL | | | | | | | | | | |
| 10 Bank loans | 26.3 | 35.1 | 35.6 | 27.0 | 35.1 | 28.5 | 32.5 | 35.4 | 35.6 | 41.2 |
| 11 Commercial paper | 231.5 | 227.9 | 235.2 | 205.3 | 227.9 | 230.2 | 221.3 | 215.6 | 235.2 | 178.3 |
| *Debt* | | | | | | | | | | |
| 12 Owed to parent | 61.8 | 123.8 | 146.5 | 84.5 | 123.8 | 145.1 | 137.1 | 144.3 | 146.5 | 138.5 |
| 13 Not elsewhere classified | 339.7 | 397.0 | 463.8 | 396.2 | 397.0 | 412.0 | 445.4 | 465.5 | 463.8 | 501.9 |
| 14 All other liabilities | 203.2 | 222.7 | 279.7 | 216.0 | 222.7 | 247.6 | 259.3 | 269.2 | 279.7 | 299.7 |
| 15 Capital, surplus, and undivided profits | 117.0 | 144.5 | 141.6 | 148.2 | 144.5 | 130.1 | 135.6 | 138.3 | 141.6 | 151.0 |
| 16 **Total liabilities and capital** | **979.5** | **1,150.9** | **1,302.4** | **1,077.2** | **1,150.9** | **1,193.4** | **1,231.3** | **1,268.4** | **1,302.4** | **1,310.6** |

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 | 1998 | 1999 | 2000 | 2000 Oct. | 2000 Nov. | 2000 Dec. | 2001 Jan. | 2001 Feb. | 2001 Mar. |
|---|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | | | | |
| 1 **Total** | **875.8** | **993.9** | **1,145.2** | **1,134.9** | **1,136.2** | **1,145.2** | **1,156.7[r]** | **1,159.7[r]** | **1,159.5** |
| 2 Consumer | 352.8 | 385.3 | 439.3 | 437.3 | 439.8 | 439.3 | 443.8[r] | 447.1[r] | 450.8 |
| 3 Real estate | 131.4 | 154.7 | 174.9 | 174.4 | 176.6 | 174.9 | 177.7 | 179.0[r] | 177.5 |
| 4 Business | 391.6 | 453.9 | 531.0 | 523.2 | 519.7 | 531.0 | 535.2 | 533.6[r] | 531.3 |
| | Not seasonally adjusted | | | | | | | | |
| 5 **Total** | **884.0** | **1,003.2** | **1,156.0** | **1,132.9** | **1,137.9** | **1,156.0** | **1,156.7** | **1,159.7[r]** | **1,164.0** |
| 6 Consumer | 356.1 | 388.8 | 443.4 | 437.9 | 441.4 | 443.4 | 443.9[r] | 445.1[r] | 446.7 |
| 7 Motor vehicles loans | 103.1 | 114.7 | 122.5 | 131.8 | 127.8 | 122.5 | 117.5 | 118.5 | 118.9 |
| 8 Motor vehicle leases | 93.3 | 98.3 | 102.9 | 104.3 | 104.0 | 102.9 | 103.3[r] | 102.4[r] | 102.3 |
| 9 Revolving[2] | 32.3 | 33.8 | 38.3 | 37.1 | 38.0 | 38.3 | 37.1[r] | 36.9[r] | 35.6 |
| 10 Other[3] | 33.1 | 33.1 | 32.4 | 31.9 | 32.0 | 32.4 | 32.4 | 32.0 | 31.3 |
| Securitized assets[4] | | | | | | | | | |
| 11 Motor vehicle loans | 54.8 | 71.1 | 97.1 | 84.3 | 91.5 | 97.1 | 103.9 | 105.2 | 108.1 |
| 12 Motor vehicle leases | 12.7 | 9.7 | 6.6 | 7.0 | 6.8 | 6.6 | 6.3 | 6.9 | 6.6 |
| 13 Revolving | 8.7 | 10.5 | 27.5 | 25.8 | 25.8 | 27.5 | 27.6 | 27.6 | 27.6 |
| 14 Other | 18.1 | 17.7 | 16.0 | 15.7 | 15.5 | 16.0 | 15.8 | 15.5[r] | 16.2 |
| 15 Real estate | 131.4 | 154.7 | 174.9 | 174.4 | 176.6 | 174.9 | 177.7 | 179.0[r] | 177.5 |
| 16 One- to four-family | 75.7 | 88.3 | 105.4 | 104.6 | 107.0 | 105.4 | 108.2 | 109.5 | 108.1 |
| 17 Other | 26.6 | 38.3 | 42.9 | 42.1 | 42.7 | 42.9 | 43.2 | 43.4[r] | 43.5 |
| Securitized real estate assets[4] | | | | | | | | | |
| 18 One- to four-family | 29.0 | 28.0 | 24.7 | 25.7 | 25.0 | 24.7 | 24.4 | 24.2 | 23.9 |
| 19 Other | .1 | .2 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| 20 Business | 396.5 | 459.6 | 537.7 | 520.6 | 519.9 | 537.7 | 535.1 | 535.6[r] | 539.8 |
| 21 Motor vehicles | 79.6 | 87.8 | 95.2 | 95.9 | 93.3 | 95.2 | 93.6 | 93.6 | 90.9 |
| 22 Retail loans | 28.1 | 33.2 | 31.0 | 34.7 | 32.3 | 31.0 | 30.8 | 30.7 | 30.5 |
| 23 Wholesale loans[5] | 32.8 | 34.7 | 39.6 | 37.5 | 37.3 | 39.6 | 38.2 | 37.6 | 35.8 |
| 24 Leases | 18.7 | 19.9 | 24.6 | 23.7 | 23.8 | 24.6 | 24.6 | 25.3[r] | 24.6 |
| 25 Equipment | 198.0 | 221.9 | 267.3 | 259.4 | 259.3 | 267.3 | 265.6 | 262.5[r] | 264.7 |
| 26 Loans | 50.4 | 52.2 | 56.2 | 56.1 | 54.7 | 56.2 | 56.3 | 55.6 | 57.1 |
| 27 Leases | 147.6 | 169.7 | 211.1 | 203.3 | 204.6 | 211.1 | 209.3 | 206.9 | 207.7 |
| 28 Other business receivables[6] | 69.9 | 95.5 | 108.6 | 103.7 | 103.2 | 108.6 | 110.4 | 114.5 | 116.2 |
| Securitized assets[4] | | | | | | | | | |
| 29 Motor vehicles | 29.2 | 31.5 | 37.8 | 34.2 | 37.0 | 37.8 | 37.3 | 37.2 | 40.0 |
| 30 Retail loans | 2.6 | 2.9 | 3.2 | 2.3 | 3.1 | 3.2 | 3.1 | 2.9 | 2.8 |
| 31 Wholesale loans | 24.7 | 26.4 | 32.5 | 29.5 | 31.5 | 32.5 | 32.1 | 31.7 | 34.5 |
| 32 Leases | 1.9 | 2.1 | 2.2 | 2.4 | 2.4 | 2.2 | 2.2 | 2.6 | 2.6 |
| 33 Equipment | 13.0 | 14.6 | 23.1 | 21.7 | 21.3 | 23.1 | 22.5 | 22.2 | 22.5 |
| 34 Loans | 6.6 | 7.9 | 15.5 | 14.9 | 14.6 | 15.5 | 14.7 | 14.5 | 14.6 |
| 35 Leases | 6.4 | 6.7 | 7.6 | 6.7 | 6.7 | 7.6 | 7.8 | 7.8 | 7.9 |
| 36 Other business receivables[6] | 6.8 | 8.4 | 5.6 | 5.8 | 5.8 | 5.6 | 5.6 | 5.6 | 5.6 |

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 | 1998 | 1999 | 2000 | 2000 | | | 2001 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| | Terms and yields in primary and secondary markets | | | | | | | | | |
| PRIMARY MARKETS | | | | | | | | | | |
| *Terms*[1] | | | | | | | | | | |
| 1 Purchase price (thousands of dollars) | 195.2 | 210.7 | 234.5 | 240.2 | 247.2 | 250.0 | 238.7 | 245.0 | 244.5 | 240.8 |
| 2 Amount of loan (thousands of dollars) | 151.1 | 161.7 | 177.0 | 180.4 | 184.2 | 187.3 | 181.6 | 185.4 | 182.9 | 181.5 |
| 3 Loan-to-price ratio (percent) | 80.0 | 78.7 | 77.4 | 77.2 | 76.2 | 76.5 | 78.2 | 77.9 | 77.2 | 77.6 |
| 4 Maturity (years) | 28.4 | 28.8 | 29.2 | 29.2 | 29.2 | 29.1 | 29.4 | 29.0 | 28.8 | 28.5 |
| 5 Fees and charges (percent of loan amount)[2] | .89 | .77 | .70 | .69 | .69 | .73 | .71 | .70 | .66 | .71 |
| *Yield (percent per year)* | | | | | | | | | | |
| 6 Contract rate[1] | 6.95 | 6.94 | 7.41 | 7.43 | 7.36 | 7.29 | 7.09 | 6.99 | 6.94 | 6.96 |
| 7 Effective rate[1,3] | 7.08 | 7.06 | 7.52 | 7.53 | 7.47 | 7.40 | 7.20 | 7.10 | 7.04 | 7.07 |
| 8 Contract rate (HUD series)[4] | 7.00 | 7.45 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| SECONDARY MARKETS | | | | | | | | | | |
| *Yield (percent per year)* | | | | | | | | | | |
| 9 FHA mortgages (Section 203)[5] | 7.04 | 7.74 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 10 GNMA securities[6] | 6.43 | 7.03 | 7.57 | 7.30 | 7.22 | 6.83 | 6.57 | 6.61 | 6.41 | 6.53 |
| | Activity in secondary markets | | | | | | | | | |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION | | | | | | | | | | |
| *Mortgage holdings (end of period)* | | | | | | | | | | |
| 11 Total | 414,515 | 523,941 | 610,122 | 586,756 | 598,951 | 610,122 | 623,950 | 632,850 | n.a. | n.a. |
| 12 FHA/VA insured | 33,770 | 55,318 | 61,539 | 60,329 | 60,694 | 61,539 | 62,970 | 63,337 | n.a. | n.a. |
| 13 Conventional | 380,745 | 468,623 | 548,583 | 526,427 | 538,257 | 548,583 | 560,980 | 569,513 | n.a. | n.a. |
| 14 Mortgage transactions purchased (during period) | 188,448 | 195,210 | 154,231 | 18,444 | 17,322 | 17,193 | 20,598 | 17,230 | 20,899 | 24,015 |
| *Mortgage commitments (during period)* | | | | | | | | | | |
| 15 Issued[7] | 193,795 | 187,948 | 163,689 | 17,435 | 15,287 | 20,120 | 27,325 | 25,471 | n.a. | n.a. |
| 16 To sell[8] | 1,880 | 5,900 | 11,786 | 268 | 676 | 1,436 | 766 | 835 | n.a. | n.a. |
| FEDERAL HOME LOAN MORTGAGE CORPORATION | | | | | | | | | | |
| *Mortgage holdings (end of period)*[8] | | | | | | | | | | |
| 17 Total | 255,010 | 324,443 | 385,693 | 365,198 | 372,819 | 385,693 | 391,679 | 407,086 | 421,655 | 430,960 |
| 18 FHA/VA insured | 785 | 1,836 | 3,332 | 3,530 | 3,321 | 3,332 | 3,307 | 3,319 | 3,329 | 2,878 |
| 19 Conventional | 254,225 | 322,607 | 382,361 | 361,668 | 369,498 | 382,361 | 388,372 | 403,767 | 418,326 | 428,082 |
| *Mortgage transactions (during period)* | | | | | | | | | | |
| 20 Purchases | 267,402 | 239,793 | 174,043 | 16,195 | 19,402 | 24,313 | 15,658 | 16,536 | 24,648 | n.a. |
| 21 Sales | 250,565 | 233,031 | 166,901 | 15,614 | 18,823 | 22,277 | 15,364 | 15,549 | 23,367 | 31,219 |
| 22 Mortgage commitments contracted (during period)[9] | 281,899 | 228,432 | 169,231 | 17,915 | 20,012 | 21,780 | 18,685 | 17,664 | 26,682 | 32,758 |

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 | 1996 | 1997 | 1998 | 2000 Q1 | 2000 Q2 | 2000 Q3 | 2000 Q4 | 2001 Q1 |
|---|---|---|---|---|---|---|---|---|
| 1 **All holders** | **4,868,298** | **5,204,119** | **5,737,161** | **6,426,515** | **6,592,329** | **6,744,667** | **6,889,962** | **7,016,475** |
| *By type of property* | | | | | | | | |
| 2 One- to four-family residences | 3,718,683 | 3,973,692 | 4,362,699 | 4,832,886 | 4,962,031 | 5,087,538 | 5,193,000 | 5,284,886 |
| 3 Multifamily residences | 288,837 | 302,291 | 332,121 | 387,188 | 390,753 | 399,232 | 409,216 | 418,762 |
| 4 Nonfarm, nonresidential | 773,643 | 837,837 | 945,836 | 1,102,565 | 1,133,107 | 1,149,940 | 1,178,909 | 1,202,752 |
| 5 Farm | 87,134 | 90,299 | 96,506 | 103,875 | 106,437 | 107,957 | 108,836 | 110,075 |
| *By type of holder* | | | | | | | | |
| 6 Major financial institutions | 1,981,886 | 2,083,981 | 2,194,813 | 2,458,194 | 2,550,201 | 2,606,592 | 2,621,076 | 2,667,125 |
| 7 Commercial banks[2] | 1,145,389 | 1,245,315 | 1,337,217 | 1,548,224 | 1,615,794 | 1,650,294 | 1,661,600 | 1,688,869 |
| 8 One- to four-family | 677,603 | 745,510 | 797,492 | 905,270 | 949,223 | 968,831 | 966,609 | 978,227 |
| 9 Multifamily | 45,451 | 49,670 | 54,116 | 72,509 | 75,795 | 77,031 | 77,821 | 79,890 |
| 10 Nonfarm, nonresidential | 397,452 | 423,148 | 456,574 | 537,772 | 557,059 | 570,513 | 583,153 | 596,518 |
| 11 Farm | 24,883 | 26,986 | 29,035 | 32,673 | 33,717 | 33,919 | 34,016 | 34,234 |
| 12 Savings institutions[3] | 628,335 | 631,826 | 643,957 | 680,745 | 701,992 | 721,563 | 723,534 | 741,114 |
| 13 One- to four-family | 513,712 | 520,782 | 533,918 | 560,018 | 578,612 | 595,518 | 595,053 | 608,289 |
| 14 Multifamily | 61,570 | 59,540 | 56,821 | 57,790 | 59,174 | 60,077 | 61,094 | 62,666 |
| 15 Nonfarm, nonresidential | 52,723 | 51,150 | 52,801 | 62,444 | 63,688 | 65,437 | 66,852 | 69,589 |
| 16 Farm | 331 | 354 | 417 | 493 | 518 | 513 | 535 | 569 |
| 17 Life insurance companies | 208,162 | 206,840 | 213,640 | 229,225 | 232,415 | 234,735 | 235,942 | 237,142 |
| 18 One- to four-family | 6,977 | 7,187 | 6,590 | 5,567 | 5,237 | 4,907 | 4,904 | 4,800 |
| 19 Multifamily | 30,750 | 30,402 | 31,522 | 32,634 | 33,121 | 33,478 | 33,681 | 33,867 |
| 20 Nonfarm, nonresidential | 160,315 | 158,779 | 164,004 | 178,043 | 180,701 | 182,646 | 183,757 | 184,774 |
| 21 Farm | 10,120 | 10,472 | 11,524 | 12,981 | 13,356 | 13,704 | 13,600 | 13,701 |
| 22 Federal and related agencies | 295,192 | 286,194 | 293,613 | 322,917 | 332,642 | 336,682 | 343,962 | 346,276 |
| 23 Government National Mortgage Association | 2 | 8 | 7 | 7 | 7 | 6 | 6 | 6 |
| 24 One- to four-family | 2 | 8 | 7 | 7 | 7 | 6 | 6 | 6 |
| 25 Multifamily | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26 Farmers Home Administration[4] | 41,596 | 41,195 | 40,851 | 72,899 | 72,896 | 73,009 | 73,323 | 73,361 |
| 27 One- to four-family | 17,303 | 17,253 | 16,895 | 16,456 | 16,435 | 16,444 | 16,372 | 16,297 |
| 28 Multifamily | 11,685 | 11,720 | 11,739 | 11,732 | 11,729 | 11,734 | 11,733 | 11,725 |
| 29 Nonfarm, nonresidential | 6,841 | 7,370 | 7,705 | 40,509 | 40,554 | 40,665 | 41,070 | 41,247 |
| 30 Farm | 5,768 | 4,852 | 4,513 | 4,202 | 4,179 | 4,167 | 4,148 | 4,093 |
| 31 Federal Housing and Veterans' Administrations | 6,244 | 3,811 | 3,674 | 3,794 | 3,845 | 3,395 | 3,507 | 2,873 |
| 32 One- to four-family | 3,524 | 1,767 | 1,849 | 1,847 | 1,832 | 1,327 | 1,308 | 1,276 |
| 33 Multifamily | 2,719 | 2,044 | 1,825 | 1,947 | 2,013 | 2,068 | 2,199 | 1,597 |
| 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 | 2,431 | 724 | 361 | 98 | 72 | 82 | 45 | 50 |
| 40 One- to four-family | 365 | 117 | 58 | 16 | 12 | 13 | 7 | 8 |
| 41 Multifamily | 413 | 140 | 70 | 19 | 14 | 16 | 9 | 10 |
| 42 Nonfarm, nonresidential | 1,653 | 467 | 233 | 63 | 46 | 53 | 29 | 32 |
| 43 Farm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 44 Federal National Mortgage Association | 168,813 | 161,308 | 157,675 | 150,312 | 153,507 | 152,815 | 155,363 | 156,294 |
| 45 One- to four-family | 155,008 | 149,831 | 147,594 | 139,986 | 142,478 | 141,786 | 144,150 | 145,014 |
| 46 Multifamily | 13,805 | 11,477 | 10,081 | 10,326 | 11,029 | 11,029 | 11,213 | 11,280 |
| 47 Federal Land Banks | 29,602 | 30,657 | 32,983 | 34,142 | 34,830 | 35,549 | 36,326 | 37,072 |
| 48 One- to four-family | 1,742 | 1,804 | 1,941 | 2,009 | 2,049 | 2,092 | 2,137 | 2,181 |
| 49 Farm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 50 Federal Home Loan Mortgage Corporation | 46,504 | 48,454 | 57,085 | 4,656 | 10,513 | 14,780 | 16,152 | 16,510 |
| 51 One- to four-family | 41,758 | 42,629 | 49,106 | 4,406 | 10,213 | 14,450 | 15,931 | 16,292 |
| 52 Multifamily | 4,746 | 5,825 | 7,979 | 250 | 300 | 330 | 221 | 218 |
| 53 Mortgage pools or trusts[5] | 2,040,847 | 2,239,350 | 2,589,800 | 2,983,365 | 3,034,691 | 3,115,138 | 3,231,195 | 3,305,311 |
| 54 Government National Mortgage Association | 506,246 | 536,879 | 537,446 | 589,192 | 590,708 | 602,628 | 611,629 | 601,540 |
| 55 One- to four-family | 494,064 | 523,225 | 522,498 | 571,506 | 572,661 | 584,152 | 592,700 | 581,760 |
| 56 Multifamily | 12,182 | 13,654 | 14,948 | 17,686 | 18,047 | 18,476 | 18,929 | 19,780 |
| 57 Federal Home Loan Mortgage Corporation | 554,260 | 579,385 | 646,459 | 757,106 | 768,641 | 790,891 | 822,310 | 833,616 |
| 58 One- to four-family | 551,513 | 576,846 | 643,465 | 752,607 | 763,890 | 786,007 | 816,602 | 827,769 |
| 59 Multifamily | 2,747 | 2,539 | 2,994 | 4,499 | 4,751 | 4,884 | 5,708 | 5,847 |
| 60 Federal National Mortgage Association | 650,779 | 709,582 | 834,517 | 975,815 | 995,815 | 1,020,828 | 1,057,750 | 1,099,049 |
| 61 One- to four-family | 633,209 | 687,981 | 804,204 | 932,178 | 957,584 | 981,206 | 1,016,398 | 1,055,412 |
| 62 Multifamily | 17,570 | 21,601 | 30,313 | 43,637 | 38,231 | 39,622 | 41,352 | 43,637 |
| 63 Farmers Home Administration[4] | 3 | 2 | 1 | 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 | 3 | 2 | 1 | 0 | 0 | 0 | 0 | 0 |
| 68 Private mortgage conduits | 329,559 | 413,502 | 571,378 | 661,252 | 679,527 | 700,791 | 739,506 | 771,106 |
| 69 One- to four-family[6] | 258,800 | 316,400 | 412,700 | 455,623 | 464,593 | 477,899 | 499,834 | 523,300 |
| 70 Multifamily | 16,369 | 21,591 | 34,329 | 43,069 | 44,290 | 45,991 | 49,322 | 50,639 |
| 71 Nonfarm, nonresidential | 54,390 | 75,511 | 124,348 | 162,560 | 170,644 | 176,901 | 190,350 | 197,167 |
| 72 Farm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 73 Individuals and others[7] | 550,372 | 594,594 | 658,935 | 662,039 | 674,794 | 686,254 | 693,729 | 697,763 |
| 74 One- to four-family | 363,104 | 382,315 | 423,416 | 442,006 | 454,314 | 470,762 | 478,118 | 481,485 |
| 75 Multifamily | 68,830 | 72,088 | 75,374 | 77,466 | 78,179 | 79,587 | 79,566 | 80,268 |
| 76 Nonfarm, nonresidential | 100,269 | 121,412 | 140,171 | 121,174 | 120,415 | 113,725 | 113,697 | 113,424 |
| 77 Farm | 18,169 | 18,779 | 19,974 | 21,393 | 21,886 | 22,179 | 22,348 | 22,586 |

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

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

## 1.55 CONSUMER CREDIT[1]

Millions of dollars, amounts outstanding, end of period

| Holder and type of credit | 1998 | 1999 | 2000[r] | 2000 Oct.[r] | 2000 Nov.[r] | 2000 Dec. | 2001 Jan.[r] | 2001 Feb.[r] | 2001 Mar. |
|---|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | | | | |
| 1 **Total** | **1,301,023** | **1,393,657** | **1,533,153** | **1,510,004** | **1,526,196** | **1,533,153[r]** | **1,548,166** | **1,560,534** | **1,565,295** |
| 2 Revolving | 560,504 | 595,610 | 663,827 | 654,948 | 660,990 | 663,827[r] | 669,298 | 679,280 | 684,886 |
| 3 Nonrevolving[2] | 740,519 | 798,047 | 869,326 | 855,056 | 865,206 | 869,326[r] | 878,868 | 881,253 | 880,409 |
| | Not seasonally adjusted | | | | | | | | |
| 4 **Total** | **1,331,742** | **1,426,151** | **1,568,151** | **1,514,144** | **1,533,965** | **1,568,151[r]** | **1,560,028** | **1,555,682** | **1,552,942** |
| *By major holder* | | | | | | | | | |
| 5 Commercial banks | 508,932 | 499,758 | 543,711 | 522,515 | 531,405 | 543,711 | 539,988 | 533,251 | 530,601 |
| 6 Finance companies | 168,491 | 181,573 | 193,189 | 200,846 | 197,759 | 193,189 | 187,029 | 187,493 | 185,863 |
| 7 Credit unions | 155,406 | 167,921 | 184,434 | 182,806 | 183,772 | 184,434[r] | 184,120 | 183,548 | 182,477 |
| 8 Savings institutions | 51,611 | 61,527 | 64,009 | 63,018 | 63,514 | 64,009 | 64,030 | 64,051 | 64,072 |
| 9 Nonfinancial business | 74,877 | 80,311 | 82,662 | 70,799 | 73,786 | 82,662[r] | 77,698 | 73,021 | 71,669 |
| 10 Pools of securitized assets[3] | 372,425 | 435,061 | 500,147 | 474,159 | 483,729 | 500,147 | 507,163 | 514,318 | 518,260 |
| *By major type of credit*[4] | | | | | | | | | |
| 11 Revolving | 586,528 | 623,245 | 693,641 | 652,965 | 664,460 | 693,641[r] | 681,321 | 680,037 | 677,893 |
| 12 Commercial banks | 210,346 | 189,352 | 218,063 | 200,517 | 206,121 | 218,063 | 210,441 | 205,934 | 205,522 |
| 13 Finance companies | 32,309 | 33,814 | 38,251 | 37,147 | 37,956 | 38,251 | 37,098 | 36,938 | 35,626 |
| 14 Credit unions | 19,930 | 20,641 | 22,226 | 21,101 | 21,656 | 22,226[r] | 21,714 | 21,415 | 20,829 |
| 15 Savings institutions | 12,450 | 15,838 | 16,556 | 16,403 | 16,480 | 16,556 | 16,775 | 16,994 | 17,212 |
| 16 Nonfinancial business | 39,166 | 42,783 | 42,430 | 34,484 | 36,430 | 42,430 | 38,935 | 35,290 | 34,150 |
| 17 Pools of securitized assets[3] | 272,327 | 320,817 | 356,114 | 343,313 | 345,817 | 356,114 | 356,359 | 363,466 | 364,554 |
| 18 Nonrevolving | 745,214 | 802,906 | 874,510 | 861,179 | 869,505 | 874,510[r] | 878,707 | 875,646 | 875,049 |
| 19 Commercial banks | 298,586 | 310,406 | 325,648 | 321,998 | 325,284 | 325,648 | 329,546 | 327,317 | 325,079 |
| 20 Finance companies | 136,182 | 147,759 | 154,938 | 163,700 | 159,803 | 154,938 | 149,931 | 150,555 | 150,238 |
| 21 Credit unions | 135,476 | 147,280 | 162,208 | 161,705 | 162,116 | 162,208[r] | 162,406 | 162,133 | 161,648 |
| 22 Savings institutions | 39,161 | 45,689 | 47,452 | 46,615 | 47,034 | 47,452 | 47,255 | 47,057 | 46,860 |
| 23 Nonfinancial business | 35,711 | 37,528 | 40,231 | 36,315 | 37,356 | 40,231[r] | 38,764 | 37,731 | 37,519 |
| 24 Pools of securitized assets[3] | 100,098 | 114,244 | 144,032 | 130,847 | 137,912 | 144,032 | 150,804 | 150,852 | 153,706 |

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 | 1998 | 1999 | 2000 | 2000 Sept. | 2000 Oct. | 2000 Nov. | 2000 Dec. | 2001 Jan. | 2001 Feb.[r] | 2001 Mar. |
|---|---|---|---|---|---|---|---|---|---|---|
| INTEREST RATES | | | | | | | | | | |
| *Commercial banks*[2] | | | | | | | | | | |
| 1 48-month new car | 8.72 | 8.44 | 9.34 | n.a. | n.a. | 9.63 | n.a. | n.a. | 9.17 | n.a. |
| 2 24-month personal | 13.74 | 13.39 | 13.90 | n.a. | n.a. | 14.12 | n.a. | n.a. | 13.71 | n.a. |
| Credit card plan | | | | | | | | | | |
| 3 All accounts | 15.71 | 15.21 | 15.71 | n.a. | n.a. | 15.99 | n.a. | n.a. | 15.66 | n.a. |
| 4 Accounts assessed interest | 15.59 | 14.81 | 14.91 | n.a. | n.a. | 15.23 | n.a. | n.a. | 14.61 | n.a. |
| *Auto finance companies* | | | | | | | | | | |
| 5 New car | 6.30 | 6.66 | 6.61 | 7.16 | 4.74 | 5.41 | 7.45 | 7.29 | 7.19 | 6.80 |
| 6 Used car | 12.64 | 12.60 | 13.55 | 13.91 | 13.87 | 13.66 | 13.58 | 13.11 | 13.34 | 13.19 |
| OTHER TERMS[3] | | | | | | | | | | |
| *Maturity (months)* | | | | | | | | | | |
| 7 New car | 52.1 | 52.7 | 54.9 | 55.9 | 57.6 | 57.3 | 55.2 | 54.3 | 55.5 | 55.6 |
| 8 Used car | 53.5 | 55.9 | 57.0 | 57.0 | 57.0 | 56.8 | 56.6 | 57.8 | 58.0 | 58.0 |
| *Loan-to-value ratio* | | | | | | | | | | |
| 9 New car | 92 | 92 | 92 | 91 | 93 | 93 | 91 | 90 | 91 | 91 |
| 10 Used car | 99 | 99 | 99 | 100 | 100 | 100 | 100 | 98 | 99 | 100 |
| *Amount financed (dollars)* | | | | | | | | | | |
| 11 New car | 19,083 | 19,880 | 20,923 | 21,010 | 22,069 | 22,443 | 21,867 | 21,315 | 21,993 | 22,131 |
| 12 Used car | 12,691 | 13,642 | 14,058 | 13,950 | 13,978 | 14,325 | 14,591 | 14,155 | 14,095 | 14,214 |

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 | 1995 | 1996 | 1997 | 1998 | 1999 | 1999 Q3 | 1999 Q4 | 2000 Q1 | 2000 Q2 | 2000 Q3 | 2000 Q4 | 2001 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Nonfinancial sectors | | | | | | |
| 1 **Total net borrowing by domestic nonfinancial sectors** | **711.1** | **731.3** | **804.6** | **1,011.4[r]** | **1,088.8[r]** | **1,150.9[r]** | **1,051.9[r]** | **917.1[r]** | **952.3[r]** | **752.2** | **829.1** | **965.5** |
| *By sector and instrument* | | | | | | | | | | | | |
| 2 Federal government | 144.4 | 145.0 | 23.1 | −52.6 | −71.2 | −68.9 | −34.0 | −215.5 | −414.0 | −219.5 | −334.5 | −10.8 |
| 3 Treasury securities | 142.9 | 146.6 | 23.2 | −54.6 | −71.0 | −68.9 | −34.0 | −213.5 | −415.8 | −217.1 | −333.3 | −8.6 |
| 4 Budget agency securities and mortgages | 1.5 | −1.6 | −.1 | 2.0 | −.2 | .0 | .0 | −2.1 | 1.8 | −2.4 | −1.2 | −2.2 |
| 5 Nonfederal | 566.7 | 586.3 | 781.5 | 1,064.0[r] | 1,160.0[r] | 1,219.8[r] | 1,085.9[r] | 1,132.6[r] | 1,366.2[r] | 971.8 | 1,163.5 | 976.3 |
| *By instrument* | | | | | | | | | | | | |
| 6 Commercial paper | 18.1 | −.9 | 13.7 | 24.4 | 37.4 | 49.8 | 44.0 | 29.8 | 110.4 | 56.1 | −4.0 | −207.2 |
| 7 Municipal securities and loans | −48.2 | 2.6 | 71.4 | 96.8 | 68.2 | 71.3 | 52.5 | 8.9 | 34.0 | 29.8 | 68.6 | 94.3 |
| 8 Corporate bonds | 91.1 | 116.3 | 150.5 | 218.7 | 229.9 | 202.8 | 155.2 | 186.2 | 153.8 | 184.4 | 175.6 | 400.0 |
| 9 Bank loans n.e.c. | 103.7 | 70.5 | 106.5 | 108.2 | 82.7 | 112.3 | 108.6 | 131.9 | 163.1 | 31.7 | 86.5 | −11.3 |
| 10 Other loans and advances | 67.2 | 33.5 | 69.1 | 74.3 | 60.6[r] | 74.0[r] | 39.7[r] | 155.6[r] | 126.6[r] | −10.1 | 145.1 | −8.9 |
| 11 Mortgages | 195.8 | 275.7 | 317.7 | 474.0[r] | 586.9[r] | 633.4[r] | 576.3[r] | 475.0[r] | 640.4[r] | 557.4 | 568.1 | 553.8 |
| 12 Home | 181.0 | 242.1 | 252.3 | 379.7[r] | 426.1[r] | 473.6[r] | 391.3[r] | 336.5[r] | 482.4[r] | 428.4 | 413.5 | 406.3 |
| 13 Multifamily residential | 6.1 | 9.0 | 8.2 | 19.9[r] | 39.6[r] | 40.6[r] | 51.0[r] | 28.8[r] | 43.9[r] | 29.5 | 40.3 | 40.8 |
| 14 Commercial | 7.1 | 22.0 | 54.1 | 68.2[r] | 115.6[r] | 112.2[r] | 131.6[r] | 102.3[r] | 104.3[r] | 93.2 | 110.6 | 101.5 |
| 15 Farm | 1.6 | 2.6 | 3.2 | 6.2 | 5.5 | 7.0 | 2.5 | 7.3[r] | 9.7[r] | 6.2 | 3.7 | 5.1 |
| 16 Consumer credit | 138.9 | 88.8 | 52.5 | 67.6 | 94.4 | 76.2 | 109.5 | 145.3[r] | 137.9[r] | 122.5 | 123.7 | 155.6 |
| *By borrowing sector* | | | | | | | | | | | | |
| 17 Household | 363.5 | 357.8 | 337.1 | 472.1[r] | 532.4[r] | 574.8[r] | 492.2[r] | 516.2[r] | 632.7[r] | 550.5 | 565.2 | 559.9 |
| 18 Nonfinancial business | 254.7 | 235.3 | 388.2 | 511.7[r] | 575.3[r] | 592.6[r] | 560.1[r] | 612.7[r] | 712.7[r] | 397.6 | 537.9 | 326.5 |
| 19 Corporate | 227.5 | 149.1 | 266.5 | 392.0[r] | 454.7[r] | 452.5[r] | 421.9[r] | 480.8[r] | 578.5[r] | 282.3 | 407.5 | 231.8 |
| 20 Nonfarm noncorporate | 24.3 | 81.4 | 115.6 | 112.0 | 115.3 | 131.6 | 132.7 | 116.5 | 125.1 | 109.3 | 116.5 | 85.7 |
| 21 Farm | 2.9 | 4.8 | 6.2 | 7.7 | 5.2 | 8.5 | 5.6 | 15.4[r] | 9.1[r] | 6.0 | 13.9 | 9.1 |
| 22 State and local government | −51.5 | −6.8 | 56.1 | 80.3 | 52.3 | 52.5 | 33.6 | 3.8 | 20.8 | 23.6 | 60.4 | 89.9 |
| 23 Foreign net borrowing in United States | 78.5 | 88.4 | 71.8 | 43.3 | 25.3 | 77.3 | 17.6 | 118.0 | −7.6 | 89.3 | 66.3 | −27.0 |
| 24 Commercial paper | 13.5 | 11.3 | 3.7 | 7.8 | 16.3 | 41.1 | 33.6 | 57.8 | 12.0 | 7.0 | 50.1 | −25.4 |
| 25 Bonds | 57.1 | 67.0 | 61.4 | 34.8 | 14.2 | 44.0 | −2.7 | 45.7 | −27.4 | 71.8 | 9.2 | −1.4 |
| 26 Bank loans n.e.c. | 8.5 | 9.1 | 8.5 | 6.7 | .5 | −6.6 | 2.3 | 15.4 | 5.7 | 11.9 | 12.2 | 10.3 |
| 27 Other loans and advances | −.5 | 1.0 | −1.8 | −6.0 | −5.7 | −1.1 | −15.5 | −.9 | 2.0 | −1.5 | −5.2 | −10.5 |
| 28 **Total domestic plus foreign** | **789.6** | **819.7** | **876.3** | **1,054.7[r]** | **1,114.1[r]** | **1,228.2[r]** | **1,069.5[r]** | **1,035.1[r]** | **944.6[r]** | **841.5** | **895.4** | **938.4** |
| | | | | | | Financial sectors | | | | | | |
| 29 **Total net borrowing by financial sectors** | **454.0** | **545.7** | **653.8** | **1,073.9** | **1,077.2[r]** | **1,059.1[r]** | **1,047.6[r]** | **586.4[r]** | **819.3[r]** | **725.5** | **1,075.9** | **893.6** |
| *By instrument* | | | | | | | | | | | | |
| 30 Federal government-related | 204.2 | 231.4 | 212.9 | 470.9 | 592.0 | 651.6 | 550.1 | 248.6 | 370.4[r] | 503.4 | 612.1 | 461.1 |
| 31 Government-sponsored enterprise securities | 105.9 | 90.4 | 98.4 | 278.3 | 318.2 | 407.1 | 367.9 | 104.9 | 248.9 | 278.1 | 304.8 | 264.1 |
| 32 Mortgage pool securities | 98.3 | 141.0 | 114.6 | 192.6 | 273.8 | 244.5 | 182.2 | 143.7 | 121.6[r] | 225.3 | 307.3 | 197.0 |
| 33 Loans from U.S. government | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 34 Private | 249.8 | 314.4 | 440.9 | 603.0 | 485.3[r] | 407.5[r] | 497.4[r] | 337.8[r] | 448.9[r] | 222.1 | 463.8 | 432.5 |
| 35 Open market paper | 42.7 | 92.2 | 166.7 | 161.0 | 176.2 | 89.9 | 479.0 | 130.9 | 77.4 | 65.2 | 237.5 | −119.5 |
| 36 Corporate bonds | 195.9 | 173.8 | 210.5 | 296.9 | 211.1[r] | 174.4[r] | −36.6[r] | 135.1[r] | 233.0[r] | 188.3 | 211.6 | 456.8 |
| 37 Bank loans n.e.c. | 2.5 | 12.6 | 13.2 | 30.1 | −14.3 | −5.9 | −55.6 | .3 | 5.4 | −.7 | −6.2 | 23.6 |
| 38 Other loans and advances | 3.4 | 27.9 | 35.6 | 90.2 | 107.1 | 139.8 | 107.5 | 64.4 | 123.1 | −36.7 | 19.1 | 79.2 |
| 39 Mortgages | 5.3 | 7.9 | 14.9 | 24.8 | 5.1 | 9.4 | 3.2 | 7.0 | 10.0 | 6.0 | 1.8 | −7.5 |
| *By borrowing sector* | | | | | | | | | | | | |
| 40 Commercial banking | 22.5 | 13.0 | 46.1 | 72.9 | 67.2 | 107.0 | 54.1 | 72.4 | 113.2 | 23.5 | 30.8 | 138.4 |
| 41 Savings institutions | 2.6 | 25.5 | 19.7 | 52.2 | 48.0 | 51.9 | 5.8 | 40.6 | 59.1 | −23.4 | 32.7 | 40.8 |
| 42 Credit unions | −.1 | .1 | .1 | .6 | 2.2 | 2.8 | 3.3 | −2.9 | .9 | 1.1 | 1.0 | −.2 |
| 43 Life insurance companies | −.1 | 1.1 | .2 | .7 | .7 | 1.1 | −4.4 | −.7 | −1.1 | −.3 | −.7 | −2.4 |
| 44 Government-sponsored enterprises | 105.9 | 90.4 | 98.4 | 278.3 | 318.2 | 407.1 | 367.9 | 104.9 | 248.9 | 278.1 | 304.8 | 264.1 |
| 45 Federally related mortgage pools | 98.3 | 141.0 | 114.6 | 192.6 | 273.8 | 244.5 | 182.2 | 143.7 | 121.6[r] | 225.3 | 307.3 | 197.0 |
| 46 Issuers of asset-backed securities (ABSs) | 142.4 | 150.8 | 202.2 | 321.4 | 223.4[r] | 215.4[r] | 108.6[r] | 134.6[r] | 157.1[r] | 148.0 | 311.3 | 277.0 |
| 47 Finance companies | 50.2 | 45.9 | 48.7 | 43.0 | 62.4 | −17.2 | 99.2 | 52.3 | 103.9 | 96.9 | 45.6 | −43.8 |
| 48 Mortgage companies | −2.2 | 4.1 | −4.6 | 1.6 | .2 | −6.1 | 6.2 | −3.0 | 2.7 | −.3 | 1.0 | .7 |
| 49 Real estate investment trusts (REITs) | 4.5 | 11.9 | 39.6 | 62.7 | 6.3 | 7.9 | 11.3 | 11.5 | 9.8 | −2.4 | −8.1 | −6.1 |
| 50 Brokers and dealers | −5.0 | −2.0 | 8.1 | 7.2 | −17.2 | 17.8 | −37.3 | 44.4 | −.7 | 25.4 | −6.6 | −23.9 |
| 51 Funding corporations | 34.9 | 64.1 | 80.7 | 40.7 | 92.2 | 27.0 | 250.6 | −11.4 | 4.0 | −46.4 | 56.8 | 51.8 |

## 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 | 1995 | 1996 | 1997 | 1998 | 1999 | 1999 Q3 | 1999 Q4 | 2000 Q1 | 2000 Q2 | 2000 Q3 | 2000 Q4 | 2001 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All sectors | | | | | | | | | | | |
| 52 **Total net borrowing, all sectors** | **1,243.7** | **1,365.4** | **1,530.1** | **2,128.6$^r$** | **2,191.3$^r$** | **2,287.4$^r$** | **2,117.1$^r$** | **1,621.5$^r$** | **1,763.9$^r$** | **1,567.0** | **1,971.3** | **1,832.1** |
| 53 Open market paper | 74.3 | 102.6 | 184.1 | 193.1 | 229.9 | 180.7 | 556.6 | 218.4 | 199.8 | 128.4 | 283.6 | −352.1 |
| 54 U.S. government securities | 348.6 | 376.4 | 236.0 | 418.3 | 520.7 | 582.7 | 516.1 | 33.0 | −43.5$^r$ | 283.8 | 277.6 | 450.3 |
| 55 Municipal securities | −48.2 | 2.6 | 71.4 | 96.8 | 68.2 | 71.3 | 52.5 | 8.9 | 34.0 | 29.8 | 68.6 | 94.3 |
| 56 Corporate and foreign bonds | 344.1 | 357.0 | 422.4 | 550.4 | 455.2$^r$ | 421.2$^r$ | 115.9$^r$ | 367.0$^r$ | 359.5$^r$ | 444.6 | 396.4 | 855.4 |
| 57 Bank loans n.e.c. | 114.7 | 92.1 | 128.2 | 145.0 | 68.9 | 99.8 | 55.2 | 147.7 | 174.2 | 42.9 | 92.5 | 22.6 |
| 58 Other loans and advances | 70.1 | 62.5 | 102.8 | 158.5 | 162.0$^r$ | 212.8$^r$ | 131.7$^r$ | 219.2$^r$ | 251.7$^r$ | −48.3 | 159.0 | 59.7 |
| 59 Mortgages | 201.1 | 283.5 | 332.6 | 498.8$^r$ | 592.0$^r$ | 642.7$^r$ | 579.5$^r$ | 482.0$^r$ | 650.4$^r$ | 563.4 | 569.9 | 546.3 |
| 60 Consumer credit | 138.9 | 88.8 | 52.5 | 67.6 | 94.4 | 76.2 | 109.5 | 145.3$^r$ | 137.9$^r$ | 122.5 | 123.7 | 155.6 |
| | Funds raised through mutual funds and corporate equities | | | | | | | | | | | |
| 61 **Total net issues** | **131.7$^r$** | **231.7$^r$** | **181.2** | **101.6$^r$** | **161.6$^r$** | **129.6$^r$** | **178.1$^r$** | **366.3$^r$** | **142.4$^r$** | **170.9** | **−170.9** | **127.4** |
| 62 Corporate equities | −15.7$^r$ | −5.9$^r$ | −83.9 | −173.0$^r$ | −26.7$^r$ | 2.2$^r$ | 5.2$^r$ | 60.2$^r$ | −95.2$^r$ | −88.9 | −342.0 | 22.7 |
| 63 Nonfinancial corporations | −58.3 | −69.5 | −114.4 | −267.0 | −143.5 | −128.4 | −55.0 | 61.2$^r$ | −245.2$^r$ | −87.7 | −394.8 | −33.9 |
| 64 Foreign shares purchased by U.S. residents | 50.4 | 82.8 | 57.6 | 101.2 | 114.4 | 121.7 | 71.3 | 63.3 | 180.1 | 61.1 | 90.5 | 79.8 |
| 65 Financial corporations | −7.8$^r$ | −19.2$^r$ | −27.1 | −7.3$^r$ | 2.4$^r$ | 8.8$^r$ | −11.1$^r$ | −64.2$^r$ | −30.2$^r$ | −62.3 | −37.8 | −23.2 |
| 66 Mutual fund shares | 147.4 | 237.6 | 265.1 | 274.6 | 188.3 | 127.5 | 172.8 | 306.1 | 237.6 | 259.8 | 171.1 | 104.7 |

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

## 1.58 SUMMARY OF FINANCIAL TRANSACTIONS[1]

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

| Transaction category or sector | 1995 | 1996 | 1997 | 1998 | 1999 | 1999 Q3 | 1999 Q4 | 2000 Q1 | 2000 Q2 | 2000 Q3 | 2000 Q4 | 2001 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NET LENDING IN CREDIT MARKETS[2] | | | | | | | | | | | | |
| 1 **Total net lending in credit markets** | **1,243.7** | **1,365.4** | **1,530.1** | **2,128.6r** | **2,191.3r** | **2,287.4r** | **2,117.1r** | **1,621.5r** | **1,763.9r** | **1,567.0** | **1,971.3** | **1,832.1** |
| 2 Domestic nonfederal nonfinancial sectors | −65.7r | 81.0r | −17.3r | 106.3r | 231.5r | 202.7r | −41.2r | −148.2r | 120.8r | −236.9 | −212.5 | −261.2 |
| 3 Household | 29.7r | 129.3r | −2.6r | −12.2r | 189.4r | 238.4r | 2.7r | −224.5r | 61.8r | −218.5 | −233.3 | −279.3 |
| 4 Nonfinancial corporate business | −8.8 | −10.2 | −12.7 | −16.0r | −2.8r | 5.8r | −47.6r | 71.5r | 14.9r | −3.2 | −35.5 | 10.3 |
| 5 Nonfarm noncorporate business | 4.7 | −4.3 | −2.1 | .1 | 1.5 | .8 | 1.4 | 2.6 | 2.8 | 3.8 | 4.3 | 4.4 |
| 6 State and local governments | −91.4 | −33.7 | .1 | 134.5 | 43.4 | −42.4 | 2.4 | 2.3 | 41.4 | −19.0 | 52.1 | 3.4 |
| 7 Federal government | −.5 | −7.2 | 5.1 | 13.5 | 5.8 | 11.2 | −11.7 | 6.5 | 7.7 | 4.5 | 10.2 | 6.1 |
| 8 Rest of the world | 273.9 | 414.4 | 311.3 | 254.2 | 210.6 | 385.3 | 138.7 | 325.9 | 207.1 | 205.6 | 381.1 | 112.4 |
| 9 Financial sectors | 1,036.0r | 877.1r | 1,231.0r | 1,754.5r | 1,743.4r | 1,688.2r | 2,031.3r | 1,437.2r | 1,428.4r | 1,593.8 | 1,792.4 | 1,974.7 |
| 10 Monetary authority | 12.7 | 12.3 | 38.3 | 21.1 | 25.7 | 20.6 | −42.2 | 103.4 | −3.9 | 27.3 | 7.9 | 55.0 |
| 11 Commercial banking | 265.9 | 187.5 | 324.3 | 305.2 | 308.2 | 449.4 | 548.7 | 377.1 | 484.6 | 369.3 | 203.8 | 108.4 |
| 12 U.S.-chartered banks | 186.5 | 119.6 | 274.9 | 312.0 | 317.6 | 421.9 | 457.7 | 409.2 | 505.6 | 332.8 | 111.6 | 63.9 |
| 13 Foreign banking offices in United States | 75.4 | 63.3 | 40.2 | −11.9 | −20.1 | 33.2 | 42.0 | 4.8 | −29.9 | 30.9 | 90.4 | 40.7 |
| 14 Bank holding companies | −.3 | 3.9 | 5.4 | −.9 | 6.2 | −12.4 | 42.6 | −42.2 | 3.5 | −6.7 | −3.2 | 7.3 |
| 15 Banks in U.S.-affiliated areas | 4.2 | .7 | 3.7 | 6.0 | 4.4 | 6.6 | 6.3 | 5.4 | 5.4 | 12.3 | 5.1 | −3.6 |
| 16 Savings institutions | −7.6 | 19.9 | −4.7 | 36.1r | 68.6r | 58.1 | 20.2 | 56.3r | 71.2r | 58.2 | 40.1 | 50.5 |
| 17 Credit unions | 16.2 | 25.5 | 16.8 | 19.0 | 27.5 | 27.5 | 18.8 | 35.6 | 36.6 | 28.5 | 25.0 | 39.0 |
| 18 Bank personal trusts and estates | −8.3 | −7.7 | −25.0 | −12.8 | 27.8 | 27.8 | 27.8 | 18.9 | 13.8 | 17.6 | 18.1 | 10.7 |
| 19 Life insurance companies | 100.0 | 69.6 | 104.8 | 76.9 | 53.5 | 36.8 | 30.7 | 51.3r | 50.9r | 81.5 | 73.1 | 71.9 |
| 20 Other insurance companies | 21.5 | 22.5 | 25.2 | 20.4 | −4.2 | −14.4 | −9.4 | −14.0 | −18.1 | 6.0 | −4.0 | 16.3 |
| 21 Private pension funds | 19.9 | −4.1 | 47.6 | 56.4 | 45.0 | 5.9 | 49.8 | 46.8 | 24.7 | 68.9 | 28.7 | 35.7 |
| 22 State and local government retirement funds | 38.3r | 35.8r | 67.1r | 72.1r | 46.9r | 40.0 | 46.2r | 63.3r | 31.5r | 1.1 | 80.6 | 58.8 |
| 23 Money market mutual funds | 86.5 | 88.8 | 87.5 | 244.0 | 182.0 | 224.8 | 354.5 | 208.8 | −156.2 | 244.9 | 297.9 | 357.7 |
| 24 Mutual funds | 52.5 | 48.9 | 80.9 | 124.8 | 47.2 | −13.0 | −12.7 | −77.8 | 63.7 | 46.3 | 74.4 | 56.4 |
| 25 Closed-end funds | 10.5 | 4.7 | −2.6r | 5.5r | 6.9r | 6.9r | 6.9r | −8.8r | −8.8r | −8.8 | −8.8 | −8.8 |
| 26 Government-sponsored enterprises | 86.7 | 84.2 | 94.3 | 261.7 | 235.5 | 275.9 | 225.3 | 138.2r | 222.3r | 158.9 | 302.8 | 289.9 |
| 27 Federally related mortgage pools | 98.3 | 141.0 | 114.6 | 192.6 | 273.8 | 244.5 | 182.2 | 143.7 | 121.6r | 225.3 | 307.3 | 197.0 |
| 28 Asset-backed securities issuers (ABSs) | 120.6 | 120.5 | 163.8 | 281.7 | 205.2r | 206.9r | 78.8r | 114.0r | 122.6r | 112.8 | 282.4 | 257.0 |
| 29 Finance companies | 49.9 | 18.4 | 21.9 | 51.9 | 94.9 | 91.7 | 114.4 | 132.9 | 138.9 | 81.4 | 44.3 | −16.7 |
| 30 Mortgage companies | −3.4 | 8.2 | −9.1 | 3.2 | .3 | −12.1 | 12.3 | −6.0 | 5.5 | −.5 | 2.0 | 1.4 |
| 31 Real estate investment trusts (REITs) | 1.4 | 4.4 | 20.2 | −5.1 | −2.6 | −2.7 | −7.0 | −16.3 | −2.5 | −3.6 | −2.8 | 4.0 |
| 32 Brokers and dealers | 90.1 | −15.7 | 14.9 | 6.8 | −34.7 | −6.7 | −30.5 | 96.6r | 58.6r | 181.4 | −61.0 | 284.1 |
| 33 Funding corporations | −15.7 | 12.6 | 50.4 | −6.9r | 135.9r | 20.3r | 416.5r | −26.6r | 171.6r | −102.9 | 80.5 | 106.1 |
| RELATION OF LIABILITIES TO FINANCIAL ASSETS | | | | | | | | | | | | |
| 34 **Net flows through credit markets** | **1,243.7** | **1,365.4** | **1,530.1** | **2,128.6r** | **2,191.3r** | **2,287.4r** | **2,117.1r** | **1,621.5r** | **1,763.9r** | **1,567.0** | **1,971.3** | **1,832.1** |
| *Other financial sources* | | | | | | | | | | | | |
| 35 Official foreign exchange | 8.8 | −6.3 | .7 | 6.6 | −8.7 | −8.5 | −7.0 | 1.5 | −8.8 | .7 | 4.9 | −10.5 |
| 36 Special drawing rights certificates | 2.2 | −.5 | −.5 | .0 | −3.0 | −4.0 | −4.0 | .0 | −8.0 | −4.0 | −4.0 | .0 |
| 37 Treasury currency | .7 | .5 | .5 | .6 | 1.0 | 2.0 | .0 | 2.2 | 3.2 | 4.2 | .0 | −1.1 |
| 38 Foreign deposits | 35.3 | 85.9 | 108.9 | 2.0 | 86.5 | 69.4 | 52.7 | 258.5 | 8.5 | −16.0 | 192.7 | 40.0 |
| 39 Net interbank transactions | 10.0 | −51.6 | −19.7 | −32.3 | 17.6 | −30.8 | −40.7 | −64.7r | 150.3r | −148.6 | −17.2 | −168.8 |
| 40 Checkable deposits and currency | −12.8 | 15.7 | 41.2 | 47.4 | 151.4 | 139.3 | 365.2 | −219.1 | −65.0 | 49.2 | −50.2 | 83.8 |
| 41 Small time and savings deposits | 96.6 | 97.2 | 97.1 | 152.4 | 44.7 | 119.1 | 28.0 | 104.3 | 130.3 | 238.5 | 290.8 | 287.6 |
| 42 Large time deposits | 65.6 | 114.0 | 122.5 | 92.1 | 130.6 | 102.7 | 359.4 | 149.2 | 108.4 | 141.5 | 75.3 | 125.7 |
| 43 Money market fund shares | 141.2 | 145.4 | 155.9 | 287.2 | 249.1 | 174.3 | 485.5 | 241.0 | 48.2 | 241.9 | 402.2 | 623.0 |
| 44 Security repurchase agreements | 110.5 | 41.4 | 120.9 | 91.3 | 169.7 | 191.4 | 310.5 | 257.4r | 156.8r | 238.6 | −209.3 | −44.4 |
| 45 Corporate equities | −15.7r | −5.9r | −83.9 | −173.0r | −26.7r | 2.2r | 5.2r | 60.2r | −95.2r | −88.9 | −342.0 | 22.7 |
| 46 Mutual fund shares | 147.4 | 237.6 | 265.1 | 274.6 | 188.3 | 127.5 | 172.8 | 306.1 | 237.6 | 259.8 | 171.1 | 104.7 |
| 47 Trade payables | 127.5 | 113.5 | 132.1 | 96.0r | 207.3r | 257.9r | 219.1r | 211.8r | 122.6r | 135.1 | 87.1 | 88.8 |
| 48 Security credit | 26.7 | 52.4 | 111.0 | 103.3 | 104.3 | 29.7 | 321.3 | 489.9r | −86.2r | 102.2 | 57.9 | −118.8 |
| 49 Life insurance reserves | 45.8 | 44.5 | 59.3 | 48.0 | 50.8 | 48.1 | 57.6 | 54.9r | 45.6r | 35.9 | 65.4 | 40.5 |
| 50 Pension fund reserves | 158.8r | 148.3r | 201.4r | 202.1r | 184.5r | 191.7r | 164.0r | 212.7r | 262.7r | 197.4 | 188.7 | 273.0 |
| 51 Taxes payable | 6.2 | 16.2 | 15.7 | 12.0 | 16.1r | .4 | 18.3r | 22.7r | 29.9r | −10.7 | 27.1 | 24.5 |
| 52 Investment in bank personal trusts | 6.4 | −5.3 | −49.9 | −42.5 | −7.1 | −7.2 | −6.9 | −5.9 | −10.6 | −6.6 | −5.5 | −14.1 |
| 53 Noncorporate proprietors' equity | 36.5r | −11.9r | −50.2r | −50.0r | −10.8r | −59.6r | 7.0r | −20.7r | −3.6r | 31.6 | −2.6 | −5.4 |
| 54 Miscellaneous | 505.4 | 532.1 | 487.5 | 936.5r | 654.6r | 499.0r | 518.4r | 962.3r | 1,194.5r | 1,210.2 | 673.5 | 590.5 |
| 55 **Total financial sources** | **2,746.6r** | **2,928.8r** | **3,245.7r** | **4,182.8r** | **4,391.3r** | **4,131.7r** | **5,143.8r** | **4,645.7r** | **3,985.3r** | **4,178.9** | **3,577.4** | **3,773.5** |
| *Liabilities not identified as assets (−)* | | | | | | | | | | | | |
| 56 Treasury currency | −.3 | −.4 | −.2 | −.1 | −.7 | .2 | −2.2 | −1.8 | −.7 | .9 | −3.3 | −2.5 |
| 57 Foreign deposits | 25.1 | 59.6 | 107.4 | −13.0r | 71.3r | 26.4r | 114.4r | 211.5r | −77.1r | −75.0 | 160.0 | 17.3 |
| 58 Net interbank liabilities | −3.1 | −3.3 | −19.9 | 3.4 | 3.5 | −7.0 | −23.7 | 24.4 | −4.3 | −18.3 | 68.6 | 16.4 |
| 59 Security repurchase agreements | 25.7 | 2.4 | 63.2 | 60.4r | 29.9r | 131.1r | −225.4r | 560.7r | 56.8r | 104.9 | −286.4 | −87.3 |
| 60 Taxes payable | 21.1 | 23.1 | 28.0 | 13.9 | 3.6r | 3.0 | −4.9r | 7.9r | 5.7r | −20.1 | 32.3 | 17.4 |
| 61 Miscellaneous | −208.4r | −137.2r | −148.6r | −207.7r | −436.0r | −540.7r | −319.1r | −437.9r | −323.0r | −49.2 | −189.1 | 160.3 |
| *Floats not included in assets (−)* | | | | | | | | | | | | |
| 62 Federal government checkable deposits | −6.0 | .5 | −2.7 | 2.6 | −7.4 | 8.6 | −9.2 | 28.7 | −2.6 | −2.0 | 11.9 | −10.7 |
| 63 Other checkable deposits | −3.8 | −4.0 | −3.9 | −3.1 | −.8 | −.3 | .0 | .6 | 1.5 | 1.9 | 2.7 | 3.3 |
| 64 Trade credit | 14.1 | −21.9 | −28.5 | −44.6r | 57.5r | 79.3r | 185.5r | −19.9r | −47.8r | −41.0 | 41.6 | −1.9 |
| 65 **Total identified to sectors as assets** | **2,882.3r** | **3,010.1r** | **3,250.9r** | **4,371.1r** | **4,670.4r** | **4,431.1r** | **5,428.4r** | **4,271.7r** | **4,377.0r** | **4,276.9** | **3,739.1** | **3,661.2** |

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 | 1996 | 1997 | 1998 | 1999 | 1999 | | 2000 | | | | 2001 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| | | | | | | Nonfinancial sectors | | | | | |
| 1 **Total credit market debt owed by domestic nonfinancial sectors** | **14,443.7** | **15,246.8** | **16,258.2[r]** | **17,381.6[r]** | **17,052.5[r]** | **17,381.6[r]** | **17,609.4[r]** | **17,784.7[r]** | **17,984.2[r]** | **18,263.4** | **18,506.5** |
| *By sector and instrument* | | | | | | | | | | | |
| 2 Federal government | 3,781.8 | 3,804.9 | 3,752.2 | 3,681.0 | 3,633.4 | 3,681.0 | 3,653.5 | 3,464.0 | 3,410.2 | 3,385.2 | 3,408.8 |
| 3 Treasury securities | 3,755.1 | 3,778.3 | 3,723.7 | 3,652.8 | 3,605.1 | 3,652.8 | 3,625.8 | 3,435.7 | 3,382.6 | 3,357.8 | 3,382.1 |
| 4 Budget agency securities and mortgages | 26.6 | 26.5 | 28.5 | 28.3 | 28.3 | 28.3 | 27.8 | 28.2 | 27.6 | 27.3 | 26.8 |
| 5 Nonfederal | 10,662.0 | 11,441.9 | 12,505.9[r] | 13,700.6[r] | 13,419.1[r] | 13,700.6[r] | 13,955.9[r] | 14,320.7[r] | 14,574.0[r] | 14,878.2 | 15,097.6 |
| *By instrument* | | | | | | | | | | | |
| 6 Commercial paper | 156.4 | 168.6 | 193.0 | 230.3 | 239.3 | 230.3 | 260.8 | 296.8 | 307.0 | 278.4 | 253.2 |
| 7 Municipal securities and loans | 1,296.0 | 1,367.5 | 1,464.3 | 1,532.5 | 1,518.6 | 1,532.5 | 1,539.2 | 1,551.6 | 1,550.3 | 1,567.8 | 1,596.6 |
| 8 Corporate bonds | 1,460.4 | 1,610.9 | 1,829.6 | 2,059.5 | 2,020.7 | 2,059.5 | 2,106.0 | 2,144.5 | 2,190.6 | 2,234.5 | 2,334.5 |
| 9 Bank loans n.e.c. | 934.1 | 1,040.5 | 1,148.8 | 1,231.5 | 1,202.9 | 1,231.5 | 1,259.1 | 1,307.2 | 1,311.6 | 1,334.8 | 1,326.2 |
| 10 Other loans and advances | 770.4 | 839.5 | 913.8 | 974.6[r] | 963.1[r] | 974.6[r] | 1,020.1[r] | 1,049.5[r] | 1,052.2[r] | 1,090.0 | 1,094.6 |
| 11 Mortgages | 4,833.1 | 5,150.8 | 5,624.8[r] | 6,246.1[r] | 6,104.5[r] | 6,246.1[r] | 6,354.7[r] | 6,517.1[r] | 6,667.1[r] | 6,806.3 | 6,934.7 |
| 12 Home | 3,719.0 | 3,971.3 | 4,351.0[r] | 4,777.1[r] | 4,681.8[r] | 4,777.1[r] | 4,851.1[r] | 4,974.1[r] | 5,091.8[r] | 5,192.4 | 5,283.9 |
| 13 Multifamily residential | 278.4 | 286.6 | 306.5[r] | 346.4[r] | 333.6[r] | 346.4[r] | 353.6[r] | 364.6[r] | 371.9[r] | 382.0 | 392.2 |
| 14 Commercial | 748.6 | 802.6 | 870.8[r] | 1,020.5[r] | 987.6[r] | 1,020.5[r] | 1,046.1[r] | 1,072.2[r] | 1,095.5[r] | 1,123.1 | 1,148.5 |
| 15 Farm | 87.1 | 90.3 | 96.5 | 102.0 | 101.4 | 102.0 | 103.9[r] | 106.3[r] | 107.8[r] | 108.8 | 110.0 |
| 16 Consumer credit | 1,211.6 | 1,264.1 | 1,331.7 | 1,426.2 | 1,370.1 | 1,426.2 | 1,416.0 | 1,454.0 | 1,495.3[r] | 1,566.5 | 1,558.0 |
| *By borrowing sector* | | | | | | | | | | | |
| 17 Household | 5,222.5 | 5,559.9 | 6,032.0[r] | 6,564.6[r] | 6,413.2[r] | 6,564.6[r] | 6,632.7[r] | 6,800.2[r] | 6,968.6[r] | 7,149.9 | 7,227.6 |
| 18 Nonfinancial business | 4,376.1 | 4,762.5 | 5,274.2[r] | 5,883.9[r] | 5,763.5[r] | 5,883.9[r] | 6,065.9[r] | 6,254.8[r] | 6,342.3[r] | 6,449.1 | 6,563.5 |
| 19 Corporate | 3,095.3 | 3,359.9 | 3,751.9[r] | 4,241.0[r] | 4,154.7[r] | 4,241.0[r] | 4,392.5[r] | 4,544.7[r] | 4,603.7[r] | 4,678.3 | 4,771.4 |
| 20 Nonfarm noncorporate | 1,130.9 | 1,246.5 | 1,358.4 | 1,473.8 | 1,440.2 | 1,473.8 | 1,503.2 | 1,534.5 | 1,561.1 | 1,590.6 | 1,612.3 |
| 21 Farm | 149.9 | 156.1 | 163.8 | 169.0 | 168.6 | 169.0 | 170.3[r] | 175.7[r] | 177.5[r] | 180.2 | 179.8 |
| 22 State and local government | 1,063.4 | 1,119.5 | 1,199.8 | 1,252.1 | 1,242.4 | 1,252.1 | 1,257.3 | 1,265.7 | 1,263.1 | 1,279.3 | 1,306.5 |
| 23 **Foreign credit market debt held in United States** | **542.2** | **608.0** | **651.4** | **676.9** | **672.9** | **676.9** | **704.6** | **699.3** | **727.8** | **743.4** | **736.6** |
| 24 Commercial paper | 67.5 | 65.1 | 72.9 | 89.2 | 81.8 | 89.2 | 101.6 | 101.2 | 109.8 | 120.9 | 112.8 |
| 25 Bonds | 366.3 | 427.7 | 462.5 | 476.7 | 477.4 | 476.7 | 488.1 | 481.3 | 499.2 | 501.5 | 501.2 |
| 26 Bank loans n.e.c. | 43.7 | 52.1 | 58.9 | 59.4 | 58.8 | 59.4 | 63.3 | 64.7 | 67.7 | 70.7 | 73.3 |
| 27 Other loans and advances | 64.7 | 63.0 | 57.2 | 51.7 | 55.0 | 51.7 | 51.7 | 52.1 | 51.2 | 50.3 | 49.4 |
| 28 **Total credit market debt owed by nonfinancial sectors, domestic and foreign** | **14,985.9** | **15,854.7** | **16,909.6[r]** | **18,058.6[r]** | **17,725.4[r]** | **18,058.6[r]** | **18,314.0[r]** | **18,484.0[r]** | **18,712.0[r]** | **19,006.8** | **19,243.1** |
| | | | | | | Financial sectors | | | | | |
| 29 **Total credit market debt owed by financial sectors** | **4,824.5** | **5,445.2** | **6,519.1** | **7,596.3[r]** | **7,340.1[r]** | **7,596.3[r]** | **7,725.8[r]** | **7,946.3[r]** | **8,140.2[r]** | **8,410.0** | **8,616.4** |
| *By instrument* | | | | | | | | | | | |
| 30 Federal government-related | 2,608.2 | 2,821.1 | 3,292.0 | 3,884.0 | 3,745.9 | 3,884.0 | 3,940.1 | 4,035.3[r] | 4,164.0[r] | 4,317.6 | 4,426.1 |
| 31 Government-sponsored enterprise securities | 896.9 | 995.3 | 1,273.6 | 1,591.7 | 1,499.8 | 1,591.7 | 1,618.0 | 1,680.2 | 1,749.7 | 1,825.9 | 1,891.9 |
| 32 Mortgage pool securities | 1,711.3 | 1,825.8 | 2,018.4 | 2,292.2 | 2,246.1 | 2,292.2 | 2,322.1 | 2,355.2[r] | 2,414.3[r] | 2,491.7 | 2,534.2 |
| 33 Loans from U.S. government | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 34 Private | 2,216.3 | 2,624.1 | 3,227.1 | 3,712.4[r] | 3,594.2[r] | 3,712.4[r] | 3,785.7[r] | 3,911.0[r] | 3,976.1[r] | 4,092.5 | 4,190.2 |
| 35 Open market paper | 579.1 | 745.7 | 906.7 | 1,082.9 | 963.4 | 1,082.9 | 1,115.7 | 1,135.2 | 1,151.6 | 1,210.7 | 1,180.8 |
| 36 Corporate bonds | 1,378.4 | 1,555.9 | 1,852.8 | 2,064.0[r] | 2,084.3[r] | 2,064.0[r] | 2,095.7[r] | 2,165.2[r] | 2,219.4[r] | 2,267.9 | 2,380.6 |
| 37 Bank loans n.e.c. | 64.0 | 77.2 | 107.2 | 92.9 | 105.2 | 92.9 | 91.4 | 92.7 | 92.5 | 92.6 | 96.8 |
| 38 Other loans and advances | 162.9 | 198.5 | 288.7 | 395.8 | 365.4 | 395.8 | 404.4 | 436.9 | 430.2 | 438.3 | 450.9 |
| 39 Mortgages | 31.9 | 46.8 | 71.6 | 76.7 | 75.9 | 76.7 | 78.5 | 81.0 | 82.5 | 82.9 | 81.1 |
| *By borrowing sector* | | | | | | | | | | | |
| 40 Commercial banks | 113.6 | 140.6 | 188.6 | 230.0 | 224.2 | 230.0 | 242.2 | 265.4 | 265.2 | 266.7 | 273.9 |
| 41 Bank holding companies | 150.0 | 168.6 | 193.5 | 219.3 | 211.8 | 219.3 | 221.4 | 229.3 | 236.9 | 242.5 | 266.0 |
| 42 Savings institutions | 140.5 | 160.3 | 212.4 | 260.4 | 255.4 | 260.4 | 266.9 | 280.7 | 276.0 | 287.7 | 294.8 |
| 43 Credit unions | .4 | .6 | 1.1 | 3.4 | 2.5 | 3.4 | 2.6 | 2.9 | 3.1 | 3.4 | 3.3 |
| 44 Life insurance companies | 1.6 | 1.8 | 2.5 | 3.2 | 4.3 | 3.2 | 3.0 | 2.7 | 2.7 | 2.5 | 1.9 |
| 45 Government-sponsored enterprises | 896.9 | 995.3 | 1,273.6 | 1,591.7 | 1,499.8 | 1,591.7 | 1,618.0 | 1,680.2 | 1,749.7 | 1,825.9 | 1,891.9 |
| 46 Federally related mortgage pools | 1,711.3 | 1,825.8 | 2,018.4 | 2,292.2 | 2,246.1 | 2,292.2 | 2,322.1 | 2,355.2[r] | 2,414.3[r] | 2,491.7 | 2,534.2 |
| 47 Issuers of asset-backed securities (ABSs) | 863.3 | 1,076.6 | 1,398.0 | 1,621.4[r] | 1,592.4[r] | 1,621.4[r] | 1,647.3[r] | 1,688.5[r] | 1,733.8[r] | 1,821.1 | 1,882.4 |
| 48 Brokers and dealers | 27.3 | 35.3 | 42.5 | 25.3 | 34.6 | 25.3 | 36.4 | 36.2 | 42.6 | 40.9 | 35.0 |
| 49 Finance companies | 529.8 | 554.5 | 597.5 | 659.9 | 628.5 | 659.9 | 670.7 | 699.2 | 716.5 | 734.6 | 721.4 |
| 50 Mortgage companies | 20.6 | 16.0 | 17.7 | 17.8 | 16.3 | 17.8 | 17.1 | 17.8 | 17.7 | 17.9 | 18.1 |
| 51 Real estate investment trusts (REITs) | 56.5 | 96.1 | 158.8 | 165.1 | 162.2 | 165.1 | 167.9 | 170.4 | 169.8 | 167.8 | 166.2 |
| 52 Funding corporations | 312.7 | 373.7 | 414.4 | 506.6 | 462.0 | 506.6 | 510.1 | 517.9 | 511.9 | 507.3 | 527.2 |
| | | | | | | All sectors | | | | | |
| 53 **Total credit market debt, domestic and foreign** | **19,810.4** | **21,300.0** | **23,428.7[r]** | **25,654.9[r]** | **25,065.5[r]** | **25,654.9[r]** | **26,039.8[r]** | **26,430.3[r]** | **26,852.2[r]** | **27,416.8** | **27,859.5** |
| 54 Open market paper | 803.0 | 979.4 | 1,172.6 | 1,402.4 | 1,284.5 | 1,402.4 | 1,478.1 | 1,533.3 | 1,568.3 | 1,610.0 | 1,546.8 |
| 55 U.S. government securities | 6,389.9 | 6,626.0 | 7,044.3 | 7,565.0 | 7,379.2 | 7,565.0 | 7,593.6 | 7,499.3[r] | 7,574.2[r] | 7,702.7 | 7,834.9 |
| 56 Municipal securities | 1,296.0 | 1,367.5 | 1,464.3 | 1,532.5 | 1,518.6 | 1,532.5 | 1,539.2 | 1,551.6 | 1,550.3 | 1,567.8 | 1,596.6 |
| 57 Corporate and foreign bonds | 3,205.1 | 3,594.5 | 4,144.9 | 4,600.1[r] | 4,582.4[r] | 4,600.1[r] | 4,689.8[r] | 4,791.0[r] | 4,909.2[r] | 5,003.9 | 5,216.2 |
| 58 Bank loans n.e.c. | 1,041.7 | 1,169.8 | 1,314.9 | 1,383.8 | 1,366.9 | 1,383.8 | 1,413.7 | 1,464.6 | 1,471.7 | 1,498.1 | 1,496.3 |
| 59 Other loans and advances | 998.0 | 1,101.0 | 1,259.6 | 1,422.1[r] | 1,383.4[r] | 1,422.1[r] | 1,476.2[r] | 1,538.5[r] | 1,533.6[r] | 1,578.6 | 1,594.9 |
| 60 Mortgages | 4,865.1 | 5,197.7 | 5,696.4[r] | 6,322.8[r] | 6,180.4[r] | 6,322.8[r] | 6,433.2[r] | 6,598.1[r] | 6,749.5[r] | 6,889.2 | 7,015.7 |
| 61 Consumer credit | 1,211.6 | 1,264.1 | 1,331.7 | 1,426.2 | 1,370.1 | 1,426.2 | 1,416.0 | 1,454.0 | 1,495.3[r] | 1,566.5 | 1,558.0 |

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

## 1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES[1]

Billions of dollars except as noted, end of period

| Transaction category or sector | 1996 | 1997 | 1998 | 1999 | 1999 Q3 | 1999 Q4 | 2000 Q1 | 2000 Q2 | 2000 Q3 | 2000 Q4 | 2001 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| CREDIT MARKET DEBT OUTSTANDING[2] | | | | | | | | | | | |
| 1 **Total credit market assets** | **19,810.4** | **21,300.0** | **23,428.7[r]** | **25,654.9[r]** | **25,065.5[r]** | **25,654.9[r]** | **26,039.8[r]** | **26,430.3[r]** | **26,852.2** | **27,416.8** | **27,859.5** |
| 2 Domestic nonfederal nonfinancial sectors | 3,035.0[r] | 2,974.0[r] | 3,052.0[r] | 3,353.6[r] | 3,239.7[r] | 3,353.6[r] | 3,285.6[r] | 3,289.4[r] | 3,236.4 | 3,246.4 | 3,146.6 |
| 3 Household | 2,122.0[r] | 2,075.7[r] | 2,035.1[r] | 2,294.6[r] | 2,185.6[r] | 2,294.6[r] | 2,232.4[r] | 2,217.2[r] | 2,167.2 | 2,152.9 | 2,075.2 |
| 4 Nonfinancial corporate business | 270.2 | 257.5 | 241.5[r] | 238.7[r] | 235.1[r] | 238.7[r] | 232.1[r] | 237.6[r] | 240.7 | 250.6 | 226.9 |
| 5 Nonfarm noncorporate business | 38.0 | 35.9 | 35.9 | 37.5 | 37.1 | 37.5 | 38.1 | 38.8 | 39.8 | 40.8 | 41.9 |
| 6 State and local governments | 604.8 | 605.0 | 739.4 | 782.8 | 781.9 | 782.8 | 782.9 | 795.8 | 788.7 | 802.0 | 802.5 |
| 7 Federal government | 200.2 | 205.4 | 219.1 | 258.0 | 260.7 | 258.0 | 259.6 | 261.6 | 262.7 | 265.2 | 268.3 |
| 8 Rest of the world | 1,926.6 | 2,257.3 | 2,539.8 | 2,678.0 | 2,718.1 | 2,678.0 | 2,763.6 | 2,812.8 | 2,864.7 | 2,957.9 | 2,990.0 |
| 9 Financial sectors | 14,648.6[r] | 15,863.2[r] | 17,617.7[r] | 19,365.3[r] | 18,846.9[r] | 19,365.3[r] | 19,731.0[r] | 20,066.5[r] | 20,488.4 | 20,947.3 | 21,454.6 |
| 10 Monetary authority | 393.1 | 431.4 | 452.5 | 478.1 | 489.3 | 478.1 | 501.9 | 505.1 | 511.5 | 511.8 | 523.9 |
| 11 Commercial banking | 3,707.7 | 4,031.9 | 4,335.7 | 4,643.9 | 4,488.3 | 4,643.9 | 4,725.0 | 4,847.4 | 4,931.0 | 5,002.6 | 5,016.7 |
| 12 U.S.-chartered banks | 3,175.8 | 3,450.7 | 3,761.2 | 4,078.9 | 3,944.3 | 4,078.9 | 4,171.3 | 4,295.4 | 4,368.2 | 4,418.7 | 4,425.1 |
| 13 Foreign banking offices in United States | 475.8 | 516.1 | 504.2 | 484.1 | 475.3 | 484.1 | 482.0 | 478.1 | 487.5 | 508.1 | 514.9 |
| 14 Bank holding companies | 22.0 | 27.4 | 26.5 | 32.7 | 22.0 | 32.7 | 22.1 | 23.0 | 21.3 | 20.5 | 22.3 |
| 15 Banks in U.S.-affiliated areas | 34.1 | 37.8 | 43.8 | 48.3 | 46.7 | 48.3 | 49.6 | 51.0 | 54.0 | 55.3 | 54.4 |
| 16 Savings institutions | 933.2 | 928.5 | 964.6[r] | 1,033.2[r] | 1,030.5[r] | 1,033.2[r] | 1,045.8[r] | 1,062.5[r] | 1,082.2 | 1,089.7 | 1,101.0 |
| 17 Credit unions | 288.5 | 305.3 | 324.2 | 351.7 | 348.5 | 351.7 | 359.0 | 370.8 | 378.6 | 383.1 | 391.3 |
| 18 Bank personal trusts and estates | 232.0 | 207.0 | 194.1 | 222.0 | 215.0 | 222.0 | 226.7 | 230.2 | 234.6 | 239.1 | 241.8 |
| 19 Life insurance companies | 1,657.0 | 1,751.1 | 1,828.0 | 1,886.0 | 1,880.4 | 1,886.0 | 1,900.1[r] | 1,911.6[r] | 1,933.7 | 1,950.2 | 1,969.2 |
| 20 Other insurance companies | 491.2 | 515.3 | 535.7 | 531.6 | 533.9 | 531.6 | 528.0 | 523.5 | 525.0 | 524.0 | 528.1 |
| 21 Private pension funds | 627.0 | 674.6 | 731.0 | 775.9 | 763.5 | 775.9 | 787.6 | 793.8 | 811.0 | 818.2 | 827.1 |
| 22 State and local government retirement funds | 565.4[r] | 632.5[r] | 704.6[r] | 751.4[r] | 739.9[r] | 751.4[r] | 767.2 | 775.1[r] | 775.4 | 795.5 | 810.2 |
| 23 Money market mutual funds | 634.3 | 721.9 | 965.9 | 1,147.8 | 1,049.7 | 1,147.8 | 1,217.1 | 1,159.4 | 1,212.5 | 1,296.7 | 1,403.8 |
| 24 Mutual funds | 820.2 | 901.1 | 1,025.9 | 1,073.1 | 1,083.0 | 1,073.1 | 1,053.7 | 1,073.9 | 1,088.1 | 1,099.7 | 1,113.5 |
| 25 Closed-end funds | 101.1 | 98.5[r] | 104.0[r] | 110.9[r] | 109.2[r] | 110.9[r] | 108.7[r] | 106.5[r] | 104.4 | 102.2 | 100.0 |
| 26 Government-sponsored enterprises | 807.9 | 902.2 | 1,163.9 | 1,399.5 | 1,339.1 | 1,399.5 | 1,426.4[r] | 1,483.5[r] | 1,532.5 | 1,612.1 | 1,677.3 |
| 27 Federally related mortgage pools | 1,711.3 | 1,825.8 | 2,018.4 | 2,292.2 | 2,246.1 | 2,292.2 | 2,322.1 | 2,355.2[r] | 2,414.3 | 2,491.7 | 2,534.2 |
| 28 Asset-backed securities issuers (ABSs) | 773.9 | 937.7 | 1,219.4 | 1,424.6[r] | 1,403.1[r] | 1,424.6[r] | 1,445.4[r] | 1,477.9[r] | 1,514.5 | 1,594.5 | 1,650.9 |
| 29 Finance companies | 544.5 | 566.4 | 618.4 | 713.3 | 678.2 | 713.3 | 747.0 | 780.6 | 795.5 | 812.6 | 809.3 |
| 30 Mortgage companies | 41.2 | 32.1 | 35.3 | 35.6 | 32.5 | 35.6 | 34.1 | 35.5 | 35.4 | 35.9 | 36.2 |
| 31 Real estate investment trusts (REITs) | 30.4 | 50.6 | 45.5 | 42.9 | 44.7 | 42.9 | 38.8 | 38.2 | 37.3 | 36.6 | 37.6 |
| 32 Brokers and dealers | 167.7 | 182.6 | 189.4 | 154.7 | 166.8 | 154.7 | 194.6[r] | 187.9[r] | 243.3 | 223.6 | 312.3 |
| 33 Funding corporations | 121.0 | 166.7 | 161.3[r] | 296.8[r] | 205.3[r] | 296.8[r] | 301.8[r] | 348.0[r] | 327.7 | 327.5 | 370.1 |
| RELATION OF LIABILITIES TO FINANCIAL ASSETS | | | | | | | | | | | |
| 34 **Total credit market debt** | **19,810.4** | **21,300.0** | **23,428.7[r]** | **25,654.9[r]** | **25,065.5[r]** | **25,654.9[r]** | **26,039.8[r]** | **26,430.3[r]** | **26,852.2** | **27,416.8** | **27,859.5** |
| *Other liabilities* | | | | | | | | | | | |
| 35 Official foreign exchange | 53.7 | 48.9 | 60.1 | 50.1 | 52.1 | 50.1 | 49.4 | 46.5 | 44.9 | 45.3 | 42.2 |
| 36 Special drawing rights certificates | 9.7 | 9.2 | 9.2 | 6.2 | 7.2 | 6.2 | 6.2 | 4.2 | 3.2 | 2.2 | 2.2 |
| 37 Treasury currency | 18.9 | 19.3 | 19.9 | 20.9 | 20.9 | 20.9 | 21.4 | 22.1 | 23.2 | 23.2 | 22.9 |
| 38 Foreign deposits | 521.7 | 619.7 | 639.0 | 725.8 | 712.3 | 725.8 | 790.4 | 792.6 | 788.6 | 836.7 | 846.7 |
| 39 Net interbank liabilities | 240.8 | 219.4 | 189.0 | 204.5 | 199.6 | 204.5 | 169.7[r] | 210.6[r] | 173.2 | 188.2 | 121.8 |
| 40 Checkable deposits and currency | 1,244.8 | 1,286.1 | 1,333.4 | 1,484.8 | 1,353.8 | 1,484.8 | 1,392.9 | 1,409.7 | 1,385.7 | 1,413.5 | 1,384.1 |
| 41 Small time and savings deposits | 2,377.0 | 2,474.1 | 2,626.5 | 2,671.2 | 2,665.9 | 2,671.2 | 2,728.0 | 2,738.8 | 2,790.9 | 2,862.2 | 2,965.4 |
| 42 Large time deposits | 590.9 | 713.4 | 805.5 | 936.1 | 837.5 | 936.1 | 966.5 | 987.4 | 1,025.9 | 1,054.7 | 1,078.3 |
| 43 Money market fund shares | 886.7 | 1,042.5 | 1,329.7 | 1,578.8 | 1,444.9 | 1,578.8 | 1,666.0 | 1,627.1 | 1,697.8 | 1,812.1 | 1,994.7 |
| 44 Security repurchase agreements | 701.5 | 822.4 | 913.7 | 1,083.4 | 999.4 | 1,083.4 | 1,149.2[r] | 1,185.0[r] | 1,238.7 | 1,194.3 | 1,197.5 |
| 45 Mutual fund shares | 2,342.4 | 2,989.4 | 3,610.5 | 4,553.4 | 3,931.5 | 4,553.4 | 4,863.3 | 4,759.6 | 4,815.0 | 4,456.3 | 4,030.6 |
| 46 Security credit | 358.1 | 469.1 | 572.3 | 676.6 | 593.1 | 676.6 | 795.4[r] | 775.5[r] | 800.4 | 817.6 | 784.5 |
| 47 Life insurance reserves | 610.6 | 665.0 | 718.3 | 783.9 | 756.2 | 783.9 | 801.0[r] | 806.5[r] | 815.5 | 819.4 | 817.0 |
| 48 Pension fund reserves | 6,325.1[r] | 7,323.4[r] | 8,193.7[r] | 9,041.7[r] | 8,363.7[r] | 9,041.7[r] | 9,237.9[r] | 9,166.7[r] | 9,308.4 | 9,054.1 | 8,590.3 |
| 49 Trade payables | 1,809.3 | 1,941.4 | 2,037.4[r] | 2,244.6[r] | 2,169.9[r] | 2,244.6[r] | 2,271.1[r] | 2,302.3[r] | 2,342.9 | 2,383.8 | 2,379.5 |
| 50 Taxes payable | 123.8 | 139.5 | 151.5 | 167.6[r] | 167.5 | 167.6[r] | 181.0[r] | 180.0 | 182.9 | 184.8 | 198.6 |
| 51 Investment in bank personal trusts | 871.3 | 942.5 | 1,001.0 | 1,130.4 | 1,019.0 | 1,130.4 | 1,163.0 | 1,124.1 | 1,122.3 | 1,039.0 | 949.2 |
| 52 Miscellaneous | 6,349.1 | 6,670.6 | 7,332.7[r] | 7,788.5[r] | 7,465.5[r] | 7,788.5[r] | 7,981.8[r] | 8,254.0[r] | 8,701.5 | 8,905.8 | 8,963.0 |
| 53 **Total liabilities** | **45,245.6[r]** | **49,695.6[r]** | **54,972.1[r]** | **60,803.4[r]** | **57,825.5[r]** | **60,803.4[r]** | **62,274.0[r]** | **62,823.2[r]** | **64,113.0** | **64,510.0** | **64,228.1** |
| *Financial assets not included in liabilities (+)* | | | | | | | | | | | |
| 54 Gold and special drawing rights | 21.4 | 21.1 | 21.6 | 21.4 | 21.3 | 21.4 | 21.4 | 21.5 | 21.4 | 21.6 | 21.4 |
| 55 Corporate equities | 10,255.8 | 13,201.3 | 15,492.5[r] | 19,494.5[r] | 16,106.8[r] | 19,494.5[r] | 20,147.2[r] | 19,179.6[r] | 18,990.4 | 17,026.1 | 14,878.4 |
| 56 Household equity in noncorporate business | 3,889.2 | 4,162.6[r] | 4,428.4[r] | 4,736.4[r] | 4,647.8[r] | 4,736.4[r] | 4,763.1[r] | 4,809.4[r] | 4,865.0 | 4,944.9 | 5,056.0 |
| *Liabilities not identified as assets (−)* | | | | | | | | | | | |
| 57 Treasury currency | −6.1 | −6.3 | −6.4 | −7.1 | −6.6 | −7.1 | −7.6 | −7.9 | −7.6 | −8.5 | −9.1 |
| 58 Foreign deposits | 437.0 | 538.3 | 541.6[r] | 613.3[r] | 584.3[r] | 613.3[r] | 666.1[r] | 646.9[r] | 628.1 | 668.1 | 682.1 |
| 59 Net interbank transactions | −10.6 | −32.2 | −27.0 | −25.5 | −13.2 | −25.5 | −13.9 | −11.6 | −17.6 | −4.1 | 1.3 |
| 60 Security repurchase agreements | 109.8 | 172.9 | 233.4[r] | 263.3[r] | 323.7[r] | 263.3[r] | 410.1[r] | 422.6[r] | 447.7 | 372.2 | 370.8 |
| 61 Taxes payable | 76.9 | 92.6 | 102.0 | 95.6[r] | 96.5 | 95.6[r] | 89.6[r] | 103.0 | 92.5 | 96.9 | 87.2 |
| 62 Miscellaneous | −1,448.9[r] | −1,785.7[r] | −2,468.4[r] | −3,079.3[r] | −3,143.7[r] | −3,079.3[r] | −3,250.3[r] | −3,319.2[r] | −3,099.3 | −3,282.3 | −3,530.1 |
| *Floats not included in assets (−)* | | | | | | | | | | | |
| 63 Federal government checkable deposits | −1.6 | −8.1 | −3.9 | −9.9 | −10.2 | −9.9 | −6.5 | −5.2 | −7.8 | −3.0 | −22.3 |
| 64 Other checkable deposits | 30.1 | 26.2 | 23.1 | 22.3 | 14.5 | 22.3 | 18.7 | 22.5 | 15.5 | 24.0 | 21.1 |
| 65 Trade credit | 171.8 | 133.5 | 90.0[r] | 148.9[r] | 29.3[r] | 148.9[r] | 89.2[r] | 54.3[r] | 43.4 | 128.1 | 76.3 |
| 66 **Total identified to sectors as assets** | **60,053.7[r]** | **67,949.4[r]** | **76,430.1[r]** | **87,034.2[r]** | **80,726.8[r]** | **87,034.2[r]** | **89,210.1[r]** | **88,928.3[r]** | **89,894.8** | **88,511.2** | **86,506.7** |

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

2. Excludes corporate equities and mutual fund shares.

## 2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

| Measure | 1998 | 1999 | 2000 | 2000 Aug. | 2000 Sept. | 2000 Oct. | 2000 Nov. | 2000 Dec. | 2001 Jan. | 2001 Feb. | 2001 Mar. | 2001 Apr.$^{p}$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Industrial production**[1] | **134.0** | **139.6** | **147.5** | **148.6** | **149.0** | **148.7** | **148.2** | **147.3** | **146.0$^{r}$** | **145.5$^{r}$** | **145.3** | **144.9** |
| *Market groups* | | | | | | | | | | | | |
| 2 Products, total | 127.2 | 131.2 | 136.2 | 136.6 | 136.7 | 136.3 | 136.3 | 136.0 | 135.0$^{r}$ | 134.7$^{r}$ | 134.8 | 134.3 |
| 3 Final, total | 129.3 | 133.3 | 138.8 | 139.2 | 139.3 | 138.8 | 138.8 | 139.0 | 137.8$^{r}$ | 137.7 | 138.1 | 137.6 |
| 4 Consumer goods | 118.4 | 120.8 | 123.0 | 123.8 | 123.8 | 122.7 | 122.4 | 123.1 | 121.8$^{r}$ | 122.3$^{r}$ | 122.4 | 122.2 |
| 5 Equipment | 147.1 | 153.8 | 166.1 | 167.9 | 168.3 | 169.1 | 169.9 | 168.9 | 168.0$^{r}$ | 166.4$^{r}$ | 167.4 | 166.2 |
| 6 Intermediate | 121.0 | 125.1 | 128.7 | 128.8 | 128.6 | 128.7 | 128.5 | 126.8 | 126.7$^{r}$ | 126.0$^{r}$ | 125.0 | 124.5 |
| 7 Materials | 145.7 | 154.5 | 167.8 | 170.5 | 171.3 | 171.1 | 169.9 | 167.8 | 165.9$^{r}$ | 164.8$^{r}$ | 164.3 | 163.9 |
| *Industry groups* | | | | | | | | | | | | |
| 8 Manufacturing | 138.2 | 144.8 | 153.6 | 154.6 | 155.1 | 154.9 | 154.1 | 152.6 | 151.3$^{r}$ | 150.7$^{r}$ | 150.3 | 149.8 |
| 9 Capacity utilization, manufacturing (percent)[2] | 81.3 | 80.5 | 81.3 | 81.7 | 81.7 | 81.2 | 80.5 | 79.3 | 78.4$^{r}$ | 77.9$^{r}$ | 77.5 | 77.1 |
| 10 Construction contracts[3] | 122.6$^{r}$ | 135.0$^{r}$ | 142.3$^{r}$ | 138.0 | 143.0 | 151.0$^{r}$ | 143.0 | 143.0 | 152.0$^{r}$ | 147.0 | 139.0 | 144.0 |
| 11 Nonagricultural employment, total[4] | 123.5 | 126.3 | 128.9 | 129.0 | 129.2 | 129.3 | 129.3 | 129.4 | 129.6 | 129.8 | 129.7 | 129.5 |
| 12 Goods-producing, total | 103.0 | 103.3 | 104.0 | 103.9 | 103.9 | 104.0 | 103.9 | 103.6 | 103.9 | 103.6 | 103.4 | 102.7 |
| 13 Manufacturing, total | 99.0 | 97.6 | 97.0 | 97.0 | 96.7 | 96.7 | 96.6 | 96.4 | 95.9 | 95.4 | 95.0 | 94.4 |
| 14 Manufacturing, production workers | 100.0 | 98.4 | 97.6 | 97.5 | 97.2 | 97.1 | 97.0 | 96.6 | 96.1 | 95.5 | 95.0 | 94.4 |
| 15 Service-producing | 130.0 | 133.7 | 136.8 | 137.0 | 137.3 | 137.3 | 137.4 | 137.6 | 137.8 | 138.1 | 138.1 | 138.1 |
| 16 Personal income, total | 186.5 | 196.6 | 209.0 | 210.1 | 212.5 | 212.1 | 212.5 | 213.5 | 214.8 | 215.8 | 216.8 | n.a. |
| 17 Wages and salary disbursements | 184.6 | 196.9 | 210.1 | 211.3 | 212.7 | 214.0 | 214.6 | 215.2 | 216.8 | 218.1 | 219.1 | n.a. |
| 18 Manufacturing | 152.3 | 157.4 | 164.2 | 164.9 | 165.1 | 166.6 | 166.9 | 165.5 | 165.8 | 165.5 | 165.6 | n.a. |
| 19 Disposable personal income[5] | 182.7 | 191.9 | 202.0 | 202.9 | 205.2 | 204.4 | 204.6 | 205.5 | 206.5 | 207.5 | 208.5 | n.a. |
| 20 Retail sales[5] | 178.4 | 194.7 | 210.0 | 211.0 | 212.7 | 212.5 | 211.3 | 211.6 | 214.4 | 213.9$^{r}$ | 213.2 | 214.9 |
| *Prices*[6] | | | | | | | | | | | | |
| 21 Consumer (1982–84=100) | 163.0 | 166.6 | 172.2 | 172.8 | 173.7 | 174.0 | 174.1 | 174.0 | 175.1 | 175.8 | 176.2 | 176.9 |
| 22 Producer finished goods (1982=100) | 130.7 | 133.0 | 138.0 | 138.2 | 139.4 | 140.1 | 140.0 | 139.7 | 141.2 | 141.5 | 141.0 | 141.7 |

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, http://www.federalreserve.gov/releases/g17. The latest historical revision of the industrial production index and the capacity utilization rates was released in December 2000. The recent annual revision is described in an article in the March 2001 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67–92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.

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

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

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

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

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

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

## 2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted

| Category | 1998 | 1999 | 2000 | 2000 Sept. | 2000 Oct. | 2000 Nov. | 2000 Dec. | 2001 Jan. | 2001 Feb.$^{r}$ | 2001 Mar.$^{r}$ | 2001 Apr. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| HOUSEHOLD SURVEY DATA[1] | | | | | | | | | | | |
| 1 Civilian labor force[2] | 137,673 | 139,368 | 140,863 | 140,847 | 141,000 | 141,136 | 141,489 | 141,955 | 141,751 | 141,868 | 141,757 |
| *Employment* | | | | | | | | | | | |
| 2 Nonagricultural industries[3] | 128,085 | 130,207 | 131,903 | 131,954 | 132,223 | 132,302 | 132,562 | 132,819 | 132,680 | 132,618 | 132,162 |
| 3 Agriculture | 3,378 | 3,281 | 3,305 | 3,356 | 3,241 | 3,176 | 3,274 | 3,179 | 3,135 | 3,161 | 3,192 |
| *Unemployment* | | | | | | | | | | | |
| 4 Number | 6,210 | 5,880 | 5,655 | 5,537 | 5,536 | 5,658 | 5,653 | 5,956 | 5,936 | 6,088 | 6,402 |
| 5 Rate (percent of civilian labor force) | 4.5 | 4.2 | 4.0 | 3.9 | 3.9 | 4.0 | 4.0 | 4.2 | 4.2 | 4.3 | 4.5 |
| ESTABLISHMENT SURVEY DATA | | | | | | | | | | | |
| 6 **Nonagricultural payroll employment**[4] | **125,865** | **128,786** | **131,417** | **131,723** | **131,789** | **131,842** | **131,878** | **132,167** | **132,303** | **132,250** | **132,027** |
| 7 Manufacturing | 18,805 | 18,543 | 18,437 | 18,380 | 18,378 | 18,360 | 18,312 | 18,220 | 18,124 | 18,043 | 17,939 |
| 8 Mining | 590 | 535 | 538 | 539 | 542 | 541 | 540 | 547 | 551 | 553 | 557 |
| 9 Contract construction | 6,020 | 6,404 | 6,687 | 6,720 | 6,745 | 6,734 | 6,717 | 6,874 | 6,888 | 6,904 | 6,840 |
| 10 Transportation and public utilities | 6,611 | 6,826 | 6,993 | 7,037 | 7,046 | 7,060 | 7,086 | 7,077 | 7,096 | 7,098 | 7,096 |
| 11 Trade | 29,095 | 29,712 | 30,191 | 30,249 | 30,280 | 30,331 | 30,330 | 30,346 | 30,427 | 30,379 | 30,397 |
| 12 Finance | 7,389 | 7,569 | 7,618 | 7,622 | 7,638 | 7,647 | 7,661 | 7,676 | 7,690 | 7,708 | 7,716 |
| 13 Service | 37,533 | 39,027 | 40,384 | 40,685 | 40,696 | 40,764 | 40,797 | 40,917 | 40,938 | 40,965 | 40,844 |
| 14 Government | 19,823 | 20,170 | 20,570 | 20,491 | 20,464 | 20,405 | 20,435 | 20,510 | 20,589 | 20,600 | 20,638 |

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

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

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

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

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

## 2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]

Seasonally adjusted

| Series | 2000 | | | 2001 | 2000 | | | 2001 | 2000 | | | 2001 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q2 | Q3 | Q4 | Q1[r] | Q2 | Q3 | Q4 | Q1[r] | Q2 | Q3 | Q4 | Q1[r] |
| | Output (1992=100) | | | | Capacity (percent of 1992 output) | | | | Capacity utilization rate (percent)[2] | | | |
| 1 **Total industry** | **147.1** | **148.4** | **148.1** | **145.6** | **178.1** | **180.1** | **182.1** | **183.7** | **82.6** | **82.4** | **81.3** | **79.3** |
| 2 Manufacturing | 153.0 | 154.4 | 153.8 | 150.8 | 186.9 | 189.2 | 191.5 | 193.5 | 81.9 | 81.7 | 80.3 | 77.9 |
| 3 Primary processing[3] | 178.6 | 180.3 | 178.7 | 172.6 | 206.9 | 211.2 | 216.0 | 220.0 | 86.4 | 85.4 | 82.7 | 78.5 |
| 4 Advanced processing[4] | 139.0 | 140.3 | 140.2 | 138.6 | 174.1 | 175.2 | 176.2 | 177.2 | 79.8 | 80.1 | 79.5 | 78.3 |
| 5 Durable goods | 192.9 | 196.7 | 196.5 | 191.8 | 233.3 | 238.3 | 243.6 | 248.1 | 82.7 | 82.5 | 80.7 | 77.3 |
| 6 Lumber and products | 120.3 | 117.0 | 113.2 | 109.2 | 147.5 | 147.9 | 148.4 | 148.7 | 81.6 | 79.1 | 76.3 | 73.4 |
| 7 Primary metals | 137.0 | 133.4 | 127.5 | 122.1 | 153.3 | 153.4 | 153.5 | 153.5 | 89.4 | 87.0 | 83.1 | 79.5 |
| 8 Iron and steel | 136.1 | 130.5 | 121.5 | 115.1 | 153.1 | 153.4 | 153.6 | 153.6 | 88.9 | 85.1 | 79.1 | 74.9 |
| 9 Nonferrous | 138.2 | 137.0 | 134.7 | 130.4 | 153.4 | 153.4 | 153.4 | 153.5 | 90.1 | 89.3 | 87.8 | 84.9 |
| 10 Industrial machinery and equipment | 249.4 | 257.3 | 261.9 | 256.6 | 304.5 | 311.1 | 317.3 | 322.5 | 81.9 | 82.7 | 82.5 | 79.6 |
| 11 Electrical machinery | 535.1 | 581.1 | 604.0 | 597.6 | 591.7 | 639.1 | 694.1 | 741.7 | 90.4 | 90.9 | 87.1 | 80.6 |
| 12 Motor vehicles and parts | 175.9 | 170.8 | 159.7 | 146.6 | 208.2 | 209.2 | 210.1 | 210.9 | 84.5 | 81.7 | 76.0 | 69.5 |
| 13 Aerospace and miscellaneous transportation equipment | 92.9 | 93.5 | 94.8 | 93.7 | 130.7 | 130.4 | 130.2 | 130.0 | 71.1 | 71.7 | 72.8 | 72.0 |
| 14 Nondurable goods | 116.7 | 116.2 | 115.3 | 113.6 | 144.1 | 144.4 | 144.6 | 144.7 | 80.9 | 80.5 | 79.7 | 78.5 |
| 15 Textile mill products | 103.3 | 99.8 | 94.7 | 93.0 | 123.9 | 123.3 | 122.8 | 122.0 | 83.4 | 80.9 | 77.1 | 76.3 |
| 16 Paper and products | 117.9 | 114.0 | 114.9 | 110.5 | 137.2 | 137.5 | 137.9 | 138.3 | 85.9 | 82.9 | 83.3 | 79.9 |
| 17 Chemicals and products | 125.8 | 125.4 | 124.5 | 122.0 | 163.0 | 164.1 | 164.8 | 165.0 | 77.2 | 76.4 | 75.5 | 73.9 |
| 18 Plastics materials | 140.9 | 137.6 | 131.0 | 131.2 | 151.6 | 151.9 | 152.3 | 152.7 | 93.0 | 90.5 | 86.0 | 85.9 |
| 19 Petroleum products | 118.3 | 117.3 | 116.0 | 115.9 | 123.2 | 123.2 | 123.1 | 123.1 | 96.0 | 95.3 | 94.3 | 94.2 |
| 20 Mining | 100.0 | 100.6 | 100.3 | 101.6 | 116.5 | 116.3 | 115.8 | 115.3 | 85.8 | 86.6 | 86.6 | 88.1 |
| 21 Utilities | 120.7 | 121.0 | 123.7 | 123.6 | 132.3 | 133.4 | 134.5 | 135.7 | 91.2 | 90.7 | 92.0 | 91.1 |
| 22 Electric | 124.3 | 123.9 | 127.5 | 125.4 | 130.9 | 132.3 | 133.8 | 135.3 | 94.9 | 93.7 | 95.3 | 92.7 |

| Series | 1973 | 1975 | Previous cycle[5] | | Latest cycle[6] | | 2000 | | | 2001 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | High | Low | High | Low | High | Low | Apr. | Nov. | Dec. | Jan.[r] | Feb.[r] | Mar. | Apr.[p] |
| | Capacity utilization rate (percent)[2] | | | | | | | | | | | | |
| 1 **Total industry** | **89.2** | **72.6** | **87.3** | **71.1** | **85.4** | **78.1** | **82.5** | **81.4** | **80.6** | **79.7** | **79.2** | **78.9** | **78.5** |
| 2 Manufacturing | 88.5 | 70.5 | 86.9 | 69.0 | 85.7 | 76.6 | 81.8 | 80.5 | 79.3 | 78.4 | 77.9 | 77.5 | 77.1 |
| 3 Primary processing[3] | 91.2 | 68.2 | 88.1 | 66.2 | 88.9 | 77.7 | 86.2 | 82.8 | 80.9 | 79.2 | 78.6 | 77.6 | 77.1 |
| 4 Advanced processing[4] | 87.2 | 71.8 | 86.7 | 70.4 | 84.2 | 76.1 | 79.8 | 79.7 | 79.0 | 78.6 | 78.1 | 78.1 | 77.7 |
| 5 Durable goods | 89.2 | 68.9 | 87.7 | 63.9 | 84.6 | 73.1 | 82.4 | 80.8 | 79.5 | 77.9 | 77.0 | 77.0 | 76.2 |
| 6 Lumber and products | 88.7 | 61.2 | 87.9 | 60.8 | 93.6 | 75.5 | 82.6 | 76.3 | 75.0 | 72.9 | 73.5 | 73.8 | 73.6 |
| 7 Primary metals | 100.2 | 65.9 | 94.2 | 45.1 | 92.7 | 73.7 | 90.0 | 82.9 | 82.2 | 80.7 | 79.5 | 78.3 | 77.5 |
| 8 Iron and steel | 105.8 | 66.6 | 95.8 | 37.0 | 95.2 | 71.8 | 89.4 | 79.4 | 77.2 | 75.5 | 75.0 | 74.3 | 73.2 |
| 9 Nonferrous | 90.8 | 59.8 | 91.1 | 60.1 | 89.3 | 74.2 | 90.7 | 87.1 | 88.2 | 86.9 | 84.9 | 83.0 | 82.6 |
| 10 Industrial machinery and equipment | 96.0 | 74.3 | 93.2 | 64.0 | 85.4 | 72.3 | 81.9 | 82.5 | 82.1 | 80.5 | 79.1 | 79.2 | 77.5 |
| 11 Electrical machinery | 89.2 | 64.7 | 89.4 | 71.6 | 84.0 | 75.0 | 89.5 | 87.1 | 85.5 | 82.9 | 80.5 | 78.4 | 76.6 |
| 12 Motor vehicles and parts | 93.4 | 51.3 | 95.0 | 45.5 | 89.1 | 55.9 | 83.8 | 76.2 | 72.1 | 65.8 | 68.9 | 73.8 | 73.7 |
| 13 Aerospace and miscellaneous transportation equipment | 78.4 | 67.6 | 81.9 | 66.6 | 87.3 | 79.2 | 70.9 | 73.3 | 73.3 | 72.5 | 71.5 | 72.1 | 72.5 |
| 14 Nondurable goods | 87.8 | 71.7 | 87.5 | 76.4 | 87.3 | 80.7 | 81.0 | 79.9 | 78.9 | 78.8 | 78.8 | 78.0 | 78.0 |
| 15 Textile mill products | 91.4 | 60.0 | 91.2 | 72.3 | 90.4 | 77.7 | 84.1 | 75.6 | 77.1 | 76.0 | 76.2 | 76.6 | 74.8 |
| 16 Paper and products | 97.1 | 69.2 | 96.1 | 80.6 | 93.5 | 85.0 | 86.4 | 83.2 | 81.7 | 81.0 | 81.3 | 77.5 | 78.0 |
| 17 Chemicals and products | 87.6 | 69.7 | 84.6 | 69.9 | 86.2 | 79.3 | 77.0 | 75.7 | 74.5 | 73.8 | 74.2 | 73.7 | 73.8 |
| 18 Plastics materials | 102.0 | 50.6 | 90.9 | 63.4 | 97.0 | 74.8 | 91.5 | 87.7 | 79.8 | 83.9 | 87.1 | 86.8 | 86.5 |
| 19 Petroleum products | 96.7 | 81.1 | 90.0 | 66.8 | 88.5 | 85.1 | 95.1 | 94.9 | 93.2 | 93.5 | 94.6 | 94.4 | 96.4 |
| 20 Mining | 94.3 | 88.2 | 96.0 | 80.3 | 88.0 | 87.0 | 85.7 | 87.3 | 86.1 | 87.5 | 87.8 | 88.9 | 89.6 |
| 21 Utilities | 96.2 | 82.9 | 89.1 | 75.9 | 92.6 | 83.4 | 90.0 | 90.7 | 95.7 | 91.7 | 90.7 | 90.8 | 89.6 |
| 22 Electric | 99.0 | 82.7 | 88.2 | 78.9 | 95.0 | 87.1 | 94.2 | 95.1 | 97.7 | 94.0 | 91.6 | 92.4 | 92.0 |

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, http://www.federalreserve.gov/releases/g17. The latest historical revision of the industrial production index and the capacity utilization rates was released in December 2000. The recent annual revision is described in an article in the March 2001 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67–92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.

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

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

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

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

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

## 2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data seasonally adjusted

| | Group | 1992 proportion | 2000 avg. | 2000 Apr. | 2000 May | 2000 June | 2000 July | 2000 Aug. | 2000 Sept. | 2000 Oct. | 2000 Nov. | 2000 Dec. | 2001 Jan.[r] | 2001 Feb.[r] | 2001 Mar. | 2001 Apr.[p] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Index (1992=100) | | | | | | | | | | | | |
| | MAJOR MARKETS | | | | | | | | | | | | | | | |
| 1 | **Total index** | **100.0** | **147.5** | **146.3** | **147.2** | **147.9** | **147.6** | **148.6** | **149.0** | **148.7** | **148.2** | **147.3** | **146.0** | **145.5** | **145.3** | **144.9** |
| 2 | Products | 60.5 | 136.2 | 135.3 | 135.5 | 136.0 | 135.8 | 136.6 | 136.7 | 136.3 | 136.3 | 136.0 | 135.0 | 134.7 | 134.8 | 134.3 |
| 3 | Final products | 46.3 | 138.8 | 137.2 | 137.5 | 138.3 | 138.1 | 139.2 | 139.3 | 138.8 | 138.8 | 139.0 | 137.8 | 137.7 | 138.1 | 137.6 |
| 4 | Consumer goods, total | 29.1 | 123.0 | 123.2 | 123.5 | 124.2 | 122.9 | 123.8 | 123.8 | 122.7 | 122.4 | 123.1 | 121.8 | 122.3 | 122.4 | 122.2 |
| 5 | Durable consumer goods | 6.1 | 160.8 | 164.7 | 163.8 | 164.4 | 158.7 | 160.0 | 162.8 | 157.3 | 154.3 | 153.4 | 148.9 | 150.3 | 154.5 | 154.0 |
| 6 | Automotive products | 2.6 | 153.2 | 157.6 | 157.9 | 157.8 | 149.4 | 153.8 | 156.7 | 148.0 | 143.6 | 140.7 | 133.8 | 136.5 | 144.9 | 145.8 |
| 7 | Autos and trucks | 1.7 | 166.9 | 173.7 | 175.7 | 174.8 | 160.5 | 169.8 | 172.7 | 159.1 | 153.0 | 144.1 | 136.2 | 141.0 | 154.5 | 156.2 |
| 8 | Autos, consumer | .9 | 114.0 | 118.5 | 119.7 | 118.1 | 113.6 | 120.3 | 120.5 | 107.8 | 103.0 | 94.3 | 99.4 | 98.7 | 104.1 | 102.4 |
| 9 | Trucks, consumer | .7 | 221.6 | 230.7 | 233.7 | 233.2 | 209.8 | 221.8 | 227.1 | 212.0 | 204.3 | 194.7 | 175.5 | 185.2 | 206.3 | 210.8 |
| 10 | Auto parts and allied goods | .9 | 131.7 | 132.7 | 130.6 | 131.6 | 131.6 | 129.1 | 132.1 | 130.2 | 128.2 | 133.8 | 128.4 | 128.2 | 129.2 | 129.0 |
| 11 | Other | 3.5 | 167.1 | 170.6 | 168.5 | 169.8 | 166.7 | 165.2 | 167.7 | 165.4 | 163.7 | 164.7 | 162.7 | 162.8 | 162.9 | 160.9 |
| 12 | Appliances, televisions, and air conditioners | 1.0 | 332.6 | 341.1 | 334.6 | 348.2 | 322.3 | 325.0 | 340.5 | 332.5 | 332.7 | 341.7 | 332.0 | 329.5 | 336.4 | 336.1 |
| 13 | Carpeting and furniture | .8 | 129.7 | 131.8 | 130.8 | 130.1 | 131.5 | 128.6 | 131.9 | 129.8 | 125.4 | 127.4 | 123.9 | 128.2 | 126.8 | 125.0 |
| 14 | Miscellaneous home goods | 1.6 | 120.4 | 122.7 | 121.6 | 120.5 | 121.3 | 119.7 | 118.1 | 117.5 | 117.1 | 115.5 | 116.5 | 114.8 | 114.2 | 112.0 |
| 15 | Nondurable consumer goods | 23.0 | 114.2 | 113.6 | 114.1 | 114.8 | 114.5 | 115.2 | 114.7 | 114.5 | 114.6 | 115.7 | 114.9 | 115.3 | 114.7 | 114.6 |
| 16 | Foods and tobacco | 10.3 | 110.7 | 110.9 | 110.3 | 110.8 | 111.0 | 111.4 | 110.5 | 110.4 | 110.7 | 110.1 | 110.3 | 110.6 | 109.9 | 109.9 |
| 17 | Clothing | 2.4 | 85.0 | 87.5 | 86.8 | 85.1 | 85.6 | 84.2 | 83.1 | 82.7 | 83.2 | 82.4 | 82.6 | 80.3 | 80.3 | 79.2 |
| 18 | Chemical products | 4.5 | 137.0 | 136.5 | 138.5 | 139.3 | 137.4 | 139.4 | 138.4 | 139.0 | 138.5 | 139.0 | 139.1 | 141.6 | 141.8 | 142.1 |
| 19 | Paper products | 2.9 | 111.1 | 108.2 | 109.0 | 111.6 | 112.4 | 112.4 | 112.4 | 113.8 | 112.5 | 112.2 | 113.7 | 111.2 | 109.6 | 109.6 |
| 20 | Energy | 2.9 | 116.3 | 113.6 | 116.0 | 117.0 | 114.9 | 117.1 | 118.4 | 115.5 | 117.3 | 126.1 | 119.0 | 120.5 | 120.0 | 119.2 |
| 21 | Fuels | .8 | 113.0 | 112.1 | 113.1 | 113.4 | 112.6 | 113.1 | 115.8 | 113.0 | 115.5 | 112.3 | 112.0 | 114.7 | 114.1 | 116.4 |
| 22 | Residential utilities | 2.1 | 117.9 | 113.8 | 117.1 | 118.5 | 115.6 | 119.0 | 119.1 | 116.2 | 117.6 | 134.5 | 122.8 | 123.5 | 123.1 | 120.2 |
| 23 | Equipment | 17.2 | 166.1 | 162.8 | 163.1 | 164.3 | 166.3 | 167.9 | 168.3 | 169.1 | 169.9 | 168.9 | 168.0 | 166.4 | 167.4 | 166.2 |
| 24 | Business equipment | 13.2 | 194.2 | 191.1 | 191.6 | 192.8 | 195.0 | 197.8 | 199.5 | 200.0 | 200.6 | 199.2 | 197.4 | 195.1 | 196.1 | 193.8 |
| 25 | Information processing and related | 5.4 | 312.2 | 298.8 | 302.5 | 307.0 | 313.9 | 322.1 | 327.2 | 332.3 | 336.7 | 335.9 | 337.4 | 331.8 | 329.9 | 328.5 |
| 26 | Computer and office equipment | 1.1 | 1,157.6 | 1,062.0 | 1,087.8 | 1,130.8 | 1,182.8 | 1,229.0 | 1,264.1 | 1,286.4 | 1,305.0 | 1,318.3 | 1,310.6 | 1,298.2 | 1,301.3 | 1,300.1 |
| 27 | Industrial | 4.0 | 144.6 | 142.9 | 143.4 | 143.8 | 144.4 | 147.7 | 146.5 | 146.9 | 147.4 | 145.8 | 145.7 | 141.5 | 142.3 | 139.8 |
| 28 | Transit | 2.5 | 127.7 | 131.3 | 129.0 | 130.1 | 127.6 | 126.8 | 127.7 | 121.6 | 121.8 | 117.4 | 111.7 | 112.4 | 116.7 | 115.3 |
| 29 | Autos and trucks | 1.2 | 145.6 | 156.5 | 153.9 | 152.9 | 141.5 | 142.8 | 144.2 | 131.4 | 130.4 | 122.0 | 115.6 | 119.3 | 128.8 | 124.6 |
| 30 | Other | 1.3 | 145.7 | 146.7 | 145.8 | 142.8 | 148.1 | 144.8 | 149.3 | 154.2 | 148.6 | 153.5 | 149.3 | 153.8 | 153.3 | 149.9 |
| 31 | Defense and space equipment | 3.3 | 76.2 | 75.5 | 75.5 | 76.3 | 77.9 | 76.1 | 73.7 | 75.3 | 77.0 | 77.5 | 78.5 | 77.9 | 78.8 | 79.8 |
| 32 | Oil and gas well drilling | .6 | 131.8 | 126.7 | 130.3 | 130.8 | 136.2 | 137.1 | 132.8 | 136.5 | 138.9 | 139.1 | 146.7 | 147.9 | 150.7 | 155.3 |
| 33 | Manufactured homes | .2 | 116.2 | 127.2 | 122.9 | 121.9 | 116.8 | 115.5 | 109.3 | 98.8 | 90.9 | 83.5 | 73.5 | 81.0 | 79.6 | 78.9 |
| 34 | Intermediate products, total | 14.2 | 128.7 | 129.3 | 129.4 | 129.0 | 128.7 | 128.8 | 128.6 | 128.7 | 128.5 | 126.8 | 126.7 | 126.0 | 125.0 | 124.5 |
| 35 | Construction supplies | 5.3 | 143.2 | 144.4 | 143.1 | 143.4 | 143.8 | 142.7 | 143.1 | 142.3 | 141.6 | 140.6 | 140.7 | 139.7 | 139.2 | 138.4 |
| 36 | Business supplies | 8.9 | 120.1 | 120.4 | 121.3 | 120.5 | 119.8 | 120.6 | 120.0 | 120.7 | 120.7 | 118.5 | 118.4 | 117.9 | 116.7 | 116.3 |
| 37 | Materials | 39.5 | 167.8 | 166.1 | 168.4 | 169.4 | 169.0 | 170.5 | 171.3 | 171.1 | 169.9 | 167.8 | 165.9 | 164.8 | 164.3 | 163.9 |
| 38 | Durable goods materials | 20.8 | 227.6 | 222.7 | 227.6 | 230.3 | 230.5 | 233.8 | 235.7 | 235.0 | 232.9 | 230.3 | 226.6 | 224.9 | 224.3 | 223.1 |
| 39 | Durable consumer parts | 4.0 | 165.3 | 162.2 | 169.9 | 165.7 | 158.3 | 168.3 | 169.0 | 168.5 | 161.8 | 157.6 | 146.1 | 149.4 | 153.3 | 153.7 |
| 40 | Equipment parts | 7.6 | 478.3 | 451.9 | 466.8 | 486.2 | 499.9 | 505.7 | 512.1 | 515.9 | 521.4 | 522.3 | 517.5 | 513.7 | 510.3 | 506.5 |
| 41 | Other | 9.2 | 134.6 | 135.7 | 135.9 | 135.9 | 135.3 | 134.7 | 135.5 | 133.7 | 131.8 | 129.6 | 130.1 | 127.4 | 126.0 | 125.0 |
| 42 | Basic metal materials | 3.1 | 128.7 | 131.9 | 130.8 | 130.7 | 128.5 | 127.5 | 129.2 | 125.9 | 124.4 | 123.6 | 121.2 | 118.8 | 116.7 | 115.7 |
| 43 | Nondurable goods materials | 8.9 | 113.8 | 115.2 | 115.7 | 115.2 | 113.9 | 112.8 | 112.7 | 113.4 | 110.7 | 108.6 | 107.5 | 106.8 | 104.7 | 104.9 |
| 44 | Textile materials | 1.1 | 97.9 | 101.1 | 100.9 | 101.7 | 97.9 | 99.3 | 95.9 | 94.0 | 89.5 | 90.3 | 91.0 | 88.0 | 87.9 | 86.2 |
| 45 | Paper materials | 1.8 | 115.8 | 118.7 | 117.5 | 118.1 | 114.9 | 112.8 | 113.8 | 117.2 | 113.4 | 109.4 | 110.3 | 112.1 | 105.3 | 105.8 |
| 46 | Chemical materials | 3.9 | 117.0 | 118.1 | 119.8 | 118.4 | 117.0 | 116.8 | 116.3 | 115.9 | 113.7 | 109.8 | 108.5 | 107.7 | 106.5 | 106.9 |
| 47 | Other | 2.1 | 113.0 | 112.6 | 112.4 | 112.3 | 113.7 | 110.2 | 112.0 | 114.0 | 111.9 | 113.9 | 111.0 | 109.7 | 108.5 | 108.6 |
| 48 | Energy materials | 9.7 | 103.4 | 103.5 | 103.3 | 103.1 | 102.9 | 104.2 | 104.3 | 103.9 | 105.4 | 104.5 | 104.4 | 104.2 | 105.1 | 105.4 |
| 49 | Primary energy | 6.3 | 98.1 | 98.8 | 98.3 | 98.4 | 98.7 | 98.9 | 98.5 | 97.8 | 99.3 | 98.6 | 100.3 | 99.4 | 101.0 | 101.4 |
| 50 | Converted fuel materials | 3.3 | 114.3 | 113.0 | 113.7 | 112.4 | 110.8 | 115.1 | 116.6 | 117.2 | 118.7 | 117.3 | 111.8 | 113.7 | 112.4 | 112.5 |
| | SPECIAL AGGREGATES | | | | | | | | | | | | | | | |
| 51 | Total excluding autos and trucks | 97.1 | 147.2 | 145.7 | 146.7 | 147.5 | 147.5 | 148.4 | 148.7 | 148.8 | 148.4 | 147.8 | 146.6 | 146.0 | 145.5 | 145.0 |
| 52 | Total excluding motor vehicles and parts | 95.1 | 146.3 | 144.9 | 145.8 | 146.5 | 146.9 | 147.4 | 147.7 | 147.8 | 147.7 | 147.2 | 146.5 | 145.6 | 144.9 | 144.4 |
| 53 | Total excluding computer and office equipment | 98.2 | 140.4 | 139.6 | 140.4 | 141.0 | 140.5 | 141.4 | 141.6 | 141.2 | 140.8 | 139.9 | 138.6 | 138.1 | 138.0 | 137.5 |
| 54 | Consumer goods excluding autos and trucks | 27.4 | 120.6 | 120.5 | 120.7 | 121.5 | 120.9 | 121.3 | 121.2 | 120.7 | 120.6 | 121.9 | 120.8 | 121.1 | 120.7 | 120.4 |
| 55 | Consumer goods excluding energy | 26.2 | 123.9 | 124.4 | 124.4 | 125.0 | 123.9 | 124.5 | 124.4 | 123.6 | 122.9 | 122.5 | 122.0 | 122.3 | 122.6 | 122.5 |
| 56 | Business equipment excluding autos and trucks | 12.0 | 200.1 | 195.2 | 196.1 | 197.6 | 201.5 | 204.5 | 206.3 | 208.5 | 209.4 | 208.9 | 207.7 | 204.6 | 204.4 | 202.5 |
| 57 | Business equipment excluding computer and office equipment | 12.1 | 158.4 | 157.4 | 157.3 | 157.6 | 158.6 | 160.3 | 161.2 | 161.2 | 161.5 | 159.9 | 158.4 | 156.5 | 157.4 | 155.3 |
| 58 | Materials excluding energy | 29.8 | 188.5 | 186.0 | 189.3 | 190.7 | 190.3 | 191.8 | 193.0 | 192.8 | 190.4 | 187.8 | 185.1 | 183.8 | 182.5 | 181.8 |

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

Monthly data seasonally adjusted

| Group | SIC[2] code | 1992 pro-portion | 2000 avg. | 2000 Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | 2001 Jan.[r] | Feb.[r] | Mar. | Apr.[p] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Index (1992=100) | | | | | | | | | | | | |
| MAJOR INDUSTRIES | | | | | | | | | | | | | | | | |
| 59 **Total index** | . | **100.0** | **147.5** | **146.3** | **147.2** | **147.9** | **147.6** | **148.6** | **149.0** | **148.7** | **148.2** | **147.3** | **146.0** | **145.5** | **145.3** | **144.9** |
| 60 Manufacturing | .. | 85.4 | 153.6 | 152.2 | 153.1 | 153.8 | 153.7 | 154.6 | 155.1 | 154.9 | 154.1 | 152.6 | 151.3 | 150.7 | 150.3 | 149.8 |
| 61 Primary processing | ... | 26.5 | 178.0 | 177.1 | 178.7 | 180.1 | 179.4 | 180.3 | 181.2 | 181.1 | 178.8 | 176.1 | 173.5 | 172.9 | 171.5 | 170.9 |
| 62 Advanced processing | .. | 58.9 | 139.3 | 138.5 | 139.1 | 139.4 | 139.5 | 140.5 | 140.8 | 140.5 | 140.5 | 139.6 | 139.0 | 138.4 | 138.5 | 138.0 |
| 63 Durable goods | .. | 45.0 | 193.4 | 191.0 | 193.0 | 194.6 | 194.7 | 196.9 | 198.4 | 197.6 | 196.7 | 195.1 | 192.3 | 191.0 | 191.9 | 190.7 |
| 64 Lumber and products | 24 | 2.0 | 118.3 | 121.6 | 120.5 | 118.7 | 118.6 | 115.5 | 116.8 | 114.8 | 113.2 | 111.5 | 108.3 | 109.3 | 109.9 | 109.6 |
| 65 Furniture and fixtures | 25 | 1.4 | 142.9 | 140.7 | 143.0 | 141.9 | 142.6 | 143.8 | 146.6 | 147.2 | 145.0 | 145.3 | 144.1 | 143.6 | 142.1 | 142.5 |
| 66 Stone, clay, and glass products | 32 | 2.1 | 134.7 | 132.9 | 134.2 | 134.6 | 136.3 | 136.1 | 136.5 | 137.3 | 134.6 | 132.4 | 135.2 | 134.3 | 133.5 | 132.7 |
| 67 Primary metals | 33 | 3.1 | 133.7 | 137.8 | 136.7 | 136.4 | 133.9 | 132.4 | 133.9 | 129.0 | 127.3 | 126.3 | 124.0 | 122.1 | 120.2 | 119.0 |
| 68 Iron and steel | 331,2 | 1.7 | 131.1 | 136.8 | 135.9 | 135.5 | 129.9 | 129.7 | 131.9 | 123.7 | 122.0 | 118.7 | 116.0 | 115.2 | 114.1 | 112.3 |
| 69 Raw steel | 331PT | .1 | 120.9 | 127.3 | 127.1 | 128.2 | 126.4 | 123.9 | 117.7 | 115.6 | 106.3 | 104.6 | 108.3 | 109.1 | 109.2 | 106.3 |
| 70 Nonferrous | 333–6,9 | 1.4 | 136.8 | 139.1 | 137.9 | 137.6 | 138.8 | 135.7 | 136.5 | 135.3 | 133.6 | 135.2 | 133.4 | 130.3 | 127.4 | 127.0 |
| 71 Fabricated metal products | 34 | 5.0 | 135.6 | 135.9 | 136.2 | 135.7 | 136.1 | 136.3 | 136.0 | 136.0 | 134.7 | 132.9 | 133.5 | 130.6 | 129.8 | 128.3 |
| 72 Industrial machinery and equipment | 35 | 8.0 | 252.8 | 247.2 | 249.9 | 250.9 | 253.9 | 257.9 | 260.0 | 261.5 | 261.9 | 262.3 | 258.4 | 255.0 | 256.4 | 252.0 |
| 73 Computer and office equipment | 357 | 1.8 | 1,343.6 | 1,245.1 | 1,272.3 | 1,316.2 | 1,370.4 | 1,421.6 | 1,464.2 | 1,487.4 | 1,502.8 | 1,508.3 | 1,497.4 | 1,484.6 | 1,485.2 | 1,482.6 |
| 74 Electrical machinery | 36 | 7.3 | 549.7 | 516.5 | 533.8 | 555.0 | 571.2 | 580.0 | 592.2 | 597.4 | 604.4 | 610.2 | 604.3 | 597.3 | 591.1 | 585.6 |
| 75 Transportation equipment | 37 | 9.5 | 131.0 | 132.1 | 133.6 | 133.5 | 128.0 | 132.4 | 132.4 | 129.2 | 126.8 | 122.8 | 116.0 | 118.5 | 124.0 | 124.2 |
| 76 Motor vehicles and parts | 371 | 4.9 | 170.5 | 174.1 | 177.6 | 176.1 | 163.1 | 173.9 | 175.5 | 167.2 | 160.1 | 151.8 | 138.6 | 145.3 | 155.9 | 155.8 |
| 77 Autos and light trucks | 371PT | 2.6 | 153.0 | 159.2 | 161.1 | 160.1 | 147.8 | 156.4 | 158.8 | 145.8 | 140.1 | 131.5 | 125.9 | 129.7 | 141.5 | 142.6 |
| 78 Aerospace and miscellaneous transportation equipment | 372–6,9 | 4.6 | 93.8 | 92.7 | 92.3 | 93.6 | 94.9 | 93.5 | 92.1 | 93.6 | 95.4 | 95.3 | 94.3 | 93.0 | 93.7 | 94.2 |
| 79 Instruments | 38 | 5.4 | 122.2 | 121.5 | 121.3 | 122.2 | 122.6 | 123.3 | 123.7 | 123.5 | 124.6 | 123.1 | 125.0 | 123.0 | 122.7 | 123.8 |
| 80 Miscellaneous | 39 | 1.3 | 130.8 | 130.9 | 130.7 | 130.5 | 132.1 | 130.8 | 130.9 | 131.1 | 130.2 | 129.4 | 130.4 | 128.2 | 126.6 | 125.2 |
| 81 Nondurable goods | ... | 40.4 | 116.9 | 116.7 | 116.7 | 116.7 | 116.3 | 116.3 | 116.0 | 116.3 | 115.5 | 114.1 | 114.0 | 114.0 | 112.8 | 112.8 |
| 82 Foods | 20 | 9.4 | 114.7 | 114.7 | 114.2 | 114.9 | 115.0 | 115.1 | 114.6 | 114.8 | 115.0 | 114.2 | 114.1 | 114.9 | 114.4 | 114.4 |
| 83 Tobacco products | 21 | 1.6 | 95.3 | 95.6 | 95.3 | 93.8 | 95.8 | 96.6 | 94.5 | 93.7 | 93.1 | 94.2 | 95.2 | 93.7 | 91.7 | 92.3 |
| 84 Textile mill products | 22 | 1.8 | 100.1 | 104.4 | 102.6 | 103.1 | 101.4 | 99.4 | 98.4 | 96.7 | 92.8 | 94.5 | 93.0 | 92.9 | 93.1 | 90.7 |
| 85 Apparel products | 23 | 2.2 | 91.7 | 94.6 | 93.0 | 91.2 | 92.0 | 90.7 | 89.5 | 89.2 | 89.2 | 88.2 | 88.9 | 86.5 | 86.9 | 85.6 |
| 86 Paper and products | 26 | 3.6 | 116.1 | 118.4 | 116.5 | 118.8 | 114.9 | 113.3 | 113.7 | 117.1 | 114.7 | 112.7 | 111.8 | 112.5 | 107.3 | 108.0 |
| 87 Printing and publishing | 27 | 6.7 | 109.9 | 109.1 | 109.9 | 109.1 | 110.0 | 110.4 | 110.9 | 111.6 | 111.2 | 109.2 | 109.6 | 108.5 | 107.1 | 106.7 |
| 88 Chemicals and products | 28 | 9.9 | 128.3 | 125.2 | 126.3 | 125.9 | 124.8 | 125.9 | 125.4 | 125.8 | 124.8 | 122.9 | 121.8 | 122.4 | 121.7 | 121.8 |
| 89 Petroleum products | 29 | 1.4 | 117.1 | 117.2 | 118.9 | 118.8 | 117.0 | 117.6 | 117.4 | 116.5 | 116.9 | 114.7 | 115.1 | 116.5 | 116.2 | 118.7 |
| 90 Rubber and plastic products | 30 | 3.5 | 142.3 | 143.5 | 142.6 | 143.5 | 144.4 | 142.1 | 141.9 | 141.3 | 139.1 | 137.3 | 138.5 | 136.9 | 135.3 | 134.5 |
| 91 Leather and products | 31 | .3 | 69.8 | 70.0 | 70.5 | 69.3 | 70.0 | 68.8 | 69.8 | 68.6 | 68.9 | 66.9 | 67.1 | 65.0 | 63.3 | 63.3 |
| 92 Mining | . | 6.9 | 100.0 | 99.9 | 99.6 | 100.4 | 100.5 | 101.0 | 100.4 | 100.1 | 101.1 | 99.6 | 101.0 | 101.3 | 102.4 | 103.1 |
| 93 Metal | 10 | .5 | 97.4 | 98.8 | 95.7 | 97.5 | 92.9 | 95.8 | 99.3 | 96.3 | 93.7 | 99.5 | 94.6 | 92.6 | 91.1 | 92.0 |
| 94 Coal | 12 | 1.0 | 108.9 | 112.6 | 112.2 | 113.6 | 110.3 | 109.3 | 107.0 | 110.2 | 108.6 | 106.1 | 115.2 | 110.7 | 116.6 | 116.8 |
| 95 Oil and gas extraction | 13 | 4.8 | 95.0 | 94.0 | 94.3 | 94.8 | 95.7 | 96.3 | 95.7 | 95.1 | 96.6 | 95.2 | 96.1 | 96.9 | 97.6 | 98.3 |
| 96 Stone and earth minerals | 14 | .6 | 126.4 | 130.4 | 123.9 | 127.7 | 124.4 | 125.0 | 123.7 | 124.6 | 123.2 | 119.3 | 121.7 | 121.8 | 123.3 | 123.4 |
| 97 Utilities | ... | 7.7 | 120.4 | 118.7 | 121.6 | 121.7 | 119.1 | 122.1 | 121.7 | 120.0 | 121.9 | 129.1 | 124.0 | 123.1 | 123.6 | 122.3 |
| 98 Electric | 491,3PT | 6.2 | 123.9 | 122.8 | 125.2 | 124.8 | 121.1 | 126.1 | 124.7 | 124.2 | 127.3 | 131.2 | 126.7 | 123.9 | 125.5 | 125.3 |
| 99 Gas | 492,3PT | 1.6 | 109.3 | 104.4 | 108.7 | 110.5 | 111.0 | 108.4 | 110.5 | 105.8 | 104.5 | 120.2 | 113.7 | 117.6 | 115.5 | 111.3 |
| SPECIAL AGGREGATES | | | | | | | | | | | | | | | | |
| 100 Manufacturing excluding motor vehicles and parts | . | 80.5 | 152.6 | 151.0 | 151.7 | 152.6 | 153.2 | 153.5 | 153.9 | 154.3 | 153.8 | 152.7 | 152.2 | 151.2 | 150.1 | 149.6 |
| 101 Manufacturing excluding computer and office equipment | . | 83.6 | 145.4 | 144.4 | 145.2 | 145.8 | 145.4 | 146.2 | 146.5 | 146.2 | 145.4 | 143.9 | 142.7 | 142.2 | 141.8 | 141.3 |
| 102 Computers, communications equipment, and semiconductors | . | 5.9 | 1,195.2 | 1,097.8 | 1,140.2 | 1,193.1 | 1,248.0 | 1,281.6 | 1,310.3 | 1,334.8 | 1,358.1 | 1,368.9 | 1,351.7 | 1,338.6 | 1,326.7 | 1,314.0 |
| 103 Manufacturing excluding computers and semiconductors | . | 81.1 | 128.3 | 128.0 | 128.4 | 128.4 | 127.7 | 128.2 | 128.4 | 128.0 | 127.1 | 125.6 | 124.7 | 124.3 | 124.0 | 123.6 |
| 104 Manufacturing excluding computers, communications equipment, and semiconductors | . | 79.5 | 125.1 | 125.1 | 125.4 | 125.3 | 124.5 | 124.9 | 125.0 | 124.6 | 123.6 | 122.1 | 121.1 | 120.7 | 120.5 | 120.2 |
| | | | | Gross value (billions of 1992 dollars, annual rates) | | | | | | | | | | | | |
| MAJOR MARKETS | | | | | | | | | | | | | | | | |
| 105 **Products, total** | . | **2,001.9** | **2,860.5** | **2,868.9** | **2,872.7** | **2,883.5** | **2,865.7** | **2,882.9** | **2,889.1** | **2,867.4** | **2,863.2** | **2,850.2** | **2,818.1** | **2,820.1** | **2,833.5** | **2,823.6** |
| 106 Final | . | 1,552.1 | 2,203.4 | 2,202.8 | 2,205.6 | 2,218.6 | 2,202.8 | 2,220.5 | 2,228.1 | 2,205.4 | 2,203.7 | 2,198.2 | 2,167.1 | 2,172.9 | 2,190.3 | 2,182.5 |
| 107 Consumer goods | . | 1,049.6 | 1,340.0 | 1,347.2 | 1,349.8 | 1,357.8 | 1,338.7 | 1,348.7 | 1,353.7 | 1,334.7 | 1,331.2 | 1,332.8 | 1,312.2 | 1,321.7 | 1,330.1 | 1,330.0 |
| 108 Equipment | . | 502.5 | 865.7 | 862.2 | 862.2 | 867.3 | 872.8 | 880.8 | 883.3 | 880.9 | 883.3 | 874.9 | 864.8 | 859.3 | 869.0 | 859.9 |
| 109 Intermediate | . | 449.9 | 656.7 | 665.0 | 666.0 | 663.9 | 661.8 | 661.5 | 660.2 | 661.0 | 658.6 | 651.2 | 649.9 | 646.4 | 642.6 | 640.6 |

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, http://www.federalreserve.gov/releases/g17. The latest historical revision of the industrial production index and the capacity utilization rates was released in December 2000. The recent annual revision is described in an article in the March 2001 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67–92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.

2. Standard industrial classification.

## 2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

| Item | 1998 | 1999 | 2000 | 2000[r] | | | | | | | 2001 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan.[r] | Feb.[r] | Mar. |
| | Private residential real estate activity (thousands of units except as noted) | | | | | | | | | | | | |
| NEW UNITS | | | | | | | | | | | | | |
| 1 Permits authorized | 1,612 | 1,664 | 1,592 | 1,566 | 1,534 | 1,544 | 1,549 | 1,562 | 1,614 | 1,553 | 1,724 | 1,663 | 1,627 |
| 2 One-family | 1,188 | 1,247 | 1,198 | 1,155 | 1,149 | 1,169 | 1,173 | 1,212 | 1,203 | 1,187 | 1,283 | 1,228 | 1,209 |
| 3 Two-family or more | 425 | 417 | 394 | 411 | 385 | 375 | 376 | 350 | 411 | 366 | 441 | 435 | 418 |
| 4 Started | 1,617 | 1,641 | 1,569 | 1,560 | 1,477 | 1,531 | 1,508 | 1,527 | 1,559 | 1,532 | 1,666 | 1,623 | 1,586 |
| 5 One-family | 1,271 | 1,302 | 1,231 | 1,199 | 1,148 | 1,228 | 1,196 | 1,218 | 1,209 | 1,236 | 1,336 | 1,288 | 1,207 |
| 6 Two-family or more | 346 | 339 | 338 | 361 | 329 | 303 | 312 | 309 | 350 | 296 | 330 | 335 | 379 |
| 7 Under construction at end of period[1] | 971 | 953 | 934 | 983 | 980 | 975 | 971 | 971 | 969 | 965 | 985 | 989 | 991 |
| 8 One-family | 659 | 648 | 623 | 664 | 658 | 659 | 658 | 659 | 655 | 652 | 669 | 675 | 672 |
| 9 Two-family or more | 312 | 305 | 310 | 319 | 322 | 316 | 313 | 312 | 314 | 313 | 316 | 314 | 319 |
| 10 Completed | 1,474 | 1,605 | 1,574 | 1,532 | 1,489 | 1,583 | 1,526 | 1,509 | 1,548 | 1,527 | 1,424 | 1,531 | 1,464 |
| 11 One-family | 1,160 | 1,270 | 1,242 | 1,190 | 1,181 | 1,235 | 1,181 | 1,172 | 1,236 | 1,228 | 1,090 | 1,201 | 1,189 |
| 12 Two-family or more | 315 | 335 | 332 | 342 | 308 | 348 | 345 | 337 | 312 | 299 | 334 | 330 | 275 |
| 13 Mobile homes shipped | 374 | 348 | 250 | 262 | 251 | 249 | 231 | 213 | 196 | 176 | 164 | 177 | 179 |
| *Merchant builder activity in one-family units* | | | | | | | | | | | | | |
| 14 Number sold | 886 | 907 | 903 | 793 | 881 | 839 | 902 | 922 | 882 | 1,001 | 938 | 966 | 988 |
| 15 Number for sale at end of period[1] | 300 | 315 | 301 | 307 | 304 | 304 | 301 | 301 | 304 | 297 | 295 | 293 | 283 |
| *Price of units sold (thousands of dollars)*[2] | | | | | | | | | | | | | |
| 16 Median | 152.5 | 160.0 | 169.0 | 160.1 | 169.0 | 166.6 | 171.5 | 176.3 | 174.7 | 162.0 | 171.3 | 167.3 | 163.6 |
| 17 Average | 181.9 | 195.8 | 206.4 | 197.7 | 202.2 | 200.2 | 208.3 | 215.1 | 210.7 | 208.1 | 209.0 | 210.4 | 206.6 |
| EXISTING UNITS (one-family) | | | | | | | | | | | | | |
| 18 Number sold | 4,970 | 5,205 | 5,113 | 5,180 | 4,820 | 5,240 | 5,160 | 5,070 | 5,300 | 4,940 | 5,200 | 5,190 | 5,430 |
| *Price of units sold (thousands of dollars)*[2] | | | | | | | | | | | | | |
| 19 Median | 128.4 | 133.3 | 139.0 | 140.2 | 143.3 | 143.2 | 141.6 | 138.6 | 139.5 | 139.7 | 137.1 | 138.6 | 143.4 |
| 20 Average | 159.1 | 168.3 | 176.2 | 178.9 | 177.7 | 183.0 | 178.6 | 176.9 | 176.5 | 178.5 | 175.8 | 174.6 | 179.5 |
| | Value of new construction (millions of dollars)[3] | | | | | | | | | | | | |
| CONSTRUCTION | | | | | | | | | | | | | |
| **21 Total put in place** | **710,104** | **765,719** | **809,258** | **798,860** | **793,036** | **801,748** | **813,477** | **803,893** | **808,948** | **811,535** | **835,772** | **843,063** | **854,361** |
| 22 Private | 550,983 | 592,037 | 624,613 | 624,383 | 619,046 | 616,918 | 625,317 | 618,738 | 624,580 | 625,141 | 643,319 | 651,575 | 660,138 |
| 23 Residential | 314,058 | 348,584 | 359,315 | 363,756 | 355,196 | 350,783 | 351,682 | 348,076 | 348,998 | 350,679 | 359,890 | 368,762 | 370,027 |
| 24 Nonresidential | 236,925 | 243,454 | 265,297 | 260,627 | 263,850 | 266,135 | 273,635 | 270,662 | 275,582 | 274,462 | 283,429 | 282,813 | 290,111 |
| 25 Industrial buildings | 40,464 | 35,016 | 40,406 | 39,951 | 42,081 | 41,552 | 40,872 | 42,811 | 46,894 | 40,716 | 46,549 | 46,437 | 47,888 |
| 26 Commercial buildings | 95,753 | 103,759 | 114,898 | 112,834 | 112,114 | 115,279 | 118,445 | 117,039 | 116,224 | 118,987 | 122,614 | 122,454 | 127,486 |
| 27 Other buildings | 39,607 | 41,279 | 45,486 | 44,559 | 45,689 | 46,779 | 46,689 | 46,690 | 46,060 | 44,974 | 47,094 | 47,154 | 48,377 |
| 28 Public utilities and other | 61,101 | 63,400 | 64,507 | 63,283 | 63,966 | 62,525 | 67,629 | 64,122 | 66,404 | 69,785 | 67,172 | 66,768 | 66,360 |
| 29 Public | 159,121 | 173,682 | 184,645 | 174,477 | 173,990 | 184,830 | 188,160 | 185,155 | 184,368 | 186,393 | 192,452 | 191,488 | 194,223 |
| 30 Military | 2,538 | 2,122 | 2,255 | 2,157 | 2,100 | 2,331 | 2,418 | 1,880 | 2,612 | 2,097 | 2,264 | 2,204 | 2,130 |
| 31 Highway | 48,339 | 54,447 | 52,461 | 48,148 | 49,262 | 52,694 | 53,183 | 47,932 | 46,825 | 48,073 | 50,746 | 52,120 | 53,910 |
| 32 Conservation and development | 5,421 | 6,002 | 6,026 | 5,832 | 4,875 | 5,629 | 6,158 | 6,989 | 5,603 | 6,330 | 7,385 | 7,665 | 7,242 |
| 33 Other | 102,823 | 111,110 | 123,904 | 118,340 | 117,753 | 124,176 | 126,401 | 128,354 | 129,328 | 129,893 | 132,057 | 129,499 | 130,941 |

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

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

## 2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data except as noted

| Item | Change from 12 months earlier | | Change from 3 months earlier (annual rate) | | | | Change from 1 month earlier | | | | | Index level, Apr. 2001[1] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2000 Apr. | 2001 Apr. | 2000 | | | 2001 | 2000 | 2001 | | | | |
| | | | June | Sept. | Dec. | Mar. | Dec. | Jan. | Feb. | Mar. | Apr. | |
| CONSUMER PRICES[2] (1982–84=100) | | | | | | | | | | | | |
| 1 **All items** | **3.1** | **3.3** | **2.4** | **3.3** | **2.3** | **4.0** | **.2** | **.6** | **.3** | **.1** | **.3** | **176.9** |
| 2 Food | 2.0 | 3.2 | 1.9 | 4.1 | 2.1 | 4.1 | .5 | .3 | .5 | .2 | .1 | 171.9 |
| 3 Energy items | 15.0 | 10.3 | 5.6 | 7.9 | 3.8 | 6.0 | .3 | 3.9 | −.2 | −2.1 | 1.8 | 133.1 |
| 4 All items less food and energy | 2.3 | 2.6 | 2.2 | 2.9 | 2.0 | 3.5 | .1 | .3 | .3 | .2 | .2 | 185.6 |
| 5 Commodities | .7 | .5 | −.6 | 1.7 | .0 | 1.4 | −.1 | .1 | .3 | −.1 | .0 | 146.6 |
| 6 Services | 3.0 | 3.5 | 3.4 | 3.2 | 3.2 | 4.2 | .2 | .4 | .3 | .3 | .3 | 208.0 |
| PRODUCER PRICES (1982=100) | | | | | | | | | | | | |
| 7 Finished goods | 3.6 | 3.7 | 2.3 | 2.0 | 2.9 | 4.9 | .1 | 1.1 | .1 | −.1 | .3 | 141.7 |
| 8 Consumer foods | 2.9 | 3.1 | 3.3 | −1.2 | 2.7[r] | 10.2[r] | −.3[r] | .7[r] | .6 | 1.1 | .6 | 141.6 |
| 9 Consumer energy | 17.5 | 13.5 | 6.5 | 6.4 | 12.0[r] | 12.6[r] | .8[r] | 4.2[r] | 1.4 | −2.6 | .1 | 101.2 |
| 10 Other consumer goods | 1.5 | 1.9 | 1.3 | 2.4 | 1.0[r] | 2.1[r] | .1[r] | .6[r] | −.4 | .3 | .2 | 156.4 |
| 11 Capital equipment | .5 | 1.1 | 1.5 | 1.7 | .3 | .0 | .1 | .3 | −.3 | .0 | .3 | 140.0 |
| *Intermediate materials* | | | | | | | | | | | | |
| 12 Excluding foods and feeds | 5.4 | 2.1 | 3.1 | 3.1 | 1.2 | 1.8 | .2 | .8 | −.1 | −.2 | −.3 | 131.6 |
| 13 Excluding energy | 3.4 | .6 | 2.7 | .3 | −.3 | 1.5[r] | .0[r] | .1[r] | .1 | .1 | −.1 | 137.4 |
| *Crude materials* | | | | | | | | | | | | |
| 14 Foods | 8.4 | 5.5 | −7.3 | −8.2 | 36.5[r] | 14.8[r] | 3.6[r] | 2.1[r] | −1.6 | 3.0 | −.5 | 109.1 |
| 15 Energy | 43.8 | 48.3 | 163.6 | 20.0 | 102.6[r] | −44.1[r] | 15.8[r] | 18.6[r] | −23.3 | −4.9 | 3.0 | 145.2 |
| 16 Other | 15.6 | −12.3 | −11.9 | −8.8 | −9.2[r] | −13.4[r] | .4[r] | .2[r] | −2.5 | −1.3 | −2.6 | 130.8 |

1. Not seasonally adjusted.
2. Figures for consumer prices are for all urban consumers and reflect a rental-equivalence measure of homeownership.

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

## 2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

| Account | 1998 | 1999 | 2000 | 2000 Q1 | 2000 Q2 | 2000 Q3 | 2000 Q4 | 2001 Q1 |
|---|---|---|---|---|---|---|---|---|
| GROSS DOMESTIC PRODUCT | | | | | | | | |
| 1 **Total** | **8,790.2** | **9,299.2** | **9,963.1** | **9,752.7** | **9,945.7** | **10,039.4** | **10,114.4** | **10,229.4** |
| *By source* | | | | | | | | |
| 2 Personal consumption expenditures | 5,850.9 | 6,268.7 | 6,757.3 | 6,621.7 | 6,706.3 | 6,810.8 | 6,890.2 | 6,994.1 |
| 3 Durable goods | 693.9 | 761.3 | 820.3 | 826.3 | 814.3 | 824.7 | 815.8 | 838.4 |
| 4 Nondurable goods | 1,707.6 | 1,845.5 | 2,010.0 | 1,963.9 | 1,997.6 | 2,031.5 | 2,046.9 | 2,064.0 |
| 5 Services | 3,449.3 | 3,661.9 | 3,927.0 | 3,831.6 | 3,894.4 | 3,954.6 | 4,027.5 | 4,091.7 |
| 6 Gross private domestic investment | 1,549.9 | 1,650.1 | 1,832.7 | 1,755.7 | 1,852.6 | 1,869.3 | 1,853.3 | 1,789.2 |
| 7 Fixed investment | 1,472.9 | 1,606.8 | 1,778.2 | 1,725.8 | 1,780.5 | 1,803.0 | 1,803.5 | 1,815.0 |
| 8 Nonresidential | 1,107.5 | 1,203.1 | 1,362.2 | 1,308.5 | 1,359.2 | 1,390.6 | 1,390.4 | 1,393.2 |
| 9 Structures | 283.2 | 285.6 | 324.2 | 308.9 | 315.1 | 330.1 | 342.8 | 362.5 |
| 10 Producers' durable equipment | 824.3 | 917.4 | 1,038.0 | 999.6 | 1,044.1 | 1,060.5 | 1,047.6 | 1,030.6 |
| 11 Residential structures | 365.4 | 403.8 | 416.0 | 417.3 | 421.3 | 412.4 | 413.1 | 421.8 |
| 12 Change in business inventories | 77.0 | 43.3 | 54.5 | 29.9 | 72.0 | 66.4 | 49.8 | −25.8 |
| 13 Nonfarm | 76.4 | 43.6 | 55.8 | 32.4 | 72.2 | 67.5 | 51.0 | −25.3 |
| 14 Net exports of goods and services | −151.5 | −254.0 | −370.7 | −335.2 | −355.4 | −389.5 | −402.7 | −365.4 |
| 15 Exports | 966.0 | 990.2 | 1,097.3 | 1,051.9 | 1,092.9 | 1,130.8 | 1,113.7 | 1,105.2 |
| 16 Imports | 1,117.5 | 1,244.2 | 1,468.0 | 1,387.1 | 1,448.3 | 1,520.3 | 1,516.4 | 1,470.6 |
| 17 Government consumption expenditures and gross investment | 1,540.9 | 1,634.4 | 1,743.7 | 1,710.4 | 1,742.2 | 1,748.8 | 1,773.6 | 1,811.5 |
| 18 Federal | 540.6 | 568.6 | 595.2 | 580.1 | 604.5 | 594.2 | 602.0 | 617.1 |
| 19 State and local | 1,000.3 | 1,065.8 | 1,148.6 | 1,130.4 | 1,137.7 | 1,154.6 | 1,171.6 | 1,194.4 |
| *By major type of product* | | | | | | | | |
| 20 Final sales, total | 8,713.2 | 9,255.9 | 9,908.5 | 9,722.8 | 9,873.7 | 9,973.1 | 10,064.6 | 10,255.1 |
| 21 Goods | 3,239.3 | 3,467.0 | 3,739.0 | 3,680.3 | 3,734.1 | 3,776.5 | 3,764.9 | 3,823.9 |
| 22 Durable | 1,532.3 | 1,651.1 | 1,806.7 | 1,773.7 | 1,809.6 | 1,830.6 | 1,812.7 | 1,843.9 |
| 23 Nondurable | 1,707.1 | 1,815.8 | 1,932.3 | 1,906.6 | 1,924.5 | 1,945.9 | 1,952.2 | 1,980.0 |
| 24 Services | 4,673.0 | 4,934.6 | 5,254.1 | 5,135.2 | 5,231.4 | 5,281.6 | 5,368.0 | 5,463.8 |
| 25 Structures | 800.9 | 854.3 | 915.6 | 907.4 | 908.2 | 915.0 | 931.7 | 967.4 |
| 26 Change in business inventories | 77.0 | 43.3 | 54.5 | 29.9 | 72.0 | 66.4 | 49.8 | −25.8 |
| 27 Durable goods | 45.8 | 27.2 | 37.2 | 20.7 | 48.3 | 39.2 | 40.7 | −33.0 |
| 28 Nondurable goods | 31.2 | 16.1 | 17.3 | 9.2 | 23.7 | 27.2 | 9.0 | 7.2 |
| MEMO | | | | | | | | |
| 29 **Total GDP in chained 1996 dollars** | **8,515.7** | **8,875.8** | **9,318.5** | **9,191.8** | **9,318.9** | **9,369.5** | **9,393.7** | **9,424.5** |
| NATIONAL INCOME | | | | | | | | |
| 30 **Total** | **7,038.1** | **7,469.7** | **8,002.0** | **7,833.5** | **7,983.2** | **8,088.5** | **8,102.8** | **8,189.8** |
| 31 Compensation of employees | 4,984.2 | 5,299.8 | 5,638.2 | 5,512.2 | 5,603.5 | 5,679.6 | 5,757.5 | 5,851.3 |
| 32 Wages and salaries | 4,192.8 | 4,475.1 | 4,769.4 | 4,660.4 | 4,740.1 | 4,804.9 | 4,872.0 | 4,951.1 |
| 33 Government and government enterprises | 692.7 | 724.4 | 760.9 | 749.9 | 760.2 | 765.4 | 768.2 | 783.3 |
| 34 Other | 3,500.1 | 3,750.7 | 4,008.5 | 3,910.5 | 3,980.0 | 4,039.5 | 4,103.9 | 4,167.8 |
| 35 Supplement to wages and salaries | 791.4 | 824.6 | 868.8 | 851.8 | 863.3 | 874.7 | 885.5 | 900.2 |
| 36 Employer contributions for social insurance | 305.9 | 323.6 | 344.8 | 337.8 | 342.9 | 347.1 | 351.5 | 359.0 |
| 37 Other labor income | 485.5 | 501.0 | 524.0 | 514.0 | 520.5 | 527.6 | 534.0 | 541.2 |
| 38 Proprietors' income[1] | 620.7 | 663.5 | 710.4 | 693.9 | 709.5 | 724.8 | 713.2 | 724.8 |
| 39 Business and professional[1] | 595.2 | 638.2 | 687.8 | 674.8 | 688.1 | 693.1 | 695.2 | 703.8 |
| 40 Farm[1] | 25.4 | 25.3 | 22.6 | 19.1 | 21.5 | 31.7 | 18.0 | 21.0 |
| 41 Rental income of persons[2] | 135.4 | 143.4 | 140.0 | 145.6 | 140.8 | 138.1 | 135.4 | 138.5 |
| 42 Corporate profits[1] | 815.0 | 856.0 | 946.2 | 936.3 | 963.6 | 970.3 | 914.7 | 893.4 |
| 43 Profits before tax[3] | 758.2 | 823.0 | 925.6 | 920.7 | 942.5 | 945.1 | 894.1 | 866.2 |
| 44 Inventory valuation adjustment | 17.0 | −9.1 | −12.9 | −25.0 | −13.6 | −4.5 | −8.5 | −3.5 |
| 45 Capital consumption adjustment | 39.9 | 42.1 | 33.5 | 40.6 | 34.7 | 29.7 | 29.1 | 30.7 |
| 46 Net interest | 482.7 | 507.1 | 567.2 | 545.4 | 565.9 | 575.7 | 582.0 | 581.8 |

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.
3. For after-tax profits, dividends, and the like, see table 1.48.

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

## 2.17 PERSONAL INCOME AND SAVING

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

| Account | 1998 | 1999 | 2000 | 2000 | | | | 2001 |
|---|---|---|---|---|---|---|---|---|
| | | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| PERSONAL INCOME AND SAVING | | | | | | | | |
| 1 **Total personal income** | **7,391.0** | **7,789.6** | **8,281.7** | **8,105.8** | **8,242.1** | **8,349.0** | **8,429.7** | **8,554.9** |
| 2 Wage and salary disbursements | 4,190.7 | 4,470.0 | 4,769.4 | 4,660.4 | 4,740.1 | 4,804.9 | 4,872.0 | 4,951.1 |
| 3 Commodity-producing industries | 1,038.6 | 1,089.2 | 1,153.2 | 1,130.9 | 1,147.1 | 1,161.4 | 1,173.3 | 1,184.2 |
| 4 Manufacturing | 756.6 | 782.4 | 815.9 | 802.8 | 813.1 | 821.4 | 826.4 | 823.3 |
| 5 Distributive industries | 949.1 | 1,020.3 | 1,107.3 | 1,070.9 | 1,095.7 | 1,118.1 | 1,144.4 | 1,166.6 |
| 6 Service industries | 1,510.3 | 1,636.0 | 1,748.0 | 1,708.6 | 1,737.2 | 1,760.1 | 1,786.2 | 1,816.9 |
| 7 Government and government enterprises | 692.7 | 724.4 | 760.9 | 749.9 | 760.2 | 765.4 | 768.2 | 783.3 |
| 8 Other labor income | 485.5 | 501.0 | 524.0 | 514.0 | 520.5 | 527.6 | 534.0 | 541.2 |
| 9 Proprietors' income[1] | 620.7 | 663.5 | 710.4 | 693.9 | 709.5 | 724.8 | 713.2 | 724.8 |
| 10 Business and professional[1] | 595.2 | 638.2 | 687.8 | 674.8 | 688.1 | 693.1 | 695.2 | 703.8 |
| 11 Farm[1] | 25.4 | 25.3 | 22.6 | 19.1 | 21.5 | 31.7 | 18.0 | 21.0 |
| 12 Rental income of persons[2] | 135.4 | 143.4 | 140.0 | 145.6 | 140.8 | 138.1 | 135.4 | 138.5 |
| 13 Dividends | 351.1 | 370.3 | 396.6 | 386.9 | 392.6 | 399.7 | 407.2 | 414.2 |
| 14 Personal interest income | 940.8 | 963.7 | 1,034.3 | 1,011.6 | 1,031.3 | 1,042.9 | 1,051.5 | 1,047.0 |
| 15 Transfer payments | 983.0 | 1,016.2 | 1,067.8 | 1,046.9 | 1,066.1 | 1,074.2 | 1,084.0 | 1,115.2 |
| 16 Old-age survivors, disability, and health insurance benefits | 578.0 | 588.0 | 622.4 | 607.9 | 624.3 | 627.2 | 630.4 | 653.3 |
| 17 LESS: Personal contributions for social insurance | 316.2 | 338.5 | 360.7 | 353.4 | 358.8 | 363.1 | 367.6 | 377.1 |
| 18 EQUALS: Personal income | 7,391.0 | 7,789.6 | 8,281.7 | 8,105.8 | 8,242.1 | 8,349.0 | 8,429.7 | 8,554.9 |
| 19 LESS: Personal tax and nontax payments | 1,070.9 | 1,152.0 | 1,291.9 | 1,239.3 | 1,277.2 | 1,308.1 | 1,342.7 | 1,371.8 |
| 20 EQUALS: Disposable personal income | 6,320.0 | 6,637.7 | 6,989.8 | 6,866.5 | 6,964.9 | 7,040.9 | 7,087.0 | 7,183.1 |
| 21 LESS: Personal outlays | 6,054.7 | 6,490.1 | 6,998.3 | 6,855.6 | 6,944.3 | 7,054.7 | 7,138.6 | 7,247.5 |
| 22 EQUALS: Personal saving | 265.4 | 147.6 | −8.5 | 11.0 | 20.6 | −13.8 | −51.6 | −64.4 |
| MEMO | | | | | | | | |
| *Per capita (chained 1996 dollars)* | | | | | | | | |
| 23 Gross domestic product | 31,474.2 | 32,511.9 | 33,836.1 | 33,485.6 | 33,874.7 | 33,984.3 | 33,985.9 | 34,023.4 |
| 24 Personal consumption expenditures | 20,988.5 | 21,900.4 | 22,855.1 | 22,635.5 | 22,757.7 | 22,959.1 | 23,058.3 | 23,172.6 |
| 25 Disposable personal income | 22,672.0 | 23,191.0 | 23,640.0 | 23,472.0 | 23,639.0 | 23,732.0 | 23,718.0 | 23,798.0 |
| 26 Saving rate (percent) | 4.2 | 2.2 | −.1 | .2 | .3 | −.2 | −.7 | −.9 |
| GROSS SAVING | | | | | | | | |
| 27 **Gross saving** | **1,654.4** | **1,717.6** | **1,825.1** | **1,777.0** | **1,844.5** | **1,854.7** | **1,824.2** | **1,793.7** |
| 28 Gross private saving | 1,375.7 | 1,343.5 | 1,297.1 | 1,279.2 | 1,328.8 | 1,319.2 | 1,261.2 | 1,247.2 |
| 29 Personal saving | 265.4 | 147.6 | −8.5 | 11.0 | 20.6 | −13.8 | −51.6 | −64.4 |
| 30 Undistributed corporate profits[1] | 218.9 | 229.4 | 265.0 | 262.7 | 278.5 | 279.6 | 239.4 | 219.8 |
| 31 Corporate inventory valuation adjustment | 17.0 | −9.1 | −12.9 | −25.0 | −13.6 | −4.5 | −8.5 | −3.5 |
| *Capital consumption allowances* | | | | | | | | |
| 32 Corporate | 624.3 | 676.9 | 739.4 | 711.5 | 731.1 | 750.0 | 765.2 | 778.5 |
| 33 Noncorporate | 265.1 | 284.5 | 301.1 | 294.1 | 298.7 | 303.3 | 308.2 | 313.4 |
| 34 Gross government saving | 278.7 | 374.1 | 528.0 | 497.7 | 515.7 | 535.5 | 563.0 | 546.5 |
| 35 Federal | 137.4 | 217.3 | 351.6 | 333.0 | 339.9 | 354.1 | 379.3 | 383.0 |
| 36 Consumption of fixed capital | 88.4 | 92.8 | 99.8 | 97.2 | 98.9 | 100.8 | 102.3 | 103.6 |
| 37 Current surplus or deficit (−), national accounts | 49.0 | 124.4 | 251.8 | 235.8 | 240.9 | 253.3 | 277.0 | 279.4 |
| 38 State and local | 141.3 | 156.8 | 176.4 | 164.7 | 175.8 | 181.4 | 183.7 | 163.4 |
| 39 Consumption of fixed capital | 99.5 | 106.8 | 116.8 | 112.7 | 115.6 | 118.2 | 120.6 | 123.2 |
| 40 Current surplus or deficit (−), national accounts | 41.7 | 50.0 | 59.6 | 52.0 | 60.1 | 63.2 | 63.1 | 40.3 |
| 41 **Gross investment** | **1,629.6** | **1,645.6** | **1,741.3** | **1,699.3** | **1,771.9** | **1,752.8** | **1,741.3** | **1,740.3** |
| 42 Gross private domestic investment | 1,549.9 | 1,650.1 | 1,832.7 | 1,755.7 | 1,852.6 | 1,869.3 | 1,853.3 | 1,789.2 |
| 43 Gross government investment | 278.8 | 308.7 | 336.6 | 334.2 | 331.9 | 333.6 | 346.5 | 349.3 |
| 44 Net foreign investment | −199.1 | −313.2 | −427.9 | −390.7 | −412.5 | −450.1 | −458.5 | −398.2 |
| 45 **Statistical discrepancy** | **−24.8** | **−71.9** | **−83.7** | **−77.7** | **−72.5** | **−101.8** | **−82.9** | **−53.4** |

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

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

## 3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

| Item credits or debits | 1998 | 1999 | 2000 | 1999 | 2000 | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Q4 | Q1 | Q2 | Q3 | Q4 |
| 1 Balance on current account | −217,138 | −331,479 | −435,377 | −96,223 | −101,768 | −105,239 | −113,110 | −115,266 |
| 2 Balance on goods and services | −166,898 | −264,971 | −368,480 | −76,280 | −85,260 | −88,745 | −95,630 | −98,853 |
| 3 Exports | 932,977 | 956,242 | 1,069,531 | 249,653 | 255,936 | 265,925 | 275,411 | 272,256 |
| 4 Imports | −1,099,875 | −1,221,213 | −1,438,011 | −325,933 | −341,196 | −354,670 | −371,041 | −371,109 |
| 5 Income, net | −6,211 | −18,483 | −13,656 | −5,683 | −4,421 | −4,160 | −4,531 | −541 |
| 6 Investment, net | −1,036 | −13,102 | −8,142 | −4,319 | −3,050 | −2,769 | −3,184 | 864 |
| 7 Direct | 67,728 | 62,704 | 83,776 | 16,275 | 17,026 | 18,973 | 21,537 | 26,241 |
| 8 Portfolio | −68,764 | −75,806 | −91,918 | −20,594 | −20,076 | −21,742 | −24,721 | −25,377 |
| 9 Compensation of employees | −5,175 | −5,381 | −5,514 | −1,364 | −1,371 | −1,391 | −1,347 | −1,405 |
| 10 Unilateral current transfers, net | −44,029 | −48,025 | −53,241 | −14,260 | −12,087 | −12,334 | −12,949 | −15,872 |
| 11 Change in U.S. government assets other than official reserve assets, net (increase, −) | −422 | 2,751 | −715 | 3,711 | −131 | −574 | 114 | −124 |
| 12 Change in U.S. official reserve assets (increase, −) | −6,783 | 8,747 | −290 | 1,569 | −554 | 2,020 | −346 | −1,410 |
| 13 Gold | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Special drawing rights (SDRs) | −147 | 10 | −722 | −178 | −180 | −180 | −182 | −180 |
| 15 Reserve position in International Monetary Fund | −5,119 | 5,484 | 2,308 | 1,800 | −237 | 2,328 | 1,300 | −1,083 |
| 16 Foreign currencies | −1,517 | 3,253 | −1,876 | −53 | −137 | −128 | −1,464 | −147 |
| 17 Change in U.S. private assets abroad (increase, −) | −328,231 | −441,685 | −552,344 | −120,162 | −178,262 | −93,859 | −93,188 | −187,032 |
| 18 Bank-reported claims[2] | −35,572 | −69,862 | −110,173 | −45,304 | −55,511 | 18,320 | −5,964 | −67,018 |
| 19 Nonbank-reported claims | −10,612 | −92,328 | −156,988 | −24,428 | −52,563 | −36,507 | −17,807 | −50,111 |
| 20 U.S. purchases of foreign securities, net | −135,995 | −128,594 | −123,606 | −17,150 | −27,236 | −38,196 | −33,242 | −24,932 |
| 21 U.S. direct investments abroad, net | −146,052 | −150,901 | −161,577 | −33,280 | −42,952 | −37,476 | −36,175 | −44,971 |
| 22 Change in foreign official assets in United States (increase, +) | −20,127 | 42,864 | 35,909 | 27,495 | 22,015 | 6,346 | 11,901 | −4,353 |
| 23 U.S. Treasury securities | −9,921 | 12,177 | −11,377 | 5,122 | 16,198 | −4,000 | −9,001 | −14,574 |
| 24 Other U.S. government obligations | 6,332 | 20,350 | 40,909 | 6,730 | 8,107 | 10,334 | 14,272 | 8,196 |
| 25 Other U.S. government liabilities[2] | −3,550 | −3,255 | −2,540 | 89 | −644 | −781 | −620 | −495 |
| 26 Other U.S. liabilities reported by U.S. banks[2] | −9,501 | 12,692 | 5,790 | 14,427 | −2,577 | −111 | 6,938 | 1,540 |
| 27 Other foreign official assets[3] | −3,487 | 900 | 3,127 | 1,127 | 931 | 904 | 312 | 980 |
| 28 Change in foreign private assets in United States (increase, +) | 502,362 | 710,700 | 916,521 | 157,072 | 214,623 | 238,906 | 183,424 | 279,564 |
| 29 U.S. bank-reported liabilities[4] | 39,769 | 67,403 | 79,485 | 19,618 | −8,824 | 46,943 | −1,394 | 42,760 |
| 30 U.S. nonbank-reported liabilities | −7,001 | 34,298 | 105,728 | 792 | 58,061 | 24,038 | 1,506 | 22,123 |
| 31 Foreign private purchases of U.S. Treasury securities, net | 48,581 | −20,464 | −52,206 | −17,191 | −9,248 | −20,597 | −12,513 | −9,848 |
| 32 U.S. currency flows | 16,622 | 22,407 | 1,129 | 12,213 | −6,847 | 989 | 757 | 6,230 |
| 33 Foreign purchases of other U.S. securities, net | 218,075 | 331,523 | 465,858 | 92,250 | 132,416 | 87,107 | 122,387 | 123,948 |
| 34 Foreign direct investments in United States, net | 186,316 | 275,533 | 316,527 | 49,390 | 49,065 | 100,426 | 72,681 | 94,351 |
| 35 Capital account transactions, net[5] | 637 | −3,500 | 680 | −3,993 | 166 | 170 | 167 | 177 |
| 36 Discrepancy | 69,702 | 11,602 | 35,616 | 30,531 | 43,911 | −47,770 | 11,038 | 28,444 |
| 37 Due to seasonal adjustment | ... | ... | ... | 5,738 | 5,873 | −2,361 | −9,215 | 5,710 |
| 38 Before seasonal adjustment | 69,702 | 11,602 | 35,616 | 24,793 | 38,038 | −45,409 | 20,253 | 22,734 |
| MEMO | | | | | | | | |
| *Changes in official assets* | | | | | | | | |
| 39 U.S. official reserve assets (increase, −) | −6,783 | 8,747 | −290 | 1,569 | −554 | 2,020 | −346 | −1,410 |
| 40 Foreign official assets in United States, excluding line 25 (increase, +) | −16,577 | 46,119 | 38,449 | 27,406 | 22,659 | 7,127 | 12,521 | −3,858 |
| 41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22) | −11,531 | 1,331 | 11,989 | −1,673 | 6,109 | 1,913 | 3,803 | 164 |

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

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

## 3.11 U.S. FOREIGN TRADE[1]

Millions of dollars; monthly data seasonally adjusted

| Item | 1998 | 1999 | 2000 | 2000 | | | | 2001 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar.[p] |
| 1 Goods and services, balance | −166,897 | −264,971 | −368,865 | −33,546 | −33,168 | −32,875 | −33,199 | −33,251 | −26,855 | −31,175 |
| 2 Merchandise | −246,853 | −345,559 | −449,853 | −39,395 | −39,954 | −39,124 | −39,569 | −39,490 | −33,223 | −37,645 |
| 3 Services | 79,956 | 80,588 | 80,988 | 5,849 | 6,786 | 6,249 | 6,370 | 6,239 | 6,368 | 6,470 |
| 4 Goods and services, exports | 932,977 | 956,242 | 1,068,741 | 92,793 | 91,425 | 90,825 | 89,201 | 89,580 | 90,392 | 89,464 |
| 5 Merchandise | 670,324 | 684,358 | 772,514 | 67,815 | 66,325 | 65,850 | 64,114 | 64,578 | 65,193 | 64,096 |
| 6 Services | 262,653 | 271,884 | 296,227 | 24,978 | 25,100 | 24,975 | 25,087 | 25,002 | 25,199 | 25,368 |
| 7 Goods and services, imports | −1,099,875 | −1,221,213 | −1,437,606 | −126,339 | −124,593 | −123,700 | −122,400 | −122,831 | −117,247 | −120,639 |
| 8 Merchandise | −917,178 | −1,029,917 | −1,222,367 | −107,210 | −106,279 | −104,974 | −103,683 | −104,068 | −98,416 | −101,741 |
| 9 Services | −182,697 | −191,296 | −215,239 | −19,129 | −18,314 | −18,726 | −18,717 | −18,763 | −18,831 | −18,898 |

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

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

## 3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

| Asset | 1997 | 1998 | 1999 | 2000 | | | 2001 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May[p] |
| 1 **Total** | **69,954** | **81,761** | **71,516** | **65,257** | **65,523** | **67,647** | **67,542** | **66,486** | **64,222** | **64,731** | **65,256** |
| 2 Gold stock[1] | 11,047 | 11,046 | 11,048 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 |
| 3 Special drawing rights[2,3] | 10,027 | 10,603 | 10,336 | 10,169 | 10,369 | 10,539 | 10,497 | 10,641 | 10,379 | 10,420 | 10,481 |
| 4 Reserve position in International Monetary Fund[2] | 18,071 | 24,111 | 17,950 | 13,528 | 13,491 | 14,824 | 15,079 | 14,107 | 13,777 | 13,816 | 14,283 |
| 5 Foreign currencies[4] | 30,809 | 36,001 | 32,182 | 30,514 | 30,617 | 31,238 | 30,920 | 30,692 | 29,020 | 29,449 | 29,446 |

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 | 1997 | 1998 | 1999 | 2000 | | | 2001 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May[p] |
| 1 **Deposits** | **457** | **167** | **71** | **115** | **104** | **215** | **199** | **196** | **70** | **101** | **86** |
| *Held in custody* | | | | | | | | | | | |
| 2 U.S. Treasury securities[2] | 620,885 | 607,574 | 632,482 | 595,591 | 591,071 | 594,094 | 594,694 | 603,906 | 609,440 | 585,710 | 583,655 |
| 3 Earmarked gold[3] | 10,763 | 10,343 | 9,933 | 9,565 | 9,505 | 9,451 | 9,397 | 9,343 | 9,289 | 9,235 | 9,154 |

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 | 1998 | 1999 | 2000 | | | | 2001 | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar.[p] |
| 1 **Total**[1] | **759,928** | **806,318** | **849,206** | **850,116** | **849,049** | **845,926** | **866,861**[r] | **866,700** | **864,657** |
| *By type* | | | | | | | | | |
| 2 Liabilities reported by banks in the United States[2] | 125,883 | 138,847 | 143,670 | 146,452 | 147,631 | 144,650 | 155,271[r] | 157,270 | 153,832 |
| 3 U.S. Treasury bills and certificates[3] | 134,177 | 156,177 | 155,498 | 155,101 | 155,061 | 153,010 | 158,967 | 155,667 | 155,204 |
| U.S. Treasury bonds and notes | | | | | | | | | |
| 4 Marketable | 432,127 | 422,266 | 427,013 | 419,863 | 414,896 | 415,964 | 418,190 | 418,857 | 419,106 |
| 5 Nonmarketable[4] | 6,074 | 6,111 | 5,247 | 5,280 | 5,313 | 5,348 | 4,923[r] | 4,953 | 4,984 |
| 6 U.S. securities other than U.S. Treasury securities[5] | 61,667 | 82,917 | 117,778 | 123,420 | 126,148 | 126,954 | 129,510 | 129,953 | 131,531 |
| *By area* | | | | | | | | | |
| 7 Europe[1] | 256,026 | 244,805 | 258,138 | 264,131 | 262,099 | 253,592 | 259,829 | 257,955 | 250,420 |
| 8 Canada | 10,552 | 12,503 | 12,821 | 12,632 | 11,744 | 12,394 | 11,220 | 10,794 | 10,296 |
| 9 Latin America and Caribbean | 79,503 | 73,518 | 77,568 | 77,526 | 78,742 | 76,812 | 80,117[r] | 80,745 | 78,521 |
| 10 Asia | 400,631 | 463,703 | 486,890 | 481,344 | 481,094 | 488,168 | 499,901[r] | 501,462 | 510,978 |
| 11 Africa | 10,059 | 7,523 | 8,466 | 8,323 | 8,012 | 9,165 | 8,965 | 9,586 | 9,102 |
| 12 Other countries | 3,157 | 4,266 | 5,323 | 6,160 | 7,358 | 5,795 | 6,829 | 6,158 | 5,340 |

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes current value of zero-coupon Treasury bond issues to foreign governments as follows: Mexico, beginning March 1988, 20-year maturity issue and beginning March 1990, 30-year maturity issue; Venezuela, beginning December 1990, 30-year maturity issue; Argentina, beginning April 1993, 30-year maturity issue.
5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.

SOURCE. Based on U.S. Department of the Treasury data and on data reported to the department by banks (including Federal Reserve Banks) and securities dealers in the United States, and on the 1994 benchmark survey of foreign portfolio investment in the United States.

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

Millions of dollars, end of period

| Item | 1997 | 1998 | 1999 | 2000 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Mar. | June | Sept. | Dec. |
| 1 Banks' liabilities | 117,524 | 101,125 | 88,537 | 85,649 | 85,842 | 78,852 | 76,120 |
| 2 Banks' claims | 83,038 | 78,162 | 67,365 | 63,492 | 67,862 | 60,355 | 56,867 |
| 3 Deposits | 28,661 | 45,985 | 34,426 | 32,967 | 31,224 | 25,847 | 22,907 |
| 4 Other claims | 54,377 | 32,177 | 32,939 | 30,525 | 36,638 | 34,508 | 33,960 |
| 5 Claims of banks' domestic customers[2] | 8,191 | 20,718 | 20,826 | 21,753 | 18,802 | 19,123 | 29,782 |

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 | 1998 | 1999 | 2000 | 2000 | | | | 2001 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan.[r] | Feb. | Mar.[p] |
| BY HOLDER AND TYPE OF LIABILITY | | | | | | | | | | |
| 1 **Total, all foreigners** | **1,347,837** | **1,408,740** | **1,523,669** | **1,453,643** | **1,511,173** | **1,525,179** | **1,523,669** | **1,569,000** | **1,549,410** | **1,493,890** |
| 2 Banks' own liabilities | 884,939 | 971,536 | 1,049,070 | 1,027,138 | 1,074,575 | 1,073,536 | 1,049,070 | 1,086,260 | 1,065,577 | 1,033,319 |
| 3 Demand deposits | 29,558 | 42,884 | 33,553 | 31,964 | 29,500 | 31,701 | 33,553 | 30,855 | 35,757 | 33,861 |
| 4 Time deposits[2] | 151,761 | 163,620 | 191,791 | 184,823 | 185,454 | 192,422 | 191,791 | 187,365 | 192,518 | 181,566 |
| 5 Other[3] | 140,752 | 155,853 | 173,233 | 174,473 | 194,659 | 187,066 | 173,233 | 203,269 | 200,649 | 199,897 |
| 6 Own foreign offices[4] | 562,868 | 609,179 | 650,493 | 635,878 | 664,962 | 662,347 | 650,493 | 664,771 | 636,653 | 617,995 |
| 7 Banks' custodial liabilities[5] | 462,898 | 437,204 | 474,599 | 426,505 | 436,598 | 451,643 | 474,599 | 482,740 | 483,833 | 460,571 |
| 8 U.S. Treasury bills and certificates[6] | 183,494 | 185,676 | 177,742 | 174,604 | 173,984 | 173,896 | 177,742 | 182,276 | 179,277 | 171,755 |
| 9 Short-term agency securities[7] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 66,188 | 73,670 | 71,064 |
| 10 Other negotiable and readily transferable instruments[8] | 141,699 | 132,617 | 144,858 | 120,296 | 129,753 | 132,453 | 144,858 | 77,110 | 73,101 | 63,565 |
| 11 Other | 137,705 | 118,911 | 151,999 | 131,605 | 132,861 | 145,294 | 151,999 | 157,166 | 157,785 | 154,187 |
| 12 Nonmonetary international and regional organizations[9] | 11,883 | 15,276 | 12,560 | 15,658 | 17,104 | 17,074 | 12,560 | 10,938 | 11,596 | 11,645 |
| 13 Banks' own liabilities | 10,850 | 14,357 | 12,158 | 15,404 | 16,751 | 16,676 | 12,158 | 10,595 | 11,220 | 11,101 |
| 14 Demand deposits | 172 | 98 | 41 | 19 | 48 | 30 | 41 | 27 | 19 | 23 |
| 15 Time deposits[2] | 5,793 | 10,349 | 6,264 | 7,627 | 5,918 | 6,542 | 6,264 | 5,641 | 4,984 | 5,252 |
| 16 Other[3] | 4,885 | 3,910 | 5,853 | 7,758 | 10,785 | 10,104 | 5,853 | 4,927 | 6,217 | 5,826 |
| 17 Banks' custodial liabilities[5] | 1,033 | 919 | 402 | 254 | 353 | 398 | 402 | 343 | 376 | 544 |
| 18 U.S. Treasury bills and certificates[6] | 636 | 680 | 252 | 223 | 215 | 249 | 252 | 294 | 248 | 229 |
| 19 Short-term agency securities[7] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 26 | 108 | 137 |
| 20 Other negotiable and readily transferable instruments[8] | 397 | 233 | 149 | 26 | 138 | 147 | 149 | 23 | 15 | 177 |
| 21 Other | 0 | 6 | 1 | 5 | 0 | 2 | 1 | 0 | 5 | 1 |
| 22 Official institutions[10] | 260,060 | 295,024 | 297,660 | 299,168 | 301,553 | 302,692 | 297,660 | 314,238 | 312,937 | 309,036 |
| 23 Banks' own liabilities | 80,256 | 97,615 | 97,052 | 95,709 | 102,654 | 102,110 | 97,052 | 103,423 | 101,709 | 96,259 |
| 24 Demand deposits | 3,003 | 3,341 | 3,950 | 5,213 | 4,361 | 4,702 | 3,950 | 3,195 | 4,438 | 3,502 |
| 25 Time deposits[2] | 29,506 | 28,942 | 35,638 | 36,699 | 34,035 | 35,335 | 35,638 | 33,008 | 30,210 | 27,199 |
| 26 Other[3] | 47,747 | 65,332 | 57,464 | 53,797 | 64,258 | 62,073 | 57,464 | 67,220 | 67,061 | 65,558 |
| 27 Banks' custodial liabilities[5] | 179,804 | 197,409 | 200,608 | 203,459 | 198,899 | 200,582 | 200,608 | 210,815 | 211,228 | 212,777 |
| 28 U.S. Treasury bills and certificates[6] | 134,177 | 156,177 | 153,010 | 155,498 | 155,101 | 155,061 | 153,010 | 158,967 | 155,667 | 155,204 |
| 29 Short-term agency securities[7] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 45,384 | 49,594 | 53,295 |
| 30 Other negotiable and readily transferable instruments[8] | 44,953 | 41,182 | 47,360 | 47,660 | 43,753 | 44,828 | 47,360 | 5,337 | 5,325 | 4,064 |
| 31 Other | 674 | 50 | 238 | 301 | 45 | 693 | 238 | 1,127 | 642 | 214 |
| 32 Banks[11] | 885,336 | 900,379 | 981,552 | 926,474 | 963,643 | 973,539 | 981,552 | 1,008,771 | 989,430 | 949,740 |
| 33 Banks' own liabilities | 676,057 | 728,492 | 789,052 | 761,767 | 797,391 | 794,924 | 789,052 | 810,402 | 792,733 | 770,951 |
| 34 Unaffiliated foreign banks | 113,189 | 119,313 | 138,559 | 125,889 | 132,429 | 132,577 | 138,559 | 145,631 | 156,080 | 152,956 |
| 35 Demand deposits | 14,071 | 17,583 | 15,532 | 12,918 | 12,160 | 12,834 | 15,532 | 14,297 | 12,600 | 16,433 |
| 36 Time deposits[2] | 45,904 | 48,140 | 67,498 | 59,958 | 64,301 | 68,828 | 67,498 | 70,896 | 79,211 | 73,007 |
| 37 Other[3] | 53,214 | 53,590 | 55,529 | 53,013 | 55,968 | 50,915 | 55,529 | 60,438 | 64,269 | 63,516 |
| 38 Own foreign offices[4] | 562,868 | 609,179 | 650,493 | 635,878 | 664,962 | 662,347 | 650,493 | 664,771 | 636,653 | 617,995 |
| 39 Banks' custodial liabilities[5] | 209,279 | 171,887 | 192,500 | 164,707 | 166,252 | 178,615 | 192,500 | 198,369 | 196,697 | 178,789 |
| 40 U.S. Treasury bills and certificates[6] | 35,359 | 16,796 | 15,919 | 10,667 | 9,972 | 10,285 | 15,919 | 14,484 | 13,909 | 7,922 |
| 41 Short-term agency securities[7] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 7,439 | 7,783 | 2,086 |
| 42 Other negotiable and readily transferable instruments[8] | 45,332 | 45,695 | 35,104 | 32,679 | 34,261 | 34,643 | 35,104 | 30,757 | 29,325 | 26,260 |
| 43 Other | 128,588 | 109,396 | 141,477 | 121,361 | 122,019 | 133,687 | 141,477 | 145,689 | 145,680 | 142,521 |
| 44 Other foreigners | 190,558 | 198,061 | 231,897 | 212,343 | 228,873 | 231,874 | 231,897 | 235,053 | 235,447 | 223,469 |
| 45 Banks' own liabilities | 117,776 | 131,072 | 150,808 | 154,258 | 157,779 | 159,826 | 150,808 | 161,840 | 159,915 | 155,008 |
| 46 Demand deposits | 12,312 | 21,862 | 14,030 | 13,814 | 12,931 | 14,135 | 14,030 | 13,336 | 18,700 | 13,903 |
| 47 Time deposits[2] | 70,558 | 76,189 | 82,391 | 80,539 | 81,200 | 81,717 | 82,391 | 77,820 | 78,113 | 76,108 |
| 48 Other[3] | 34,906 | 33,021 | 54,387 | 59,905 | 63,648 | 63,974 | 54,387 | 70,684 | 63,102 | 64,997 |
| 49 Banks' custodial liabilities[5] | 72,782 | 66,989 | 81,089 | 58,085 | 71,094 | 72,048 | 81,089 | 73,213 | 75,532 | 68,461 |
| 50 U.S. Treasury bills and certificates[6] | 13,322 | 12,023 | 8,561 | 8,216 | 8,696 | 8,301 | 8,561 | 8,531 | 9,453 | 8,400 |
| 51 Short-term agency securities[7] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 13,339 | 16,185 | 15,546 |
| 52 Other negotiable and readily transferable instruments[8] | 51,017 | 45,507 | 62,245 | 39,931 | 51,601 | 52,835 | 62,245 | 40,993 | 38,436 | 33,064 |
| 53 Other | 8,443 | 9,459 | 10,283 | 9,938 | 10,797 | 10,912 | 10,283 | 10,350 | 11,458 | 11,451 |
| MEMO | | | | | | | | | | |
| 54 Negotiable time certificates of deposit in custody for foreigners | 27,026 | 30,345 | 34,088 | 25,991 | 27,164 | 25,854 | 34,088 | 31,389 | 30,277 | 24,518 |
| 55 Repurchase agreements[7] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 124,561 | 119,804 | 129,468 |

1. Reporting banks include all types of depository institutions as well as some brokers and dealers. Excludes bonds and notes of maturities longer than one year.
2. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."
3. Includes borrowing under repurchase agreements.
4. For U.S. banks, includes amounts owed to own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts owed to the head office or parent foreign bank, and to foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank.
5. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks for foreign customers.
6. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.
7. Data available beginning January 2001.
8. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.
9. Principally the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank. Excludes "holdings of dollars" of the International Monetary Fund.
10. Foreign central banks, foreign central governments, and the Bank for International Settlements.
11. Excludes central banks, which are included in "Official institutions."

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States[1]—Continued
Payable in U.S. dollars

Millions of dollars, end of period

| Item | 1998 | 1999 | 2000 | 2000 | | | | 2001 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar.[p] |
| AREA | | | | | | | | | | |
| 56 **Total, all foreigners** | **1,347,837** | **1,408,740** | **1,523,669** | **1,453,643** | **1,511,173** | **1,525,179** | **1,523,669** | **1,569,000[r]** | **1,549,410[r]** | **1,493,890** |
| 57 **Foreign countries** | **1,335,954** | **1,393,464** | **1,511,108** | **1,437,985** | **1,494,069** | **1,508,105** | **1,511,108** | **1,558,061[r]** | **1,537,813[r]** | **1,482,244** |
| 58 Europe | 427,375 | 441,810 | 449,152 | 463,391 | 483,826 | 471,979 | 449,152 | 477,162[r] | 462,709[r] | 429,228 |
| 59 Austria | 3,178 | 2,789 | 2,724 | 2,541 | 2,037 | 2,671 | 2,724 | 2,366 | 2,124 | 2,178 |
| 60 Belgium[12] | 42,818 | 44,692 | 33,401 | 29,828 | 29,648 | 32,389 | 33,401 | 7,357[r] | 5,707 | 5,432 |
| 61 Denmark | 1,437 | 2,196 | 3,001 | 3,429 | 3,001 | 3,531 | 3,001 | 3,391 | 4,182 | 2,919 |
| 62 Finland | 1,862 | 1,658 | 1,412 | 1,512 | 1,418 | 1,874 | 1,412 | 1,155 | 1,667 | 1,286 |
| 63 France | 44,616 | 49,790 | 37,840 | 39,693 | 41,736 | 43,534 | 37,840 | 49,045[r] | 45,535[r] | 42,760 |
| 64 Germany | 21,357 | 24,753 | 35,535 | 26,212 | 28,633 | 27,084 | 35,535 | 30,250 | 30,173 | 30,662 |
| 65 Greece | 2,066 | 3,748 | 2,013 | 3,331 | 3,445 | 3,344 | 2,013 | 1,888 | 1,963 | 1,496 |
| 66 Italy | 7,103 | 6,775 | 5,079 | 5,959 | 5,594 | 5,521 | 5,079 | 4,997 | 5,070 | 5,770 |
| 67 Luxembourg[12] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 27,095[r] | 24,123 | 12,585 |
| 68 Netherlands | 10,793 | 8,143 | 7,485 | 10,311 | 14,450 | 13,283 | 7,485 | 8,504 | 8,413 | 7,265 |
| 69 Norway | 710 | 1,327 | 2,305 | 3,501 | 4,102 | 5,159 | 2,305 | 4,762 | 6,331 | 8,361 |
| 70 Portugal | 3,236 | 2,228 | 2,404 | 2,244 | 2,262 | 2,379 | 2,404 | 2,571 | 2,625 | 1,731 |
| 71 Russia | 2,439 | 5,475 | 19,020 | 15,970 | 17,260 | 20,022 | 19,020 | 17,233 | 19,029 | 18,625 |
| 72 Spain | 15,781 | 10,426 | 7,801 | 8,421 | 9,270 | 6,900 | 7,801 | 8,129 | 8,240 | 9,500 |
| 73 Sweden | 3,027 | 4,652 | 6,498 | 6,209 | 6,247 | 7,362 | 6,498 | 5,648 | 5,959 | 6,738 |
| 74 Switzerland | 50,654 | 63,485 | 74,732 | 88,276 | 97,151 | 86,154 | 74,732 | 83,096 | 84,019 | 54,028 |
| 75 Turkey | 4,286 | 7,842 | 7,548 | 8,173 | 8,492 | 4,525 | 7,548 | 7,783 | 5,391 | 5,635 |
| 76 United Kingdom | 181,554 | 172,687 | 169,484 | 175,663 | 173,254 | 172,281 | 169,484 | 179,443[r] | 170,767[r] | 182,284 |
| 77 Channel Islands & Isle of Man[13] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 406 | 498 | 649 |
| 78 Yugoslavia[14] | 233 | 286 | 276 | 275 | 270 | 279 | 276 | 287 | 294 | 294 |
| 79 Other Europe and other former U.S.S.R.[15] | 30,225 | 28,858 | 30,594 | 31,843 | 35,556 | 33,687 | 30,594 | 31,756 | 30,599 | 29,030 |
| 80 Canada | 30,212 | 34,214 | 31,059 | 33,869 | 34,367 | 31,252 | 31,059 | 23,927 | 23,945[r] | 23,318 |
| 81 Latin America | 121,327 | 117,495 | 121,719 | 120,099 | 121,417 | 121,353 | 121,719 | 118,928[r] | 121,287[r] | 113,823 |
| 82 Argentina | 19,014 | 18,633 | 19,493 | 18,560 | 18,746 | 17,886 | 19,493 | 18,936 | 18,417 | 12,875 |
| 83 Brazil | 15,815 | 12,865 | 10,953 | 11,537 | 10,204 | 11,663 | 10,953 | 10,542 | 11,473 | 10,577 |
| 84 Chile | 5,015 | 7,008 | 5,895 | 5,346 | 5,105 | 5,327 | 5,895 | 5,647 | 5,955 | 5,175 |
| 85 Colombia | 4,624 | 5,669 | 4,555 | 4,658 | 4,945 | 4,560 | 4,555 | 4,552 | 4,445 | 4,344 |
| 86 Ecuador | 1,572 | 1,956 | 2,119 | 2,074 | 2,084 | 2,059 | 2,119 | 2,157 | 2,254 | 2,179 |
| 87 Guatemala | 1,336 | 1,626 | 1,637 | 1,671 | 1,667 | 1,678 | 1,637 | 1,581 | 1,535 | 1,509 |
| 88 Mexico | 37,157 | 30,717 | 33,157 | 33,878 | 36,054 | 33,856 | 33,157 | 33,721[r] | 35,368[r] | 33,994 |
| 89 Panama | 3,864 | 4,415 | 4,292 | 3,661 | 3,788 | 3,980 | 4,292 | 3,615 | 3,885 | 4,014 |
| 90 Peru | 840 | 1,142 | 1,435 | 1,091 | 1,153 | 1,194 | 1,435 | 1,355 | 1,459 | 1,788 |
| 91 Uruguay | 2,486 | 2,386 | 3,006 | 2,567 | 2,512 | 2,944 | 3,006 | 2,798 | 2,844 | 3,365 |
| 92 Venezuela | 19,894 | 20,192 | 24,779 | 23,997 | 24,288 | 25,963 | 24,779 | 26,996 | 26,475 | 26,814 |
| 93 Other Latin America[16] | 9,710 | 10,886 | 10,398 | 11,059 | 10,871 | 10,243 | 10,398 | 7,028 | 7,177 | 7,189 |
| 94 Caribbean | 433,539 | 461,200 | 580,562 | 513,720 | 533,961 | 560,281 | 580,562 | 601,777[r] | 590,720 | 574,522 |
| 95 Bahamas | 118,085 | 135,811 | 189,454 | 167,671 | 178,113 | 176,823 | 189,454 | 186,180 | 185,562 | 174,174 |
| 96 Bermuda | 6,846 | 7,874 | 9,695 | 8,100 | 8,730 | 8,404 | 9,695 | 9,488[r] | 8,278 | 8,401 |
| 97 British West Indies[17] | 302,486 | 312,278 | 374,107 | 331,097 | 340,926 | 368,175 | 374,107 | 0 | 0 | n.a. |
| 98 Caymen Islands[17] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 384,435[r] | 376,300[r] | 372,492 |
| 99 Cuba | 62 | 75 | 90 | 89 | 94 | 88 | 90 | 130 | 84 | 85 |
| 100 Jamaica | 577 | 520 | 815 | 830 | 680 | 722 | 815 | 792 | 945 | 1,238 |
| 101 Netherlands Antilles | 5,010 | 4,047 | 5,496 | 5,159 | 4,614 | 5,318 | 5,496 | 6,565 | 5,537 | 4,504 |
| 102 Trinidad and Tobago | 473 | 595 | 905 | 774 | 804 | 751 | 905 | 797 | 886 | 1,048 |
| 103 Other Caribbean[16] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 13,390[r] | 13,128[r] | 12,580 |
| 104 Asia | 307,960 | 319,489 | 306,412 | 286,551 | 299,164 | 301,595 | 306,412 | 315,101[r] | 317,175[r] | 320,138 |
| China | | | | | | | | | | |
| 105 Mainland | 13,441 | 12,325 | 16,538 | 11,830 | 13,719 | 15,835 | 16,538 | 27,451 | 31,654 | 39,899 |
| 106 Taiwan | 12,708 | 13,603 | 17,690 | 15,140 | 18,289 | 17,630 | 17,690 | 19,828[r] | 18,592[r] | 17,891 |
| 107 Hong Kong | 20,900 | 27,701 | 26,768 | 26,583 | 25,784 | 25,924 | 26,768 | 27,013 | 27,674 | 29,085 |
| 108 India | 5,250 | 7,367 | 4,532 | 5,838 | 5,548 | 5,173 | 4,532 | 4,197 | 4,058 | 4,547 |
| 109 Indonesia | 8,282 | 6,567 | 8,524 | 7,310 | 7,589 | 8,375 | 8,524 | 8,536 | 9,027 | 8,605 |
| 110 Israel | 7,749 | 7,488 | 8,055 | 7,132 | 6,668 | 6,538 | 8,055 | 7,666 | 7,262 | 8,803 |
| 111 Japan | 168,563 | 159,075 | 150,434 | 142,782 | 150,196 | 149,679 | 150,434 | 148,730[r] | 150,539[r] | 146,441 |
| 112 Korea (South) | 12,524 | 12,988 | 7,967 | 9,043 | 6,684 | 6,689 | 7,967 | 7,155 | 6,273 | 5,686 |
| 113 Philippines | 3,324 | 3,268 | 2,430 | 1,822 | 1,676 | 2,334 | 2,430 | 1,769 | 1,422 | 1,428 |
| 114 Thailand | 7,359 | 6,050 | 3,129 | 3,330 | 3,178 | 3,477 | 3,129 | 3,157 | 3,405 | 3,252 |
| 115 Middle Eastern oil-exporting countries[18] | 15,609 | 21,314 | 23,760 | 21,851 | 23,856 | 23,732 | 23,760 | 22,425 | 21,613 | 22,067 |
| 116 Other | 32,251 | 41,743 | 36,585 | 33,890 | 35,977 | 36,209 | 36,585 | 37,174[r] | 35,656[r] | 32,434 |
| 117 Africa | 8,905 | 9,468 | 10,836 | 9,821 | 9,663 | 9,515 | 10,836 | 10,552 | 10,984 | 10,564 |
| 118 Egypt | 1,339 | 2,022 | 2,622 | 1,544 | 1,546 | 1,655 | 2,622 | 2,552 | 2,336 | 2,282 |
| 119 Morocco | 97 | 179 | 139 | 112 | 121 | 100 | 139 | 157 | 139 | 133 |
| 120 South Africa | 1,522 | 1,495 | 1,011 | 842 | 767 | 853 | 1,011 | 843 | 914 | 651 |
| 121 Congo (formerly Zaire) | 5 | 14 | 4 | 5 | 4 | 4 | 4 | 10 | 10 | 8 |
| 122 Oil-exporting countries[19] | 3,088 | 2,914 | 4,052 | 4,499 | 4,405 | 4,027 | 4,052 | 4,317 | 4,750 | 4,593 |
| 123 Other | 2,854 | 2,844 | 3,008 | 2,819 | 2,820 | 2,876 | 3,008 | 2,673 | 2,835 | 2,897 |
| 124 Other Countries | 6,636 | 9,788 | 11,368 | 10,534 | 11,671 | 12,130 | 11,368 | 10,614 | 10,993 | 10,651 |
| 125 Australia | 5,495 | 8,377 | 10,090 | 9,507 | 10,562 | 10,961 | 10,090 | 8,854 | 9,519 | 9,448 |
| 126 New Zealand[20] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 1,032 | 328 | 424 |
| 127 All other | 1,141 | 1,411 | 1,278 | 1,027 | 1,109 | 1,169 | 1,278 | 728 | 1,146 | 779 |
| 128 Nonmonetary international and regional organizations | 11,883 | 15,276 | 12,561 | 15,658 | 17,104 | 17,074 | 12,561 | 10,939 | 11,597 | 11,646 |
| 129 International[21] | 10,221 | 12,876 | 11,288 | 14,387 | 16,133 | 16,068 | 11,288 | 9,024 | 10,811 | 10,734 |
| 130 Latin American regional[22] | 594 | 1,150 | 740 | 888 | 582 | 523 | 740 | 1,493 | 223 | 272 |
| 131 Other regional[23] | 1,068 | 1,250 | 533 | 383 | 389 | 483 | 533 | 422 | 534 | 640 |

12. Before January 2001, combined data reported for Belgium-Luxembourg.
13. Before January 2001, data included in United Kingdom.
14. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.
15. Includes the Bank for International Settlements and European Central Bank. Since December 1992, has included all parts of the former U.S.S.R. (except Russia) and Bosnia, Croatia, and Slovenia.
16. Before January 2001, "Other Latin America" and "Other Caribbean" were reported as combined "Other Latin America and Caribbean."
17. Beginning January 2001, Cayman Islands replaced British West Indies in the data series.
18. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
19. Comprises Algeria, Gabon, Libya, and Nigeria.
20. Before January 2001, included in "All other."
21. Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.
22. Principally the Inter-American Development Bank.
23. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States[1]
Payable in U.S. dollars

Millions of dollars, end of period

| Area or country | 1998 | 1999 | 2000 | 2000 | | | | 2001 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar.[p] |
| 1 **Total, all foreigners** | **734,995** | **793,139** | **911,879** | **856,474** | **879,626** | **882,419** | **911,879** | **962,479** | **919,222** | **984,305** |
| 2 **Foreign countries** | **731,378** | **788,576** | **907,193** | **851,609** | **874,403** | **878,579** | **907,193** | **959,252** | **915,905** | **981,529** |
| 3 Europe | 233,321 | 311,686 | 383,876 | 359,889 | 365,709 | 371,894 | 383,876 | 422,183 | 407,006 | 443,375 |
| 4 Austria | 1,043 | 2,643 | 2,941 | 2,584 | 2,809 | 2,681 | 2,941 | 3,664 | 2,927 | 3,101 |
| 5 Belgium[2] | 7,187 | 10,193 | 5,540 | 6,368 | 6,044 | 5,060 | 5,540 | 4,635 | 5,321 | 4,852 |
| 6 Denmark | 2,383 | 1,669 | 3,312 | 3,403 | 3,093 | 3,462 | 3,312 | 3,402 | 3,499 | 3,242 |
| 7 Finland | 1,070 | 2,020 | 7,402 | 3,561 | 4,927 | 6,517 | 7,402 | 6,772 | 7,122 | 7,185 |
| 8 France | 15,251 | 29,142 | 40,303 | 27,062 | 34,217 | 34,547 | 40,303 | 43,290 | 44,104 | 45,570 |
| 9 Germany | 15,923 | 29,205 | 36,973 | 33,229 | 33,017 | 32,160 | 36,973 | 39,744 | 39,375 | 45,749 |
| 10 Greece | 575 | 806 | 658 | 516 | 628 | 876 | 658 | 526 | 466 | 278 |
| 11 Italy | 7,284 | 8,496 | 7,629 | 6,215 | 6,482 | 6,738 | 7,629 | 6,310 | 6,315 | 6,976 |
| 12 Luxembourg[2] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 2,825 | 2,659 | 2,569 |
| 13 Netherlands | 5,697 | 11,810 | 17,294 | 15,507 | 16,165 | 15,975 | 17,294 | 18,864 | 21,680 | 22,629 |
| 14 Norway | 827 | 1,000 | 5,012 | 4,474 | 4,655 | 6,159 | 5,012 | 2,971 | 5,339 | 8,228 |
| 15 Portugal | 669 | 1,571 | 1,382 | 1,480 | 1,574 | 1,249 | 1,382 | 1,109 | 1,312 | 1,426 |
| 16 Russia | 789 | 713 | 517 | 643 | 647 | 663 | 517 | 518 | 561 | 1,008 |
| 17 Spain | 5,735 | 3,796 | 2,848 | 3,208 | 3,360 | 2,593 | 2,848 | 3,808 | 4,199 | 4,722 |
| 18 Sweden | 4,223 | 3,264 | 9,301 | 8,501 | 8,504 | 8,815 | 9,301 | 10,353 | 10,131 | 10,286 |
| 19 Switzerland | 46,874 | 79,158 | 82,383 | 100,345 | 103,818 | 107,986 | 82,383 | 102,545 | 97,186 | 96,487 |
| 20 Turkey | 1,982 | 2,617 | 3,175 | 2,821 | 2,831 | 3,260 | 3,175 | 3,300 | 3,104 | 2,698 |
| 21 United Kingdom | 106,349 | 115,971 | 148,875 | 132,503 | 122,829 | 125,223 | 148,875 | 156,809 | 143,380 | 168,760 |
| 22 Channel Islands & Isle of Man[3] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 670 | 832 | 855 |
| 23 Yugoslavia[4] | 53 | 50 | 50 | 49 | 49 | 49 | 50 | 50 | 49 | 49 |
| 24 Other Europe and other former U.S.S.R.[5] | 9,407 | 7,562 | 8,281 | 7,420 | 10,060 | 7,881 | 8,281 | 9,966 | 7,203 | 6,369 |
| 25 Canada | 47,037 | 37,206 | 40,068 | 37,618 | 38,648 | 39,291 | 40,068 | 41,655 | 42,487 | 44,544 |
| 26 Latin America | 79,976 | 74,040 | 76,614 | 72,664 | 73,692 | 74,399 | 76,614 | 74,460 | 74,220 | 73,887 |
| 27 Argentina | 9,552 | 10,894 | 11,546 | 10,840 | 11,166 | 11,468 | 11,546 | 11,317 | 11,612 | 11,241 |
| 28 Brazil | 16,184 | 16,987 | 20,567 | 19,038 | 20,202 | 19,840 | 20,567 | 20,372 | 20,008 | 20,274 |
| 29 Chile | 8,250 | 6,607 | 5,816 | 5,953 | 5,756 | 5,772 | 5,816 | 6,223 | 5,961 | 5,934 |
| 30 Colombia | 6,507 | 4,524 | 4,370 | 3,851 | 3,846 | 3,938 | 4,370 | 3,816 | 3,941 | 4,023 |
| 31 Ecuador | 1,400 | 760 | 635 | 623 | 639 | 629 | 635 | 563 | 584 | 533 |
| 32 Guatemala | 1,127 | 1,135 | 1,246 | 1,226 | 1,245 | 1,247 | 1,246 | 1,364 | 1,176 | 1,174 |
| 33 Mexico | 21,212 | 17,899 | 17,430 | 16,808 | 16,723 | 16,945 | 17,430 | 17,598 | 17,918 | 17,752 |
| 34 Panama | 3,584 | 3,387 | 2,935 | 2,781 | 2,668 | 2,839 | 2,935 | 2,775 | 2,908 | 3,009 |
| 35 Peru | 3,275 | 2,529 | 2,808 | 2,697 | 2,653 | 2,713 | 2,808 | 2,689 | 2,673 | 2,809 |
| 36 Uruguay | 1,126 | 801 | 675 | 728 | 663 | 677 | 675 | 641 | 455 | 366 |
| 37 Venezuela | 3,089 | 3,494 | 3,520 | 3,390 | 3,321 | 3,451 | 3,520 | 3,306 | 3,264 | 3,237 |
| 38 Other Latin America[6] | 4,670 | 5,023 | 5,066 | 4,729 | 4,810 | 4,880 | 5,066 | 3,796 | 3,720 | 3,535 |
| 39 Caribbean | 262,678 | 281,128 | 319,512 | 290,974 | 300,805 | 301,544 | 319,512 | 320,998 | 299,682 | 321,099 |
| 40 Bahamas | 96,455 | 99,066 | 114,090 | 99,278 | 100,445 | 96,718 | 114,090 | 109,275 | 101,266 | 105,048 |
| 41 Bermuda | 5,011 | 8,007 | 9,343 | 6,265 | 8,426 | 8,324 | 9,343 | 8,673 | 7,138 | 8,186 |
| 42 British West Indies[7] | 153,749 | 167,189 | 189,315 | 178,744 | 184,812 | 188,994 | 189,315 | n.a. | n.a. | n.a. |
| 43 Caymen Islands[7] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 188,377 | 177,854 | 195,309 |
| 44 Cuba | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 Jamaica | 239 | 295 | 355 | 337 | 379 | 355 | 355 | 357 | 331 | 347 |
| 46 Netherlands Antilles | 6,779 | 5,982 | 5,801 | 5,770 | 6,158 | 6,554 | 5,801 | 9,077 | 7,156 | 6,947 |
| 47 Trinidad and Tobago | 445 | 589 | 608 | 580 | 585 | 599 | 608 | 658 | 663 | 709 |
| 48 Other Caribbean[6] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 4,581 | 5,274 | 4,553 |
| 49 Asia | 98,607 | 75,143 | 78,762 | 81,584 | 87,682 | 83,359 | 78,762 | 90,332 | 81,896 | 87,623 |
| China | | | | | | | | | | |
| 50 Mainland | 1,261 | 2,110 | 1,606 | 1,519 | 1,912 | 1,644 | 1,606 | 1,562 | 1,530 | 1,338 |
| 51 Taiwan | 1,041 | 1,390 | 2,247 | 2,475 | 3,691 | 2,483 | 2,247 | 1,037 | 1,365 | 1,846 |
| 52 Hong Kong | 9,080 | 5,903 | 6,715 | 6,019 | 6,540 | 6,454 | 6,715 | 7,458 | 8,506 | 11,066 |
| 53 India | 1,440 | 1,738 | 2,178 | 2,006 | 1,787 | 1,736 | 2,178 | 1,886 | 1,700 | 1,826 |
| 54 Indonesia | 1,942 | 1,776 | 1,914 | 1,982 | 2,009 | 1,958 | 1,914 | 2,075 | 1,987 | 2,001 |
| 55 Israel | 1,166 | 1,875 | 2,729 | 1,116 | 1,551 | 1,911 | 2,729 | 2,343 | 3,249 | 2,339 |
| 56 Japan | 46,713 | 28,641 | 35,109 | 35,240 | 35,773 | 36,467 | 35,109 | 38,901 | 34,780 | 39,312 |
| 57 Korea (South) | 8,289 | 9,426 | 7,784 | 14,375 | 18,589 | 16,189 | 7,784 | 18,736 | 14,147 | 12,188 |
| 58 Philippines | 1,465 | 1,410 | 1,784 | 1,495 | 1,473 | 1,758 | 1,784 | 1,217 | 1,172 | 1,195 |
| 59 Thailand | 1,807 | 1,515 | 1,381 | 1,071 | 1,046 | 1,221 | 1,381 | 1,170 | 1,244 | 1,258 |
| 60 Middle Eastern oil-exporting countries[8] | 16,130 | 14,267 | 10,091 | 9,961 | 9,867 | 8,487 | 10,091 | 10,549 | 8,748 | 9,118 |
| 61 Other | 8,273 | 5,092 | 5,224 | 4,325 | 3,444 | 3,051 | 5,224 | 3,398 | 3,468 | 4,136 |
| 62 Africa | 3,122 | 2,268 | 2,151 | 2,597 | 2,291 | 1,977 | 2,151 | 2,157 | 1,899 | 2,111 |
| 63 Egypt | 257 | 258 | 201 | 176 | 201 | 184 | 201 | 170 | 271 | 343 |
| 64 Morocco | 372 | 352 | 204 | 254 | 252 | 235 | 204 | 182 | 185 | 189 |
| 65 South Africa | 643 | 622 | 366 | 372 | 322 | 341 | 366 | 492 | 544 | 586 |
| 66 Congo (formerly Zaire) | 0 | 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 67 Oil-exporting countries[9] | 936 | 276 | 471 | 913 | 656 | 342 | 471 | 582 | 153 | 217 |
| 68 Other | 914 | 736 | 909 | 882 | 860 | 875 | 909 | 731 | 746 | 776 |
| 69 Other countries | 6,637 | 7,105 | 6,210 | 6,283 | 5,576 | 6,115 | 6,210 | 7,331 | 8,715 | 8,890 |
| 70 Australia | 6,173 | 6,824 | 5,961 | 6,036 | 5,238 | 5,937 | 5,961 | 6,906 | 8,377 | 8,556 |
| 71 New Zealand[10] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 283 | 207 | 208 |
| 72 All other | 464 | 281 | 249 | 247 | 338 | 178 | 249 | 142 | 131 | 126 |
| 73 Nonmonetary international and regional organizations[11] | 3,617 | 4,563 | 4,686 | 4,865 | 5,223 | 3,840 | 4,686 | 3,363 | 3,317 | 2,776 |

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.
2. Before January 2001, combined data reported for Belgium-Luxembourg.
3. Before January 2001, data included in United Kingdom.
4. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.
5. Includes the Bank for International Settlements and European Central Bank. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.
6. Before January 2001, "Other Latin America" and "Other Caribbean" were reported as combined "Other Latin America and Caribbean."
7. Beginning 2001, Cayman Islands replaced British West Indies in the data series.
8. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
9. Comprises Algeria, Gabon, Libya, and Nigeria.
10. Before January 2001, included in "All other."
11. Excludes the Bank for International Settlements, which is included in "Other Europe."

## 3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States[1]
Payable in U.S. dollars

Millions of dollars, end of period

| Type of claim | 1998 | 1999 | 2000 | 2000 | | | | 2001 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan.[r] | Feb. | Mar.[p] |
| 1 **Total** | **875,891** | **944,937** | **1,102,595** | **1,025,751** | . | . | **1,102,595** | . | . | . |
| 2 Banks' claims | 734,995 | 793,139 | 911,879 | 856,474 | 879,626 | 882,419 | 911,879 | 962,479 | 919,222 | 984,305 |
| 3 Foreign public borrowers | 23,542 | 35,090 | 38,327 | 40,437 | 49,693 | 49,373 | 38,327 | 52,989 | 54,217 | 49,097 |
| 4 Own foreign offices[2] | 484,535 | 529,682 | 630,105 | 592,647 | 603,873 | 610,839 | 630,105 | 647,918 | 610,823 | 667,358 |
| 5 Unaffiliated foreign banks | 106,206 | 97,186 | 99,622 | 87,144 | 83,035 | 82,962 | 99,622 | 102,415 | 99,024 | 108,623 |
| 6 Deposits | 27,230 | 34,538 | 23,886 | 23,765 | 23,598 | 23,756 | 23,886 | 23,851 | 26,657 | 23,575 |
| 7 Other | 78,976 | 62,648 | 75,736 | 63,379 | 59,437 | 59,206 | 75,736 | 78,564 | 72,367 | 85,048 |
| 8 All other foreigners | 120,712 | 131,181 | 143,825 | 136,246 | 143,025 | 139,245 | 143,825 | 159,157 | 155,158 | 159,227 |
| 9 Claims of banks' domestic customers[3] | 140,896 | 151,798 | 190,716 | 169,277 | . | ... | 190,716 | . | . | .. |
| 10 Deposits | 79,363 | 88,006 | 99,846 | 87,108 | . | .. | 99,846 | . | . | . |
| 11 Negotiable and readily transferable instruments[4] | 47,914 | 51,161 | 78,147 | 70,334 | . | . | 78,147 | .. | . | . |
| 12 Outstanding collections and other claims | 13,619 | 12,631 | 12,723 | 11,835 | . | . | 12,723 | . | ... | . |
| MEMO | | | | | | | | | | |
| 13 Customer liability on acceptances | 4,520 | 4,553 | 4,258 | 4,701 | . | . | 4,258 | ... | . | .. |
| 14 Banks' loans under resale agreements[5] | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 117,222 | 117,148 | 132,110 |
| 15 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[6] | 39,978 | 31,125 | 53,153 | 57,784 | 53,848 | 55,899 | 53,153 | 59,893 | 70,964 | 67,204 |

1. For banks' claims, data are monthly; for claims of banks' domestic customers, data are for quarter ending with month indicated.
Reporting banks include all types of depository institution as well as some brokers and dealers.
2. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts due from the head office or parent foreign bank, and from foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank.
3. Assets held by reporting banks in the accounts of their domestic customers.
4. Principally negotiable time certificates of deposit, bankers acceptances, and commercial paper.
5. Data available beginning January 2001.
6. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad.

## 3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States[1]
Payable in U.S. dollars

Millions of dollars, end of period

| Maturity, by borrower and area[2] | 1997 | 1998 | 1999 | 2000 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Mar. | June | Sept. | Dec. |
| 1 **Total** | **276,550** | **250,418** | **267,082** | **256,536** | **268,904** | **263,383** | **281,208** |
| *By borrower* | | | | | | | |
| 2 Maturity of one year or less | 205,781 | 186,526 | 187,894 | 175,413 | 181,814 | 174,650 | 187,815 |
| 3 Foreign public borrowers | 12,081 | 13,671 | 22,811 | 23,438 | 24,849 | 23,646 | 21,399 |
| 4 All other foreigners | 193,700 | 172,855 | 165,083 | 151,975 | 156,965 | 151,004 | 166,416 |
| 5 Maturity of more than one year | 70,769 | 63,892 | 79,188 | 81,123 | 87,090 | 88,733 | 93,393 |
| 6 Foreign public borrowers | 8,499 | 9,839 | 12,013 | 12,850 | 15,900 | 16,238 | 16,258 |
| 7 All other foreigners | 62,270 | 54,053 | 67,175 | 68,273 | 71,190 | 72,495 | 77,135 |
| *By area* | | | | | | | |
| Maturity of one year or less | | | | | | | |
| 8 Europe | 58,294 | 68,679 | 80,842 | 74,011 | 71,492 | 69,447 | 72,754 |
| 9 Canada | 9,917 | 10,968 | 7,859 | 8,408 | 7,344 | 8,225 | 7,995 |
| 10 Latin America and Caribbean | 97,207 | 81,766 | 69,498 | 62,912 | 66,096 | 65,881 | 77,282 |
| 11 Asia | 33,964 | 18,007 | 21,802 | 23,003 | 29,091 | 23,791 | 22,755 |
| 12 Africa | 2,211 | 1,835 | 1,122 | 957 | 1,520 | 1,594 | 1,168 |
| 13 All other[3] | 4,188 | 5,271 | 6,771 | 6,122 | 6,271 | 5,712 | 5,861 |
| Maturity of more than one year | | | | | | | |
| 14 Europe | 13,240 | 14,923 | 22,951 | 23,952 | 25,417 | 27,589 | 33,681 |
| 15 Canada | 2,525 | 3,140 | 3,192 | 3,126 | 3,323 | 3,261 | 3,712 |
| 16 Latin America and Caribbean | 42,049 | 33,442 | 39,051 | 39,714 | 42,291 | 41,168 | 41,870 |
| 17 Asia | 10,235 | 10,018 | 11,257 | 11,612 | 12,550 | 13,132 | 10,154 |
| 18 Africa | 1,236 | 1,232 | 1,065 | 965 | 924 | 895 | 891 |
| 19 All other[3] | 1,484 | 1,137 | 1,672 | 1,754 | 2,585 | 2,688 | 3,085 |

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.
2. Maturity is time remaining until maturity.
3. Includes nonmonetary international and regional organizations.

## 3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. and Foreign Offices of U.S. Banks[1]

Billions of dollars, end of period

| Area or country | 1997[r] | 1998 | 1999[r] | | | | 2000[r] | | | | 2001 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Mar. | June | Sept. | Dec. | Mar. | June | Sept. | Dec. | Mar.[p] |
| 1 **Total** | **721.8** | **1051.6** | **993.4** | **941.2** | **941.6** | **945.5** | **943.7** | **983.4** | **955.5** | **1034.9** | **1148.3** |
| 2 G-10 countries and Switzerland | 242.8 | 217.7 | 220.4 | 234.7 | 219.4 | 243.4 | 272.7 | 313.7 | 280.9 | 306.4 | 337.1 |
| 3 Belgium and Luxembourg | 11.0 | 10.7 | 15.6 | 16.2 | 15.7 | 14.3 | 14.2 | 13.8 | 13.0 | 14.3 | 15.3 |
| 4 France | 15.4 | 18.4 | 21.6 | 20.7 | 20.0 | 29.0 | 27.3 | 32.6 | 29.1 | 29.9 | 30.1 |
| 5 Germany | 28.6 | 30.9 | 34.7 | 32.1 | 37.4 | 38.7 | 37.3 | 31.5 | 37.7 | 45.2 | 45.2 |
| 6 Italy | 15.5 | 11.5 | 17.8 | 16.4 | 15.0 | 18.1 | 20.0 | 20.5 | 18.6 | 21.3 | 20.3 |
| 7 Netherlands | 6.2 | 7.8 | 10.7 | 13.3 | 11.7 | 12.3 | 17.1 | 16.1 | 17.6 | 18.7 | 18.9 |
| 8 Sweden | 3.3 | 2.3 | 4.0 | 2.6 | 3.6 | 3.0 | 3.9 | 3.5 | 4.3 | 3.7 | 4.7 |
| 9 Switzerland | 7.2 | 8.5 | 7.8 | 8.3 | 8.8 | 10.3 | 10.1 | 13.8 | 10.9 | 13.5 | 13.9 |
| 10 United Kingdom | 113.4 | 85.4 | 67.7 | 85.5 | 63.5 | 79.3 | 101.9 | 138.2 | 112.9 | 119.8 | 145.4 |
| 11 Canada | 13.7 | 16.8 | 15.9 | 17.1 | 17.9 | 16.3 | 17.5 | 18.3 | 18.7 | 16.9 | 15.4 |
| 12 Japan | 28.6 | 25.4 | 24.6 | 22.6 | 25.7 | 22.1 | 23.5 | 25.4 | 18.1 | 23.1 | 28.0 |
| 13 Other industrialized countries | 65.5 | 69.0 | 80.1 | 79.7 | 71.7 | 68.4 | 62.8 | 75.2 | 73.8 | 75.3 | 78.6 |
| 14 Austria | 1.5 | 1.4 | 2.8 | 2.8 | 3.0 | 3.5 | 2.6 | 2.8 | 3.5 | 4.1 | 3.8 |
| 15 Denmark | 2.4 | 2.2 | 3.4 | 2.9 | 2.1 | 2.6 | 1.5 | 1.2 | 1.8 | 1.9 | 3.1 |
| 16 Finland | 1.3 | 1.4 | 1.5 | .9 | .9 | .9 | .8 | 1.2 | 2.8 | 1.5 | 1.4 |
| 17 Greece | 5.1 | 5.9 | 6.5 | 5.9 | 6.6 | 6.0 | 5.7 | 6.8 | 6.4 | 8.3 | 4.1 |
| 18 Norway | 3.6 | 3.2[r] | 3.1 | 3.0 | 3.8 | 3.3 | 3.0 | 4.6 | 8.5 | 8.3 | 10.2 |
| 19 Portugal | .9 | 1.4[r] | 1.4 | 1.2 | 1.2 | 1.0 | 1.0 | 2.0 | 1.5 | 2.0 | 1.9 |
| 20 Spain | 12.6 | 13.7[r] | 15.7 | 16.6 | 15.1 | 12.1 | 11.3 | 12.2 | 10.5 | 10.6 | 12.6 |
| 21 Turkey | 4.5 | 4.8[r] | 5.2 | 4.9 | 4.7 | 4.8 | 5.1 | 5.6 | 5.6 | 6.0 | 5.2 |
| 22 Other Western Europe | 8.3 | 10.4[r] | 10.2 | 10.3 | 9.2 | 6.8 | 8.4 | 8.0 | 8.4 | 6.7 | 7.4 |
| 23 South Africa | 2.2 | 4.4[r] | 4.8 | 4.7 | 4.0 | 3.8 | 4.9 | 4.6 | 4.2 | 3.7 | 4.1 |
| 24 Australia | 23.1 | 20.3[r] | 25.4 | 26.6 | 21.1 | 23.5 | 18.6 | 26.3 | 20.5 | 22.2 | 24.7 |
| 25 OPEC[2] | 26.0 | 27.1[r] | 26.2 | 26.2 | 30.1 | 31.4 | 28.9 | 32.3 | 31.8 | 29.6 | 28.2 |
| 26 Ecuador | 1.3 | 1.3[r] | 1.2 | 1.1 | .9 | .8 | .7 | .7 | .6 | .6 | .6 |
| 27 Venezuela | 2.5 | 3.2[r] | 3.5 | 3.2 | 3.0 | 2.8 | 3.0 | 2.9 | 2.9 | 2.5 | 2.7 |
| 28 Indonesia | 6.7 | 4.7[r] | 4.5 | 5.0 | 4.4 | 4.2 | 3.9 | 4.1 | 4.4 | 4.6 | 4.4 |
| 29 Middle East countries | 14.4 | 17.0[r] | 16.7 | 16.5 | 21.4 | 23.1 | 21.1 | 24.0 | 22.7 | 21.1 | 20.1 |
| 30 African countries | 1.2 | 1.0[r] | .4 | .5 | .5 | .5 | .2 | .7 | 1.2 | .8 | .5 |
| 31 Non-OPEC developing countries | 139.2 | 143.4[r] | 146.4 | 148.6 | 144.6 | 149.4 | 154.9 | 158.3 | 149.6 | 145.7 | 144.3 |
| *Latin America* | | | | | | | | | | | |
| 32 Argentina | 18.4 | 23.1[r] | 24.4 | 22.8 | 22.8 | 23.2 | 22.4 | 21.6 | 21.4 | 21.4 | 20.8 |
| 33 Brazil | 28.6 | 24.7[r] | 24.2 | 25.2 | 23.5 | 27.7 | 28.1 | 28.3 | 28.6 | 28.8 | 29.4 |
| 34 Chile | 8.7 | 8.3[r] | 8.6 | 8.2 | 7.7 | 7.4 | 8.2 | 8.1 | 7.3 | 7.6 | 7.4 |
| 35 Colombia | 3.4 | 3.2[r] | 3.3 | 3.1 | 2.7 | 2.5 | 2.5 | 2.4 | 2.4 | 2.4 | 2.4 |
| 36 Mexico | 17.4 | 18.9[r] | 19.7 | 18.5 | 19.4 | 18.7 | 18.3 | 20.4 | 17.5 | 15.7 | 16.7 |
| 37 Peru | 2.0 | 2.2[r] | 2.2 | 2.1 | 1.8 | 1.7 | 1.9 | 2.1 | 2.1 | 2.0 | 2.0 |
| 38 Other | 4.1 | 5.4[r] | 5.3 | 5.5 | 5.5 | 5.9 | 6.6 | 6.9 | 6.4 | 6.5 | 8.6 |
| *Asia* | | | | | | | | | | | |
| China | | | | | | | | | | | |
| 39 Mainland | 3.2 | 3.0[r] | 5.0 | 5.3 | 3.3 | 3.6 | 4.6 | 3.8 | 3.4 | 2.9 | 3.4 |
| 40 Taiwan | 9.5 | 13.3[r] | 11.8 | 12.6 | 12.3 | 12.0 | 12.6 | 12.6 | 12.8 | 10.8 | 11.1 |
| 41 India | 4.9 | 5.5[r] | 5.5 | 6.7 | 7.0 | 7.7 | 7.9 | 8.2 | 5.8 | 9.1 | 6.5 |
| 42 Israel | .7 | 1.1[r] | 1.1 | 2.0 | 1.0 | 1.8 | 3.3 | 1.5 | 1.1 | 2.7 | 2.2 |
| 43 Korea (South) | 15.6 | 13.7[r] | 13.7 | 15.3 | 16.0 | 15.2 | 17.3 | 21.1 | 20.8 | 15.1 | 19.0 |
| 44 Malaysia | 5.1 | 5.6[r] | 5.9 | 6.0 | 6.1 | 6.1 | 6.5 | 6.8 | 6.9 | 7.1 | 6.5 |
| 45 Philippines | 5.7 | 5.1[r] | 5.4 | 5.7 | 5.8 | 6.2 | 5.3 | 5.3 | 4.7 | 5.1 | 5.2 |
| 46 Thailand | 5.4 | 4.7[r] | 4.5 | 4.2 | 4.0 | 4.1 | 4.3 | 4.0 | 3.9 | 4.0 | 4.2 |
| 47 Other Asia | 4.3 | 2.9[r] | 3.0 | 2.8 | 2.9 | 2.9 | 2.6 | 2.5 | 2.3 | 2.4 | 2.2 |
| *Africa* | | | | | | | | | | | |
| 48 Egypt | .9 | 1.3[r] | 1.4 | 1.4 | 1.3 | 1.4 | 1.4 | 1.3 | 1.1 | 1.1 | 1.2 |
| 49 Morocco | .6 | .5[r] | .5 | .5 | .5 | .4 | .3 | .3 | .4 | .3 | .3 |
| 50 Zaire | .0 | .0[r] | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 51 Other Africa[3] | .8 | 1.0[r] | .9 | 1.0 | 1.0 | 1.0 | .9 | .9 | .8 | .7 | .7 |
| 52 Eastern Europe | 9.1 | 5.5[r] | 6.8 | 5.7 | 5.4 | 5.2 | 6.3 | 9.4 | 9.0 | 10.1 | 9.5 |
| 53 Russia[4] | 5.1 | 2.2[r] | 2.0 | 2.1 | 2.0 | 1.6 | 1.7 | 1.5 | 1.4 | 1.0 | 1.5 |
| 54 Other | 4.0 | 3.3[r] | 4.8 | 3.7 | 3.4 | 3.6 | 4.7 | 7.9 | 7.6 | 9.1 | 8.0 |
| 55 Offshore banking centers | 155.1 | 134.4[r] | 114.4 | 107.5 | 122.5 | 114.5 | 42.0 | 47.2 | 53.4 | 61.8 | 57.9 |
| 56 Bahamas | 24.2 | 35.4[r] | 22.0 | 10.4 | 18.2 | 13.7 | 2.4 | .5 | 9.3 | 13.5 | 7.0 |
| 57 Bermuda | 9.8 | 4.6[r] | 3.9 | 5.7 | 8.2 | 8.0 | 7.3 | 6.3 | 6.3 | 9.0 | 7.9 |
| 58 Cayman Islands and other British West Indies | 43.4 | 12.8[r] | 13.9 | 7.2 | 6.3 | 1.3 | .0 | 5.1 | 5.9 | 14.6 | 14.3 |
| 59 Netherlands Antilles | 14.6 | 2.6[r] | 2.7 | 1.3 | 9.1 | 1.7 | 2.5 | 2.6 | 1.9 | 1.9 | 2.9 |
| 60 Panama[5] | 3.1 | 3.9[r] | 3.9 | 3.9 | 3.9 | 3.9 | 3.4 | 3.3 | 2.5 | 3.2 | 3.7 |
| 61 Lebanon | .1 | .1[r] | .1 | .1 | .2 | .1 | .1 | .1 | .1 | .1 | .1 |
| 62 Hong Kong, China | 32.2 | 23.3[r] | 22.8 | 22.0 | 22.4 | 21.0 | 22.2 | 20.7 | 20.6 | 18.8 | 21.7 |
| 63 Singapore | 12.7 | 11.1[r] | 13.5 | 15.2 | 10.6 | 10.1 | 4.1 | 13.6 | 12.6 | 15.2 | 14.5 |
| 64 Other[6] | .1 | .2[r] | .2 | .1 | .2 | .1 | .1 | .1 | .1 | .2 | .1 |
| 65 Miscellaneous and unallocated[7] | 99.1 | 495.1 | 430.4 | 380.2 | 391.2 | 387.9 | 376.1 | 342.1 | 351.1 | 391.2 | 472.7 |

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

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

2. Organization of Petroleum Exporting Countries, shown individually; other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates); and Bahrain and Oman (not formally members of OPEC).
3. Excludes Liberia. Beginning March 1994 includes Namibia.
4. As of December 1992, excludes other republics of the former Soviet Union.
5. Includes Canal Zone.
6. Foreign branch claims only.
7. Includes New Zealand, Liberia, and international and regional organizations.

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

Millions of dollars, end of period

| Type of liability, and area or country | 1997 | 1998 | 1999 | 1999 | | 2000 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Dec. | Mar. | June | Sept. | Dec. |
| 1 **Total** | **57,382** | **46,570** | **53,044** | **52,979** | **53,044** | **53,489** | **70,534** | **76,644** | **74,107** |
| 2 Payable in dollars | 41,543 | 36,668 | 37,605 | 36,296 | 37,605 | 35,614 | 47,864 | 51,451 | 49,424 |
| 3 Payable in foreign currencies | 15,839 | 9,902 | 15,415 | 16,683 | 15,415 | 17,875 | 22,670 | 25,193 | 24,683 |
| *By type* | | | | | | | | | |
| 4 Financial liabilities | 26,877 | 19,255 | 27,980 | 27,422 | 27,980 | 29,180 | 44,068 | 49,895 | 47,419 |
| 5 Payable in dollars | 12,630 | 10,371 | 13,883 | 12,231 | 13,883 | 12,858 | 22,803 | 26,159 | 25,246 |
| 6 Payable in foreign currencies | 14,247 | 8,884 | 14,097 | 15,191 | 14,097 | 16,322 | 21,265 | 23,736 | 22,173 |
| 7 Commercial liabilities | 30,505 | 27,315 | 25,064 | 25,557 | 25,064 | 24,309 | 26,466 | 26,749 | 26,688 |
| 8 Trade payables | 10,904 | 10,978 | 12,857 | 12,651 | 12,857 | 12,401 | 13,764 | 13,918 | 14,305 |
| 9 Advance receipts and other liabilities | 19,601 | 16,337 | 12,207 | 12,906 | 12,207 | 11,908 | 12,702 | 12,831 | 12,383 |
| 10 Payable in dollars | 28,913 | 26,297 | 23,722 | 24,065 | 23,722 | 22,756 | 25,061 | 25,292 | 24,178 |
| 11 Payable in foreign currencies | 1,592 | 1,018 | 1,318 | 1,492 | 1,318 | 1,553 | 1,405 | 1,457 | 2,510 |
| *By area or country* | | | | | | | | | |
| Financial liabilities | | | | | | | | | |
| 12 Europe | 18,027 | 12,589 | 23,241 | 21,695 | 23,241 | 24,050 | 30,332 | 36,175 | 34,172 |
| 13 Belgium and Luxembourg | 186 | 79 | 31 | 50 | 31 | 4 | 163 | 169 | 147 |
| 14 France | 1,425 | 1,097 | 1,659 | 1,675 | 1,659 | 1,849 | 1,702 | 1,299 | 1,480 |
| 15 Germany | 1,958 | 2,063 | 1,974 | 1,712 | 1,974 | 1,880 | 1,671 | 2,132 | 2,168 |
| 16 Netherlands | 494 | 1,406 | 1,996 | 2,066 | 1,996 | 1,970 | 2,035 | 2,040 | 2,016 |
| 17 Switzerland | 561 | 155 | 147 | 133 | 147 | 97 | 137 | 178 | 104 |
| 18 United Kingdom | 11,667 | 5,980 | 16,521 | 15,096 | 16,521 | 16,579 | 21,463 | 28,601 | 26,362 |
| 19 Canada | 2,374 | 693 | 284 | 344 | 284 | 313 | 714 | 249 | 411 |
| 20 Latin America and Caribbean | 1,386 | 1,495 | 892 | 1,180 | 892 | 846 | 2,874 | 3,447 | 4,125 |
| 21 Bahamas | 141 | 7 | 1 | 1 | 1 | 1 | 78 | 105 | 6 |
| 22 Bermuda | 229 | 101 | 5 | 26 | 5 | 1 | 1,016 | 1,182 | 1,739 |
| 23 Brazil | 143 | 152 | 126 | 122 | 126 | 128 | 146 | 132 | 148 |
| 24 British West Indies | 604 | 957 | 492 | 786 | 492 | 489 | 463 | 501 | 406 |
| 25 Mexico | 26 | 59 | 25 | 28 | 25 | 22 | 26 | 35 | 26 |
| 26 Venezuela | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| 27 Asia | 4,387 | 3,785 | 3,437 | 3,622 | 3,437 | 3,275 | 9,453 | 9,320 | 7,965 |
| 28 Japan | 4,102 | 3,612 | 3,142 | 3,384 | 3,142 | 2,985 | 6,024 | 4,782 | 6,216 |
| 29 Middle Eastern oil-exporting countries[1] | 27 | 0 | 4 | 3 | 4 | 4 | 5 | 7 | 11 |
| 30 Africa | 60 | 28 | 28 | 31 | 28 | 28 | 33 | 48 | 52 |
| 31 Oil-exporting countries[2] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 All other[3] | 643 | 665 | 98 | 550 | 98 | 668 | 662 | 656 | 694 |
| Commercial liabilities | | | | | | | | | |
| 33 Europe | 10,228 | 10,030 | 9,262 | 9,265 | 9,262 | 8,646 | 9,293 | 9,411 | 9,625 |
| 34 Belgium and Luxembourg | 666 | 278 | 140 | 128 | 140 | 78 | 178 | 201 | 293 |
| 35 France | 764 | 920 | 672 | 620 | 672 | 539 | 711 | 716 | 979 |
| 36 Germany | 1,274 | 1,392 | 1,131 | 1,201 | 1,131 | 914 | 948 | 1,023 | 1,046 |
| 37 Netherlands | 439 | 429 | 507 | 535 | 507 | 648 | 562 | 424 | 299 |
| 38 Switzerland | 375 | 499 | 626 | 593 | 626 | 536 | 565 | 647 | 502 |
| 39 United Kingdom | 4,086 | 3,697 | 3,071 | 3,175 | 3,071 | 2,661 | 2,982 | 2,951 | 2,845 |
| 40 Canada | 1,175 | 1,390 | 1,775 | 1,753 | 1,775 | 2,024 | 2,053 | 1,889 | 1,932 |
| 41 Latin America and Caribbean | 2,176 | 1,618 | 2,310 | 1,957 | 2,310 | 2,286 | 2,607 | 2,443 | 2,381 |
| 42 Bahamas | 16 | 14 | 22 | 24 | 22 | 9 | 10 | 15 | 31 |
| 43 Bermuda | 203 | 198 | 152 | 178 | 152 | 287 | 300 | 377 | 281 |
| 44 Brazil | 220 | 152 | 145 | 120 | 145 | 115 | 119 | 167 | 114 |
| 45 British West Indies | 12 | 10 | 48 | 39 | 48 | 23 | 22 | 19 | 76 |
| 46 Mexico | 565 | 347 | 887 | 704 | 887 | 805 | 1,073 | 1,079 | 841 |
| 47 Venezuela | 261 | 202 | 305 | 182 | 305 | 193 | 239 | 124 | 284 |
| 48 Asia | 14,966 | 12,342 | 9,886 | 10,428 | 9,886 | 9,681 | 10,965 | 11,133 | 10,974 |
| 49 Japan | 4,500 | 3,827 | 2,609 | 2,689 | 2,609 | 2,274 | 2,200 | 1,998 | 2,752 |
| 50 Middle Eastern oil-exporting countries[1] | 3,111 | 2,852 | 2,551 | 2,618 | 2,551 | 2,308 | 3,489 | 3,706 | 2,831 |
| 51 Africa | 874 | 794 | 950 | 959 | 950 | 943 | 950 | 1,220 | 940 |
| 52 Oil-exporting countries[2] | 408 | 393 | 499 | 584 | 499 | 536 | 575 | 663 | 475 |
| 53 Other[3] | 1,086 | 1,141 | 881 | 1,195 | 881 | 729 | 598 | 653 | 836 |

1. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
2. Comprises Algeria, Gabon, Libya, and Nigeria.
3. Includes nonmonetary international and regional organizations.

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

Millions of dollars, end of period

| Type of claim, and area or country | 1997 | 1998 | 1999 | 1999 | | 2000 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Dec. | Mar. | June | Sept. | Dec. |
| 1 **Total** | **68,128** | **77,462** | **76,669** | **67,566** | **76,669** | **84,266** | **80,725** | **94,803** | **90,951** |
| 2 Payable in dollars | 62,173 | 72,171 | 69,170 | 60,456 | 69,170 | 74,331 | 72,294 | 82,872 | 81,176 |
| 3 Payable in foreign currencies | 5,955 | 5,291 | 7,472 | 7,110 | 7,472 | 9,935 | 8,431 | 11,931 | 9,775 |
| *By type* | | | | | | | | | |
| 4 Financial claims | 36,959 | 46,260 | 40,231 | 33,877 | 40,231 | 47,798 | 44,303 | 58,303 | 53,031 |
| 5 Deposits | 22,909 | 30,199 | 18,566 | 15,192 | 18,566 | 23,316 | 17,462 | 30,928 | 23,374 |
| 6 Payable in dollars | 21,060 | 28,549 | 16,373 | 13,240 | 16,373 | 21,442 | 15,361 | 27,974 | 21,015 |
| 7 Payable in foreign currencies | 1,849 | 1,650 | 2,193 | 1,952 | 2,193 | 1,874 | 2,101 | 2,954 | 2,359 |
| 8 Other financial claims | 14,050 | 16,061 | 21,665 | 18,685 | 21,665 | 24,482 | 26,841 | 27,375 | 29,657 |
| 9 Payable in dollars | 11,806 | 14,049 | 18,593 | 15,718 | 18,593 | 19,659 | 22,384 | 20,541 | 25,142 |
| 10 Payable in foreign currencies | 2,244 | 2,012 | 3,072 | 2,967 | 3,072 | 4,823 | 4,457 | 6,834 | 4,515 |
| 11 Commercial claims | 31,169 | 31,202 | 36,438 | 33,689 | 36,438 | 36,468 | 36,422 | 36,500 | 37,920 |
| 12 Trade receivables | 27,536 | 27,202 | 32,629 | 29,397 | 32,629 | 31,443 | 31,277 | 31,530 | 33,458 |
| 13 Advance payments and other claims | 3,633 | 4,000 | 3,809 | 4,292 | 3,809 | 5,025 | 5,145 | 4,970 | 4,462 |
| 14 Payable in dollars | 29,307 | 29,573 | 34,204 | 31,498 | 34,204 | 33,230 | 34,549 | 34,357 | 35,019 |
| 15 Payable in foreign currencies | 1,862 | 1,629 | 2,207 | 2,191 | 2,207 | 3,238 | 1,873 | 2,143 | 2,901 |
| *By area or country* | | | | | | | | | |
| Financial claims | | | | | | | | | |
| 16 Europe | 14,999 | 12,294 | 13,023 | 13,878 | 13,023 | 16,789 | 18,254 | 23,706 | 23,136 |
| 17 Belgium and Luxembourg | 406 | 661 | 529 | 574 | 529 | 540 | 317 | 304 | 296 |
| 18 France | 1,015 | 864 | 967 | 1,212 | 967 | 1,835 | 1,292 | 1,477 | 1,206 |
| 19 Germany | 427 | 304 | 504 | 549 | 504 | 669 | 576 | 696 | 848 |
| 20 Netherlands | 677 | 875 | 1,229 | 1,067 | 1,229 | 1,981 | 1,984 | 2,486 | 1,396 |
| 21 Switzerland | 434 | 414 | 643 | 559 | 643 | 612 | 624 | 626 | 699 |
| 22 United Kingdom | 10,337 | 7,766 | 7,561 | 8,157 | 7,561 | 9,044 | 11,668 | 16,191 | 15,900 |
| 23 Canada | 3,313 | 2,503 | 2,553 | 3,172 | 2,553 | 3,175 | 5,799 | 7,517 | 4,576 |
| 24 Latin America and Caribbean | 15,543 | 27,714 | 18,206 | 12,749 | 18,206 | 21,945 | 14,874 | 21,691 | 19,317 |
| 25 Bahamas | 2,308 | 403 | 1,593 | 755 | 1,593 | 1,299 | 655 | 1,358 | 1,353 |
| 26 Bermuda | 108 | 39 | 11 | 524 | 11 | 11 | 34 | 22 | 19 |
| 27 Brazil | 1,313 | 835 | 1,476 | 1,265 | 1,476 | 1,646 | 1,666 | 1,568 | 1,827 |
| 28 British West Indies | 10,462 | 24,388 | 12,099 | 7,263 | 12,099 | 15,814 | 7,751 | 15,722 | 12,596 |
| 29 Mexico | 537 | 1,245 | 1,798 | 1,791 | 1,798 | 1,979 | 2,048 | 2,280 | 2,448 |
| 30 Venezuela | 36 | 55 | 48 | 47 | 48 | 65 | 78 | 101 | 87 |
| 31 Asia | 2,133 | 3,027 | 5,457 | 3,205 | 5,457 | 4,430 | 3,923 | 4,002 | 4,697 |
| 32 Japan | 823 | 1,194 | 3,262 | 1,250 | 3,262 | 2,021 | 1,410 | 1,726 | 1,631 |
| 33 Middle Eastern oil-exporting countries[1] | 11 | 9 | 23 | 5 | 23 | 29 | 42 | 85 | 80 |
| 34 Africa | 319 | 159 | 286 | 251 | 286 | 232 | 320 | 284 | 411 |
| 35 Oil-exporting countries[2] | 15 | 16 | 15 | 12 | 15 | 15 | 39 | 3 | 57 |
| 36 All other[3] | 652 | 563 | 706 | 622 | 706 | 1,227 | 1,133 | 1,103 | 894 |
| Commercial claims | | | | | | | | | |
| 37 Europe | 12,120 | 13,246 | 16,389 | 14,367 | 16,389 | 16,118 | 15,928 | 16,486 | 15,938 |
| 38 Belgium and Luxembourg | 328 | 238 | 316 | 289 | 316 | 271 | 425 | 393 | 452 |
| 39 France | 1,796 | 2,171 | 2,236 | 2,375 | 2,236 | 2,520 | 2,692 | 2,921 | 3,095 |
| 40 Germany | 1,614 | 1,822 | 1,960 | 1,944 | 1,960 | 2,034 | 1,906 | 2,159 | 1,982 |
| 41 Netherlands | 597 | 467 | 1,429 | 617 | 1,429 | 1,337 | 1,242 | 1,310 | 1,729 |
| 42 Switzerland | 554 | 483 | 610 | 714 | 610 | 611 | 563 | 684 | 763 |
| 43 United Kingdom | 3,660 | 4,769 | 5,827 | 4,789 | 5,827 | 5,354 | 4,929 | 5,193 | 4,502 |
| 44 Canada | 2,660 | 2,617 | 2,757 | 2,638 | 2,757 | 3,088 | 3,250 | 2,953 | 3,505 |
| 45 Latin America and Caribbean | 5,750 | 6,296 | 5,959 | 5,879 | 5,959 | 5,899 | 5,792 | 5,788 | 5,842 |
| 46 Bahamas | 27 | 24 | 20 | 29 | 20 | 15 | 48 | 75 | 37 |
| 47 Bermuda | 244 | 536 | 390 | 549 | 390 | 404 | 381 | 387 | 376 |
| 48 Brazil | 1,162 | 1,024 | 905 | 763 | 905 | 849 | 894 | 981 | 956 |
| 49 British West Indies | 109 | 104 | 181 | 157 | 181 | 95 | 51 | 55 | 137 |
| 50 Mexico | 1,392 | 1,545 | 1,678 | 1,613 | 1,678 | 1,529 | 1,565 | 1,612 | 1,507 |
| 51 Venezuela | 576 | 401 | 439 | 365 | 439 | 435 | 466 | 379 | 326 |
| 52 Asia | 8,713 | 7,192 | 9,165 | 8,579 | 9,165 | 9,101 | 9,173 | 8,986 | 9,636 |
| 53 Japan | 1,976 | 1,681 | 2,074 | 1,823 | 2,074 | 2,082 | 1,882 | 2,074 | 2,791 |
| 54 Middle Eastern oil-exporting countries[1] | 1,107 | 1,135 | 1,625 | 1,479 | 1,625 | 1,533 | 1,241 | 1,199 | 1,024 |
| 55 Africa | 680 | 711 | 631 | 682 | 631 | 716 | 766 | 895 | 671 |
| 56 Oil-exporting countries[2] | 119 | 165 | 171 | 221 | 171 | 82 | 160 | 392 | 179 |
| 57 Other[3] | 1,246 | 1,140 | 1,537 | 1,544 | 1,537 | 1,546 | 1,513 | 1,392 | 2,328 |

1. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
2. Comprises Algeria, Gabon, Libya, and Nigeria.
3. Includes nonmonetary international and regional organizations.

## 3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

| Transaction, and area or country | 1999 | 2000 | 2001 Jan.–Mar. | 2000 Sept. | 2000 Oct. | 2000 Nov. | 2000 Dec. | 2001 Jan. | 2001 Feb. | 2001 Mar.[p] |
|---|---|---|---|---|---|---|---|---|---|---|
| | U.S. corporate securities | | | | | | | | | |
| STOCKS | | | | | | | | | | |
| 1 Foreign purchases | 2,340,659 | 3,605,196 | 846,279 | 297,677 | 339,995 | 284,909 | 286,161 | 301,650 | 259,101 | 285,528 |
| 2 Foreign sales | 2,233,137 | 3,430,306 | 804,602 | 289,118 | 323,659 | 275,855 | 275,034 | 277,706 | 249,423 | 277,473 |
| 3 **Net purchases, or sales (−)** | **107,522** | **174,890** | **41,677** | **8,559** | **16,336** | **9,054** | **11,127** | **23,944** | **9,678** | **8,055** |
| 4 **Foreign countries** | **107,578** | **174,903** | **41,542** | **8,603** | **16,338** | **9,068** | **11,145** | **23,906** | **9,707** | **7,929** |
| 5 Europe | 98,060 | 164,656 | 34,025 | 10,014 | 14,040 | 7,485 | 10,779 | 12,329 | 13,713 | 7,983 |
| 6 France | 3,813 | 5,727 | 3,153 | −565 | 1,757 | 408 | 40 | 243 | 1,869 | 1,041 |
| 7 Germany | 13,410 | 31,752 | 3,771 | 643 | 1,383 | 988 | 777 | 2,380 | 1,217 | 174 |
| 8 Netherlands | 8,083 | 4,915 | 4,375 | 792 | −135 | 323 | 1,691 | 2,206 | 1,379 | 790 |
| 9 Switzerland | 5,650 | 11,960 | 2,082 | 780 | 488 | −598 | −684 | 70 | 775 | 1,237 |
| 10 United Kingdom | 42,902 | 58,736 | 11,464 | 5,163 | 6,283 | 3,210 | 7,773 | 3,064 | 5,120 | 3,280 |
| 11 Channel Islands & Isle of Man[1] | n.a. | n.a. | −155 | n.a. | n.a. | n.a. | n.a. | −13 | −32 | −110 |
| 12 Canada | −335 | 5,956 | 4,422 | −924 | 194 | 1,477 | 1,468 | 1,490 | 468 | 2,464 |
| 13 Latin America and Caribbean | 5,187 | −17,812 | −2,998 | −3,406 | −4,400 | −2,979 | −2,759 | 5,445 | −4,927 | −3,516 |
| 14 Middle East[2] | −1,066 | 9,189 | 152 | 52 | 754 | 340 | 277 | −554 | 264 | 442 |
| 15 Other Asia | 4,445 | 12,494 | 6,604 | 2,707 | 5,840 | 3,310 | 1,451 | 5,565 | 355 | 684 |
| 16 Japan | 5,723 | 2,070 | 842 | 2,467 | 2,640 | 662 | 1,615 | 1,002 | −672 | 512 |
| 17 Africa | 372 | 415 | −217 | −56 | −27 | 80 | −45 | −362 | 52 | 93 |
| 18 Other countries | 915 | 5 | −446 | 216 | −63 | −645 | −26 | −7 | −218 | −221 |
| 19 **Nonmonetary international and regional organizations** | **−56** | **−11** | **135** | **−42** | **−2** | **−14** | **−18** | **38** | **−29** | **126** |
| BONDS[3] | | | | | | | | | | |
| 20 Foreign purchases | 854,692 | 1,206,662 | 454,552 | 106,384 | 103,028 | 114,686 | 117,904 | 138,294 | 146,670 | 169,588 |
| 21 Foreign sales | 602,100 | 871,418 | 344,014 | 76,225 | 71,686 | 77,596 | 90,143 | 111,327 | 108,792 | 123,895 |
| 22 **Net purchases, or sales (−)** | **252,592** | **335,244** | **110,538** | **30,159** | **31,342** | **37,090** | **27,761** | **26,967** | **37,878** | **45,693** |
| 23 **Foreign countries** | **252,994** | **335,348** | **110,377** | **30,161** | **31,356** | **37,224** | **27,759** | **27,065** | **37,837** | **45,475** |
| 24 Europe | 140,674 | 179,706 | 64,192 | 17,058 | 16,965 | 16,522 | 16,560 | 17,397 | 20,882 | 25,913 |
| 25 France | 1,870 | 2,216 | 2,327 | −819 | 347 | 272 | 138 | 405 | 660 | 1,262 |
| 26 Germany | 7,723 | 4,067 | 4,713 | 44 | 433 | 537 | −78 | 2,450 | 1,352 | 911 |
| 27 Netherlands | 2,446 | 1,130 | 1,252 | −818 | 848 | 183 | 275 | 664 | 496 | 92 |
| 28 Switzerland | 4,553 | 3,833 | 2,670 | 333 | 350 | 483 | −89 | 321 | 782 | 1,567 |
| 29 United Kingdom | 106,344 | 140,152 | 47,799 | 15,950 | 12,503 | 12,952 | 12,825 | 11,251 | 16,711 | 19,837 |
| 30 Channel Islands & Isle of Man[1] | n.a. | n.a. | 326 | n.a. | n.a. | n.a. | n.a. | 107 | 118 | 101 |
| 31 Canada | 6,043 | 13,287 | 1,718 | 811 | 897 | 1,179 | 414 | 376 | 1,031 | 311 |
| 32 Latin America and Caribbean | 58,783 | 59,443 | 19,629 | 6,338 | 5,018 | 6,600 | 4,126 | 4,969 | 8,009 | 6,651 |
| 33 Middle East[1] | 1,979 | 2,076 | 1,793 | −702 | −54 | 437 | 1,077 | 726 | 443 | 624 |
| 34 Other Asia | 42,817 | 78,280 | 22,367 | 6,777 | 8,215 | 11,839 | 5,535 | 3,514 | 7,162 | 11,691 |
| 35 Japan | 17,541 | 38,842 | 7,394 | 3,573 | 3,690 | 7,435 | 2,932 | 910 | 914 | 5,570 |
| 36 Africa | 1,411 | 938 | 118 | 49 | 58 | 25 | 76 | 29 | 46 | 43 |
| 37 Other countries | 1,287 | 1,618 | 560 | −170 | 257 | 622 | −29 | 54 | 264 | 242 |
| 38 **Nonmonetary international and regional organizations** | **−402** | **−70** | **162** | **−2** | **−14** | **−134** | **2** | **−97** | **41** | **218** |
| | Foreign securities | | | | | | | | | |
| 39 Stocks, net purchases, or sales (−) | 15,640 | −9,297 | −19,954 | 10,217 | 3,011 | 5,563 | −3,195 | −2,940 | −2,491 | −14,523 |
| 40 Foreign purchases | 1,177,303 | 1,802,452 | 413,215 | 148,664 | 152,872 | 141,600 | 135,417 | 148,111 | 130,972 | 134,132 |
| 41 Foreign sales | 1,161,663 | 1,811,749 | 433,169 | 138,447 | 149,861 | 136,037 | 138,612 | 151,051 | 133,463 | 148,655 |
| 42 Bonds, net purchases, or sales (−) | −5,676 | −3,878 | 350 | 265 | −3,443 | 8,434 | −1,175 | −1,360 | 3,160 | −1,450 |
| 43 Foreign purchases | 798,267 | 959,408 | 342,930 | 92,179 | 98,519 | 94,938 | 83,721 | 120,666 | 104,820 | 117,444 |
| 44 Foreign sales | 803,943 | 963,286 | 342,580 | 91,914 | 101,962 | 86,504 | 84,896 | 122,026 | 101,660 | 118,894 |
| 45 **Net purchases, or sales (−), of stocks and bonds** | **9,964** | **−13,175** | **−19,604** | **10,482** | **−432** | **13,997** | **−4,370** | **−4,300** | **669** | **−15,973** |
| 46 **Foreign countries** | **9,679** | **−13,311** | **−19,049** | **10,307** | **−599** | **13,758** | **−3,951** | **−4,011** | **630** | **−15,668** |
| 47 Europe | 59,247 | −23,609 | −19,767 | 6,353 | −3,879 | 7,373 | −4,452 | −4,878 | −1,419 | −13,470 |
| 48 Canada | −999 | −3,856 | 3,231 | −1,122 | 1,813 | 574 | −1,357 | 767 | 1,588 | 876 |
| 49 Latin America and Caribbean | −4,726 | −15,116 | 2,872 | 585 | 1,010 | −521 | −205 | 863 | 1,975 | 34 |
| 50 Asia | −42,961 | 25,975 | −5,374 | 3,842 | −73 | 5,742 | 1,872 | −1,005 | −1,148 | −3,221 |
| 51 Japan | −43,637 | 21,886 | −5,665 | 2,063 | −1,262 | 2,067 | 1,824 | 164 | −1,963 | −3,866 |
| 52 Africa | 710 | 947 | −60 | 48 | 14 | −28 | −4 | −70 | −15 | 25 |
| 53 Other countries | −1,592 | 2,348 | 49 | 601 | 516 | 618 | 195 | 312 | −351 | 88 |
| 54 **Nonmonetary international and regional organizations** | **285** | **150** | **−555** | **179** | **167** | **239** | **−419** | **−289** | **39** | **−305** |

1. Before January 2001, these data were 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 | 1999 | 2000 | 2001 | 2000 | | | | 2001 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Jan.–Mar. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar.[p] |
| 1 **Total estimated** | **−9,953** | **−53,790** | **2,804** | **−8,516** | **−3,037** | **−14,106** | **−9,789** | **−9,064** | **7,011** | **4,857** |
| 2 Foreign countries | −10,518 | −53,329 | 3,300 | −8,741 | −3,222 | −13,959 | −9,904 | −8,531 | 6,972 | 4,859 |
| 3 Europe | −38,228 | −50,704 | 15 | −1,284 | −3,707 | −10,991 | −6,850 | −5,000 | −337 | 5,352 |
| 4 Belgium[2] | −81 | 73 | −517 | −127 | 320 | 53 | −96 | 164 | −529 | −152 |
| 5 Germany | 2,285 | −7,304 | −2,817 | −1,738 | 1,424 | −2,185 | −1,065 | −873 | −3,180 | 1,236 |
| 6 Luxembourg[2] | 0 | 0 | 19 | 0 | 0 | 0 | 0 | 411 | 9 | −401 |
| 7 Netherlands | 2,122 | 2,140 | −1,689 | 836 | 183 | 264 | −1,622 | −793 | 2,808 | −3,704 |
| 8 Sweden | 1,699 | 1,082 | −1,814 | 214 | −118 | −104 | 328 | 218 | −1,039 | −993 |
| 9 Switzerland | −1,761 | −10,326 | 796 | −959 | −57 | −301 | 64 | 755 | 161 | −120 |
| 10 United Kingdom | −20,232 | −33,669 | 8,069 | −1,865 | −3,793 | −6,035 | −4,199 | −2,695 | 937 | 9,827 |
| 11 Channel Islands and Isle of Man[3] | n.a. | n.a. | 56 | n.a. | n.a. | n.a. | n.a. | −98 | −68 | 222 |
| 12 Other Europe and former U.S.S.R. | −22,260 | −2,700 | −2,088 | 2,355 | −1,666 | −2,683 | −260 | −2,089 | 564 | −563 |
| 13 Canada | 7,348 | −308 | −2,793 | 1,417 | 160 | −1,173 | −1,492 | −2,067 | −554 | −172 |
| 14 Latin America and Caribbean | −7,523 | −4,914 | 6,750 | −4,979 | 3,963 | −507 | −245 | 2,407 | 3,620 | 723 |
| 15 Venezuela | 362 | 1,288 | 377 | 314 | 152 | 251 | 300 | 227 | 292 | −142 |
| 16 Other Latin America and Caribbean | 1,661 | −11,581 | 10,445 | −4,936 | 3,030 | −1,262 | −1,746 | 3,261 | 4,279 | 2,905 |
| 17 Netherlands Antilles | −9,546 | 5,379 | −4,072 | −357 | 781 | 504 | 1,201 | −1,081 | −951 | −2,040 |
| 18 Asia | 29,359 | 1,639 | −295 | −3,319 | −4,688 | −1,289 | −458 | −4,641 | 4,387 | −41 |
| 19 Japan | 20,102 | 10,580 | −4,219 | 1,717 | 1,608 | 4,445 | −3,855 | 4,261 | 1,468 | −1,426 |
| 20 Africa | −3,021 | −414 | −115 | −139 | −6 | −16 | −44 | −91 | 36 | −60 |
| 21 Other | 1,547 | 1,372 | −262 | −437 | 1,056 | 17 | −815 | 861 | −180 | −943 |
| 22 Nonmonetary international and regional organizations | 565 | −461 | −496 | 225 | 185 | −147 | 115 | −533 | 39 | −2 |
| 23 International | 190 | −483 | −480 | 391 | 39 | −146 | 24 | −275 | −194 | −11 |
| 24 Latin American Caribbean regional | 666 | 76 | 7 | 1 | 28 | −1 | 6 | 1 | −4 | 10 |
| MEMO | | | | | | | | | | |
| 25 Foreign countries | −10,518 | −53,329 | 3,300 | −8,741 | −3,222 | −13,959 | −9,904 | −8,531 | 6,972 | 4,859 |
| 26 Official institutions | −9,861 | −6,302 | 3,142 | −6,626 | −7,150 | −4,967 | 1,068 | 2,226 | 667 | 249 |
| 27 Other foreign | −657 | −47,027 | 158 | −2,115 | 3,928 | −8,992 | −10,972 | −10,757 | 6,305 | 4,610 |
| *Oil-exporting countries* | | | | | | | | | | |
| 28 Middle East[4] | 2,207 | 3,483 | −2,135 | −1,030 | −724 | −888 | 48 | −176 | −719 | −1,240 |
| 29 Africa[5] | 0 | 0 | −4 | 0 | 0 | 0 | 0 | −6 | 0 | 2 |

1. Official and private transactions in marketable U.S. Treasury securities having an original maturity of more than one year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.
2. Before January 2001, combined data reported for Belgium and Luxembourg.
3. Before January 2001, these data were included in 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 | 1998 | 1999 | 2000 | 2000 Dec. | 2001 Jan. | 2001 Feb. | 2001 Mar. | 2001 Apr. | 2001 May |
|---|---|---|---|---|---|---|---|---|---|
| | **Exchange rates** | | | | | | | | |
| COUNTRY/CURRENCY UNIT | | | | | | | | | |
| 1 Australia/dollar[2] | 62.91 | 64.54 | 58.15 | 54.66 | 55.52 | 53.38 | 50.31 | 50.16 | 51.99 |
| 2 Austria/schilling | 12.379 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 3 Belgium/franc | 36.31 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 4 Brazil/real | 1.1605 | 1.8207 | 1.8301 | 1.9632 | 1.9561 | 2.0060 | 2.0955 | 2.1934 | 2.2926 |
| 5 Canada/dollar | 1.4836 | 1.4858 | 1.4855 | 1.5219 | 1.5032 | 1.5216 | 1.5587 | 1.5578 | 1.5411 |
| 6 China, P.R./yuan | 8.3008 | 8.2783 | 8.2784 | 8.2771 | 8.2776 | 8.2771 | 8.2775 | 8.2771 | 8.2770 |
| 7 Denmark/krone | 6.7030 | 6.9900 | 8.0953 | 8.3059 | 7.9629 | 8.1103 | 8.2229 | 8.3657 | 8.5256 |
| 8 European Monetary Union/euro[3] | n.a. | 1.0653 | 0.9232 | 0.8983 | 0.9376 | 0.9205 | 0.9083 | 0.8925 | 0.8753 |
| 9 Finland/markka | 5.3473 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 10 France/franc | 5.8995 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 11 Germany/deutsche mark | 1.7597 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 12 Greece/drachma | 295.70 | 306.30 | 365.92 | 379.58 | n.a. | n.a. | n.a. | n.a. | n.a. |
| 13 Hong Kong/dollar | 7.7467 | 7.7594 | 7.7924 | 7.7991 | 7.7998 | 7.7999 | 7.7999 | 7.7993 | 7.7999 |
| 14 India/rupee | 41.36 | 43.13 | 45.00 | 46.78 | 46.61 | 46.56 | 46.65 | 46.79 | 46.95 |
| 15 Ireland/pound[2] | 142.48 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 16 Italy/lira | 1,736.85 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 17 Japan/yen | 130.99 | 113.73 | 107.80 | 112.21 | 116.67 | 116.23 | 121.51 | 123.77 | 121.77 |
| 18 Malaysia/ringgit | 3.9254 | 3.8000 | 3.8000 | 3.8000 | 3.8000 | 3.8000 | 3.8000 | 3.8000 | 3.8000 |
| 19 Mexico/peso | 9.152 | 9.553 | 9.459 | 9.467 | 9.769 | 9.711 | 9.599 | 9.328 | 9.148 |
| 20 Netherlands/guilder | 1.9837 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 21 New Zealand/dollar[2] | 53.61 | 52.94 | 45.68 | 42.97 | 44.42 | 43.45 | 41.82 | 40.69 | 42.18 |
| 22 Norway/krone | 7.5521 | 7.8071 | 8.8131 | 9.0616 | 8.7817 | 8.9180 | 8.9859 | 9.0920 | 9.1380 |
| 23 Portugal/escudo | 180.25 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 24 Singapore/dollar | 1.6722 | 1.6951 | 1.7250 | 1.7361 | 1.7380 | 1.7435 | 1.7732 | 1.8118 | 1.8141 |
| 25 South Africa/rand | 5.5417 | 6.1191 | 6.9468 | 7.6439 | 7.7786 | 7.8214 | 7.8980 | 8.0783 | 7.9789 |
| 26 South Korea/won | 1,400.40 | 1,189.84 | 1,130.90 | 1,216.94 | 1,272.63 | 1,252.85 | 1,291.41 | 1,327.76 | 1,298.90 |
| 27 Spain/peseta | 149.41 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 28 Sri Lanka/rupee | 65.006 | 70.868 | 76.964 | 82.030 | 85.833 | 87.136 | 85.730 | 88.205 | 90.848 |
| 29 Sweden/krona | 7.9522 | 8.2740 | 9.1735 | 9.6604 | 9.4910 | 9.7518 | 10.0516 | 10.2035 | 10.3513 |
| 30 Switzerland/franc | 1.4506 | 1.5045 | 1.6904 | 1.6855 | 1.6305 | 1.6686 | 1.6908 | 1.7131 | 1.7528 |
| 31 Taiwan/dollar | 33.547 | 32.322 | 31.260 | 33.123 | 32.673 | 32.330 | 32.622 | 32.941 | 33.203 |
| 32 Thailand/baht | 41.262 | 37.887 | 40.210 | 43.246 | 43.149 | 42.665 | 43.988 | 45.494 | 45.525 |
| 33 United Kingdom/pound[2] | 165.73 | 161.72 | 151.56 | 146.29 | 147.75 | 145.25 | 144.45 | 143.48 | 142.65 |
| 34 Venezuela/bolivar | 548.39 | 606.82 | 680.52 | 698.85 | 700.02 | 703.36 | 706.06 | 710.39 | 714.86 |
| | **Indexes[4]** | | | | | | | | |
| NOMINAL | | | | | | | | | |
| 35 Broad (January 1997=100)[5] | 116.48 | 116.87 | 119.93 | 123.28 | 123.14 | 123.77 | 125.91 | 126.97 | 126.77 |
| 36 Major currencies (March 1973=100)[6] | 95.79 | 94.07 | 98.34 | 101.26 | 100.24 | 101.44 | 103.98 | 105.09 | 105.03 |
| 37 Other important trading partners (January 1997=100)[7] | 126.03 | 129.94 | 130.26 | 133.61 | 135.01 | 134.52 | 135.56 | 136.30 | 135.92 |
| REAL | | | | | | | | | |
| 38 Broad (March 1973=100)[5] | 99.21[r] | 98.53[r] | 102.19[r] | 104.84 | 105.25[r] | 105.97 | 107.82 | 108.68[r] | 108.44 |
| 39 Major currencies (March 1973=100)[6] | 97.23 | 96.66 | 102.85 | 106.13 | 105.89 | 107.29 | 109.90[r] | 110.96[r] | 110.71 |
| 40 Other important trading partners (March 1973=100)[7] | 108.12[r] | 107.25[r] | 107.70[r] | 109.66[r] | 110.95[r] | 110.83 | 111.80 | 112.47[r] | 112.21 |

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) monthly statistical release. For ordering address, see inside front cover.
2. U.S. cents per currency unit.
3. The euro is reported in place of the individual euro area currencies. By convention, the rate is reported in U.S. dollars per euro. The bilateral currency rates can be derived from the euro rate by using the fixed conversion rates (in currencies per euro) as shown below:

Euro equals

| | | | |
|---|---|---|---|
| 13.7603 | Austrian schillings | 1936.27 | 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 February 2001 *Bulletin*, revised index values resulting from the annual revision of data that underlie the calculated trade weights are reported. For more information on the indexes of foreign exchange value of the dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811–818.
5. Weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of U.S. trading partners. The weight for each currency is computed as an average of U.S. bilateral import shares from and export shares to the issuing country and of a measure of the importance to U.S. exporters of that country's trade in third country markets.
6. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.
7. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that do not circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

# Guide to Statistical Releases and Special Tables

*STATISTICAL RELEASES—List Published Semiannually, with Latest* Bulletin *Reference*



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

# Index to Statistical Tables

*References are to pages A3–A62, although the prefix "A" is omitted in this index.*

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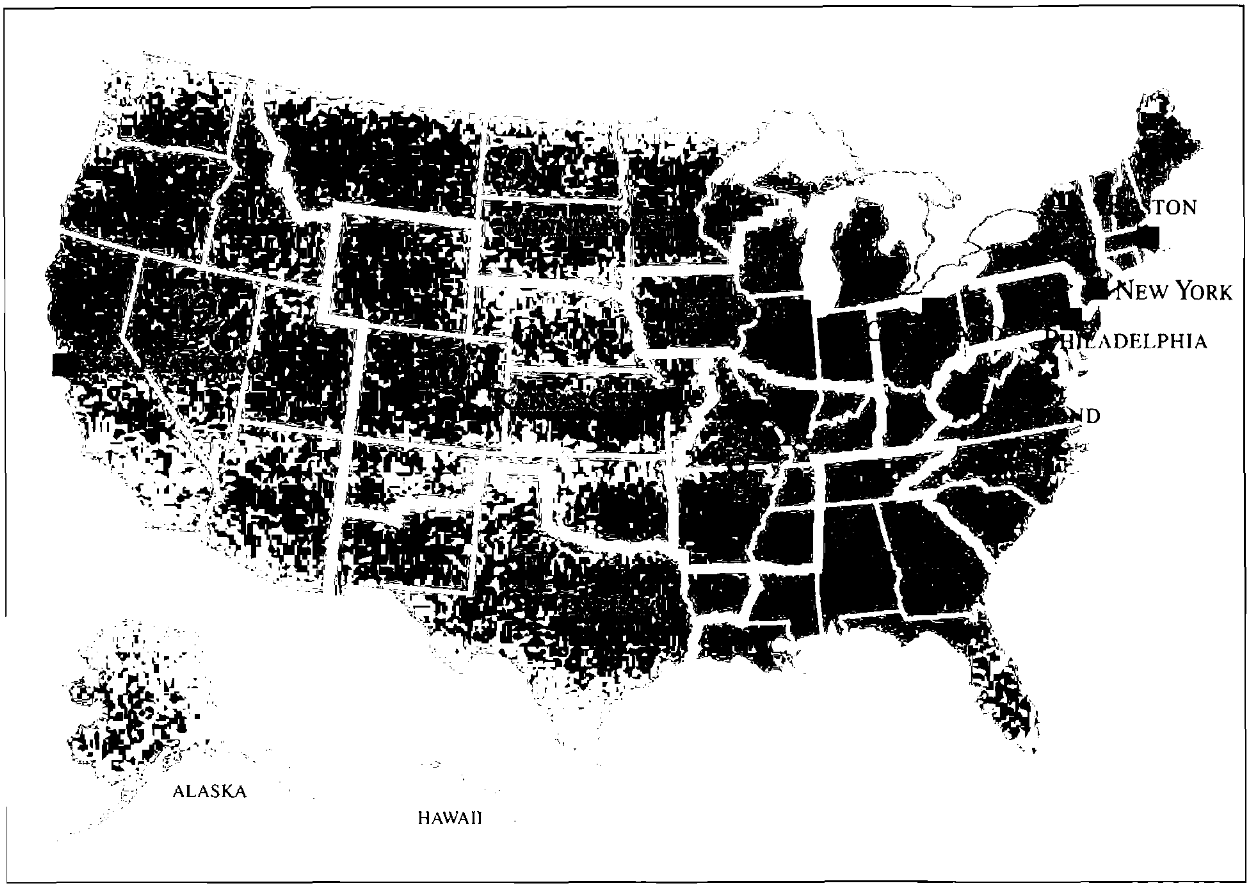



LEGEND

*Both pages*

- ■ Federal Reserve Bank city
- ◘ Board of Governors of the Federal Reserve System, Washington, D.C.

*Facing page*

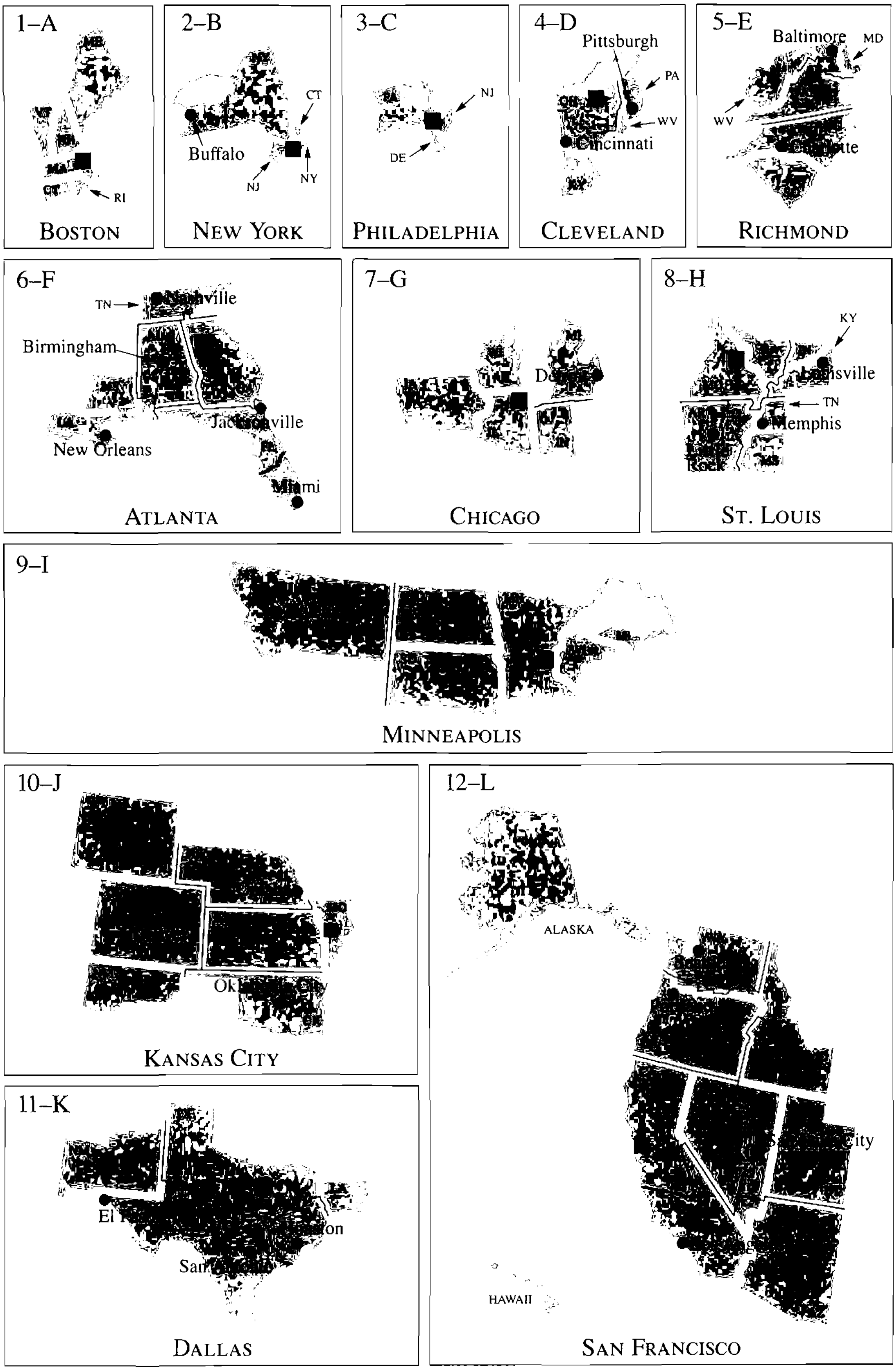
- • Federal Reserve Branch city
- — Branch boundary

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.


1–A
RI
Boston
2–B
CT
Buffalo
NJ
NY
New York
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NJ
DE
Philadelphia
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Pittsburgh
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Memphis
St. Louis
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Minneapolis
10–J
Kansas City
11–K
Dallas
12–L
ALASKA
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