Volume 86 □ Number 6 □ June 2000

Federal Reserve BULLETIN

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

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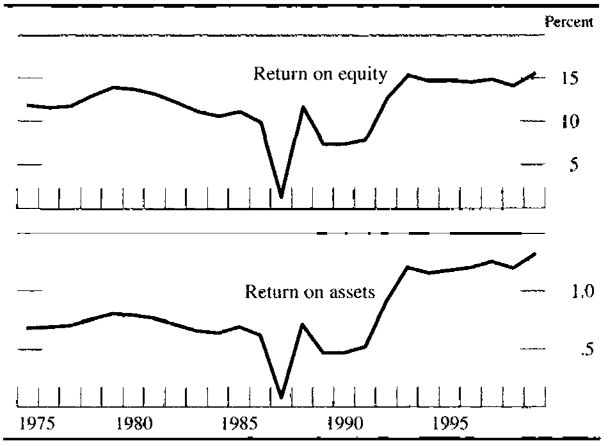
The *Federal Reserve Bulletin* is issued monthly under the direction of the staff publications committee. This committee is responsible for opinions expressed except in official statements and signed articles. It is assisted by the Economic Editing Section headed by S. Ellen Dykes, the Graphics Center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

Profits and Balance Sheet Developments at U.S. Commercial Banks in 1999

William F. Bassett and Egon Zakrajšek, of the Board's Division of Monetary Affairs, prepared this article. Thomas C. Allard assisted in developing the database used in this article and was responsible for maintaining it. James E. Cypert, Jr., provided research assistance.

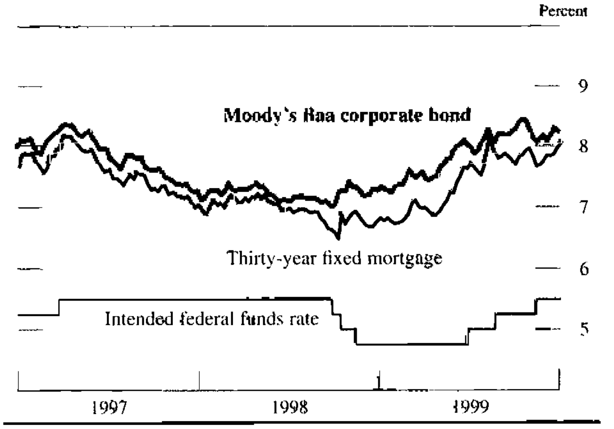
The U.S. commercial banking industry posted record earnings in 1999. The industry's return on assets and return on equity both rose above the already high level of recent years (chart 1).[1] Profitability was concentrated at large banks—particularly among the 100 largest—and was driven upward by a surge in noninterest income and a significant slowdown in the growth of noninterest expense. Other sources of improved profitability were a stabilization of net interest income, which had been weakening in recent years, and lower loan loss provisioning permitted by generally good asset quality. On the negative side, 641 banks lost money in 1999; these institutions accounted for 7.4 percent of all domestic commercial banks in operation last year but for only about 1.5 percent of the industry's assets.

1. Measures of commercial bank profitability, 1975–99



Components of bank credit and bank deposit liabilities that had been boosted by the financial turmoil of 1998 declined early last year as financial markets calmed. Nonetheless, demand for household and business credit remained strong because of the rapid pace of economic activity. At the end of 1998, long-term private interest rates started to trend up, and from June to November 1999 the Federal Reserve increased the intended level of the federal funds rate three times in 25 basis point increments (chart 2).

2. Selected interest rates, 1997–99



SOURCE. For intended federal funds rate, Federal Reserve board; for bond and mortgage rates, Federal Reserve Board, Statistical Release H.15, "Selected Interest Rates."

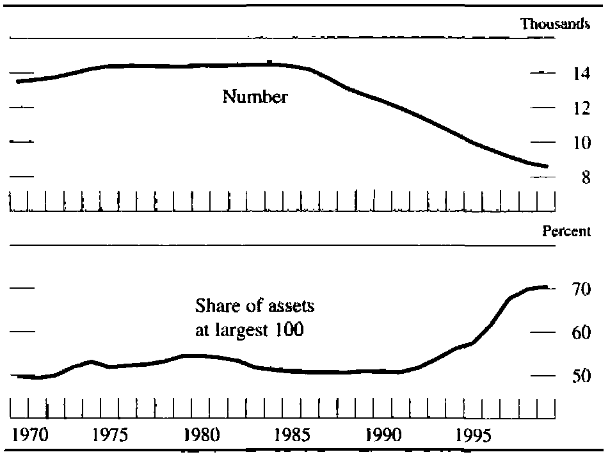
1. Except where otherwise indicated, data in this article are from the quarterly Reports of Condition and Income (Call Reports) for insured domestic commercial banks and nondeposit trust companies (hereafter, banks). The data consolidate information from foreign and domestic offices and have been adjusted to take account of mergers. For additional information on the adjustments to the data, see the appendix in William B. English and William R. Nelson, "Profits and Balance Sheet Developments at U.S. Commercial Banks in 1997," *Federal Reserve Bulletin,* vol. 84 (June 1997), p. 408.

Size categories, based on assets at the start of each quarter, are as follows: the 10 largest banks, large banks (those ranked 11 through 100), medium-sized banks (those ranked 101 through 1,000), and small banks (those not among the largest 1,000 banks). At the start of the fourth quarter of 1999, the approximate asset sizes of the banks in those groups were as follows: the 10 largest banks, more than $74 billion; large banks, $6.3 billion to $74 billion; medium-sized banks, $326 million to $6.2 billion; small banks, less than $326 million.

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

Data shown in this article may not match data published in earlier years because of revisions and corrections. In the tables, components may not sum to totals because of rounding.

3. Number of commercial banks and share of assets at the largest 100 banks, 1970–99



Consolidation within the banking industry slowed significantly in 1999. The net reduction in the number of banks, 195, was only about half the decline in each of the preceding two years. Among the 450 banks that ceased operations last year, 8 failed, and the remaining 442 merged with other banks, were purchased outright, or otherwise changed their charters. Meanwhile, 255 new banks were created—the most in one year since 1987. At the end of 1999, 8,620 banks were in operation, down from 12,728 a decade ago (chart 3). The share of industry assets held by the 100 largest banks moved up just ½ percentage point, to 70 percent, after having jumped an average of 4 percentage points per year between 1995 and 1998.

Consolidation slowed even more dramatically among bank holding companies (BHCs) in 1999, perhaps in part because of the poor performance of

1. Annual rates of growth of balance sheet items, 1990–99

Percent

Item	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	MEMO: Dec. 1999 (billions of dollars)
Assets	2.64	1.33	2.19	5.68	8.06	7.55	6.09	9.24	8.22	5.44	5,673
Interest-earning assets	2.23	1.98	2.53	6.56	5.77	7.69	5.67	8.88	8.18	5.99	4,908
Loans and leases (net)	2.37	−2.65	−1.04	6.05	9.83	10.53	8.12	8.38	8.90	8.01	3,394
Commercial and industrial	−.67	−9.10	−4.10	.52	9.33	12.26	7.24	12.02	12.96	8.07	965
Real estate	8.79	2.73	1.94	6.13	7.90	8.33	5.44	9.30	7.98	12.17	1,497
Booked in domestic offices	8.55	2.90	2.57	6.17	7.64	8.48	5.50	9.53	7.96	12.31	1,465
One- to four-family residential	14.00	7.76	7.53	11.08	10.09	10.06	4.65	9.67	6.34	9.65	831
Other	3.62	−1.93	−2.86	.22	4.35	6.25	6.75	9.33	10.28	16.01	633
Booked in foreign offices	16.64	−2.35	−17.80	4.67	18.35	2.81	3.18	.34	8.79	6.28	33
Consumer	.38	−2.55	−1.66	9.06	16.01	9.50	4.90	−2.18	1.00	−1.48	541
Other loans and leases	−5.68	−4.91	−4.24	9.97	5.29	14.23	22.28	13.73	14.02	6.35	451
Loan-loss reserves and unearned income	.35	−3.78	−4.85	−5.82	−2.22	.25	−.06	−.49	3.30	2.50	61
Securities	8.46	16.23	12.29	12.26	−2.61	.57	.84	8.86	8.36	5.10	1,146
Investment account	8.19	14.42	11.44	8.11	−1.73	−1.58	−1.12	8.68	12.05	6.64	1,029
U.S. Treasury	3.50	32.01	23.95	7.24	−8.46	−19.21	−14.30	−8.85	−25.17	−1.89	111
U.S. government agency and corporation obligations	24.02	15.88	12.77	9.62	.87	6.43	3.61	14.20	16.98	1.82	595
Other	−6.70	−2.56	−5.20	6.09	2.49	4.20	1.82	11.21	26.97	20.78	323
Trading account	11.87	38.88	21.01	51.84	−9.43	18.51	14.44	9.97	−13.52	−6.69	117
Other	−11.70	2.82	1.57	−7.90	3.25	7.64	−.90	12.81	2.35	−7.57	369
Non-interest-earning assets	5.51	−3.10	−.32	−.86	25.65	6.61	8.87	11.48	8.48	2.08	765
Liabilities	2.37	1.01	1.35	5.12	8.31	7.17	5.95	9.13	8.09	5.58	5,201
Core deposits	7.58	5.25	5.09	1.49	−.17	3.97	4.12	4.53	7.05	.20	2,675
Transaction deposits	2.43	3.38	14.62	5.47	−.33	−3.09	−3.45	−4.54	−1.41	−8.98	679
Savings and small time deposits	10.51	6.24	.18	−.85	−.08	8.37	8.34	9.04	10.73	3.76	1,996
Managed liabilities[1]	−6.15	−6.19	−6.07	12.30	17.57	10.44	9.65	13.84	9.60	15.49	2,177
Deposits booked in foreign offices	−5.88	3.81	−5.85	15.06	30.89	5.13	4.27	11.13	8.71	14.60	655
Large time	−5.68	−19.73	−26.20	−9.21	8.72	19.61	21.16	20.15	9.10	14.17	472
Subordinated notes and debentures	20.99	4.69	34.90	10.82	9.23	6.61	17.74	21.05	17.00	5.07	76
Other managed liabilities	−8.06	−1.39	6.94	22.18	12.91	11.24	8.21	12.23	9.87	17.68	974
Other	4.43	−4.18	−1.02	15.30	79.17	20.46	2.60	23.79	8.15	−6.06	349
Equity capital	6.64	5.98	13.75	12.58	5.24	12.00	7.72	10.46	9.61	3.95	472
MEMO											
Commercial real estate loans[2]	3.62	−2.58	−4.03	−.60	4.00	6.35	7.66	10.13	11.36	15.37	639
Mortgage-backed securities	34.39	19.27	10.37	9.66	−3.12	.67	2.03	14.18	22.09	−3.34	449

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

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

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

their equity prices. The number of mergers between BHCs last year, 211, was the lowest since 1994; and the number of BHCs declined a net of only 27, to 5,953, by year's end. The percentage of BHC assets controlled by the 50 largest organizations remained steady at about 76 percent.

BALANCE SHEET DEVELOPMENTS

The growth of total bank assets slowed from 8.2 percent in 1998 to 5.4 percent in 1999 (table 1). The deceleration was most evident in securities holdings, in large part because, for a significant share of these assets, price declines associated with a rise in interest rates must be marked to market. In addition, core deposit inflows virtually stopped, leading banks to fund asset growth primarily through the issuance of relatively expensive managed liabilities.

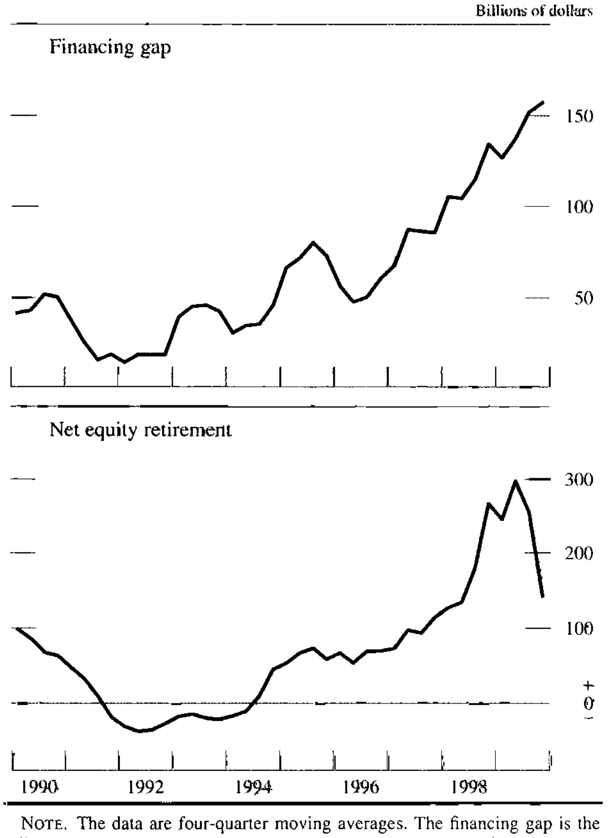
Meanwhile, loans expanded a brisk 8 percent, about the same pace as in 1998, when bank lending was given a considerable boost by the Russian default in August of that year. Within loan categories, the growth of commercial and industrial loans moderated but remained strong, and real estate loans grew vigorously. Consumer loans originated by banks rose moderately last year.[2]

Loans to Businesses

Growth of loans to commercial and industrial (C&I) enterprises expanded a strong 8.1 percent in 1999, although the pace was down somewhat from the average of the previous two years. C&I lending last year was supported by a large rise in business outlays on capital goods that exceeded the increase in cash flow (chart 4). Cash-financed mergers and acquisi-

2. In contrast, consumer loans on banks' books fell slightly because securitizations (selling loans as backing for securities, a process that takes the loans off the banks' balance sheets) rose faster than originations.

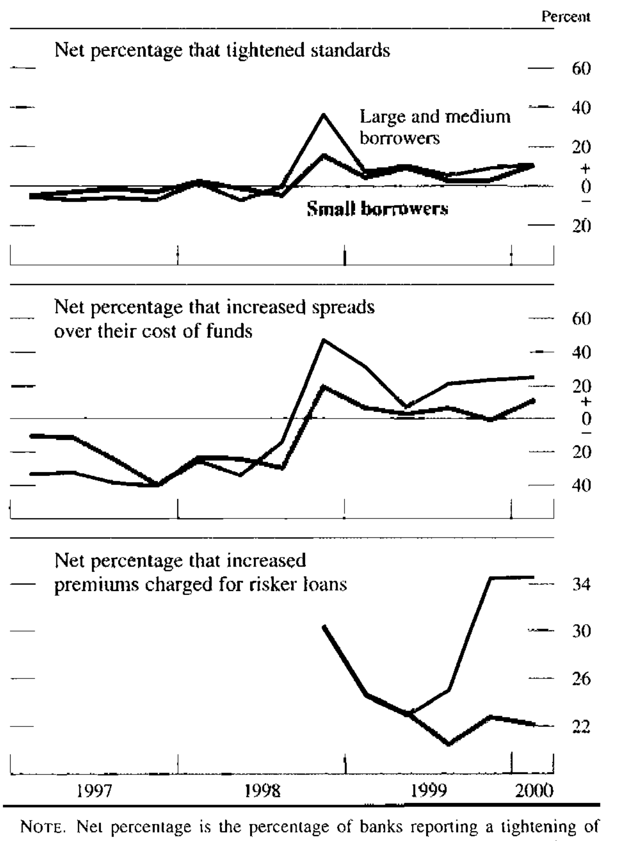
4. Financing gap and net equity retirement at nonfarm nonfinancial corporations, 1990–99



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

SOURCE. Federal Reserve Board, Statistical Release Z.1, "Flow of Funds Accounts of the United States," table L. 101.

5. C&I loan standards and terms of selected commercial banks, by size of borrower, 1997–2000:Q1



NOTE. Net percentage is the percentage of banks reporting a tightening of standards or an increase in spreads or premiums less the percentage reporting an easing or decrease. The definition for firm size suggested for, and generally used by, survey respondents is that medium-sized firms are those with sales of between $50 million and $250 million.

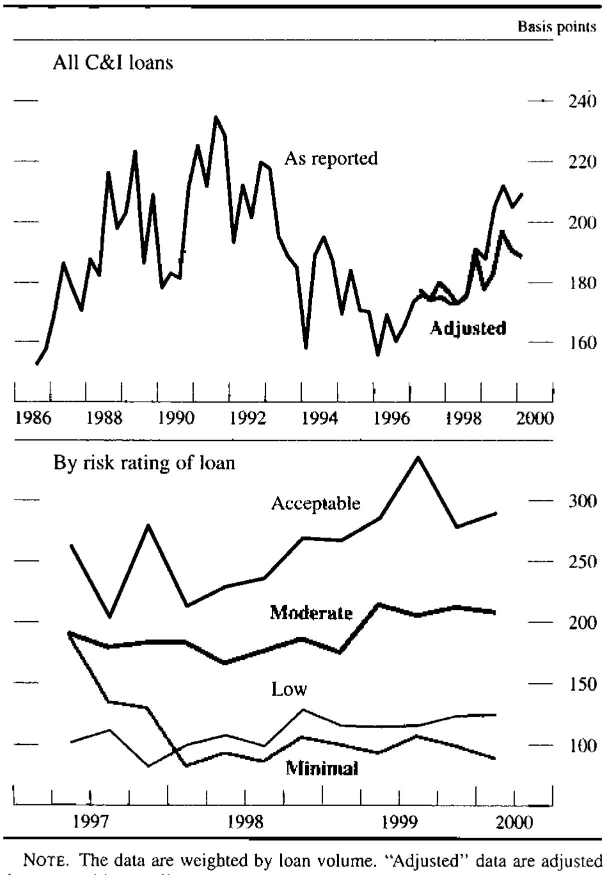
Data was collected on risk premiums beginning in 1998:Q4.

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

tions, however, boosted overall financing needs by less than the previous year as the pace of net equity retirement slowed. Cash purchases of equity are frequently financed with bank loans, at least initially, and changes in merger and acquisition financing needs are typically cited as the main reason for changes in loan demand by respondents to the Federal Reserve's quarterly Senior Loan Officer Opinion Survey on Bank Lending Practices (BLPS).[3]

3. The survey sample is selected from among the largest insured domestic commercial banks in each Federal Reserve District and from among the largest foreign-related banking institutions in those Federal Reserve Districts where such institutions are common. As of December 31, 1999, the 57 domestic banks covered in the May 2000 survey accounted for nearly half of the $4.95 trillion in assets held by all domestic banks; and the 21 foreign-related institutions accounted for nearly 30 percent of the $806 billion in assets held by all such institutions in the United States. The survey is available at www.federalreserve.gov/boarddocs/SnLoanSurvey/

6. Spread between the average C&I loan rate and the intended federal funds rate, for all C&I loans, 1986–2000:Q1, and by risk rating of loan, 1997:Q2–2000:Q1



NOTE. The data are weighted by loan volume. "Adjusted" data are adjusted for compositional effects such as changes in the underlying distribution of maturity, size, and riskiness of loans over time. Data in bottom panel are as reported.

SOURCE. Federal Reserve Board, Statistical Release E.2, "Survey of Terms of Business Lending."

In the wake of the Russian default, a large fraction of respondents to the BLPS reported tightening their standards and terms for C&I loans during the fourth quarter of 1998 (chart 5). As financial markets calmed during 1999, however, there was no indication that banks' standards or terms became any less stringent. In fact, on net, small fractions of BLPS respondents continued to report tightening standards and charging higher spreads on C&I loans. As the year unfolded, increasing fractions of banks reported charging higher premiums on riskier loans to large and medium-sized businesses, possibly because of admonitions by banking regulatory agencies for vigilance in the area of loan quality.[4]

Information from the Federal Reserve's quarterly Survey of Terms of Business Lending (STBL) was consistent with the information from the BLPS, suggesting that banks had tightened lending standards and terms over the past year.[5] In the STBL, the share of loan originations that was secured by collateral hovered at levels near the top of the historical range, as did the share of loan originations made under commitment. In addition, the dollar volume of loan originations rated as being of minimal or low risk increased from 29 percent of total originations in 1998 to 33 percent in 1999.[6]

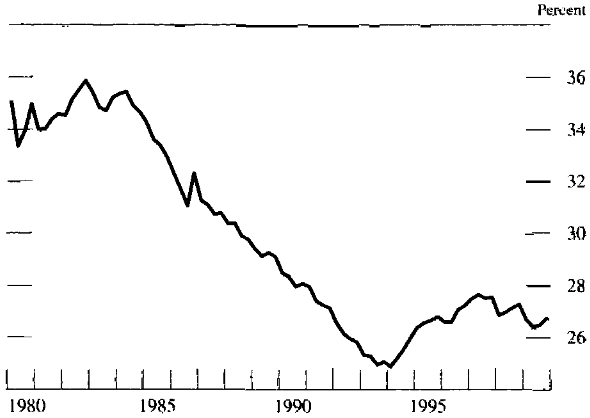
STBL data also corroborate evidence from the BLPS that banks charged higher spreads on business loans in general and on riskier loans in particular. The average spread of loan rates over the intended federal funds rate on new C&I loans (adjusted for changes in the composition of loan originations) increased dramatically during the fourth quarter of 1998 and remained close to that elevated level throughout 1999 (chart 6). Indeed, the average spread on relatively risky loans made last year rose well above the levels established during the fourth quarter of 1998,

4. Board of Governors of the Federal Reserve System, "Recent Trends in Bank Lending Standards for Commercial Loans," Supervision and Regulation Letters SR 99-23 (SUP), September 28, 1999, available at www.federalreserve.gov/boarddocs/srletters/1999/sr9923.htm/

5. The STBL data are based on a representative sample of up to 348 insured domestic commercial banks and up to 50 foreign-related banking institutions. The sample data are used to estimate the terms of loans extended during the survey period at all domestic banks and at all foreign-related institutions. The data are available at www.federalreserve.gov/releases/E2/

6. Loans in the STBL receive risk ratings ranging from 1 to 5, which correspond to minimal risk, low risk, moderate risk, acceptable risk, and classified, respectively. For more information on loan rating categories in the STBL see, Thomas F. Brady, William B. English, and William R. Nelson, "Recent Changes to the Federal Reserve's Survey of Terms of Business Lending." *Federal Reserve Bulletin,* vol. 84 (August 1998), pp. 604–15.

7. Bank loans as a share of total nonmortgage credit market debt, nonfinancial businesses, 1980–99



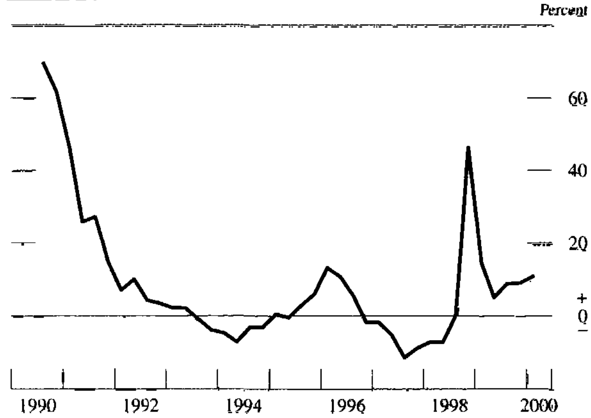
SOURCE. Federal Reserve Board, Statistical Release Z.1, "Flow of Funds Accounts of the United States," table L.101.

accounting for much of the upward trend in the overall average loan spread.[7]

Partly because of these developments, bank loans as a share of nonmortgage credit market debt owed by the nonfinancial business sector declined last year, as firms that borrowed met somewhat more of their funding needs by issuing commercial paper and bonds (chart 7). However, in the year's final quarter, the share of bank loans rose, particularly for larger banks, perhaps because of concerns about the risk of computer-related business disruptions during the century date change. Inventory growth picked up in that quarter, firms appeared to build up liquid assets for precautionary reasons, and bond issuance was curtailed, all adding to demand for intermediated debt. Nonetheless, BLPS respondents reported that concerns about the transition to the year 2000 had only a limited influence on bank lending (see box "Business Lending around the Century Date Change").

In jumping more than 15 percent, commercial real estate loans last year registered their largest increase since 1987, suggesting that rising interest rates had a limited effect on demand in this market. The rapid growth was also in spite of BLPS respondents' indications that they had tightened standards for commercial real estate lending in response to the financial market distress in the fourth quarter of 1998 (chart 8). The quickened pace was evident among banks of all

8. Net percentage of selected commercial banks that tightened standards for commercial real estate loans, 1990–2000:Q1



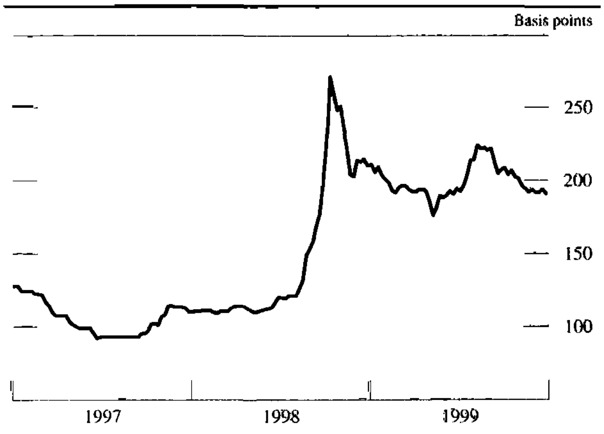
NOTE. Net percentage is the percentage of banks that reported a tightening of standards less the percentage that reported an easing.

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

sizes and in all categories of commercial real estate lending—multifamily housing, construction and land development, and nonfarm, nonresidential real estate. Construction and land development loans advanced most rapidly, 27 percent, while multifamily housing grew nearly 23 percent last year, a sharp acceleration from the 5 percent pace in 1998.

In addition to the strong economy, two other factors contributed to boosting commercial real estate loans. Real estate investment trusts (REITs), which overall suffered a decline in their stock prices of nearly 20 percent in 1999, were much less active in acquiring and developing properties. Private

9. Spread between the yield on commercial-mortgage-backed securities and the rate on ten-year Treasury bonds, 1997–99



SOURCE. Morgan Stanley, "Securitized Perspectives."

7. Between 1998 and 1999, the four-quarter uncentered moving average spread over the intended federal funds rate—weighted by volume—increased only 8 basis points on 1-rated (minimal-risk) loans and 9 basis points on 2-rated (low-risk) loans; in contrast, the corresponding spreads for 3-rated and 4-rated loans increased 24 basis points and 55 basis points respectively.

Business Lending around the Century Date Change

Over the past two years, the Federal Reserve Board's quarterly Senior Loan Officer Opinion Survey on Bank Lending Practices (BLPS) has asked banks to report on their management of risks related to potential Year 2000 (Y2K) problems and about the supply of, and the demand for, business credit extending over the century date change. According to the May 1999 survey, a large majority of banks had evaluated more than 90 percent of their material business customers for Y2K preparedness.[1] By August, almost all banks had reached this level, and more than 95 percent of the customers that they had evaluated were making satisfactory progress.

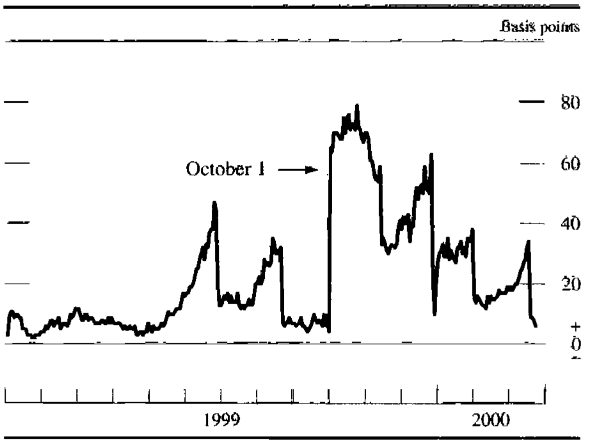
About 80 percent of BLPS respondents consistently reported that Y2K issues had no effect on either the standards or the terms being applied to renewals of existing lines of credit, even if their new maturity date extended into 2000. In addition, almost all banks reported that, for existing customers, they were willing to extend lines of credit specifically designed for addressing Y2K concerns. However, only one-third of the respondents were willing to extend such lines to new customers. Moreover, many banks applied somewhat tighter standards and terms to Y2K contingency lines of credit than to otherwise similar lines for similar borrowers, and demand for such lines was not widespread.

The Federal Reserve actively attempted to assuage fears about the cost of funds extending over year-end. A "century date change special liquidity facility" (SLF) made Federal Reserve credit available to depository institutions in sound financial condition without the usual administrative constraints on discount window borrowing. The SLF was available from October 1, 1999, to April 7, 2000, and offered loans at a premium of 150 basis points over the Federal Open Market Committee's intended federal funds rate.

1. A material business customer is one that represents a material risk as indicated, for example, by the size of the overall relationship with the customer, the customer's risk rating, the complexity of the customer's operating and information technology systems, and the degree of the customer's reliance on these systems.

Weekly data on bank credit revealed strong growth in both C&I loans and security loans during November and early December as banks' balance sheets expanded rapidly in the fourth quarter of 1999. In the November 1999 BLPS, several large banks reported increased demand from C&I firms seeking to avoid high interest rates in the commercial paper market. In the January 2000 BLPS, however, only a few respondents suggested that the rise in demand for C&I loans in the fourth quarter of 1999 was, even in part, specifically due to concerns related to the century date change. For security loans, the BLPS respondents indicated that brokers and dealers had experienced heavy funding needs and, in fact, turned to banks when the cost of commercial paper with maturities extending over year-end rose markedly and other institutional lenders pulled back (chart).

Spread between the yield on three-month nonfinancial commercial paper and the intended funds rate, 1999–2000:Q1



SOURCE. For the intended federal funds rate, Federal Reserve Board; for commercial paper, Federal Reserve Board, Statistical Release H.15, "Selected Interest Rates."

developers, who generally use more debt financing than do REITs, filled the void, and turned to banks for financing. Second, the issuance of domestic securities backed by commercial mortgages (commercial-mortgage-backed securities, or CMBS) was off 24 percent in 1999. Spreads on CMBS spiked in the fourth quarter of 1998 and remained elevated throughout 1999, perhaps causing some banks that normally participate in this market to retain a greater portion of commercial real estate loans on their books (chart 9). In addition, banks as a whole were able to take market share from the commercial real estate divisions of Wall Street investment banks, which generally rely on CMBS financing rather than carrying loans on their balance sheets.

Loans to Households

Banks were important suppliers of consumer credit again last year. The small slippage in the stock of consumer loans held by banks in 1999 reflected the high proportion of these loans that were securitized (see text note 2), a proportion that increased again in 1999 (chart 10). Correspondingly, the share of consumer loans in banks' loan portfolios fell to a new low of about 16 percent. Counting securitized loans,

Business Lending around the Century Date Change—Continued

Evidence from the STBL

A statistical examination of the Federal Reserve's quarterly Survey of Terms of Business Lending (STBL) suggests that loans made under commitment and maturing in the first three months of 2000 were only minimally more expensive because of their maturity dates—about 6 basis points.[2] This result is consistent with the information from the BLPS that indicated that most banks were not increasing the cost of outstanding lines of credit for Y2K lending. However, even loans that were not made under commitment and that matured in the first quarter carried only 22 extra basis points on their spreads. Banks may have been able to charge relatively low risk premiums at that time because of the effectiveness of their preceding efforts to monitor their customers' Y2K preparedness.

Aftermath

In the end, the century date change passed without any major disruptions to financial markets and few reports of Y2K-related difficulties elsewhere. The spread between the rate on three-month commercial paper and the intended federal funds rate fell consistently from its October peak through the early part of 2000. Evidently in response, security loans ran off through the end of February, reversing their earlier rise. Banks also experienced some runoff of C&I loans during the last two weeks of December and first two weeks of January. In the January BLPS, banks mentioned buildups of inventories and liquidity to explain strong demand for C&I loans in the final months of 1999, and it was possible that some of the strength in C&I lending was for Y2K-related reasons that were not evident to respondents. However, few domestic banks reported that they extended more than a negligible amount of credit under Y2K contingency lines.

Most banks reported no unusual funding pressures around year-end. Sixty percent reported that neither credit demands nor deposit flows were materially affected by Y2K-related concerns. In addition, the increase in the demand for currency near year-end was smaller than banks expected, and they were thus left with large amounts of vault cash (which increased $27 billion in the fourth quarter of 1999). Because vault cash earns no return, this accumulation likely had a small adverse effect on bank profitability during the final quarter of last year.

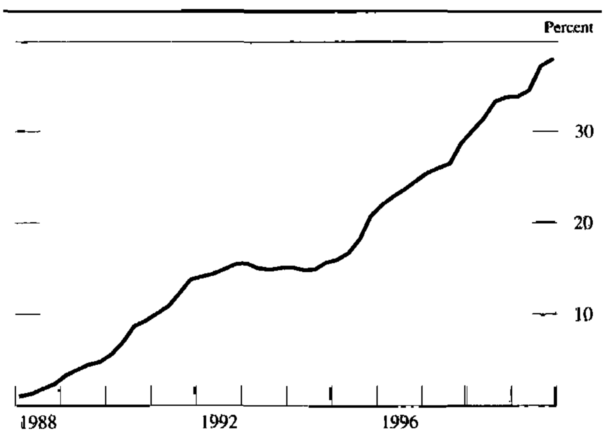
2. Using data from the STBL, we examined the effect that various loan characteristics (such as risk rating, maturity, commitment status, and so on) may have had on the spread of fixed-rate loans over the intended federal funds rate. To estimate the effect of Y2K jitters on this spread, we used an indicator variable for loans maturing in the first quarter of 2000 plus a variable representing the interaction of those loans with commitment status. Numerous other versions of this regression equation yielded qualitatively similar results (results available upon request).

however, consumer loans originated by banks grew an estimated 4.7 percent in 1999.[8]

Banks were willing suppliers of consumer credit, according to BLPS respondents, who also indicated that demand for consumer loans became moderately stronger, on net, throughout the year. However, the survey also suggested that banks, on net, continued to tighten standards and charge moderately higher spreads on credit card loans, which may have contributed to the fall in such loans at banks (chart 11).

Real estate loans for one- to four-family homes increased 9.7 percent at banks, up from 6.3 percent in 1998. In part, the acceleration reflected an exceptionally strong housing market, with new and existing home sales reaching record levels early in the year despite the rise in mortgage rates that began at the end of 1998. In addition, rising interest rates drove up the share of mortgage lenders' originations that were attributable to adjustable-rate mortgages (ARMs), from 11 percent in January to 30 percent by August (chart 12). This shift to ARMs likely contrib-

10. Securitized share of outstanding consumer loans originated by banks, 1988–99

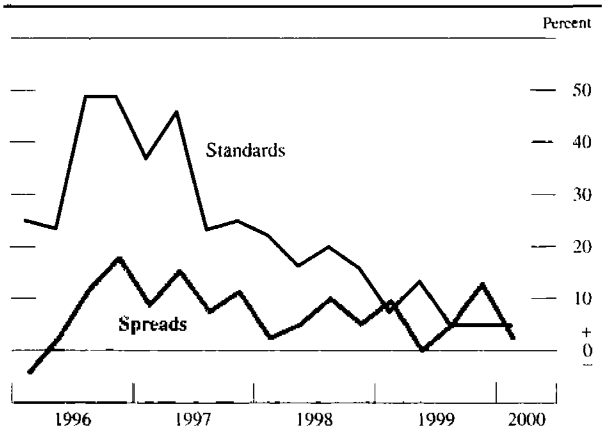


NOTE. The data are seasonally adjusted.

SOURCE. Federal Reserve Board, Statistical Releases H.8, "Assets and Liabilities of Commercial Banks in the United States," and G.19, "Consumer Credit."

8. The growth at banks, however, lagged behind the 7.3 percent growth of consumer credit originated by all lenders. The notable overall strength in auto lending and leasing—activities in which banks are not major players—may have contributed to their lagging performance.

11. Net percentage of selected commercial banks that tightened standards and terms on credit card loans, 1996–2000:Q1



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

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

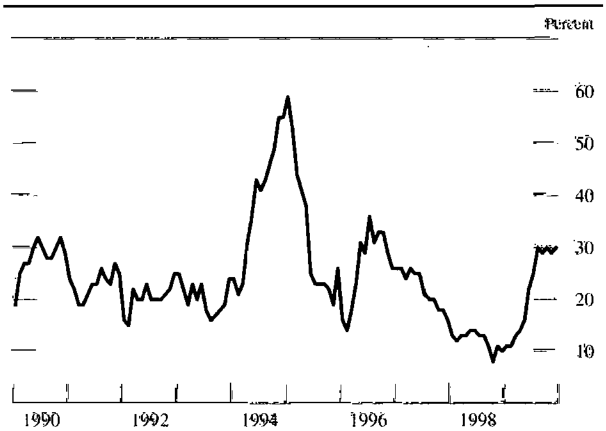
uted to reduced securitizations because the maturities (more precisely, the durations) of ARMs match those of banks' liabilities more closely than do those of fixed-rate mortgages.

Home equity loans increased 5.9 percent in 1999 after having fallen 1.6 percent in 1998. In addition, the ratio of outstanding home equity loans to total commitments declined from 46 percent in 1998 to 42 percent in 1999. During 1998, some households were able to tap into the accumulated equity in their homes directly in the form of cash-out refinancing and use the proceeds to substitute for other debt, including home equity loans.[9] Thus, the growth in home equity loans and lines (as well as consumer credit) last year may have been supported by the 67 percent plunge in refinancing activity relative to 1998 (chart 13).

Other Loans and Leases

The other loans and leases category grew 6.4 percent in 1999. Leases, which expanded 22 percent in 1999, were the fastest growing component and now account for almost one-third of this category, up from about one-seventh in 1994. Loans to depository institutions, the second largest item in this category, expanded only 2 percent in 1999, after advancing 13 percent in 1998. In part, the sluggishness of loans to depository

12. Share of home mortgages originated with adjustable rates, 1990–99



SOURCE. Federal Home Loan Bank Board.

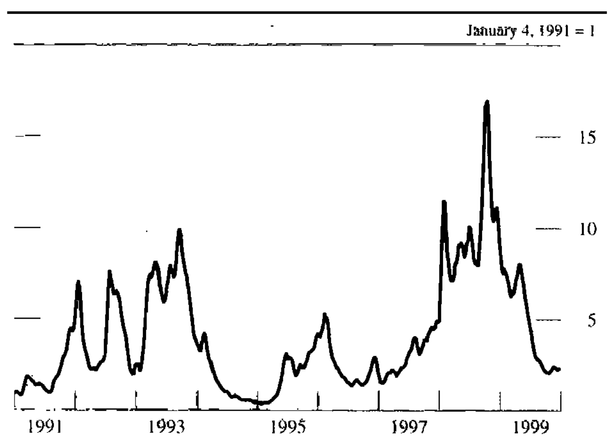
institutions may reflect the increased reliance of commercial banks on loans from the Federal Home Loan Bank System (FHLB), as discussed below.

Securities

Taking banks' trading and investment accounts together, securities growth slowed in 1999 to a relatively moderate 5.1 percent, down from more than 8 percent per year in the previous two years. Holdings in the trading account fell sharply for a second year; holdings in the investment accounts rose, but more slowly than in 1998.

A significant amount of the slowdown in the investment account was attributable to the effect of rising interest rates on the 86 percent of those assets that were classified as available for sale and therefore carried at market value. At the end of 1999, the

13. Home mortgage refinancing, 1991–99



SOURCE. Mortgage Bankers Association.

9. An estimated one-third of homeowners who refinanced their mortgages in 1998 took some cash out as part of the loan.

market value of these securities was about $18 billion less than their book value, whereas at the end of 1998 the market value exceeded the book value by $10 billion.

Securities growth in the investment account was also held down by runoffs of securities acquired during the fourth quarter of 1998. This pattern was particularly evident for transactions in mortgage-backed securities, which banks retained in 1998 given the lack of demand for securitized assets during the financial crisis following the Russian default; as market conditions improved in the first half of 1999, banks then sold these securities.

Still, banks' investment accounts rose 6 percent in 1999. Within the investment account, which now comprises more than 18 percent of bank assets, the share represented by Treasury securities edged down, and the share in corporate and other private debt rose correspondingly. Some of the shift away from Treasury securities last year was perhaps the result of the depressing effect that soaring federal budget surpluses have had on the quantity of these securities, driving up the prices, and thus reducing the yields. Equity investments, although still a tiny fraction of total assets, grew rapidly.

Regarding the pullback in trading account assets, the 1998 fall represented a retreat from foreign trading operations, whereas the drop in 1999 was spread about equally across both domestic and foreign offices. At just over 2 percent, the share of assets held in trading accounts is now the lowest it has been since 1992.

Liabilities

A preference for safety and liquidity during the financial turmoil of the final quarter of 1998 had led to a 21 percent annualized rate of increase in core deposits. In contrast, against the backdrop of increasing market interest rates and soaring prices for technology stocks, deposits on net declined early in 1999, and core deposits were flat for the year as a whole. Transaction deposits shrank an appreciable 9 percent, an acceleration of declines that began in 1994 as a result of retail sweep arrangements. Meanwhile, small time and savings deposits grew less than 4 percent, down from the average of about 9 percent in recent years. As a share of total liabilities, core deposits fell about 3 percentage points, to about 52 percent, after reaching 67 percent as recently as 1992.

The sluggishness of core deposits led banking institutions to continue to increase their reliance on generally more expensive managed liabilities. Managed liabilities grew faster than total bank assets for the seventh consecutive year, advancing more than 15 percent. Foreign deposits and large time deposits rose at double-digit rates, with most of the increase in conjunction with faster asset growth in the fourth quarter of 1999. In part, the advance in large time deposits during the final quarter of 1999 reflected increased investor demand for safe, liquid assets over the century date change.

The other-managed-liabilities category, which advanced almost 10 percent in 1998 and nearly 18 percent ($146 billion) in 1999, now represents about 19 percent of total liabilities.[10] More than 25 percent of that gain was related to an increase in borrowing from the FHLB, which reported that advances to member commercial banks expanded about $40 billion during 1999. The FHLB attributed the growth partly to the increasing number of commercial banks joining the system.[11]

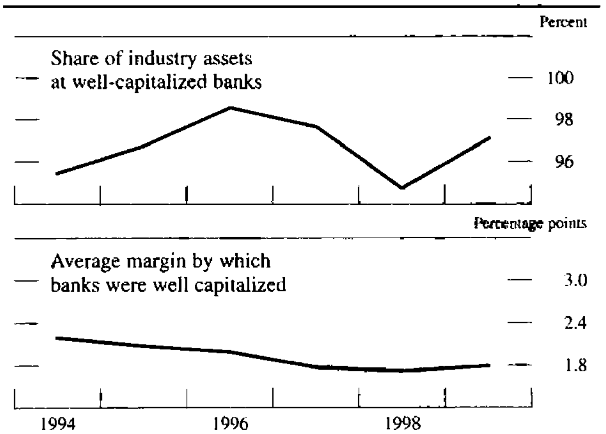
Capital

Growth in equity capital at banks slowed to about 4 percent in 1999 after reaching nearly 10 percent in 1998. However, the slowing was in line with that of asset growth, and the share of assets funded by equity

10. Other managed liabilities include, among other things, federal funds purchased and securities sold under repurchase agreements, loans sold under repurchase agreements that mature in more than one day, sales of participations in pools of loans that mature in more than one day, purchases of term federal funds, as well as borrowings from Federal Reserve Banks and Federal Home Loan Banks.

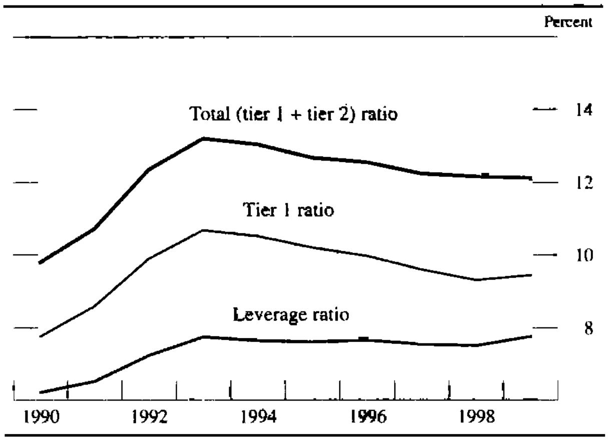
11. Federal Housing Finance Board, *Federal Home Loan Bank System 1999 Financial Report* (FHFB, 2000), p. 19.

14. Assets and regulatory capital at well-capitalized banks, 1994–99



NOTE. For the definition of well capitalized and of the margin by which banks remain well capitalized, see text note 12.

15. Regulatory capital ratios, 1990–99



NOTE. For the definition of capital ratios, see text note 13.

was unchanged at 8.5 percent. Banks were able to add $16 billion to retained earnings even as they increased dividend payments. They also added about $19 billion to paid-in capital, the other source of equity capital. Approximately half of the $19 billion represented new capital, a large portion of which came from parent holding companies; the remainder came primarily from the excess of equity issued to fund mergers over the value of the shares retired in those mergers. These additions to equity capital were partially offset, however, by a swing from $5 billion in net unrealized gains on available-for-sale securities in 1998 to a $13 billion loss last year.

After falling in 1997 and 1998, the percentage of assets held by well-capitalized banks rose to near its 1996 record level (chart 14). In addition, the average margin by which banks remained well capitalized firmed a bit in 1999 after having narrowed significantly in the previous five years.[12] Tier 1 capital increased 7.5 percent, a rate that exceeded the increase in equity capital mainly because net unrealized gains or losses on debt securities do not affect regulatory capital. The ratio of tier 1 capital to risk-weighted assets inched up 14 basis points in 1999, as risk-weighted assets advanced only 6 percent (chart 15). Tier 2 capital, on the other hand, declined 1 percent, causing the ratio of total capital to risk-weighted assets to slip 5 basis points, on balance, to just over 12 percent.[13] The leverage ratio increased in 1999, as average tangible assets grew only 4 percent.

Trends in Profitability

The net income of commercial banks grew 16 percent in 1999, to $71.5 billion. Bank earnings were at record levels in every quarter but the second, when a large bank that was acquired at the end of the quarter posted a $1.5 billion net loss.[14] Even so, the proportion of banks reporting negative net income, which has been rising steadily since 1995, rose again in 1999, by more than 1 percentage point, to 7.4 percent. With last year's losses more concentrated at the smallest banks, however, the share of the industry's assets at unprofitable banks fell from 2.6 percent in 1998 to 1.5 percent in 1999, about the midpoint of its range over the past few years and well below the levels registered in the late 1980s and early 1990s.

The industrywide return on assets rebounded 11 basis points last year, to 1.3 percent, after having been depressed significantly by the high level of restructuring charges associated with the frenzied pace of mergers and acquisitions during 1998 (table 2). The return on equity surged 1.4 percentage points, to 15.5 percent, a new record. In turn, dividends, which are paid primarily to parent holding companies, soared more than 26 percent last year, to $52 billion. Dividends as a percentage of assets increased 16 basis points last year, to a record 0.96 percent, after having declined 10 basis points in 1998.

12. An institution is deemed to be well capitalized if it (1) has a total risk-based capital ratio of at least 10 percent, (2) has a tier 1 risk-based capital ratio of at least 6 percent, (3) has a leverage ratio of at least 5 percent, and (4) is not subject to any written agreement, order, capital directive, or prompt corrective action directive issued by regulatory authorities.

The average margin by which banks remained well capitalized was computed as follows. First, among the leverage, tier 1, and total capital ratios of each well-capitalized bank, the institution's tightest capital ratio is defined as the one closest to the regulatory standard for being well capitalized. The bank's margin is then defined as the percentage point difference between its tightest capital ratio and the corresponding regulatory standard. The average margin among all well-capitalized banks—the measure referred to in the text—is the weighted average of all the individual margins, with the weights being each bank's share of the total assets of well-capitalized banks.

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

14. Bankers Trust Company of New York, which was acquired by Deutsche Bank AG in June 1999.

2. Selected income and expense items as a proportion of assets, 1992–99
Percent

Item	1992	1993	1994	1995	1996	1997	1998	1999
Net interest income	3.89	3.90	3.78	3.72	3.73	3.67	3.52	3.53
Noninterest income	1.95	2.13	2.00	2.02	2.18	2.23	2.41	2.66
Noninterest expense	3.86	3.94	3.75	3.64	3.71	3.61	3.77	3.77
Loss provisioning	.78	.47	.28	.30	.37	.41	.41	.39
Realized gains on investment account securities	.11	.09	−.01	.01	.03	.04	.06	.00
Income before taxes and extraordinary items	1.32	1.70	1.73	1.81	1.85	1.93	1.81	2.04
Taxes and extraordinary items	.41	.50	.58	.63	.65	.67	.61	.72
Net income (return on assets)	.91	1.20	1.15	1.18	1.20	1.25	1.20	1.31
Dividends	.41	.62	.73	.75	.90	.90	.80	.96
Retained income	.49	.58	.42	.43	.30	.35	.39	.36

Strong performance in all key business areas contributed to the record-breaking level of bank profits in 1999. The ratio of noninterest expenses to revenue—a key influence on industry profitability in recent years—resumed its downward trend last year; it had jumped sharply in 1998 because of a high level of charges related to mergers and acquisitions. Noninterest income, which benefited from a sharp pickup in nondeposit fee income and strong gains in trading income, surged almost 17 percent, about three times faster than noninterest expense. In addition, net interest income rose, stabilizing as a percentage of assets after having trended down steadily from the relatively high levels posted in the mid-1990s.

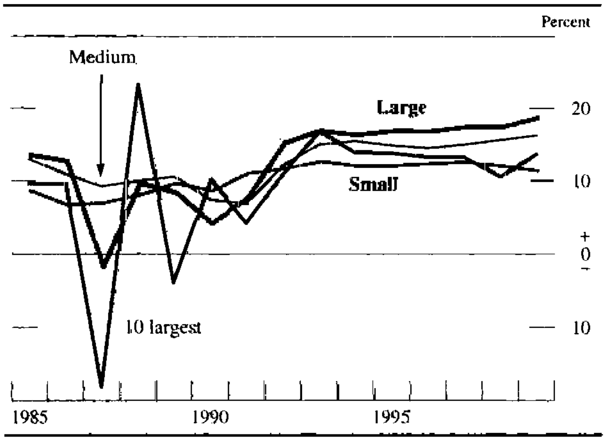
Although widespread by function, the improvement in profitability last year nevertheless was concentrated at large and medium-sized banks. After a dip below 11 percent in 1998, the return on equity at the 10 largest banks shot up 3 percentage points, to 13.6 percent, in 1999 (chart 16). Thus, the profitability of the 10 largest banks (which held 35 percent of the industry's assets at the end of the year) reestablished itself in the relatively high range of the mid-1990s.

At the next 90 largest banks (also accounting for 35 percent of industry assets), the return on equity increased 1.3 percentage points last year, to 18.6 percent, a record high. The return at the next 900 largest banks (18 percent of industry assets) rose 61 basis points, to 16.2 percent, also a new record. For the small banks (12 percent of industry assets)—the remaining 7,600 or so banks smaller than the 1,000 largest—the return on equity declined 60 basis points, to 11.4 percent, the first year since 1992 that this group returned less than 12 percent.

The profitability gap between large and small banks would have been greater but for the growth in recent years in the number of smaller banks that have elected corporate status under subchapter S of the Internal Revenue Code.[15] At the end of 1999, about 15 percent of insured commercial banks had claimed S status and accounted for little more than 2 percent of the industry's assets (table 3).

Despite the profitability of their bank subsidiaries, bank holding companies, particularly the large money

16. Return on equity, by size of bank, 1985–99



NOTE. For definition of bank size, see text note 1.

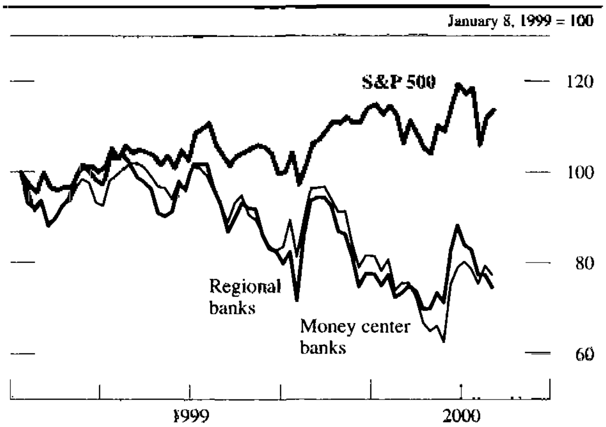
15. A subchapter S corporation is generally not subject to federal taxes at the corporate level, and its net income can therefore be as much as one-half higher than the income of a comparable bank that does not have subchapter S status. For many banks, the main impediment to claiming S status is the restriction on the maximum number of shareholders, which currently stands at seventy-five, and the fact that stockholders cannot be other companies.

3. Banks claiming corporate status under subchapter S of the Internal Revenue Code, year-end 1997–99
Percent

Year	Number	Percentage of all banks	Percentage of assets of all banks	MEMO: Number of all banks
1997	601	6.5	.9	9,188
1998	1,041	11.8	1.6	8,815
1999	1,283	14.9	2.0	8,620

NOTE. For definition of subchapter S status, see text note 15.

17. Indexes of bank holding company stock prices and the S&P 500, 1999–April 28, 2000



NOTE. The holding company indexes are for four money center bank holding companies and twenty-five regional bank holding companies as defined by Standard and Poor's.

SOURCE. Standard and Poor's.

center banks, ended the year with their stock prices down as much as 20 percent compared with the beginning of the year (chart 17), whereas the S&P 500 and most other broad stock indexes rose over the course of the year.

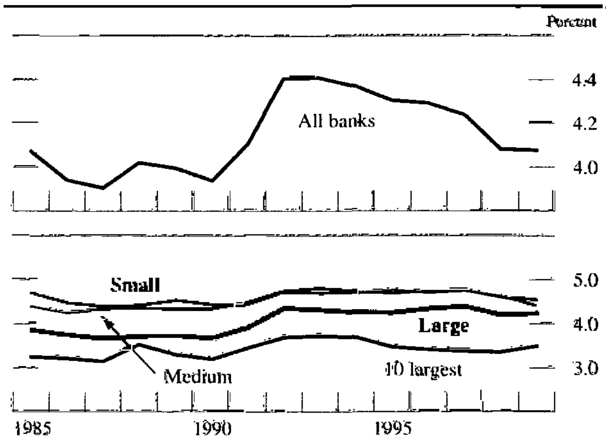
The poor performance of the banking sector's equity prices was likely due to two factors. First, the rise in money market interest rates and the prime rate that began around midyear added to the interest burden on bank borrowers and raised the likelihood of an economic slowdown. Such developments increase the possibility of higher loan charge-off rates and loan loss provisioning and lowered future bank earnings.

Second, the earnings results of several large-scale bank mergers fell short of expectations last year. In particular, compared with analysts' initial forecasts, six large banks that were involved in mergers in 1997 and 1998 collectively generated an earnings shortfall of more than $5 billion during 1999.

Interest Income and Expense

Although market interest rates rose in the latter part of 1999, they were lower on average for the year than in 1998, and banks' interest income and interest expense as a percentage of their average interest-earning assets fell about 30 basis points last year. As a result, the industrywide net interest margin, or the ratio of net interest income to average interest-earning assets, remained about unchanged at roughly 4.1 percent in 1999 (chart 18, top).

18. Net interest margin, by size of bank, 1985–99



NOTE. Net interest margin is net interest income divided by average interest-earning assets. For definition of bank size, see text note 1.

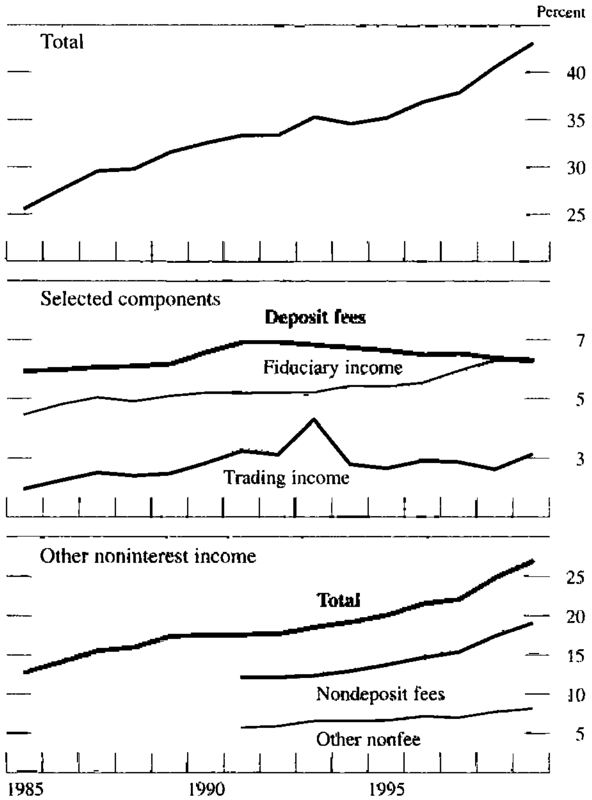
The net interest margin last year was above the levels of the late 1980s but well below the levels of the early 1990s, when diminished competition for deposit funds in a time of sluggish economic growth, plus a desire to curb asset growth to improve capital positions, resulted in deposit rates falling more than loan rates. The steady narrowing of the net interest margin since 1993 reflects a confluence of two factors: aggressive loan pricing and the increased reliance on managed liabilities.[16]

The decline in the industrywide net interest margin halted last year as banks became less accommodative late in 1998 and continued to tighten lending terms throughout 1999. As noted, respondents to the BLPS reported higher spreads on business loans throughout 1999, and evidence from the STBL indicates that the spreads on C&I loan originations during 1999 edged higher, especially for riskier loans.

The industrywide results mask important differences, however, in the behavior of the net interest margin across different bank sizes (chart 18, bottom). For all but the 100 largest banks, the net interest margin declined last year. The decline was particularly apparent for medium-sized banks (ranked 101 through 1,000), which saw their net interest margin slump 23 basis points, to 4.4 percent, a level not seen since the early 1990s. For small banks, the net interest margin declined 8 basis points and, at the end of 1999, stood considerably below the elevated levels of the mid-1990s. The net interest margin at the top 10 banks, on the other hand, climbed 13 basis

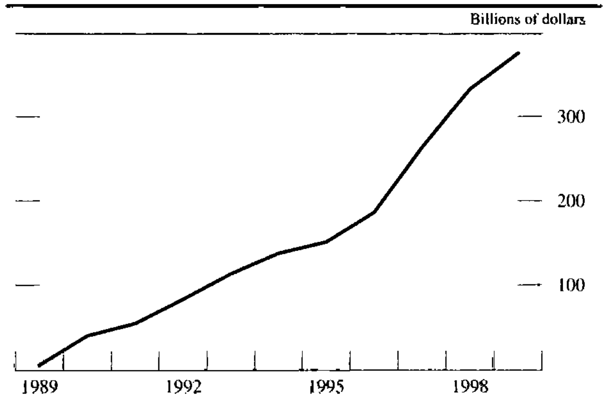
16. For historical perspective on the net interest margin, see Antulio N. Bomfim and William R. Nelson, "Profits and Balance Sheet Developments at U.S. Commercial Banks in 1998," *Federal Reserve Bulletin*, vol. 85 (June 1999), p. 379.

19. Noninterest income and its components as a share of total revenue, 1985–99



NOTE. Components of "other noninterest income" were first included in the March 1991 Call Report.

20. Off-balance-sheet securities lent, 1989–99



points last year, to 3.5 percent, ending the string of declines that began in 1994. At the next largest 90 banks, the net interest margin edged up 2 basis points.

Noninterest Income and Expense

Contributing importantly to the industry's record profitability, noninterest income rose 25 basis points as a percent of assets last year—the largest annual gain on record—and increased nearly 2.5 percentage points as a share of revenue. At the end of 1999, noninterest income accounted for 43 percent of commercial banks' total revenue, up 10 percentage points over the past decade (chart 19, top).

The surge in noninterest income last year was concentrated in trading income (chart 19, middle) and in the "nondeposit fee income" component of other noninterest income (chart 19, bottom), both categories reflecting activities of large banks. Nondeposit fee income, which jumped 1.6 percentage points as a share of revenue last year, includes credit card fees, mortgage servicing and refinancing fees, fees from the sale and servicing of mutual funds and annuities, ATM surcharges, and fee income from securitized loans and securities lending.

Although no data on the individual elements of nondeposit fee income are available, the increase last year probably reflected, in part, the continued growth in the share of bank loans, especially consumer loans that are securitized. In addition, the rapid growth of securities lending over the past decade (chart 20), spurred on by the desire to increase earnings on assets held in trust, has also likely contributed to the increase in nondeposit fees.[17] The major negative element in nondeposit fee income was probably the plunge in mortgage refinancing activity, for which banks collect processing fees.

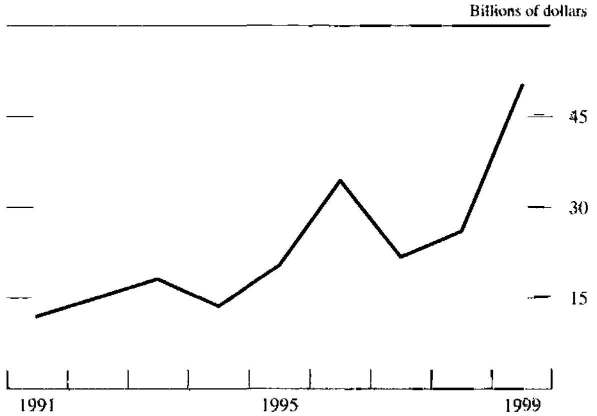
Trading income as a share of revenue grew a sharp ½ percentage point, finishing the year above 3 percent for the first time since 1993 (chart 19). The jump in trading revenue was driven by a five-fold increase in income earned on equity, commodity, and other exposures (table 4). Revenue from equity exposures

17. Banks lend securities on behalf of their trust customers, typically pension funds and some other large institutional investors, to increase earnings on assets held in trust. In the case of most transactions, banks receive cash as collateral, which, in turn, they invest. The trust benefits both from the interest earned on the invested cash collateral and from the excess of cash collateral received over the value of the securities lent. The bank benefits from the fees it earns.

4. Trading revenue at all U.S. banks, by type of exposure, 1995–99
Millions of dollars

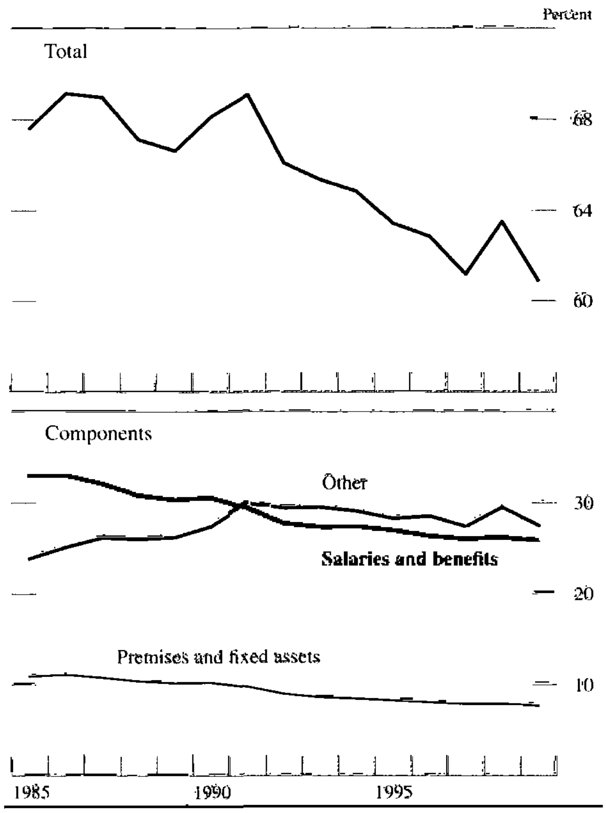
Year	Total	Interest rate	Foreign exchange	Equity, commodity, and other
1995	6,337	3,012	2,491	635
1996	7,526	4,112	2,689	725
1997	8,020	3,995	3,951	72
1998	7,994	2,469	5,170	355
1999	10,486	3,846	4,813	1,825

21. Dollar volume of initial public offerings, 1991–99



SOURCE. Securities Data Company.

22. Noninterest expense as a proportion of revenue, 1985–99



soared more than 300 percent during 1999, and trading income earned on interest rate exposures shot up 56 percent. Trading income earned on foreign exchange exposures remained robust last year, although it declined about 7 percent from the very high level posted in 1998.

The nonfee component of other noninterest income advanced nearly 40 basis points as a share of revenue last year. This category includes income from professional services, such as those provided for holding company affiliates; gains on the sale of assets other than securities, such as loans and bank branches; and income from venture capital activities. Gains on the venture capital activities of banks' small business investment subsidiaries are also booked in this category. The record dollar amount of IPOs last year suggests that this category contributed importantly to the growth of the nonfee component (chart 21). Both deposit fees and fiduciary income as a share of revenue edged down about 5 basis points last year, although fiduciary income remained at an elevated level relative to historical norms.

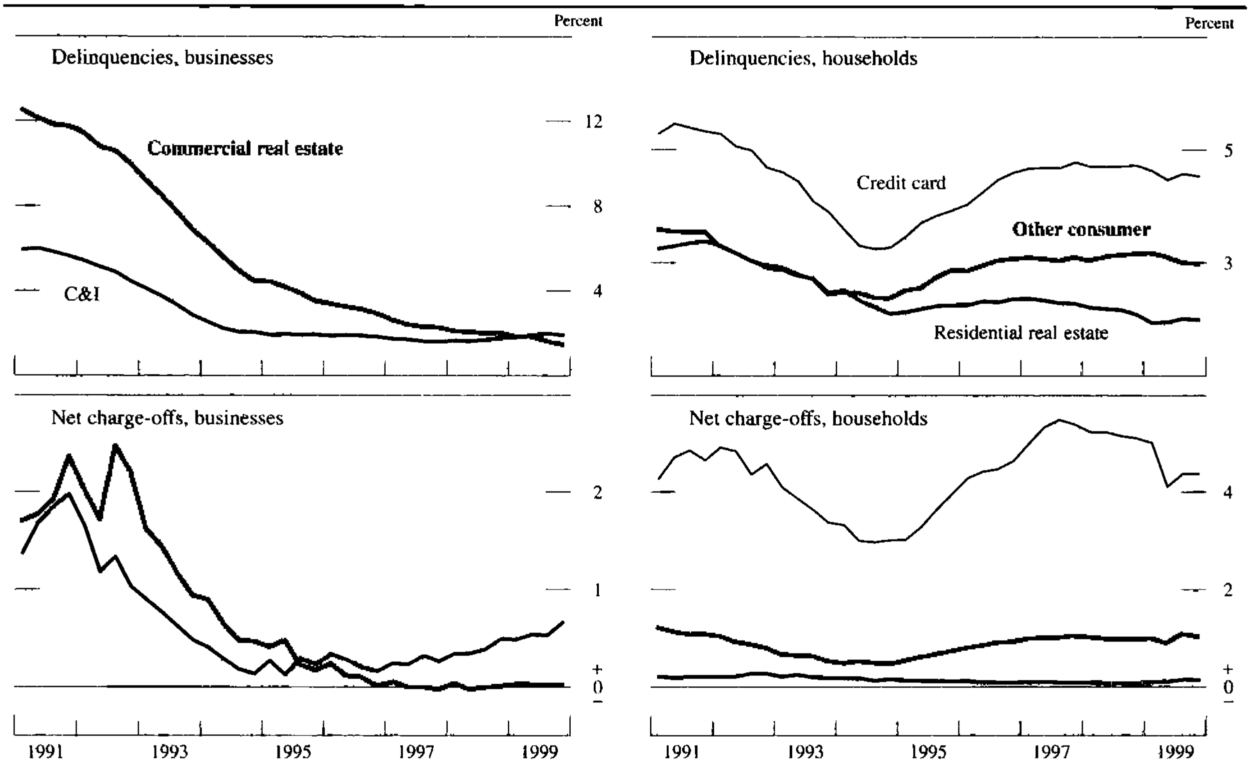
Noninterest expense as a share of revenue dropped 2.5 percentage points last year after having spiked up in 1998 (chart 22, top). The 1998 spike was produced by growth of nearly 18 percent in the broad "other noninterest expense" category (chart 22, bottom), which accounts for nearly half of total noninterest expense and includes charges for mergers and restructuring and for data processing services. As noted, merger activity was much higher in 1998 than 1999, and the slowdown in that activity probably caused the deceleration in the growth rate of other noninterest expense to just 3 percent and the decline in noninterest expense as a whole. Charges for computer services were likely high in both 1998 and 1999, given the effort to ensure computer system readiness for the century date change.

The growth of noninterest expense was also damped by slowdowns in the industry's growth of wages and occupancy costs last year, both of which retreated significantly from the 10 percent pace they each posted in 1998. The rise in labor costs was restrained in part because employment, which had advanced 4.3 percent in 1998, rose less than 3 percent last year, perhaps because of the high level of industry mergers and acquisitions in recent years. With revenue growing faster than employment, revenue per employee increased 7.3 percent, more than offsetting the 5.5 percent rise in employment costs per employee. The decline in the growth of occupancy costs last year may also have reflected mergers and acquisitions (which can reduce the need for office space) and a significant slowdown in the rise of office rents.

Loan Performance and Loss Provisioning

Profitability last year was supported by good overall loan performance, as most indicators of asset quality showed few signs of deterioration. Reflecting the

23. Delinquency and charge-off rates for loans to businesses and households, by type of loan, 1991–99



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

strong market for office and commercial space, delinquency and charge-off rates on commercial mortgages remained at very low levels last year (chart 23, left). The delinquency and charge-off rates on C&I loans both rose last year but remained fairly low by historical standards.

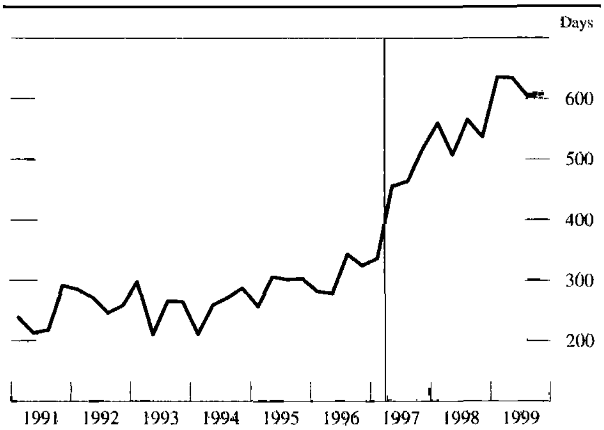
The pickup in C&I charge-offs was driven entirely by an increase in loss rates on C&I loans booked at domestic offices. Evidence from a recent BLPS indicates that problem C&I loans at domestic commercial banks have been largely confined to specific industries, particularly health care. The charge-off rate on C&I loans booked abroad, which accounted for about 18 percent of all C&I loans last year, held steady in the elevated range posted in the aftermath of financial turmoil in the second half of 1998. Delinquencies and charge-off rates on agricultural production loans also rose early last year, likely because of low prices for agricultural products and increases in production costs.

The ratio of charge-offs to delinquencies on C&I loans increased for the second consecutive year in 1999 and now stands in the range comparable to that of the 1990–91 recession. In addition to the concentration of C&I loans in certain troubled industries, such as health care, a factor boosting delinquency and charge-off rates may be the "seasoning"—the increase in the age—of outstanding C&I loans. The longer a loan remains in a portfolio, the greater the probability of its delinquency and default.

Two factors may be contributing to the seasoning of banks' C&I loan portfolio. The first is the slowing in the growth of business loan originations, from 12 percent in 1997 and 1998 to 8 percent last year. When loan growth decelerates, the resulting reduction in the share of new loans in the portfolio can raise the average delinquency rate in the short run; the opposite effect occurs when loan growth accelerates. Second, according to the STBL, the average maturity of C&I loan originations has risen significantly over the past several years (chart 24). An increase in the maturity of loan originations would eventually raise the average age of outstanding loans in the portfolio.

The quality of household loans improved last year, but the overall picture remains mixed. The delinquency rate on credit card loans, while declining 10 basis points, remained on the high side of historical norms. The net charge-off rate on credit card loans declined for the second consecutive year, but

24. Average maturity of new C&I loans, 1991–99



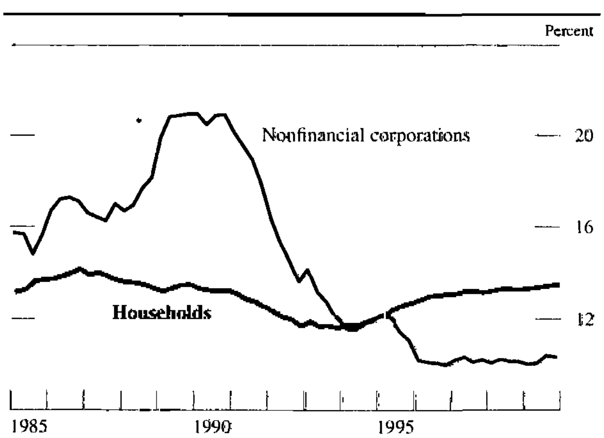
NOTE. Vertical line denotes change in composition of survey panel after the first quarter of 1997.

SOURCE. Federal Reserve Board, Statistical Release E.2, "Survey of Terms of Business Lending."

it too remained at an elevated level. A similar picture is presented by delinquency and charge-off rates on other consumer loans. By contrast, the delinquency rate on single-family home mortgages fell 20 basis points, to below 2 percent, an exceptionally low level, while the charge-off rate was essentially unchanged, also at a low level (chart 23, right).

Despite the slight deterioration in the quality of the C&I loan portfolio, the financial condition of the nonfinancial business sector remained generally positive. The aggregate debt-service burden for nonfinancial corporations—measured by the ratio of net interest payments to cash flow—increased somewhat in 1999 but stayed in a low range relative to historical levels (chart 25).

25. Debt burden of businesses and households, 1985–99



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

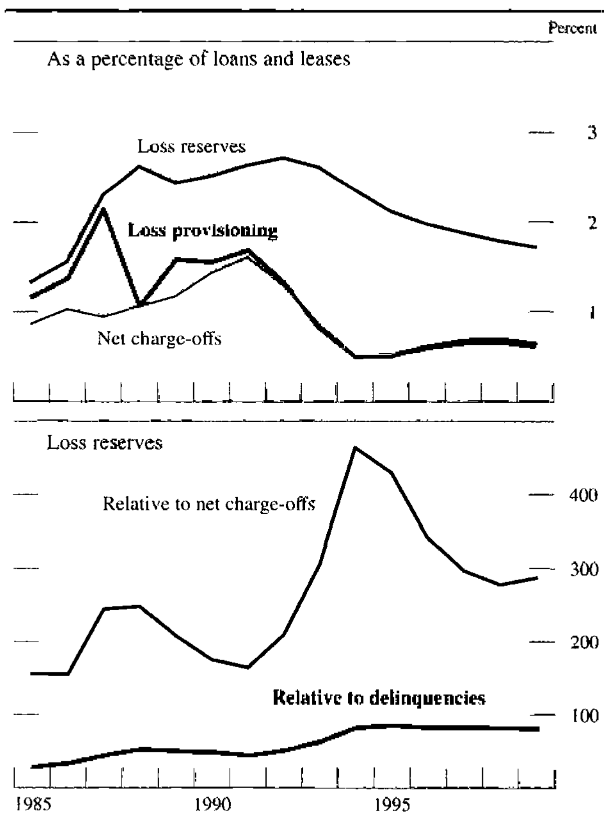
SOURCE. National income and product accounts and the Federal Reserve System.

On the household side, debt burden, as measured by the sum of interest payments and required principal payments as a fraction of disposable income, increased last year and moved closer to the high levels of the middle and late 1980s (chart 25). On a positive note, the number of personal bankruptcies filed last year retreated significantly from the record level posted at the end of 1998.

The exceptional strength of the economy in 1999 clearly contributed to the continued favorable trend in overall loan performance. However, a slowdown in income carries with it the prospect of greater loan losses. As has been the case for several years, loan loss provisioning last year was only a bit above loan charge-offs.

Given the robust growth in loans, reserves for loan and lease losses as a percentage of loans and leases continued their downward trend. At the end of last year, the fraction stood at about 1.8 percent (chart 26, top), more than 40 basis points below the average level of the past fifteen years. Relative to delinquent loans, however, loan-loss reserves remained elevated, although the ratio declined slightly last year

26. Reserves, provisioning, and charge-offs for loan and lease losses, 1985–99



NOTE. For definitions of delinquencies and net charge-offs, see note to chart 23.

5. Exposure of selected U.S. banking organizations to selected economies at year-end, relative to tier 1 capital, 1997–99
Percent except as noted

Region or country	All reporting			Money center and other large banks			Other			MEMO: Total exposure, all reporting banks (billions of dollars)		
	1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999
Selected Asian countries[1]	27.11	15.49	14.37	43.76	24.02	20.73	3.90	2.08	1.75	55.24	37.87	37.45
Eastern Europe and Russia												
All	5.84	3.49	2.85	9.97	5.61	4.25	.14	.16	.08	11.91	8.53	7.43
Russia	3.02	.43	.37	5.15	.68	.55	.08	.00	.01	6.16	1.05	.95
Latin America												
All	49.92	42.93	39.00	78.78	64.20	53.90	9.54	9.51	9.41	101.73	104.96	101.63
Brazil	16.39	11.27	10.49	26.28	17.04	14.53	2.59	.00	2.47	33.40	27.55	27.34
Total	**82.87**	**61.90**	**56.22**	**132.51**	**93.83**	**78.88**	**13.57**	**11.75**	**11.24**	**168.89**	**151.36**	**146.51**

NOTE. Tier 1 capital for 1997 is estimated; for definition of tier 1 capital, see text note 13. Exposures consist of lending and derivatives exposures for cross-border and local-office operations. Respondents may file information on one bank or on the bank holding company as a whole.

At year-end 1999, "all reporting" banks consisted of 104 institutions with a total of $261 billion in tier 1 capital; of these institutions, 6 were money center banks ($133 billion in tier 1 capital), 5 were "other large" banks ($40 billion), and the remaining 93 were "other" banks ($87 billion). The average "other" bank at year-end 1999 had $13 billion in assets.

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

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

(chart 26, bottom); relative to net charge-offs, loan-loss reserves posted their first increase since 1994 and are now near the middle of their historical range. The firming in the ratio of reserves to net charge-offs last year owes much to the decline in charge-offs on consumer loans.

INTERNATIONAL OPERATIONS OF U.S. BANKS

The share of U.S. bank assets booked at foreign offices ticked down a bit in 1999, to 13 percent, after having fallen 2 percentage points in 1998 because of jitters surrounding many developing economies.[18] Strong income from foreign operations during the first quarter of 1999 helped boost the share of income attributable to such operations to 9.75 percent last year, up from 8.5 percent in the previous year. The rise in income was almost entirely attributable to a rebound in noninterest income, which in turn had been depressed in 1998 by the large trading losses that stemmed from the Russian default.

The exposure of U.S. commercial banks to Russia and to Eastern European, Latin American, and selected Asian economies slipped in 1999 after having fallen about 10 percent from year-end 1997 to year-end 1998 (table 5). On a percentage basis, banks cut their exposure to Eastern Europe and Russia by the largest amount last year; however, their total exposure to this area remained small—only 2.85 per cent of tier 1 capital at the end of 1999. The exposure of money center and other large banks to Latin America declined more than 10 percentage points, even as Moody's upgraded Mexico's sovereign debt to investment grade and the Brazilian economy rebounded after shaking off the effects of the devaluation of the *real* in January 1999.

18. For additional details on the international operations of U.S. banks, see English and Nelson, "Profits and Balance Sheet Developments at U.S. Commercial Banks in 1997," p. 406.

RECENT DEVELOPMENTS

By the end of April 2000, the intended level of the federal funds rate had increased 50 basis points from its level at the end of 1999; the economy, however, appeared to be sustaining its momentum. The banking industry remained healthy, with high profits, good loan performance, and strong demand for credit. Many large bank holding companies, especially those with large securities underwriting and trading operations, reported higher than expected profits during the first three months of 2000. Core loan categories have continued to grow rapidly, while investments in securities have picked up a bit.

Bank holding company stocks, particularly those of money center banks, benefited briefly in late March from a swing by investors away from the technology sector to the so-called "old economy" stocks. By the end of April, however, the stock prices of money center bank holding companies were down 3.6 percent from year-end 1999, and those of regional banks were about 5 percent lower. Both had slightly underperformed the broader market, as measured by the S&P 500.

A new era in the financial services industry officially arrived when the Gramm–Leach–Bliley Act became effective on March 11. Shortly thereafter, the Federal Reserve Board announced that it had approved the applications of 117 bank holding companies and foreign banking concerns that had filed to become financial holding companies under the new law. These new entities will be allowed to merge with insurance companies and investment banks as well as to engage in numerous other previously restricted lines of business, most notably merchant banking. □

A.1. Report of income, all U.S. banks, 1990–99
Millions of dollars

Item	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Gross interest income	320,404	290,692	256,415	244,742	257,064	302,376	313,115	338,230	359,166	367,203
Taxable equivalent	324,054	293,879	259,394	247,620	259,821	305,010	315,575	340,664	361,629	369,840
Loans	238,829	215,019	185,938	178,425	189,762	227,218	239,307	255,504	270,942	279,321
Securities	51,031	52,769	51,825	48,678	48,299	51,030	50,601	52,662	56,597	62,389
Gross federal funds sold and reverse repurchase agreements	12,571	9,149	5,913	4,796	6,415	9,744	9,265	13,658	14,997	12,333
Other	17,971	13,757	12,739	12,843	12,587	14,382	13,944	16,407	16,627	13,160
Gross interest expense	204,949	168,492	122,517	105,615	110,849	147,958	150,045	164,516	177,990	175,341
Deposits	161,483	139,431	98,809	79,503	79,106	105,329	107,465	117,351	125,208	119,964
Gross federal funds purchased and repurchase agreements	22,778	14,439	9,263	8,442	12,476	18,424	16,775	20,440	22,182	21,203
Other	20,687	14,623	14,441	17,669	19,269	24,204	25,806	26,724	30,599	34,174
Net interest income	115,455	122,200	133,898	139,127	146,215	154,418	163,070	173,714	181,176	191,862
Taxable equivalent	119,105	125,387	136,877	142,005	148,972	157,052	165,530	176,148	183,639	194,499
Loss provisioning[1]	32,282	34,871	26,813	16,841	10,993	12,631	16,206	19,173	21,197	21,054
Noninterest income	55,684	61,124	67,044	75,847	77,223	83,851	95,278	105,775	123,779	144,586
Service charges on deposits	11,446	12,884	14,126	14,898	15,281	16,057	17,042	18,558	19,770	21,589
Income from fiduciary activities	8,886	9,499	10,452	11,199	12,124	12,890	14,288	16,604	19,272	21,136
Trading income	4,854	5,954	6,273	9,238	6,249	6,337	7,526	8,020	7,994	10,486
Other	30,497	32,785	36,193	40,513	43,572	48,567	56,421	62,593	76,746	91,374
Noninterest expense	116,606	126,665	132,815	140,523	144,905	151,137	162,399	170,995	193,679	204,958
Salaries, wages, and employee benefits	52,111	53,810	55,484	58,507	60,904	64,013	67,775	72,347	79,505	86,399
Expenses of premises and fixed assets	17,547	17,984	18,152	18,578	18,978	19,760	20,883	22,082	24,158	25,943
Other	46,948	54,871	59,181	63,439	65,023	67,363	73,741	76,567	90,018	92,616
Net noninterest expense	60,922	65,541	65,771	64,676	67,682	67,286	67,121	65,220	69,900	60,372
Realized gains on investment account securities	474	2,897	3,957	3,054	–560	481	1,123	1,826	3,087	251
Income before taxes and extraordinary items	22,725	24,684	45,273	60,662	66,989	74,980	80,864	91,146	92,881	110,689
Taxes	7,749	8,292	14,450	19,861	22,430	26,222	28,430	31,989	31,909	39,410
Extraordinary items	650	1,198	401	2,085	–17	28	88	56	506	169
Net income	**15,626**	**17,590**	**31,224**	**42,886**	**44,542**	**48,785**	**52,521**	**59,212**	**61,478**	**71,447**
Cash dividends declared	13,965	15,562	14,226	22,068	28,164	31,105	39,391	42,726	41,304	52,123
Retained income	1,661	2,028	16,997	20,816	16,377	17,681	13,131	16,486	20,174	19,324

1. Includes provisions for loan and lease losses and for allocated transfer risk.

Table A.2 begins on page 386.

A.2. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1990–99
A. All banks

Item	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Balance sheet items as a percentage of average net consolidated assets									
Interest-earning assets	87.82	88.04	88.33	88.50	86.55	86.47	86.80	86.58	86.26	86.55
Loans and leases, net	60.53	59.55	57.30	56.25	56.07	58.37	59.89	58.69	58.33	59.36
Commercial and industrial	18.50	17.33	15.78	14.88	14.51	15.20	15.60	15.78	16.38	17.09
U.S. addressees	15.99	15.00	13.54	12.72	12.35	12.87	13.07	13.18	13.62	14.43
Foreign addressees	2.51	2.33	2.24	2.16	2.16	2.33	2.53	2.60	2.75	2.66
Consumer	11.77	11.45	11.00	11.00	11.43	12.08	12.21	11.44	10.36	9.71
Credit card	3.78	3.88	3.80	3.88	4.21	4.69	4.87	4.55	3.96	3.51
Installment and other	7.99	7.57	7.20	7.11	7.22	7.39	7.34	6.89	6.39	6.20
Real estate	23.86	24.87	24.87	24.80	24.43	25.01	25.06	25.02	24.87	25.44
In domestic offices	23.10	24.11	24.18	24.18	23.80	24.36	24.43	24.41	24.30	24.87
Construction and land development	4.00	3.41	2.64	1.99	1.65	1.59	1.63	1.73	1.86	2.18
Farmland	.51	.53	.56	.57	.56	.56	.56	.55	.55	.56
One- to four-family residential	11.21	12.27	12.91	13.49	13.74	14.42	14.43	14.42	14.26	14.10
Home equity	1.67	1.95	2.09	2.07	1.91	1.88	1.85	1.94	1.89	1.76
Other	9.54	10.32	10.83	11.42	11.84	12.54	12.57	12.48	12.37	12.33
Multifamily residential	.62	.66	.75	.79	.79	.81	.85	.83	.82	.88
Nonfarm nonresidential	6.76	7.23	7.32	7.33	7.07	6.97	6.96	6.88	6.81	7.15
In foreign offices	.76	.76	.69	.62	.63	.65	.63	.61	.57	.57
Depository institutions	1.60	1.42	1.24	1.08	1.42	1.88	2.29	1.89	1.88	1.94
Foreign governments	.78	.75	.73	.67	.41	.30	.26	.18	.15	.16
Agricultural production	.96	1.01	1.02	.99	1.00	.96	.92	.90	.89	.83
Other loans	3.93	3.60	3.50	3.56	3.34	3.15	3.36	2.84	2.81	2.76
Lease-financing receivables	1.12	1.09	1.03	.99	1.03	1.19	1.51	1.87	2.14	2.53
LESS: Unearned income on loans	−.42	−.36	−.28	−.21	−.16	−.14	−.12	−.09	−.07	−.06
LESS: Loss reserves[1]	−1.57	−1.62	−1.60	−1.51	−1.36	−1.26	−1.21	−1.13	−1.07	−1.04
Securities	19.09	20.70	23.52	25.37	24.27	21.94	21.01	20.41	20.38	20.39
Investment account	17.63	18.93	21.18	22.50	21.60	19.39	18.20	17.25	17.49	18.33
Debt	17.37	18.62	20.82	22.12	21.21	18.98	17.75	16.75	16.94	17.73
U.S. Treasury	4.57	5.06	6.49	7.08	6.77	5.25	4.20	3.38	2.71	2.14
U.S. government agency and corporation obligations	7.56	8.75	9.86	10.73	10.24	9.81	9.75	9.74	10.29	10.85
Government-backed mortgage pools	4.08	4.51	4.52	4.74	4.67	4.47	4.80	4.94	5.17	5.23
Collateralized mortgage obligations	1.25	2.07	3.12	3.72	3.24	2.67	2.11	1.94	2.13	2.15
Other	2.22	2.16	2.21	2.27	2.33	2.68	2.83	2.86	2.99	3.46
State and local government	2.64	2.28	2.08	2.06	2.02	1.80	1.68	1.59	1.57	1.62
Private mortgage-backed securities	n.a.	.94	.82	.73	.64	.62	.61	.50	.67	.88
Other	2.59	1.59	1.58	1.52	1.54	1.49	1.51	1.54	1.71	2.24
Equity	.27	.31	.37	.38	.39	.41	.45	.50	.55	.61
Trading account	1.46	1.77	2.34	2.87	2.67	2.55	2.81	3.16	2.90	2.06
Gross federal funds sold and reverse RPs	4.46	4.58	4.54	4.27	3.82	3.93	3.82	5.18	5.37	4.61
Interest-bearing balances at depositories	3.75	3.21	2.97	2.62	2.40	2.23	2.08	2.29	2.17	2.18
Non-interest-earning assets	12.18	11.96	11.67	11.50	13.45	13.53	13.20	13.42	13.74	13.45
Revaluation gains on off-balance-sheet items[2]	n.a.	n.a.	n.a.	n.a.	2.61	2.90	2.25	2.59	2.95	2.57
Other	12.18	11.96	11.67	11.50	10.84	10.62	10.95	10.83	10.79	10.89
Liabilities	93.60	93.33	92.82	92.15	92.12	91.99	91.73	91.57	91.51	91.51
Interest-bearing liabilities	76.53	76.58	75.32	73.92	71.86	71.86	71.62	71.36	71.33	72.52
Deposits	63.44	64.45	62.94	60.26	57.34	56.30	55.87	55.01	54.66	54.80
In foreign offices	9.26	8.55	8.37	8.32	9.39	10.28	10.01	10.02	10.15	10.46
In domestic offices	54.18	55.90	54.56	51.94	47.96	46.03	45.86	44.99	44.51	44.34
Other checkable deposits	6.19	6.72	7.65	8.24	7.80	6.63	4.75	3.62	3.11	2.81
Savings (including MMDAs)	16.59	18.00	20.28	20.91	19.60	17.48	18.71	19.13	19.91	21.00
Small-denomination time deposits	19.96	21.30	19.21	16.98	15.33	16.14	15.97	15.17	14.15	13.10
Large-denomination time deposits	11.44	9.89	7.42	5.81	5.23	5.77	6.42	7.08	7.34	7.42
Gross federal funds purchased and RPs	8.03	7.09	7.02	7.47	7.60	7.71	7.18	8.13	7.99	7.97
Other	5.07	5.03	5.36	6.19	6.92	7.85	8.56	8.21	8.68	9.75
Non-interest-bearing liabilities	17.07	16.75	17.50	18.23	20.26	20.13	20.11	20.21	20.18	18.99
Demand deposits in domestic offices	12.79	12.59	13.24	13.86	13.49	12.68	12.82	12.16	11.00	9.78
Revaluation losses on off-balance-sheet items[2]	n.a.	n.a.	n.a.	n.a.	2.32	2.88	2.14	2.64	2.97	2.52
Other	4.27	4.16	4.27	4.37	4.45	4.57	5.14	5.41	6.21	6.70
Capital account	6.40	6.67	7.18	7.85	7.88	8.01	8.27	8.43	8.49	8.49
MEMO										
Commercial real estate loans	n.a.	12.02	11.34	10.63	9.94	9.83	9.92	9.99	10.12	10.87
Other real estate owned	.50	.75	.82	.63	.36	.19	.14	.11	.08	.06
Managed liabilities	34.31	31.05	28.70	28.28	29.61	32.08	32.73	34.09	34.94	36.58
Average net consolidated assets (billions of dollars)	3,338	3,379	3,442	3,566	3,863	4,148	4,376	4,733	5,144	5,438

A.2.—Continued

A. All banks

Item	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Effective interest rate (percent)[3]									
Rates earned										
Interest-earning assets	10.67	9.57	8.27	7.61	7.61	8.33	8.14	8.15	7.99	7.73
Taxable equivalent	10.80	9.69	8.37	7.71	7.70	8.41	8.21	8.22	8.06	7.79
Loans and leases, gross	11.49	10.40	9.20	8.69	8.62	9.25	8.99	9.01	8.84	8.50
Net of loss provisions	9.94	8.72	7.87	7.87	8.12	8.74	8.39	8.34	8.15	7.86
Securities	8.79	8.19	7.04	6.08	5.96	6.51	6.42	6.50	6.37	6.28
Taxable equivalent	9.21	8.56	7.34	6.36	6.20	6.73	6.66	6.73	6.63	6.48
Investment account	8.67	8.25	7.11	6.07	5.79	6.35	6.35	6.45	6.29	6.26
U.S. government and other debt	8.92	8.43	7.18	6.07	5.80	6.42	6.47	6.60	6.45	6.42
State and local	7.39	7.25	6.81	6.25	5.87	5.82	5.55	5.41	5.23	5.13
Equity	7.34	6.20	5.32	4.79	4.79	5.51	5.23	5.15	4.92	4.87
Trading account	10.15	7.54	6.40	6.16	7.41	7.73	6.86	6.75	6.85	6.48
Gross federal funds sold and reverse RPs	8.08	5.69	3.58	3.04	4.26	5.63	5.21	5.45	5.29	4.78
Interest-bearing balances at depositories	9.96	8.44	7.31	6.61	5.71	6.84	6.21	6.24	6.31	5.95
Rates paid										
Interest-bearing liabilities	8.04	6.55	4.75	4.01	4.01	4.99	4.82	4.92	4.88	4.48
Interest-bearing deposits	7.57	6.34	4.51	3.65	3.53	4.47	4.33	4.39	4.31	3.88
In foreign offices	10.71	8.54	7.32	6.82	5.59	6.12	5.54	5.44	5.66	4.91
In domestic offices	7.02	6.00	4.07	3.14	3.14	4.11	4.07	4.16	4.01	3.65
Other checkable deposits	4.79	4.34	2.70	1.99	1.85	2.06	2.03	2.25	2.29	2.08
Savings (including MMDAs)	5.99	5.11	3.25	2.50	2.58	3.19	2.99	2.93	2.79	2.50
Large-denomination time deposits[4]	8.03	6.69	4.90	4.00	4.09	5.47	5.39	5.45	5.22	4.93
Small-denomination time deposits[4]	7.97	6.93	5.15	4.19	4.17	5.44	5.40	5.54	5.48	5.11
Gross federal funds purchased and RPs	7.97	5.76	3.64	3.07	4.18	5.65	5.12	5.17	5.19	4.74
Other interest-bearing liabilities	12.26	8.65	7.87	8.02	7.25	7.47	6.93	6.95	6.89	6.49
	Income and expense as a percentage of average net consolidated assets									
Gross interest income	9.60	8.60	7.45	6.86	6.65	7.29	7.16	7.15	6.98	6.75
Taxable equivalent	9.71	8.70	7.54	6.94	6.73	7.35	7.21	7.20	7.03	6.80
Loans	7.15	6.36	5.40	5.00	4.91	5.48	5.47	5.40	5.27	5.14
Securities	1.53	1.56	1.51	1.37	1.25	1.23	1.16	1.11	1.10	1.15
Gross federal funds sold and reverse RPs	.38	.27	.17	.13	.17	.23	.21	.29	.29	.23
Other	.54	.41	.37	.36	.33	.35	.32	.35	.32	.24
Gross interest expense	6.14	4.99	3.56	2.96	2.87	3.57	3.43	3.48	3.46	3.22
Deposits	4.84	4.13	2.87	2.23	2.05	2.54	2.46	2.48	2.43	2.21
Gross federal funds purchased and RPs	.68	.43	.27	.24	.32	.44	.38	.43	.43	.39
Other	.62	.43	.42	.50	.50	.58	.59	.56	.59	.63
Net interest income	3.46	3.62	3.89	3.90	3.78	3.72	3.73	3.67	3.52	3.53
Taxable equivalent	3.57	3.71	3.98	3.98	3.86	3.79	3.78	3.72	3.57	3.58
Loss provisioning[5]	.97	1.03	.78	.47	.28	.30	.37	.41	.41	.39
Noninterest income	1.67	1.81	1.95	2.13	2.00	2.02	2.18	2.23	2.41	2.66
Service charges on deposits	.34	.38	.41	.42	.40	.39	.39	.39	.38	.40
Income from fiduciary activities	.27	.28	.30	.31	.31	.31	.33	.35	.37	.39
Trading income	.15	.18	.18	.26	.16	.15	.17	.17	.16	.19
Interest rate exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.09	.08	.05	.07
Foreign exchange exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.06	.08	.10	.09
Equity, commodity, and other exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.02	*	.01	.03
Other	.91	.97	1.05	1.14	1.13	1.17	1.29	1.32	1.49	1.68
Noninterest expense	3.49	3.75	3.86	3.94	3.75	3.64	3.71	3.61	3.77	3.77
Salaries, wages, and employee benefits	1.56	1.59	1.61	1.64	1.58	1.54	1.55	1.53	1.55	1.59
Expenses of premises and fixed assets	.53	.53	.53	.52	.49	.48	.48	.47	.47	.48
Other	1.41	1.62	1.72	1.78	1.68	1.62	1.69	1.62	1.75	1.70
Net noninterest expense	1.83	1.94	1.91	1.81	1.75	1.62	1.53	1.38	1.36	1.11
Realized gains on investment account securities	.01	.09	.11	.09	-.01	.01	.03	.04	.06	*
Income before taxes and extraordinary items	.68	.73	1.32	1.70	1.73	1.81	1.85	1.93	1.81	2.04
Taxes	.23	.25	.42	.56	.58	.63	.65	.68	.62	.72
Extraordinary items	.02	.04	.01	.06	*	*	*	*	.01	*
Net income (return on assets)	.47	.52	.91	1.20	1.15	1.18	1.20	1.25	1.20	1.31
Cash dividends declared	.42	.46	.41	.62	.73	.75	.90	.90	.80	.96
Retained income	.05	.06	.49	.58	.42	.43	.30	.35	.39	.36
MEMO: Return on equity	7.31	7.80	12.64	15.32	14.63	14.69	14.52	14.84	14.07	15.48

* In absolute value, less than 0.005 percent.

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

1. Includes the allowance for loan and lease losses and the allocated transfer risk reserve.
2. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities" if a gain and "other non-interest-bearing liabilities" if a loss.
3. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.
4. Before 1997, data for large time open accounts are included in small-denomination time deposits.
5. Includes provisions for loan and lease losses and for allocated transfer risk.

A.2. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1990–99

B. Ten largest banks by assets

Item	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Balance sheet items as a percentage of average net consolidated assets									
Interest-earning assets	84.85	85.41	85.16	84.79	76.97	77.02	79.94	81.62	81.07	81.29
Loans and leases, net	61.69	62.14	58.34	55.57	49.91	50.05	53.51	50.91	50.77	53.38
Commercial and industrial	22.91	22.42	20.32	18.65	16.43	16.16	17.17	16.90	18.07	19.24
U.S. addressees	13.39	13.44	12.00	10.75	9.16	8.66	9.59	10.24	11.76	13.14
Foreign addressees	9.53	8.97	8.32	7.90	7.27	7.50	7.59	6.66	6.31	6.10
Consumer	6.87	7.20	7.31	7.33	6.59	6.60	6.22	6.40	6.04	5.94
Credit card	2.20	2.53	2.61	2.50	2.28	1.96	1.23	1.34	1.30	1.36
Installment and other	4.67	4.67	4.70	4.83	4.31	4.65	4.99	5.06	4.74	4.58
Real estate	20.56	21.68	19.93	18.54	16.21	15.82	16.53	17.42	16.51	16.96
In domestic offices	17.36	18.37	17.07	15.99	13.80	13.48	14.44	15.69	15.08	15.55
Construction and land development	3.79	3.42	2.48	1.59	.84	.58	.51	.68	.77	.90
Farmland	.08	.08	.07	.07	.06	.06	.06	.09	.09	.10
One- to four-family residential	9.31	10.34	10.08	10.29	9.69	9.62	10.43	11.02	10.33	10.77
Home equity	1.31	1.63	1.63	1.60	1.40	1.40	1.53	1.70	1.72	1.54
Other	8.00	8.71	8.46	8.68	8.29	8.22	8.90	9.31	8.61	9.22
Multifamily residential	.68	.57	.58	.53	.41	.38	.38	.39	.38	.43
Nonfarm nonresidential	3.51	3.95	3.86	3.51	2.79	2.83	3.05	3.52	3.51	3.35
In foreign offices	3.20	3.32	2.85	2.55	2.41	2.35	2.09	1.73	1.43	1.41
Depository institutions	3.64	3.05	2.56	2.35	3.37	4.95	6.06	4.14	4.00	4.30
Foreign governments	2.76	2.88	2.75	2.46	1.27	.90	.69	.45	.35	.38
Agricultural production	.31	.31	.28	.27	.25	.21	.23	.31	.28	.26
Other loans	6.05	5.61	6.05	6.82	6.44	5.85	6.42	4.21	3.79	3.97
Lease-financing receivables	1.60	1.68	1.51	1.30	1.14	1.14	1.59	2.24	2.81	3.41
LESS: Unearned income on loans	−.39	−.35	−.27	−.21	−.16	−.14	−.11	−.07	−.06	−.05
LESS: Loss reserves[1]	−2.63	−2.34	−2.08	−1.94	−1.63	−1.45	−1.30	−1.08	−1.01	−1.03
Securities	14.03	15.58	19.13	22.74	20.43	19.53	19.83	20.00	19.72	18.34
Investment account	9.22	9.38	10.70	12.45	11.68	10.65	10.60	10.97	12.12	13.08
Debt	8.98	9.08	10.36	12.08	11.30	10.27	10.22	10.55	11.65	12.57
U.S. Treasury	1.09	1.35	2.30	2.39	2.17	2.03	1.93	1.56	1.70	1.98
U.S. government agency and corporation obligations	2.91	3.46	4.45	6.14	5.16	4.46	4.59	5.34	6.31	6.35
Government-backed mortgage pools	2.24	2.26	2.43	3.30	2.79	2.89	3.58	4.26	5.13	5.03
Collateralized mortgage obligations	.54	1.12	1.97	2.76	2.31	1.50	.95	.93	.93	.79
Other	.14	.08	.05	.08	.06	.08	.06	.15	.26	.52
State and local government	1.08	.77	.66	.59	.60	.49	.39	.51	.47	.45
Private mortgage-backed securities	n.a.	.48	.33	.38	.43	.32	.30	.32	.60	.57
Other	3.90	3.01	2.62	2.59	2.94	2.97	3.01	2.81	2.57	3.22
Equity	.24	.30	.33	.36	.38	.38	.38	.42	.47	.51
Trading account	4.81	6.19	8.43	10.30	8.74	8.88	9.23	9.03	7.60	5.25
Gross federal funds sold and reverse RPs	2.88	2.96	3.23	2.71	2.68	3.20	3.10	7.56	7.81	6.64
Interest-bearing balances at depositories	6.25	4.74	4.45	3.76	3.95	4.25	3.50	3.15	2.77	2.94
Non-interest-earning assets	15.15	14.59	14.84	15.21	23.03	22.98	20.06	18.38	18.93	18.71
Revaluation gains on off-balance-sheet items[2]	n.a.	n.a.	n.a.	n.a.	9.89	10.77	7.63	7.36	7.61	6.66
Other	15.15	14.59	14.84	15.21	13.14	12.21	12.43	11.02	11.32	12.05
Liabilities	95.29	94.97	94.44	93.24	93.42	93.59	93.04	92.61	92.58	92.28
Interest-bearing liabilities	73.97	74.62	73.08	71.56	64.33	63.37	64.45	65.83	65.81	66.88
Deposits	57.95	57.67	55.73	52.91	48.20	47.49	47.87	47.36	47.65	48.80
In foreign offices	29.66	28.47	27.16	25.51	26.10	28.36	26.41	22.18	20.17	21.04
In domestic offices	28.28	29.19	28.56	27.41	22.10	19.12	21.46	25.18	27.48	27.76
Other checkable deposits	2.74	3.00	3.38	3.45	2.91	2.30	1.61	1.21	.99	.74
Savings (including MMDAs)	12.05	13.50	14.91	15.33	12.70	10.56	12.31	14.26	15.84	16.83
Small-denomination time deposits	6.16	6.55	5.72	5.09	3.98	4.04	4.68	5.82	6.03	5.66
Large-denomination time deposits	7.33	6.14	4.56	3.53	2.51	2.23	2.86	3.89	4.62	4.53
Gross federal funds purchased and RPs	6.90	6.80	6.19	6.70	5.83	6.17	5.88	10.26	9.79	8.84
Other	9.13	10.15	11.16	11.94	10.29	9.71	10.69	8.20	8.37	9.24
Non-interest-bearing liabilities	21.32	20.35	21.36	21.68	29.09	30.22	28.59	26.78	26.76	25.40
Demand deposits in domestic offices	10.93	10.36	11.05	11.27	10.15	8.88	9.73	8.98	8.46	7.82
Revaluation losses on off-balance-sheet items[2]	n.a.	n.a.	n.a.	n.a.	8.75	10.68	7.27	7.53	7.66	6.51
Other	10.39	9.99	10.30	10.41	10.20	10.66	11.59	10.27	10.64	11.07
Capital account	4.71	5.03	5.56	6.76	6.58	6.41	6.96	7.39	7.42	7.72
MEMO										
Commercial real estate loans	n.a.	9.05	8.01	6.46	4.65	4.40	4.65	5.45	5.61	5.69
Other real estate owned	.42	.78	1.13	1.02	.58	.27	.18	.13	.09	.06
Managed liabilities	54.79	53.23	50.82	49.23	46.21	47.94	47.39	46.02	44.43	45.49
Average net consolidated assets (billions of dollars)	725	717	775	818	949	1,051	1,189	1,514	1,820	1,935

A.2.—Continued

B. Ten largest banks by assets

Item	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Effective interest rate (percent)[3]									
Rates earned										
Interest-earning assets	11.65	9.92	8.67	8.16	8.15	8.20	7.72	7.55	7.54	7.35
Taxable equivalent	11.70	9.95	8.72	8.20	8.18	8.22	7.74	7.60	7.57	7.39
Loans and leases, gross	12.29	10.46	9.36	9.07	8.89	8.84	8.32	8.25	8.21	7.99
Net of loss provisions	11.10	8.58	7.51	7.95	8.38	8.62	8.11	7.93	7.62	7.50
Securities	9.85	8.52	7.38	6.69	7.09	7.41	6.80	6.70	6.79	6.52
Taxable equivalent	10.00	8.63	7.54	6.77	7.19	7.47	6.85	6.85	6.89	6.65
Investment account	9.34	8.99	7.96	6.90	6.57	7.06	6.71	6.61	6.71	6.50
U.S. government and other debt	9.68	9.29	8.13	6.99	6.70	7.22	6.86	6.80	6.92	6.68
State and local	7.54	7.67	7.40	6.99	6.35	6.23	5.73	5.55	5.50	5.65
Equity	5.82	4.22	4.04	3.72	3.27	4.03	3.84	3.47	2.98	2.93
Trading account	10.75	7.84	6.69	6.45	7.79	7.83	6.90	6.81	6.92	6.56
Gross federal funds sold and reverse RPs	8.01	5.60	3.65	3.02	4.52	5.20	4.92	5.45	5.20	4.52
Interest-bearing balances at depositories	11.06	10.05	9.29	8.34	7.27	7.15	6.71	6.91	7.16	7.22
Rates paid										
Interest-bearing liabilities	10.18	7.71	6.17	5.60	5.43	5.88	5.44	5.41	5.29	4.79
Interest-bearing deposits	9.03	7.09	5.33	4.50	4.32	4.99	4.57	4.54	4.40	3.82
In foreign offices	11.11	8.76	7.55	6.87	6.04	6.07	5.62	5.52	5.83	4.99
In domestic offices	6.81	5.47	3.25	2.36	2.35	3.42	3.32	3.69	3.39	3.04
Other checkable deposits	4.35	3.93	1.97	1.28	1.10	1.29	1.32	1.97	1.67	1.44
Savings (including MMDAs)	6.21	5.09	2.95	2.14	2.35	3.11	2.76	2.68	2.45	2.11
Large-denomination time deposits[4]	7.96	6.50	4.66	3.55	3.12	3.73	4.62	5.17	4.53	4.36
Small-denomination time deposits[4]	7.76	6.09	3.81	3.01	2.80	5.08	4.58	5.45	5.21	4.95
Gross federal funds purchased and RPs	7.75	5.98	4.04	3.26	4.05	5.22	4.93	5.02	5.18	4.53
Other interest-bearing liabilities	17.27	11.20	10.40	11.16	10.87	9.80	8.86	9.13	8.85	8.61
	Income and expense as a percentage of average net consolidated assets									
Gross interest income	10.37	8.77	7.69	7.22	6.37	6.42	6.26	6.31	6.21	6.01
Taxable equivalent	10.43	8.80	7.72	7.25	6.40	6.43	6.27	6.33	6.23	6.03
Loans	7.96	6.77	5.65	5.22	4.49	4.44	4.48	4.31	4.27	4.35
Securities	.86	.84	.85	.86	.77	.75	.71	.73	.81	.85
Gross federal funds sold and reverse RPs	.25	.17	.14	.11	.15	.21	.18	.45	.42	.30
Other	1.30	.98	1.05	1.04	.97	1.00	.88	.82	.70	.51
Gross interest expense	7.65	5.81	4.54	4.06	3.52	3.74	3.52	3.55	3.48	3.16
Deposits	5.41	4.23	3.09	2.48	2.15	2.43	2.26	2.26	2.20	1.97
Gross federal funds purchased and RPs	.64	.43	.28	.24	.24	.35	.31	.54	.54	.40
Other	1.60	1.15	1.17	1.35	1.13	.95	.95	.75	.74	.79
Net interest income	2.72	2.96	3.15	3.16	2.86	2.68	2.73	2.76	2.73	2.84
Taxable equivalent	2.77	2.99	3.18	3.19	2.88	2.70	2.75	2.79	2.75	2.86
Loss provisioning[5]	.77	1.21	1.12	.64	.26	.11	.11	.16	.31	.26
Noninterest income	2.27	2.40	2.59	2.99	2.33	2.16	2.34	2.12	2.16	2.55
Service charges on deposits	.23	.26	.30	.30	.26	.25	.28	.32	.33	.37
Income from fiduciary activities	.31	.33	.37	.39	.36	.30	.31	.34	.32	.31
Trading income	.52	.64	.66	.91	.53	.46	.52	.43	.34	.46
Interest rate exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.30	.23	.10	.17
Foreign exchange exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.17	.20	.22	.19
Equity, commodity, and other exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.05	*	.02	.09
Other	1.21	1.16	1.27	1.38	1.18	1.15	1.23	1.04	1.17	1.41
Noninterest expense	3.55	3.83	3.86	4.13	3.56	3.32	3.57	3.24	3.47	3.45
Salaries, wages, and employee benefits	1.74	1.79	1.78	1.88	1.65	1.58	1.57	1.45	1.45	1.57
Expenses of premises and fixed assets	.65	.66	.65	.66	.55	.50	.50	.47	.47	.50
Other	1.16	1.38	1.43	1.59	1.36	1.24	1.50	1.33	1.54	1.38
Net noninterest expense	1.28	1.44	1.27	1.14	1.23	1.16	1.23	1.12	1.30	.90
Realized gains on investment account securities	.02	.04	.11	.13	.02	.03	.04	.08	.11	.03
Income before taxes and extraordinary items	.69	.34	.87	1.50	1.39	1.44	1.44	1.56	1.22	1.71
Taxes	.27	.17	.26	.53	.48	.55	.52	.58	.44	.66
Extraordinary items	.06	.03	*	.16	*	*	*	*	*	*
Net income (return on assets)	.48	.21	.61	1.13	.91	.88	.92	.98	.78	1.05
Cash dividends declared	.26	.21	.18	.28	.58	.57	.70	.82	.53	.79
Retained income	.21	*	.43	.85	.33	.31	.21	.15	.25	.26
MEMO: Return on equity	10.13	4.23	10.91	16.75	13.86	13.78	13.21	13.22	10.53	13.58

* In absolute value, less than 0.005 percent.

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

1. Includes the allowance for loan and lease losses and the allocated transfer risk reserve.
2. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities" if a gain and "other non-interest-bearing liabilities" if a loss.
3. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.
4. Before 1997, data for large time open accounts are included in small-denomination time deposits.
5. Includes provisions for loan and lease losses and for allocated transfer risk.

A.2. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1990–99

C. Banks ranked 11 through 100 by assets

Item	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Balance sheet items as a percentage of average net consolidated assets									
Interest-earning assets	86.81	86.88	87.97	88.36	88.16	88.31	87.75	86.95	87.39	87.94
Loans and leases, net	61.22	60.08	58.30	57.33	58.56	62.68	64.24	63.89	64.42	64.29
Commercial and industrial	21.76	20.53	18.83	18.03	18.03	19.26	18.95	19.01	18.92	19.41
U.S. addressees	20.44	19.30	17.78	17.05	16.99	18.10	17.71	17.78	17.59	18.19
Foreign addressees	1.33	1.24	1.05	.98	1.04	1.16	1.24	1.22	1.33	1.22
Consumer	12.25	11.66	11.72	11.47	12.62	14.23	15.67	15.62	14.53	13.58
Credit card	5.48	5.04	5.16	5.23	5.99	7.34	8.26	8.50	7.67	6.79
Installment and other	6.76	6.62	6.56	6.24	6.63	6.89	7.40	7.12	6.86	6.79
Real estate	20.21	21.51	21.89	22.11	22.26	23.25	23.26	22.99	24.60	24.81
In domestic offices	20.04	21.37	21.78	22.01	22.17	23.10	23.10	22.85	24.42	24.63
Construction and land development	4.91	4.00	3.02	2.08	1.63	1.50	1.55	1.69	2.03	2.43
Farmland	.12	.12	.14	.13	.14	.13	.13	.14	.17	.19
One- to four-family residential	8.53	10.17	11.36	12.30	12.98	14.16	14.15	13.88	14.86	14.16
Home equity	1.67	2.07	2.50	2.54	2.33	2.19	2.08	2.22	2.17	2.08
Other	6.86	8.10	8.85	9.76	10.65	11.97	12.07	11.65	12.69	12.07
Multifamily residential	.46	.54	.66	.71	.71	.77	.89	.93	1.00	1.02
Nonfarm nonresidential	6.01	6.53	6.61	6.79	6.72	6.54	6.37	6.21	6.36	6.82
In foreign offices	.18	.14	.11	.10	.09	.15	.16	.15	.18	.19
Depository institutions	1.57	1.58	1.43	1.30	1.49	1.59	1.50	1.27	1.06	.92
Foreign governments	.52	.39	.33	.30	.28	.20	.20	.09	.06	.06
Agricultural production	.28	.31	.31	.29	.29	.26	.28	.29	.33	.33
Other loans	4.82	4.55	4.28	4.05	3.47	3.32	3.30	3.21	3.38	3.01
Lease-financing receivables	1.67	1.53	1.49	1.47	1.60	1.96	2.41	2.70	2.75	3.32
Less: Unearned income on loans	−.26	−.22	−.17	−.11	−.07	−.07	−.06	−.05	−.04	−.04
Less: Loss reserves[1]	−1.60	−1.76	−1.79	−1.60	−1.41	−1.32	−1.27	−1.24	−1.16	−1.11
Securities	16.19	17.38	20.38	21.97	21.19	18.64	16.87	15.80	16.67	17.78
Investment account	15.32	16.25	19.24	20.60	19.82	17.88	16.06	15.07	16.13	17.26
Debt	15.14	16.02	18.99	20.34	19.50	17.51	15.62	14.58	15.58	16.62
U.S. Treasury	3.42	3.78	5.88	7.05	6.85	4.82	3.34	2.81	2.25	1.70
U.S. government agency and corporation obligations	7.42	8.43	9.26	9.55	9.28	9.40	9.12	8.98	9.93	10.56
Government-backed mortgage pools	5.32	5.38	5.22	5.21	5.30	5.06	5.42	5.17	4.98	5.12
Collateralized mortgage obligations	1.56	2.48	3.54	3.71	3.07	2.82	2.16	2.13	2.83	2.87
Other	.54	.57	.50	.63	.91	1.51	1.54	1.68	2.12	2.56
State and local government	2.03	1.63	1.46	1.31	1.21	1.11	.99	.88	.92	.99
Private mortgage-backed securities	n.a.	1.09	1.05	1.06	.93	1.02	.96	.73	.96	1.34
Other	2.27	1.10	1.34	1.37	1.22	1.16	1.21	1.18	1.53	2.03
Equity	.18	.22	.25	.26	.32	.37	.44	.49	.55	.65
Trading account	.88	1.13	1.14	1.37	1.37	.76	.80	.73	.54	.51
Gross federal funds sold and reverse RPs	4.41	4.90	4.78	4.98	5.11	4.52	4.26	4.38	3.57	3.34
Interest-bearing balances at depositories	4.98	4.51	4.52	4.08	3.30	2.47	2.38	2.88	2.72	2.54
Non-interest-earning assets	13.19	13.12	12.03	11.64	11.84	11.69	12.25	13.05	12.61	12.06
Revaluation gains on off-balance-sheet items[2]	n.a.	n.a.	n.a.	n.a.	.57	.50	.51	.69	.75	.57
Other	13.19	13.12	12.03	11.64	11.28	11.18	11.75	12.36	11.86	11.49
Liabilities	94.35	93.93	93.13	92.56	92.47	92.23	92.02	91.85	91.63	91.65
Interest-bearing liabilities	77.02	76.07	74.66	73.38	72.86	74.05	73.14	72.62	73.40	74.95
Deposits	57.46	59.24	56.99	54.22	53.03	52.32	51.81	51.47	51.51	51.51
In foreign offices	7.84	6.69	6.20	6.78	8.05	8.12	7.52	7.85	8.15	7.97
In domestic offices	49.62	52.54	50.79	47.43	44.98	44.20	44.30	43.62	43.36	43.54
Other checkable deposits	4.75	5.36	6.26	7.21	6.91	5.62	3.06	1.95	1.75	1.60
Savings (including MMDAs)	15.50	17.62	20.21	20.60	20.13	18.78	20.76	21.09	21.41	22.46
Small-denomination time deposits	15.59	17.99	15.98	14.19	13.26	14.24	14.09	13.43	12.84	11.85
Large-denomination time deposits	13.78	11.56	8.34	5.44	4.68	5.55	6.39	7.15	7.36	7.62
Gross federal funds purchased and RPs	13.03	10.94	11.45	11.93	11.48	11.37	10.00	9.36	9.48	9.78
Other	6.53	5.89	6.22	7.23	8.34	10.36	11.32	11.79	12.41	13.66
Non-interest-bearing liabilities	17.33	17.87	18.47	19.18	19.62	18.18	18.89	19.22	18.23	16.71
Demand deposits in domestic offices	13.23	13.76	14.52	15.38	15.27	14.26	14.47	14.17	12.40	10.52
Revaluation losses on off-balance-sheet items[2]	n.a.	n.a.	n.a.	n.a.	.53	.49	.49	.68	.76	.58
Other	4.10	4.10	3.95	3.80	3.82	3.43	3.93	4.37	5.07	5.60
Capital account	5.65	6.07	6.87	7.44	7.53	7.77	7.98	8.15	8.37	8.35
MEMO										
Commercial real estate loans	n.a.	11.83	11.09	10.29	9.69	9.42	9.38	9.44	10.11	11.00
Other real estate owned	.46	.76	.70	.47	.25	.13	.08	.06	.04	.03
Managed liabilities	41.59	35.49	32.59	31.76	32.89	35.68	35.60	36.60	38.09	39.81
Average net consolidated assets (billions of dollars)	995	1,006	1,003	1,082	1,204	1,338	1,450	1,604	1,745	1,877

A.2.—Continued

C. Banks ranked 11 through 100 by assets

Item	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Effective interest rate (percent)[3]									
Rates earned										
Interest-earning assets	10.46	9.30	7.97	7.35	7.29	8.31	8.16	8.31	8.10	7.91
Taxable equivalent	10.55	9.39	8.07	7.45	7.37	8.37	8.23	8.36	8.17	7.94
Loans and leases, gross	11.09	9.96	8.75	8.25	8.22	9.10	8.87	9.03	8.82	8.56
Net of loss provisions	9.08	7.98	7.45	7.46	7.68	8.49	8.05	8.11	8.01	7.73
Securities	8.86	8.23	7.00	6.05	5.70	6.38	6.42	6.50	6.21	6.45
Taxable equivalent	9.18	8.57	7.30	6.32	5.92	6.56	6.66	6.70	6.46	6.55
Investment account	8.92	8.37	7.12	6.14	5.70	6.34	6.41	6.52	6.22	6.47
U.S. government and other debt	9.18	8.51	7.16	6.14	5.69	6.38	6.50	6.63	6.31	6.59
State and local	7.32	7.23	6.80	6.30	6.04	6.05	5.84	5.58	5.36	5.28
Equity	8.09	7.36	6.71	5.20	5.00	5.68	4.84	5.07	5.26	5.39
Trading account	8.01	6.46	4.73	4.74	5.75	7.27	6.53	6.05	5.86	5.63
Gross federal funds sold and reverse RPs	8.15	5.80	3.70	3.11	4.31	5.91	5.31	5.45	5.46	5.13
Interest-bearing balances at depositories	9.72	8.15	6.76	6.50	4.69	6.78	5.82	5.77	5.67	4.81
Rates paid										
Interest-bearing liabilities	7.96	6.41	4.43	3.76	3.72	4.94	4.70	4.79	4.76	4.42
Interest-bearing deposits	7.55	6.27	4.30	3.51	3.25	4.35	4.15	4.22	4.15	3.80
In foreign offices	10.08	8.39	7.26	7.37	4.60	6.30	5.29	5.23	5.22	4.71
In domestic offices	7.15	6.01	3.96	2.98	3.03	4.01	3.96	4.04	3.96	3.64
Other checkable deposits	4.67	4.21	2.43	1.70	1.62	1.89	1.78	2.01	2.41	2.06
Savings (including MMDAs)	6.07	5.04	3.07	2.33	2.46	3.10	2.91	2.84	2.76	2.51
Large-denomination time deposits[4]	8.11	6.77	5.10	4.30	4.21	5.70	5.50	5.47	5.32	5.01
Small-denomination time deposits[4]	8.09	6.96	5.07	4.06	4.18	5.35	5.26	5.43	5.35	5.09
Gross federal funds purchased and RPs	8.12	5.75	3.57	3.04	4.28	5.86	5.19	5.29	5.22	4.91
Other interest-bearing liabilities	9.27	6.55	5.77	5.97	5.24	6.43	5.95	5.85	5.81	5.44
	Income and expense as a percentage of average net consolidated assets									
Gross interest income	9.31	8.24	7.12	6.58	6.46	7.40	7.24	7.26	7.16	7.05
Taxable equivalent	9.39	8.31	7.19	6.64	6.51	7.45	7.28	7.30	7.20	7.09
Loans	7.01	6.15	5.23	4.84	4.91	5.79	5.80	5.87	5.79	5.61
Securities	1.37	1.36	1.37	1.26	1.13	1.13	1.03	.98	1.00	1.12
Gross federal funds sold and reverse RPs	.38	.28	.18	.15	.21	.27	.23	.22	.19	.18
Other	.56	.45	.34	.32	.21	.21	.18	.19	.18	.14
Gross interest expense	6.08	4.80	3.26	2.74	2.67	3.62	3.39	3.41	3.45	3.29
Deposits	4.36	3.75	2.48	1.93	1.73	2.29	2.18	2.23	2.23	2.04
Gross federal funds purchased and RPs	1.12	.67	.43	.38	.51	.67	.55	.51	.51	.51
Other	.60	.38	.35	.43	.43	.66	.66	.68	.71	.74
Net interest income	3.23	3.43	3.86	3.84	3.79	3.78	3.84	3.85	3.71	3.76
Taxable equivalent	3.31	3.51	3.93	3.91	3.85	3.84	3.89	3.89	3.75	3.79
Loss provisioning[5]	1.27	1.22	.78	.47	.32	.39	.54	.60	.53	.54
Noninterest income	1.84	2.05	2.25	2.29	2.25	2.38	2.61	2.76	3.07	3.37
Service charges on deposits	.34	.41	.44	.46	.45	.44	.44	.44	.42	.42
Income from fiduciary activities	.33	.36	.38	.38	.39	.40	.43	.44	.49	.52
Trading income	.08	.10	.09	.14	.08	.09	.08	.08	.09	.08
Interest rate exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.03	.02	.03	.02
Foreign exchange exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.04	.05	.06	.06
Equity, commodity, and other exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.01	*	*	*
Other	1.09	1.19	1.33	1.32	1.33	1.45	1.67	1.79	2.07	2.36
Noninterest expense	3.44	3.77	3.98	3.95	3.86	3.79	3.85	3.85	4.03	4.15
Salaries, wages, and employee benefits	1.47	1.52	1.53	1.52	1.50	1.47	1.51	1.51	1.53	1.54
Expenses of premises and fixed assets	.50	.51	.49	.47	.47	.47	.48	.46	.46	.46
Other	1.48	1.74	1.95	1.95	1.89	1.85	1.86	1.88	2.04	2.15
Net noninterest expense	1.60	1.73	1.73	1.65	1.61	1.41	1.24	1.10	.96	.78
Realized gains on investment account securities	.03	.14	.15	.09	−.01	.02	.02	.02	.03	−.01
Income before taxes and extraordinary items	.38	.62	1.50	1.81	1.85	2.01	2.09	2.18	2.24	2.43
Taxes	.15	.19	.48	.56	.63	.70	.75	.77	.79	.87
Extraordinary items	.01	.03	.03	*	*	*	*	*	*	*
Net income (return on assets)	.24	.47	1.04	1.25	1.22	1.31	1.34	1.42	1.46	1.56
Cash dividends declared	.38	.47	.46	.76	.86	.85	1.07	.93	.96	1.17
Retained income	−.14	*	.58	.49	.36	.46	.26	.48	.50	.38
MEMO: Return on equity	4.18	7.71	15.16	16.86	16.27	16.84	16.78	17.36	17.38	18.63

* In absolute value, less than 0.005 percent.

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

1. Includes the allowance for loan and lease losses and the allocated transfer risk reserve.
2. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities" if a gain and "other non-interest-bearing liabilities" if a loss.
3. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.
4. Before 1997, data for large time open accounts are included in small-denomination time deposits.
5. Includes provisions for loan and lease losses and for allocated transfer risk.

A.2. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1990–99

D. Banks ranked 101 through 1,000 by assets

Item	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Balance sheet items as a percentage of average net consolidated assets									
Interest-earning assets	88.84	88.91	89.02	89.55	90.09	90.12	90.13	90.31	90.39	90.75
Loans and leases, net	63.09	61.03	58.49	57.94	59.75	62.18	62.63	62.21	61.12	61.50
Commercial and industrial	16.69	15.04	13.34	12.19	12.07	12.70	12.79	12.43	12.49	12.65
U.S. addressees	16.56	14.88	13.16	12.03	11.90	12.54	12.61	12.20	12.16	12.33
Foreign addressees	.13	.16	.18	.16	.16	.16	.18	.23	.32	.32
Consumer	15.48	15.13	14.18	14.83	15.85	16.25	15.88	13.99	12.28	10.79
Credit card	5.22	5.74	5.37	5.63	6.06	6.30	6.66	5.48	4.48	3.37
Installment and other	10.26	9.39	8.80	9.20	9.79	9.95	9.22	8.51	7.80	7.42
Real estate	27.01	27.51	28.11	28.61	29.42	30.82	31.37	33.26	33.94	35.88
In domestic offices	26.99	27.47	28.07	28.59	29.39	30.80	31.35	33.23	33.91	35.86
Construction and land development	4.37	3.66	2.86	2.26	2.08	2.21	2.38	2.69	2.88	3.49
Farmland	.28	.28	.32	.34	.36	.40	.46	.53	.56	.58
One- to four-family residential	12.49	13.22	14.26	15.17	16.24	17.49	17.34	18.16	18.18	18.23
Home equity	2.31	2.53	2.56	2.50	2.33	2.36	2.31	2.30	2.14	1.99
Other	10.18	10.69	11.69	12.67	13.91	15.13	15.04	15.85	16.04	16.24
Multifamily residential	.73	.80	.96	1.07	1.13	1.21	1.29	1.29	1.26	1.43
Nonfarm nonresidential	9.11	9.50	9.69	9.75	9.57	9.48	9.88	10.57	11.03	12.12
In foreign offices	.03	.05	.04	.02	.03	.02	.02	.02	.02	.02
Depository institutions	1.05	.93	.80	.43	.40	.35	.48	.57	.50	.44
Foreign governments	.09	.07	.05	.03	.02	.02	.02	.02	.03	.03
Agricultural production	.47	.49	.54	.56	.62	.69	.71	.74	.80	.78
Other loans	3.16	2.81	2.47	2.16	2.01	1.80	1.69	1.50	1.32	1.27
Lease-financing receivables	.83	.85	.79	.77	.83	.90	1.01	.99	.99	.78
LESS: Unearned income on loans	–.50	–.40	–.30	–.21	–.15	–.12	–.10	–.10	–.09	–.08
LESS: Loss reserves[1]	–1.20	–1.42	–1.49	–1.44	–1.30	–1.22	–1.22	–1.18	–1.13	–1.06
Securities	19.34	21.28	24.13	25.92	25.71	23.09	22.67	23.47	24.26	25.16
Investment account	18.87	20.91	23.78	25.64	25.40	22.89	22.55	23.36	24.15	25.08
Debt	18.54	20.55	23.32	25.16	24.95	22.43	22.03	22.75	23.47	24.31
U.S. Treasury	5.44	6.16	7.75	8.64	8.26	6.49	5.61	4.95	3.92	2.53
U.S. government agency and corporation obligations	7.75	9.35	11.08	12.32	12.67	12.23	12.66	13.98	15.13	16.28
Government-backed mortgage pools	3.83	4.51	4.74	4.97	5.57	5.42	5.68	6.23	6.46	6.71
Collateralized mortgage obligations	1.72	2.73	3.95	4.82	4.39	3.56	3.12	3.02	3.23	3.52
Other	2.19	2.11	2.39	2.53	2.71	3.25	3.85	4.73	5.44	6.06
State and local government	3.11	2.65	2.27	2.26	2.29	2.13	2.24	2.45	2.70	2.91
Private mortgage-backed securities	n.a.	1.16	1.01	.84	.75	.68	.76	.59	.65	1.00
Other	2.25	1.23	1.21	1.10	.99	.89	.77	.78	1.06	1.59
Equity	.32	.37	.46	.48	.44	.47	.52	.61	.69	.77
Trading account	.48	.36	.35	.28	.31	.20	.12	.10	.11	.08
Gross federal funds sold and reverse RPs	4.51	4.71	4.92	4.48	3.64	3.91	3.87	3.59	4.18	3.35
Interest-bearing balances at depositories	1.90	1.89	1.47	1.20	.98	.93	.96	1.03	.83	.75
Non-interest-earning assets	11.16	11.09	10.98	10.45	9.91	9.88	9.87	9.69	9.61	9.25
Revaluation gains on off-balance-sheet items[2]	n.a.	n.a.	n.a.	n.a.	.02	.05	.02	*	*	.01
Other	11.16	11.09	10.98	10.45	9.90	9.83	9.84	9.69	9.61	9.24
Liabilities	93.07	92.89	92.47	91.85	91.62	91.36	91.06	90.79	90.55	90.90
Interest-bearing liabilities	77.04	77.26	75.98	74.42	74.77	75.00	75.06	75.19	75.43	76.78
Deposits	65.05	66.35	65.65	63.05	60.38	59.69	59.99	61.51	62.41	61.97
In foreign offices	1.65	1.76	1.56	1.43	1.69	1.71	1.33	1.23	1.31	1.20
In domestic offices	63.40	64.59	64.09	61.62	58.69	57.97	58.66	60.28	61.10	60.77
Other checkable deposits	7.31	7.83	9.14	9.94	9.70	8.54	6.21	4.97	4.23	3.76
Savings (including MMDAs)	19.69	20.79	23.34	24.06	22.92	20.76	22.51	23.60	25.66	27.36
Small-denomination time deposits	24.09	25.22	23.56	20.77	19.29	21.12	21.61	22.05	21.21	19.62
Large-denomination time deposits	12.31	10.76	8.06	6.85	6.78	7.56	8.34	9.66	9.99	10.03
Gross federal funds purchased and RPs	8.43	7.46	7.17	7.43	8.45	8.31	8.19	7.08	6.16	6.91
Other	3.56	3.45	3.15	3.93	5.94	7.00	6.88	6.59	6.86	7.90
Non-interest-bearing liabilities	16.03	15.63	16.49	17.43	16.85	16.36	16.00	15.60	15.13	14.12
Demand deposits in domestic offices	14.07	13.56	14.39	15.07	14.58	14.07	13.84	13.16	11.91	10.20
Revaluation losses on off-balance-sheet items[2]	n.a.	n.a.	n.a.	n.a.	.02	.05	.02	.01	.01	.01
Other	1.96	2.07	2.10	2.36	2.25	2.24	2.14	2.44	3.22	3.91
Capital account	6.93	7.11	7.53	8.15	8.38	8.64	8.94	9.21	9.45	9.10
MEMO										
Commercial real estate loans	n.a.	14.63	13.91	13.37	13.05	13.20	13.84	14.79	15.38	17.28
Other real estate owned	.52	.77	.80	.57	.28	.17	.13	.11	.09	.08
Managed[3] liabilities	26.00	23.48	20.00	19.69	22.89	24.61	24.78	24.63	24.46	26.31
Average net consolidated assets (billions of dollars)	937	962	968	977	1,032	1,092	1,076	967	935	972

A.2. Continued

D. Banks ranked 101 through 1,000 by assets

Item	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Effective interest rate (percent)[3]									
Rates earned										
Interest-earning assets	10.42	9.55	8.14	7.43	7.58	8.42	8.40	8.50	8.31	7.83
Taxable equivalent	10.57	9.70	8.25	7.55	7.68	8.51	8.49	8.59	8.43	7.92
Loans and leases, gross	11.21	10.43	9.11	8.57	8.64	9.43	9.38	9.48	9.36	8.75
Net of loss provisions	9.48	8.72	7.83	7.76	8.11	8.76	8.59	8.60	8.60	8.13
Securities	8.52	8.11	6.88	5.78	5.69	6.23	6.31	6.42	6.22	6.02
Taxable equivalent	9.00	8.54	7.19	6.10	5.93	6.49	6.59	6.69	6.57	6.29
Investment account	8.49	8.12	6.90	5.79	5.69	6.24	6.31	6.42	6.22	6.01
U.S. government and other debt	8.76	8.30	6.95	5.76	5.68	6.28	6.40	6.55	6.35	6.16
State and local	7.33	7.25	6.83	6.30	5.92	5.80	5.50	5.36	5.15	4.98
Equity	6.94	6.02	5.08	4.95	5.30	6.05	6.30	6.35	6.34	5.97
Trading account	9.92	7.19	5.61	4.74	5.29	5.55	5.94	6.37	6.84	7.18
Gross federal funds sold and reverse RPs	7.99	5.64	3.47	3.02	4.06	5.45	5.24	5.41	5.30	4.97
Interest-bearing balances at depositories	8.52	6.82	4.61	3.51	4.28	6.09	5.54	5.49	5.70	5.05
Rates paid										
Interest-bearing liabilities	7.26	6.11	4.19	3.33	3.57	4.64	4.57	4.66	4.59	4.19
Interest-bearing deposits	7.05	6.06	4.17	3.26	3.31	4.26	4.26	4.34	4.28	3.84
In foreign offices	8.12	6.38	4.25	3.35	4.31	5.94	5.43	5.42	5.54	5.07
In domestic offices	7.02	6.05	4.17	3.25	3.28	4.21	4.23	4.32	4.25	3.82
Other checkable deposits	4.75	4.28	2.67	2.02	1.87	2.02	1.96	2.17	2.15	1.98
Savings (including MMDAs)	5.98	5.14	3.33	2.58	2.64	3.24	3.11	3.08	2.96	2.65
Large-denomination time deposits[4]	8.04	6.64	4.76	3.90	4.23	5.62	5.47	5.56	5.50	5.17
Small-denomination time deposits[4]	8.03	7.08	5.35	4.40	4.40	5.53	5.57	5.57	5.64	5.11
Gross federal funds purchased and RPs	7.86	5.62	3.46	2.95	4.12	5.61	5.16	5.21	5.13	4.82
Other interest-bearing liabilities	8.28	6.78	5.28	4.44	4.92	6.27	5.89	6.12	6.00	5.37
	Income and expense as a percentage of average net consolidated assets									
Gross interest income	9.38	8.64	7.36	6.75	6.90	7.68	7.67	7.76	7.63	7.19
Taxable equivalent	9.51	8.76	7.46	6.84	6.99	7.76	7.75	7.84	7.71	7.27
Loans	7.21	6.52	5.46	5.07	5.26	5.98	5.99	6.01	5.85	5.48
Securities	1.60	1.70	1.64	1.49	1.45	1.43	1.42	1.50	1.50	1.51
Gross federal funds sold and reverse RPs	.36	.28	.17	.14	.14	.21	.20	.19	.22	.17
Other	.20	.15	.08	.06	.06	.07	.06	.06	.05	.04
Gross interest expense	5.54	4.68	3.16	2.46	2.65	3.46	3.40	3.47	3.44	3.20
Deposits	4.58	4.03	2.75	2.07	2.01	2.56	2.57	2.70	2.71	2.44
Gross federal funds purchased and RPs	.67	.42	.25	.22	.35	.46	.43	.37	.32	.34
Other	.29	.23	.17	.17	.29	.44	.40	.40	.41	.42
Net interest income	3.83	3.96	4.19	4.28	4.25	4.23	4.27	4.29	4.19	3.99
Taxable equivalent	3.97	4.08	4.30	4.38	4.34	4.31	4.35	4.37	4.27	4.07
Loss provisioning[5]	1.12	1.07	.77	.47	.33	.43	.50	.56	.48	.39
Noninterest income	1.50	1.65	1.69	1.84	1.86	1.84	1.88	2.08	2.26	2.32
Service charges on deposits	.37	.40	.44	.45	.42	.42	.42	.40	.39	.38
Income from fiduciary activities	.26	.27	.28	.29	.28	.27	.28	.32	.37	.38
Trading income	.02	.04	.02	.03	.02	.03	.02	.01	.02	.02
Interest rate exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.01	.01	.01	.01
Foreign exchange exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.01	*	*	*
Equity, commodity, and other exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	*	*	*	*
Other	.84	.95	.95	1.08	1.14	1.12	1.16	1.34	1.48	1.54
Noninterest expense	3.50	3.77	3.87	3.92	3.78	3.68	3.68	3.73	3.86	3.70
Salaries, wages, and employee benefits	1.47	1.48	1.51	1.51	1.49	1.44	1.44	1.51	1.57	1.56
Expenses of premises and fixed assets	.49	.49	.49	.48	.46	.45	.45	.46	.47	.47
Other	1.55	1.80	1.87	1.93	1.83	1.79	1.80	1.76	1.83	1.68
Net noninterest expense	2.01	2.12	2.18	2.08	1.92	1.84	1.81	1.65	1.61	1.39
Realized gains on investment account securities	.01	.09	.10	.06	−.05	−.01	.02	.02	.04	−.01
Income before taxes and extraordinary items	.72	.86	1.35	1.78	1.96	1.96	1.98	2.10	2.15	2.21
Taxes	.21	.29	.44	.61	.67	.67	.69	.73	.73	.75
Extraordinary items	*	−.07	*	.04	*	*	*	*	.06	.01
Net income (return on assets)	.51	.49	.91	1.22	1.29	1.28	1.29	1.37	1.47	1.47
Cash dividends declared	.53	.33	.49	.79	.81	.87	1.04	1.10	1.01	1.06
Retained income	−.02	.16	.42	.43	.48	.41	.25	.28	.46	.41
MEMO: Return on equity	7.37	6.93	12.13	14.93	15.40	14.82	14.45	14.93	15.56	16.19

* In absolute value, less than 0.005 percent.

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

1. Includes the allowance for loan and lease losses and the allocated transfer risk reserve.
2. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities" if a gain and "other non-interest-bearing liabilities" if a loss.
3. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.
3. Includes provisions for loan and lease losses and for allocated transfer risk.
4. Before 1997, data for large time open accounts are included in small-denomination time deposits.
5. Includes provisions for loan and lease losses and for allocated transfer risk.

A.2. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1990–99

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

Item	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Balance sheet items as a percentage of average net consolidated assets									
Interest-earning assets	91.06	91.25	91.39	91.65	91.72	91.70	91.64	91.65	91.89	91.83
Loans and leases, net	54.74	54.05	53.03	52.94	54.64	56.62	57.37	58.77	59.12	59.74
Commercial and industrial	11.53	10.60	9.74	9.24	9.31	9.65	9.98	10.15	10.33	10.65
U.S. addressees	11.49	10.56	9.69	9.20	9.26	9.59	9.90	10.07	10.25	10.56
Foreign addressees	.04	.04	.04	.04	.05	.06	.07	.08	.08	.08
Consumer	11.20	10.44	9.69	9.18	9.37	9.57	9.41	9.06	8.47	8.16
Credit card	1.00	1.02	1.00	.93	.96	1.04	1.03	.91	.70	.68
Installment and other	10.20	9.42	8.69	8.25	8.41	8.53	8.38	8.15	7.77	7.48
Real estate	28.35	29.34	30.15	31.09	32.19	33.54	34.10	35.51	36.04	36.79
In domestic offices	28.35	29.33	30.15	31.08	32.19	33.54	34.09	35.50	36.04	36.79
Construction and land development	2.37	2.18	1.98	1.93	2.14	2.38	2.61	2.82	3.01	3.28
Farmland	1.86	1.93	2.06	2.20	2.34	2.48	2.55	2.68	2.83	2.94
One- to four-family residential	15.37	16.00	16.44	16.81	16.95	17.45	17.47	18.15	18.05	17.64
Home equity	1.16	1.29	1.34	1.27	1.21	1.20	1.19	1.24	1.21	1.17
Other	14.21	14.71	15.10	15.54	15.73	16.25	16.28	16.91	16.84	16.47
Multifamily residential	.66	.71	.77	.84	.93	.95	.92	.95	.93	.98
Nonfarm nonresidential	8.09	8.50	8.90	9.30	9.83	10.27	10.54	10.91	11.21	11.95
In foreign offices	*	*	*	*	*	*	*	*	*	*
Depository institutions	.23	.20	.13	.12	.13	.16	.17	.17	.12	.13
Foreign governments	.01	.01	.01	.02	.01	*	*	*	*	.01
Agricultural production	3.30	3.48	3.55	3.58	3.89	3.95	3.93	4.05	4.27	4.04
Other loans	1.41	1.24	.99	.87	.81	.76	.72	.70	.69	.70
Lease-financing receivables	.18	.17	.17	.18	.20	.22	.23	.25	.25	.27
LESS: Unearned income on loans	−.58	−.51	−.43	−.36	−.31	−.30	−.27	−.24	−.20	−.15
LESS: Loss reserves[1]	−.89	−.93	−.96	−.97	−.95	−.93	−.90	−.88	−.86	−.86
Securities	28.38	29.99	32.10	33.06	32.90	30.50	29.53	28.21	26.68	26.93
Investment account	28.28	29.94	32.04	33.00	32.86	30.46	29.50	28.18	26.65	26.90
Debt	27.92	29.56	31.60	32.55	32.42	30.01	29.01	27.65	26.11	26.36
U.S. Treasury	8.77	9.24	10.25	10.48	10.81	9.19	7.85	6.70	5.05	3.33
U.S. government agency and corporation obligations	12.43	13.82	15.04	15.80	15.35	15.12	15.67	15.55	15.42	16.92
Government-backed mortgage pools	4.58	5.59	5.52	5.38	4.81	4.19	4.21	4.00	3.90	3.95
Collateralized mortgage obligations	.90	1.56	2.66	3.33	3.11	2.75	2.46	2.19	2.01	2.08
Other	6.93	6.68	6.85	7.09	7.43	8.18	9.00	9.37	9.51	10.89
State and local government	4.56	4.26	4.29	4.70	5.01	4.69	4.62	4.59	4.80	4.94
Private mortgage-backed securities	n.a.	.89	.77	.47	.27	.20	.18	.19	.16	.28
Other	2.15	1.34	1.26	1.10	.98	.81	.68	.61	.68	.89
Equity	.36	.38	.44	.45	.44	.45	.49	.52	.54	.54
Trading account	.10	.06	.05	.07	.04	.03	.03	.03	.03	.03
Gross federal funds sold and reverse RPs	6.13	5.64	5.10	4.69	3.42	3.92	4.05	3.96	5.12	4.16
Interest-bearing balances at depositories	1.81	1.57	1.16	.97	.77	.67	.69	.71	.96	1.00
Non-interest-earning assets	8.94	8.75	8.61	8.35	8.28	8.30	8.36	8.35	8.11	8.17
Revaluation gains on off-balance-sheet items[2]	n.a.	n.a.	n.a.	n.a.	*	*	*	*	*	*
Other	8.94	8.75	8.61	8.35	8.28	8.30	8.36	8.35	8.11	8.17
Liabilities	91.40	91.37	91.07	90.63	90.43	90.03	89.81	89.62	89.53	89.75
Interest-bearing liabilities	77.83	78.39	77.83	76.89	76.19	75.74	75.58	75.47	75.35	75.90
Deposits	75.79	76.40	75.75	74.53	73.14	72.68	72.47	71.99	71.76	71.34
In foreign offices	.07	.08	.07	.08	.09	.11	.10	.09	.07	.08
In domestic offices	75.72	76.33	75.68	74.45	73.05	72.56	72.36	71.90	71.70	71.26
Other checkable deposits	10.45	10.99	12.33	13.15	13.31	12.37	11.75	11.37	11.17	11.03
Savings (including MMDAs)	18.73	19.35	22.10	23.55	23.23	20.40	19.56	18.98	19.01	19.71
Small-denomination time deposits	35.37	35.88	32.85	30.10	28.83	30.91	31.28	31.05	30.42	29.01
Large-denomination time deposits	11.17	10.11	8.40	7.65	7.68	8.88	9.77	10.49	11.10	11.51
Gross federal funds purchased and RPs	1.36	1.31	1.36	1.44	1.89	1.78	1.70	1.68	1.50	1.82
Other	.67	.68	.72	.91	1.16	1.28	1.41	1.80	2.09	2.74
Non-interest-bearing liabilities	13.57	12.98	13.24	13.75	14.25	14.29	14.23	14.15	14.18	13.85
Demand deposits in domestic offices	12.37	11.84	12.23	12.82	13.34	13.22	13.13	13.09	13.08	12.80
Revaluation losses on off-balance-sheet items[2]	n.a.	n.a.	n.a.	n.a.	*	*	*	*	*	*
Other	1.21	1.14	1.01	.93	.90	1.07	1.10	1.06	1.10	1.05
Capital account	8.60	8.63	8.93	9.37	9.57	9.97	10.19	10.38	10.47	10.25
MEMO										
Commercial real estate loans	n.a.	11.74	11.84	12.22	13.02	13.71	14.18	14.78	15.25	16.32
Other real estate owned	.61	.66	.65	.52	.35	.25	.20	.16	.13	.11
Managed liabilities	13.29	12.19	10.56	10.10	10.83	12.08	13.00	14.08	14.77	16.18
Average net consolidated assets (billions of dollars)	681	694	697	688	679	666	661	648	644	654

A.2.—Continued

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

Item	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Effective interest rate (percent)[3]									
Rates earned										
Interest-earning assets	10.31	9.64	8.43	7.62	7.57	8.41	8.35	8.50	8.33	8.04
Taxable equivalent	10.52	9.82	8.59	7.78	7.72	8.56	8.49	8.63	8.49	8.18
Loans and leases, gross	11.60	11.02	9.83	9.14	9.00	9.85	9.74	9.81	9.70	9.29
Net of loss provisions	10.65	10.08	9.05	8.63	8.65	9.42	9.31	9.36	9.22	8.80
Securities	8.42	8.04	6.99	5.92	5.61	6.09	6.10	6.25	5.98	5.86
Taxable equivalent	8.99	8.53	7.40	6.33	5.99	6.49	6.52	6.65	6.47	6.29
Investment account	8.41	8.04	6.99	5.92	5.61	6.09	6.10	6.25	5.98	5.86
U.S. government and other debt	8.59	8.20	7.06	5.91	5.59	6.17	6.23	6.43	6.16	6.04
State and local	7.46	7.17	6.70	6.09	5.69	5.64	5.44	5.32	5.15	5.03
Equity	8.30	7.14	5.64	5.16	5.52	6.26	6.06	6.40	6.11	6.15
Trading account	12.13	8.41	7.14	4.83	6.03	6.12	6.48	6.60	4.61	4.04
Gross federal funds sold and reverse RPs	8.12	5.66	3.51	2.95	4.08	5.95	5.39	5.51	5.36	4.97
Interest-bearing balances at depositories	8.55	7.35	5.59	4.53	4.64	5.91	6.10	5.70	5.66	5.69
Rates paid										
Interest-bearing liabilities	7.02	6.17	4.44	3.54	3.49	4.47	4.49	4.61	4.60	4.28
Interest-bearing deposits	6.96	6.15	4.44	3.53	3.44	4.39	4.44	4.54	4.53	4.22
In foreign offices	7.57	5.95	3.97	2.91	3.92	5.73	11.43	4.77	5.08	4.34
In domestic offices	6.96	6.15	4.44	3.53	3.44	4.39	4.43	4.54	4.53	4.22
Other checkable deposits	5.02	4.61	3.14	2.42	2.29	2.50	2.41	2.46	2.45	2.28
Savings (including MMDAs)	5.73	5.18	3.62	2.91	2.83	3.32	3.24	3.37	3.39	3.21
Large-denomination time deposits[4]	7.92	6.72	4.90	3.96	4.12	5.55	5.49	5.53	5.54	5.22
Small-denomination time deposits[4]	7.88	6.98	5.36	4.39	4.28	5.51	5.59	5.67	5.64	5.25
Gross federal funds purchased and RPs	8.03	5.72	3.74	3.17	4.12	5.62	5.10	5.23	5.05	4.73
Other interest-bearing liabilities	7.84	7.06	5.01	4.64	4.98	6.87	5.84	6.15	6.44	5.52
	Income and expense as a percentage of average net consolidated assets									
Gross interest income	9.51	8.91	7.79	7.05	7.01	7.80	7.75	7.89	7.74	7.45
Taxable equivalent	9.68	9.06	7.94	7.19	7.15	7.93	7.87	8.01	7.86	7.57
Loans	6.44	6.04	5.30	4.91	4.98	5.66	5.67	5.85	5.80	5.59
Securities	2.38	2.41	2.24	1.95	1.84	1.86	1.80	1.76	1.59	1.58
Gross federal funds sold and reverse RPs	.53	.34	.18	.14	.15	.25	.24	.24	.29	.22
Other	.17	.12	.07	.05	.04	.04	.04	.04	.05	.06
Gross interest expense	5.44	4.82	3.45	2.72	2.65	3.38	3.38	3.47	3.46	3.24
Deposits	5.28	4.70	3.36	2.63	2.52	3.19	3.22	3.28	3.25	3.01
Gross federal funds purchased and RPs	.11	.07	.05	.04	.07	.10	.08	.08	.07	.08
Other	.05	.05	.04	.04	.06	.09	.08	.11	.13	.15
Net interest income	4.07	4.09	4.34	4.33	4.36	4.42	4.37	4.41	4.28	4.21
Taxable equivalent	4.24	4.24	4.49	4.48	4.50	4.55	4.49	4.54	4.40	4.33
Loss provisioning[5]	.53	.51	.42	.27	.19	.25	.25	.27	.29	.30
Noninterest income	1.01	1.07	1.16	1.25	1.30	1.38	1.42	1.44	1.52	1.43
Service charges on deposits	.42	.44	.45	.45	.44	.44	.44	.44	.42	.42
Income from fiduciary activities	.14	.14	.16	.16	.17	.22	.20	.20	.23	.26
Trading income	.01	.01	.01	.01	*	.01	*	*	*	*
Interest rate exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	*	*	*	*
Foreign exchange exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	*	*	*	*
Equity, commodity, and other exposures	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	*	*	*	*
Other	.44	.49	.55	.64	.69	.71	.78	.79	.86	.75
Noninterest expense	3.49	3.59	3.67	3.74	3.78	3.81	3.70	3.70	3.74	3.71
Salaries, wages, and employee benefits	1.64	1.64	1.69	1.72	1.75	1.80	1.77	1.80	1.82	1.81
Expenses of premises and fixed assets	.49	.49	.49	.48	.49	.50	.49	.49	.49	.49
Other	1.36	1.46	1.49	1.53	1.55	1.51	1.44	1.41	1.43	1.41
Net noninterest expense	2.48	2.52	2.51	2.48	2.48	2.43	2.28	2.27	2.22	2.28
Realized gains on investment account securities	*	.06	.09	.07	−.03	*	.01	.01	.02	*
Income before taxes and extraordinary items	1.06	1.11	1.50	1.64	1.66	1.75	1.85	1.89	1.79	1.63
Taxes	.34	.35	.47	.51	.51	.55	.59	.59	.53	.47
Extraordinary items	.02	.19	.02	.05	*	*	*	*	*	*
Net income (return on assets)	.74	.95	1.04	1.19	1.15	1.20	1.26	1.30	1.26	1.17
Cash dividends declared	.49	.89	.50	.56	.57	.62	.64	.73	.83	.67
Retained income	.25	.06	.54	.63	.58	.58	.62	.57	.43	.49
MEMO: Return on equity	8.61	11.05	11.64	12.65	12.05	12.05	12.33	12.54	12.01	11.39

* In absolute value, less than 0.005 percent.

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

1. Includes the allowance for loan and lease losses and the allocated transfer risk reserve.
2. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities" if a gain and "other non-interest-bearing liabilities" if a loss.
3. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.
4. Before 1997, data for large time open accounts are included in small-denomination time deposits.
5. Includes provisions for loan and lease losses and for allocated transfer risk.

Treasury and Federal Reserve Foreign Exchange Operations

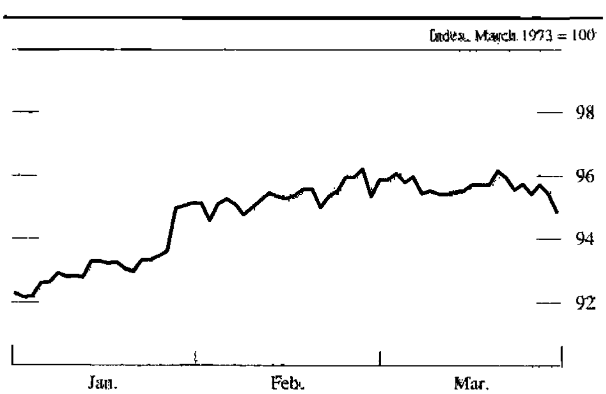
This report, presented by Peter R. Fisher, Executive Vice President, Federal Reserve Bank of New York, and Manager, System Open Market Account, describes the foreign exchange operations of the U.S. Department of the Treasury and the Federal Reserve System for the period from January 2000 through March 2000. Laura Sarlo was primarily responsible for preparation of the report.

During the first quarter of 2000, the dollar appreciated 5.4 percent against the euro and 0.4 percent against the yen. U.S. monetary authorities did not intervene in the foreign exchange markets during the quarter.

MODEST APPRECIATION OF THE DOLLAR

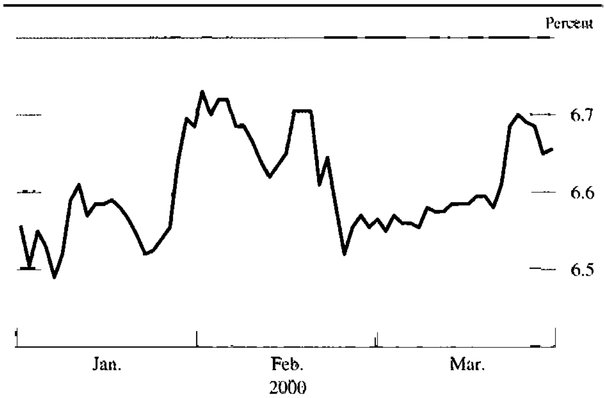
On a trade-weighted basis, the dollar appreciated modestly, rising 2.6 percent, with most of this appreciation occurring relative to the European trading partners of the United States. The currency was supported by the ongoing strength in the U.S. economy and the perception that productivity growth was continuing. This view of the economy was solidified by

1. The trade-weighted dollar against major currencies, 2000:Q1



NOTE. In this and the charts that follow, the data are for business days except as noted.
Includes currencies of Australia, Canada, Japan, Sweden, Switzerland, the United Kingdom, and the euro-11 countries.
SOURCE. Federal Reserve Board of Governors.

2. Yield implied by the June eurodollar contract, 2000:Q1



SOURCE. Bloomberg L.P.

the February 25 release of the fourth-quarter growth rate for gross domestic product of 6.9 percent, year-on-year (revised March 30 to 7.3 percent, year-on-year) and the March 7 release of the fourth-quarter growth rate for productivity of 6.4 percent, year-on-year. Meanwhile, the unemployment rate held near the January low of 4.0 percent, year-on-year. The resilience of U.S. asset markets, despite volatility in equities and bonds, also appeared to support the dollar.

Indications of continued strong economic activity supported market expectations for a gradual series of rate increases by the Federal Reserve, and the implied yield of the June eurodollar contract rose 18 basis points, to 6.65 percent. The Federal Open Market Committee (FOMC) raised its target for the federal funds rate 25 basis points on both February 2 and March 21, moving it from 5.50 to 6.00 percent.

WEAKENING OF THE EURO AGAINST THE DOLLAR AND THE YEN

The euro depreciated against the dollar, reaching an intraday low of \$0.9390 on February 28 and lingering below \$1.00 for much of the quarter, despite a brief rally during the third week of February. The euro's depreciation was relatively broad based, falling 5.2, 4.8, and 3.6 percent against the dollar, yen, and British pound, respectively, as investors reportedly continued to diversify portfolios away from the euro area. The euro–yen exchange rate was particularly volatile, as the euro depreciated more than 11 percent against the yen from late February through the end of March, when the exchange rate closed below ¥100 per euro for the first time.

Several factors contributed to the weakness of the euro, including continued expectations that euro-area economic growth would lag that of other parts of the world, continued cross-border investment flows out of the euro area, and market participants' concerns over foreign exchange policy and the pace of euro-area structural reform. These factors seemed to prompt longer-term investors to scale back long-held euro positions during the first quarter of 2000 after a portfolio and direct investment outflow of €168.6 billion in 1999.[1]

The persistent growth differential between the U.S. and euro-area economies continued to weigh on the euro, and the March 9 announcement of euro-area GDP growth of 3.1 percent, year-on-year disappointed many market participants. Although the premium for ten-year U.S. Treasury securities over German government securities narrowed 31 basis points during the quarter, the euro failed to benefit. Shorter-term interest rate differentials were relatively steady, as investors continued to anticipate a similar amount of tightening by the European Central Bank (ECB) and the FOMC. The ECB increased its main refinancing rate 50 basis points to 3.50 percent in two quarter-point steps on February 3 and March 16.

In addition, market uncertainty over the course of structural reform may have pressured the euro lower; while many investors perceived progress on the issue of tax reform, labor market rigidities in several nations continued to concern market participants. More broadly, political tension within the European Union after the formation of a new government in Austria and concerns about the implications of European Union expansion were also seen as negatively affecting the euro.

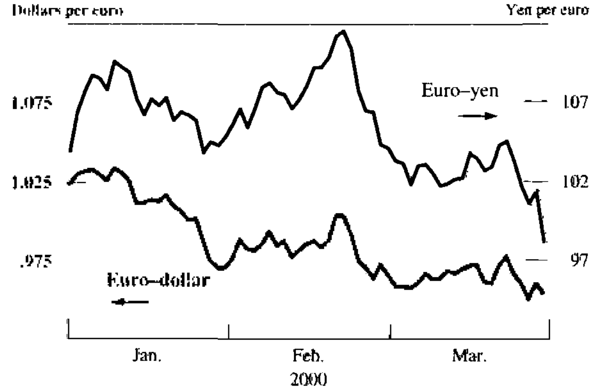
1. Source. European Central Bank.

Reemergence of Yen Strength

The yen depreciated during the first half of the quarter and appreciated during the second half, ending the quarter on net 0.4 percent weaker against the dollar and 5.1 percent stronger against the euro. The Japanese monetary authorities publicly confirmed the official selling of yen on several occasions.

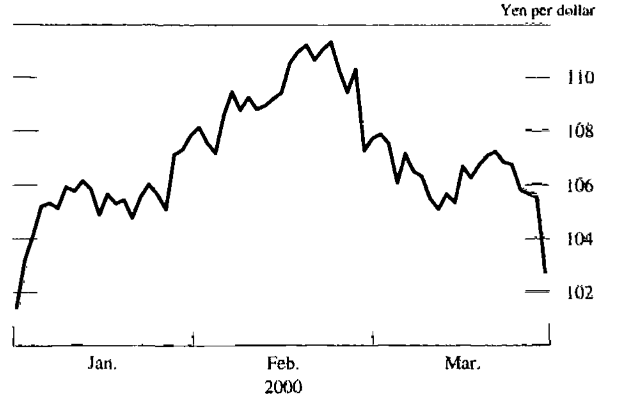
The yen weakened during the first seven weeks of the year, breaching ¥111 and ¥109 against the dollar and the euro respectively. Market participants reportedly sold yen to establish short positions, as comments by Japanese officials contributed to the market's growing perception that fourth-quarter economic data might indicate a second consecutive quarter of negative year-on-year growth. Market concern that the Group of Seven (G-7), at its January meeting, might address the yen's longer-term appreciation trend may also have dampened the currency's appreciation early in the quarter. The G-7 statement also reduced market expectations for any near-term increase in Japanese rates. Postponement of a banking reform measure to institute a cap on deposit insurance and the proposal of a tax on Japanese banks located in Tokyo also reportedly contributed to the yen's depreciation. Some traders noted that a Moody's announcement on February 17 of a review and possible downgrade of Japan's domestic-

3. The euro against the dollar and the yen, 2000:Q1



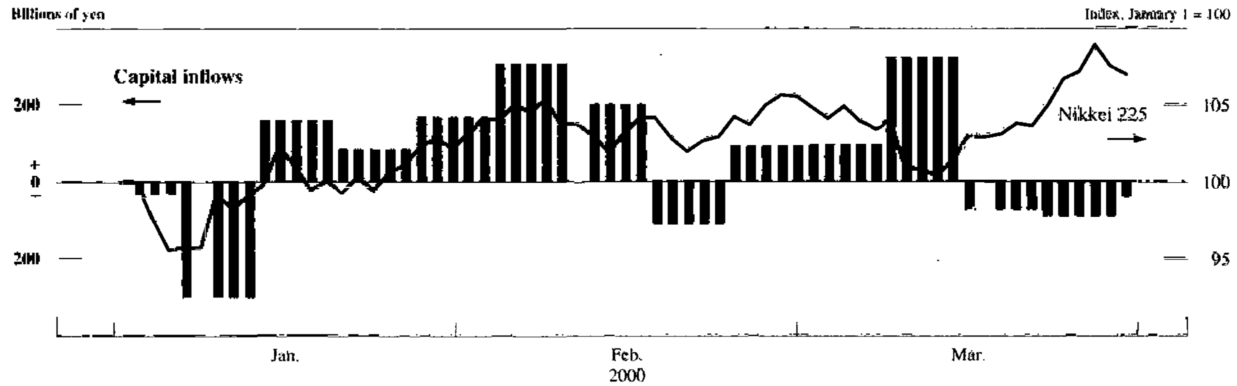
Source. Bloomberg L.P.

4. The dollar against the yen, 2000:Q1



Source. Bloomberg L.P.

5. Foreign inflows into Japanese equities, 2000:Q1



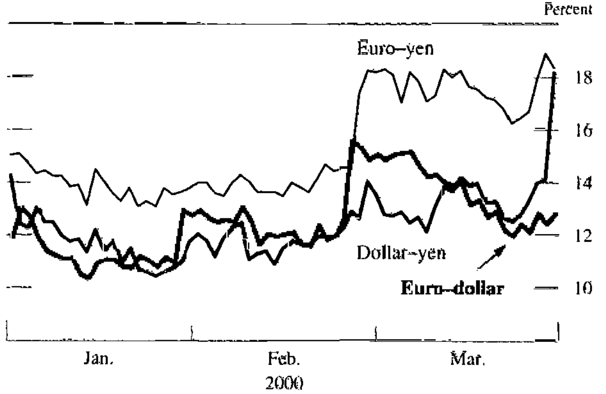
NOTE. Capital inflows are weekly data.

SOURCE. Federal Reserve Board of Governors.

currency credit rating further weighed on sentiment toward the yen.

From February 22 through the end of the quarter, however, the yen strengthened by as much as 7.9 and 13.2 percent against the dollar and the euro respectively. Although a release on March 12 indicated that Japanese GDP had declined 1.4 percent year-on-year during the fourth quarter, stronger-than-expected data on capital spending and machinery orders gave rise to some market optimism about the prospects for Japanese economic recovery. Reallocation of portfolio investments in favor of Japanese assets also appeared to support the yen against both the dollar and the euro. According to Japan's Ministry of Finance, foreign investors purchased ¥1.17 trillion in Japanese stocks through the end of February, compared with ¥667 billion during the first two months of 1999. Japanese equity markets continued to attract inflows, helping the Nikkei close above 20,000 on February 9 for the first time since July 1997. Although foreign inflows diminished from mid-March, there were net equity inflows of ¥800.4 billion on the quarter. The

6. Volatility implied by one-month option prices, 2000:Q1



SOURCE. Reuters.

Nikkei and the technology-laden JASDAQ rose 7.4 and 12.0 percent, respectively, during the period.

According to some market sources, the yen's appreciation in mid-to-late February generated losses on the significant short yen positions established in February and prompted investors to rapidly scale back such holdings by purchasing yen. Reported repatriation transactions and expectations for such flows also boosted the yen against other currencies, as Japanese investors reduced foreign holdings ahead of the March 31 Japanese fiscal year-end. Throughout the period, however, many participants remained wary of the possibility of further Japanese intervention. In anticipation of Japanese capital outflows after the fiscal year-end, some market participants established long euro positions against the yen during the final week of the quarter. However, the yen's continued appreciation prompted investors to cut back these positions, contributing to the yen's 3.2 percent strengthening against the euro and the breaking of the ¥100-per-euro level during the final day of the quarter.

Foreign exchange markets were volatile over the period and volatility implied by currency options fluctuated. At the beginning of the quarter, the implied volatility of one-month options declined as trading conditions returned to normal following the uneventful year-end. Later in the period, market participants reported that uncertainty over the near-term direction of the euro and the course of the yen ahead of the Japanese fiscal year-end contributed to elevated volatility levels.

Treasury and Federal Reserve Foreign Exchange Operations

The U.S. monetary authorities did not undertake any intervention operations during the quarter. At the end of the quarter, the current values of euro and Japanese yen reserve holdings totaled $15.8 billion for the Federal Reserve System and $15.8 billion for the Treasury's Exchange Stabilization Fund. The U.S. monetary authorities invest all of their foreign currency balances in a variety of instruments that yield market-related rates of return and have a high degree of liquidity and credit quality. To the greatest extent practicable, these investments are split evenly between the Federal Reserve System and the Exchange Stabilization Fund.

A significant portion of the balances is invested in German and Japanese government securities held directly or under repurchase agreement. Government securities held under repurchase agreement are arranged either through transactions executed directly in the market or through agreements with official institutions. Foreign currency reserves are also invested in deposits at the Bank for International Settlements and in facilities at other official institutions. As of March 31, direct holdings of foreign government securities totaled $8.6 billion, split evenly between the two authorities. Foreign government securities held under repurchase agreement totaled $13.6 billion at the end of the quarter and were also split evenly between the two authorities. □

1. Foreign currency holdings of U.S. monetary authorities based on current exchange rates, 2000:Q1
Millions of dollars

Item	Balance, Dec. 31, 1999	Quarterly changes in balances, by source				Balance, Mar. 31, 2000
		Net purchases and sales[1]	Effect of sales[2]	Investment income	Currency valuation adjustments[3]	
FEDERAL RESERVE SYSTEM OPEN MARKET ACCOUNT (SOMA)						
Euro	6,870.6	0.0	0.0	67.8	–341.1	6,597.4
Japanese yen	9,221.5	0.0	0.0	1.0	–51.1	9,171.4
Total	16,092.1	0.0	0.0	68.8	–392.2	15,768.7
Interest receivables[4]	48.0	...	...	...	...	34.3
Total	**16,140.1**	...	...	...	...	**15,803.0**
U.S. TREASURY EXCHANGE STABILIZATION FUND (ESF)						
Euro	6,868.5	0.0	0.0	67.0	–340.9	6,594.5
Japanese yen	9,221.5	0.0	0.0	1.0	–51.1	9,171.4
Total	16,090.0	0.0	0.0	68.0	–392.0	15,765.9
Interest receivables[4]	78.6	...	...	...	...	59.8
Total	**16,168.6**	...	...	...	...	**15,819.8**

NOTE. Figures may not sum to totals because of rounding.
1. Purchases and sales for the purpose of this table include foreign currency sales and purchases related to official activity, swap drawings and repayments, and warehousing.
2. This figure is calculated using marked-to-market exchange rates; it represents the difference between the sale exchange rate and the most recent revaluation exchange rate. Realized profits and losses on sales of foreign currencies, computed as the difference between the historical cost-of-acquisition exchange rate and the sale exchange rate, are reflected in table 2.
3. Foreign currency balances are marked to market monthly at month-end exchange rates.
4. Interest receivables for the ESF are revalued at month-end exchange rates. Interest receivables for the Federal Reserve System are carried at average cost of acquisition and are not marked to market until interest is paid.
. . . Not applicable.

2. Net profits or losses (–) on U.S. Treasury and Federal Reserve foreign exchange operations, based on historical cost-of-acquisition exchange rates, 2000:Q1
Millions of dollars

Period and item	Federal Reserve System Open Market Account	U.S. Treasury Exchange Stabilization Fund
Valuation profits and losses on outstanding assets and liabilities, Dec. 31, 1999		
Euro	–510.0	–726.9
Japanese yen	2,178.1	2,390.2
Total	**1,668.1**	**1,663.3**
Realized profits and losses from foreign currency sales, Dec. 31, 1999–Mar. 31, 2000		
Euro	0.0	0.0
Japanese yen	0.0	0.0
Total	**0.0**	**0.0**
Valuation profits and losses on outstanding assets and liabilities, Mar. 31, 2000		
Euro	–851.1	–1,067.8
Japanese yen	2,126.9	2,339.1
Total	**1,275.8**	**1,271.3**

3. Federal Reserve reciprocal currency arrangements, March 31, 2000
Millions of dollars

Institution	Amount of facility	Outstanding, Mar. 31, 2000
	Federal Reserve reciprocal currency arrangements	
Bank of Canada	2,000	0.0
Bank of Mexico	3,000	0.0
Total	**5,000**	**0.0**
	U.S. Treasury Exchange Stabilization Fund currency arrangements	
Bank of Mexico	3,000	0.0
Total	**3,000**	**0.0**

Industrial Production and Capacity Utilization for April 2000

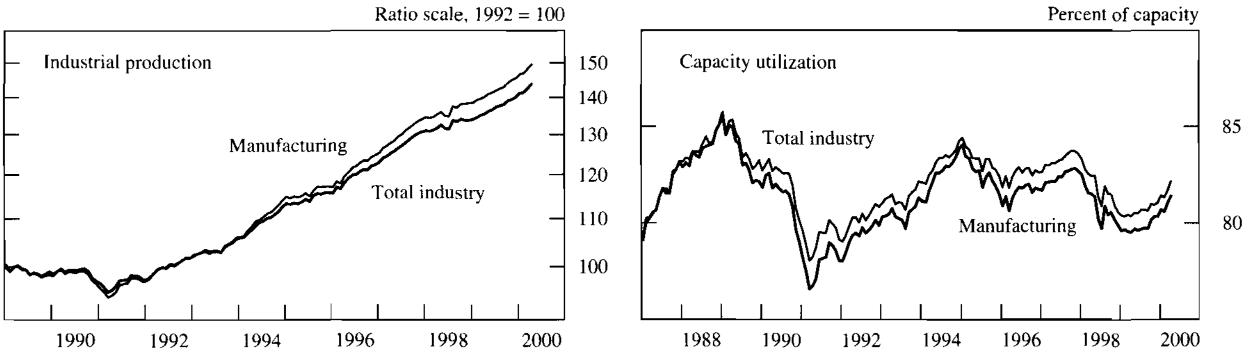
Released for publication May 15

Industrial production increased 0.9 percent in April after an upward-revised increase of 0.7 percent in March. Manufacturing output increased 0.8 percent, with most major industries posting gains. The output of utilities rebounded 2.8 percent, while output for mining rose 0.4 percent. At 143.7 percent of its 1992 average, industrial production in April was 6.1 percent higher than in April 1999. The rate of capacity utilization for total industry rose 0.4 percentage point, to 82.1 percent, a level about even with the average for 1967 to 1999.

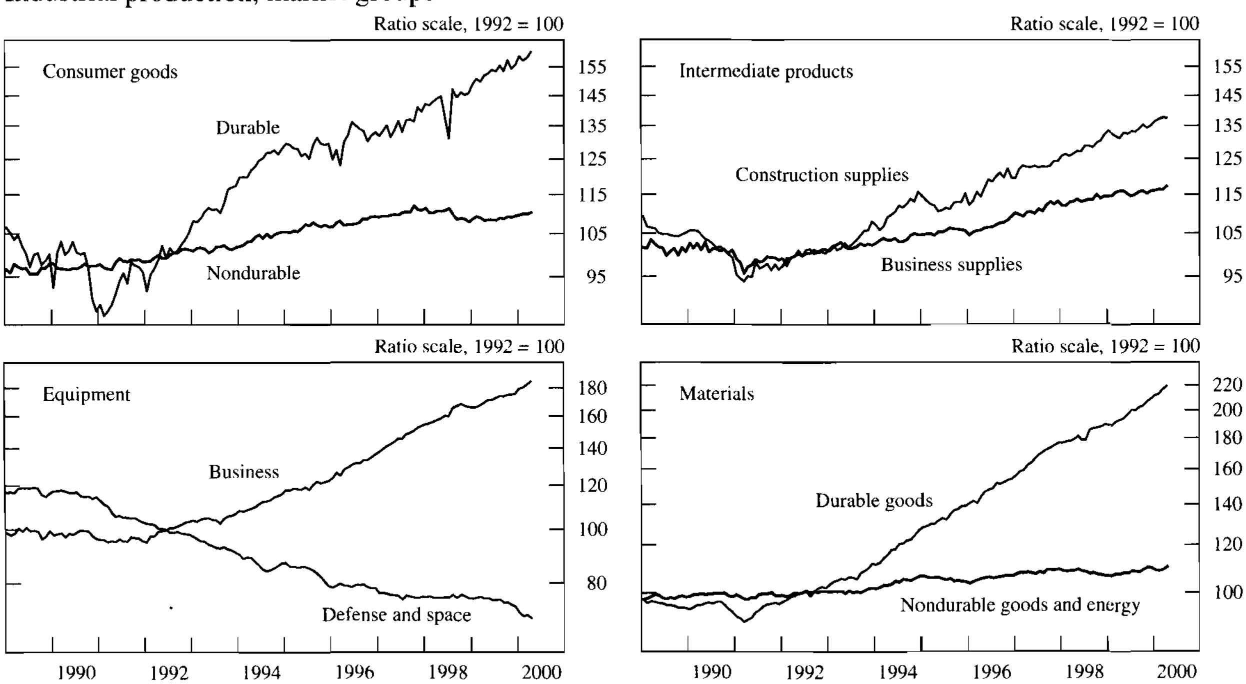
MARKET GROUPS

The output of consumer goods, which had been flat during February and March, increased 0.6 percent in

Industrial production and capacity utilization



Industrial production, market groups



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

Industrial production and capacity utilization, April 2000

Category	Industrial production, index, 1992=100								
	2000				Percentage change				
					2000[1]				Apr. 1999 to Apr. 2000
	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[p]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[p]	
Total	**141.1**	**141.4**	**142.4**	**143.7**	**.7**	**.2**	**.7**	**.9**	**6.1**
Previous estimate	141.5	141.6	142.0	. .	1.0	.1	.3	. . .	. . .
Major market groups									
Products, total[2]	129.7	129.9	130.4	131.3	.9	.2	.4	.7	4.1
Consumer goods	118.8	118.8	118.9	119.6	.6	.0	.0	.6	2.7
Business equipment	179.4	180.2	182.4	184.9	2.2	.5	1.3	1.3	9.1
Construction supplies	136.4	137.1	137.6	137.5	1.1	.5	.4	−.1	4.7
Materials	160.5	160.7	162.8	164.8	.5	.1	1.3	1.2	9.3
Major industry groups									
Manufacturing	146.7	147.0	148.3	149.5	.8	.2	.9	.8	6.6
Durable	181.0	181.5	184.0	186.1	1.5	.2	1.4	1.2	9.9
Nondurable	113.5	113.7	113.9	114.3	−.2	.1	.2	.3	2.5
Mining	99.7	99.3	100.3	100.7	.2	−.5	1.0	.4	4.1
Utilities	114.6	115.0	112.9	116.0	.9	.4	−1.8	2.8	−.2

Category	Capacity utilization, percent								Memo Capacity, percentage change, Apr. 1999 to Apr. 2000
	Average, 1967–99	Low, 1982	High, 1988–89	1999	2000				
				Apr.	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[p]	
Total	**82.0**	**71.1**	**85.4**	**80.4**	**81.4**	**81.3**	**81.7**	**82.1**	**3.8**
Previous estimate	. . .	. . .	. . .	. . .	81.6	81.5	81.4	. .	. . .
Manufacturing	81.1	69.0	85.7	79.5	80.7	80.6	81.0	81.4	4.2
Advanced processing	80.5	70.4	84.2	78.5	79.7	79.6	80.1	80.4	5.2
Primary processing	82.4	66.2	88.9	82.6	83.9	83.5	84.0	84.3	1.9
Mining	87.3	80.3	88.0	80.4	83.1	82.9	83.8	84.2	−.7
Utilities	87.5	75.9	92.6	91.4	89.2	89.4	87.7	90.1	1.3

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.

April. The output of durable consumer goods, which increased 1.4 percent, was boosted by a further rebound in the production of automotive products since the dip in February. The production of other durable consumer goods increased 0.6 percent, a rate about in line with the average for the previous three months; ongoing strength in the production of video and audio equipment and computers more than offset a 3.9 percent fall in the output of appliances. The production of nondurable consumer goods rose 0.4 percent and was led by a sharp rebound in the output of energy products; the output of nondurable non-energy consumer products rose 0.2 percent after having edged down in March.

The production of business equipment rose 1.3 percent in March and again in April, a rate close to the average pace over the January–February period. The production of information processing and related equipment increased 1.6 percent in April, led by continued gains in the output of computers and communication equipment. The output of industrial equipment was up 0.7 percent, with increases widespread among the component series. The production index for the "other equipment" category rose 3.9 percent, after having risen 3.4 percent in March; the recent surge in the output of this industry group reflects the continued recovery in the production of farm machinery and equipment after a significant contraction during the middle of 1999. The output of transit equipment edged up 0.2 percent, as a rebound in assemblies of light vehicles more than offset declines in the production of medium and heavy trucks and of commercial aircraft and equipment.

The production of construction supplies, which increased an average of 0.7 percent per month in the first quarter, edged down 0.1 percent in April but remained more than 4½ percent above its level a year ago. The output of materials gained 1.2 percent in April. The output of durable goods materials rose 1.3 percent, with another strong increase in equipment parts, particularly semiconductors. The output of energy materials rose 1.4 percent, while the production of nondurable goods materials gained 0.7 percent.

Industry Groups

Manufacturing output rose 0.8 percent in April; most major industries posted gains. Production in durable manufacturing industries increased 1.2 percent after a 1.4 percent increase in March. The production of electrical machinery rose 2 percent, led by a 3 percent gain in the output of semiconductors and related equipment; semiconductor output increased about 5½ percent per month during the first quarter. The production of industrial machinery and equipment (which includes computers) increased 1½ percent in April, a rate about equaling the average pace in the preceding two months. In contrast, the output of aircraft and parts continued to decline, in part because of a strike at a producer of military aircraft.

After having changed little in the first quarter, production in nondurable manufacturing increased 0.3 percent in April to a level 2½ percent higher than in April 1999. Among nondurable manufacturing industries, the only substantial output decline occurred in the petroleum products industry.

The factory operating rate rose to 81.4 percent in April, rising above its 1967–99 average for the first time since May 1998. Utilization in primary-processing industries increased to 84.3 percent, while that for advanced-processing industries advanced to 80.4 percent.

Output at utilities, which had fallen back 1.8 percent in March, was up 2.8 percent in April; the operating rate at utilities rose to 90.1 percent. Production at mines increased 0.4 percent after having risen 1 percent in March. The utilization rate at mines increased to 84.2 percent but remained noticeably below its long-term average. □

Statements to the Congress

Statement by Patrick M. Parkinson, Associate Director, Division of Research and Statistics, Board of Governors of the Federal Reserve System, before the Committee on Banking and Financial Services, U.S. House of Representatives, April 11, 2000

I am pleased to be here today to discuss efforts to implement recommendations contained in the reports on hedge funds and over-the-counter (OTC) derivatives submitted to the Congress last year by the President's Working Group on Financial Markets. Your letter of invitation requested that the Board's testimony focus on three issues: (1) financial netting legislation; (2) public disclosure requirements for hedge funds; and (3) the regulation of OTC derivatives transactions, including the Board's views on the bill that Chairman Leach has recently introduced.

FINANCIAL NETTING LEGISLATION

The Board strongly supports the Working Group's recommendations for amendments to the U.S. Bankruptcy Code to support financial contract netting. It commends this committee's efforts to enact those amendments. Enactment of H.R. 1161, the bill pending before this committee, would reduce uncertainty for market participants about the disposition of their financial market contracts if one of the counterparties becomes insolvent. This reduced uncertainty should limit market disruptions in the event of an insolvency, limit risk to federally supervised market participants, including insured depositories, and limit systemic risk.

PUBLIC DISCLOSURE BY HEDGE FUNDS

The Board also supports the Working Group's recommendation that the very largest hedge funds be required to publicly disclose information about their financial activities, including meaningful and comprehensive measures of market risk, but excluding proprietary information on their strategies or positions. The recommendation is one of a larger set of recommendations by the Working Group intended to constrain excessive leverage in the financial system by making private market discipline more effective.

The leverage of hedge funds is constrained primarily by the credit decisions of the large banks and securities firms that are their creditors and counterparties. It is of the greatest importance that those creditors and counterparties have timely and accurate information on the risk profiles of hedge funds, so that they can make appropriate decisions about the amounts and terms and conditions of the credit that they provide.

Given the speed with which the risk profiles of hedge funds can change, quarterly public disclosures would not meet the needs of creditors and counterparties. Nonetheless, it would be useful to policymakers and to the general public. Evaluations of the role of hedge funds in our financial system and of appropriate public policies toward these institutions have been hampered by a lack of reliable data on their activities.

The Board has been following the progress of Representative Richard Baker's Hedge Fund Disclosure Act. The Board had been concerned about provisions of an earlier version of the bill that would have permitted collection and sequestration of proprietary information on hedge funds' strategies and positions. Such provisions could have created the perception that hedge funds were subject to prudential oversight, even though the bill provided no explicit authority for such oversight. Such a perception would be fraught with moral hazard that would weaken market discipline, contrary to the Working Group's goal in recommending public disclosure.

The Board welcomed the manager's amendments to the earlier bill that deleted these troublesome provisions and thereby made clear that public disclosure, not prudential oversight, is the objective of the legislation. The Board supports the substantive provisions of the amended bill and commends this committee for its efforts to move this legislation forward. In the Board's judgment, however, the bill could be further improved by an amendment providing that the information be collected and disseminated by the Securities and Exchange Commission (SEC) instead of the Board. Because of the SEC's broader responsibilities for public disclosure, such an amendment would underscore the purpose of the legislation.

REGULATION OF OTC DERIVATIVES

The Board strongly supports modernizing the Commodity Exchange Act (CEA) by implementing the recommendations contained in the Working Group's November 1999 report. The primary focus of the Working Group's report was on OTC derivatives. OTC derivatives have come to play an extremely important role in our financial system and in our economy. In light of this, it is essential that we address the legal uncertainties created by the possibility that courts could construe OTC derivatives to be futures contracts subject to the CEA. These legal uncertainties create risks to counterparties and, indeed, to our financial system that simply are unacceptable. They have also impeded initiatives to centralize the trading and clearing of OTC contracts, developments that have the potential to increase efficiency and reduce risks in OTC transactions.

To address these concerns, the Working Group recommended that financial OTC derivatives transactions between professional counterparties be excluded from coverage of the CEA. Furthermore, it recommended that such transactions between such counterparties should be excluded even if they were executed through electronic trading systems. Finally, the Working Group recommended that transactions that were otherwise excluded from the CEA should not fall within the ambit of the act simply because they are cleared. While the Working Group concluded that clearing should be subject to government oversight, that oversight need not be provided by the Commodity Futures Trading Commission (CFTC). Instead, for many types of derivatives, oversight could be provided by the SEC, the Office of the Comptroller of the Currency, the Federal Reserve, or by a foreign financial regulator that the appropriate U.S. regulator determines to have satisfied appropriate standards.

The Working Group recognized that implementation of these recommendations regarding OTC derivatives would blur some of the distinctions between OTC derivatives and exchange-traded futures and that this would aggravate existing concerns about regulatory disparities and resulting competitive imbalances between the OTC markets and the exchanges. Consequently, the Working Group called for a review of the existing regulatory structure for futures, particularly financial futures, to determine whether it is appropriately tailored to serve valid regulatory goals. Furthermore, the Working Group stated that enactment of its recommendations with respect to OTC derivatives should be accompanied by explicit authority for the CFTC to provide appropriate regulatory relief for exchange-traded futures. The report also concluded that the current prohibition on single-stock futures can be repealed if issues about the integrity of the underlying securities markets are addressed.

The Working Group had envisioned that these recommendations would be implemented through amendments to the CEA. Chairman Leach recently introduced a bill that takes a different approach to implementing some, but not all, of the Working Group's recommendations. The bill also includes provisions that would enhance the Federal Reserve's authority to oversee clearing organizations that seek to organize as uninsured state member banks and would clarify the treatment of such clearing organizations in bankruptcy.

The Board appreciates the efforts of this committee and believes that they enhance prospects for implementation of the Working Group's recommendations. Nonetheless, it believes that many of those recommendations can be fully implemented only through amendments to the CEA. The Board does support enactment of the provisions of Chairman Leach's bill that relate to clearing organizations that choose to organize under Federal Reserve supervision, which would complement the necessary modernization of the CEA.

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, April 13, 2000

I am pleased to be here today to discuss the evolution of our equity markets and the appropriate role for policymakers in this period of rapid change. Publicly traded equities are a significant source of capital for firms, and equity markets are a key part of the process of allocating capital among competing uses in our economy. Through issuance of equities, firms enable broad sets of investors to share in the risks and rewards of economic activity. The pricing of existing capital assets plays an important role in directing investments in new capital assets.

Today, equities constitute a substantial portion of the net worth of households, both direct holdings of shares and indirect holdings through mutual and pension funds. In addition, U.S. equity markets are a significant factor in the international competitiveness of our finance industry. For these reasons it is vital that our public policies foster equity markets that remain efficient, innovative, and competitive.

In my remarks today, I shall be expressing my own views and not necessarily those of the Federal Reserve Board. I shall endeavor to set out a few broad principles that I believe should govern the evolution of our stock exchanges. Clearly, however, Chairman Levitt and his staff at the Securities and Exchange Commission (SEC) have enormous expertise that must be brought to bear on this issue, and they, along with the Congress, should lead the way in formulating and implementing appropriate public policies.

IMPLICATIONS OF CHANGES IN TECHNOLOGY

More powerful and functional computers and newer telecommunications technologies, in combination with deregulatory innovations by the SEC, have facilitated the development of new trading venues for equities. These new venues offer investors a wide range of alternatives for entering orders and executing trades. Some of the new trading mechanisms also offer speedier executions or greater anonymity, which are important to some types of investors. Many allow customer orders to be matched directly, without the traditional intervention of a specialist or market maker. As alternative trading venues have proliferated and flourished, they have attracted increasingly larger volumes from the Nasdaq market and to a lesser extent from the other exchanges. This competition among trading systems in the short run has resulted in market fragmentation—not all orders to buy and sell securities necessarily have the opportunity to interact with one another.

Concerns that this fragmentation will have adverse implications for market efficiency and investor protection are, as I understand it, the prime motivations for this hearing. The prices established in equity markets, as I noted at the outset, are a device through which capital is allocated. Investors rely on them in making portfolio decisions. These prices should reflect the supplies and demands of participants across all markets at a given time. Fragmentation thus raises questions about the quality and completeness of the price discovery process and concerns that investors' orders to buy and sell securities may not be executed at the best price or the lowest cost. Fragmentation also creates the impression, and perhaps the reality, that separate pools of liquidity yield a lower volume of liquidity in the aggregate. Particularly in times of stress, liquidity simply may not be there or it may not be there in depth.

But these concerns about fragmentation must be placed in perspective. Market structures are constantly evolving, and activity shifts in response to innovations in trading and the development of new financial instruments. In the long run, unfettered competitive pressures will foster consolidation as liquidity tends to centralize in the system providing the narrowest bid–offer spread at volume. Two or more venues trading the same security or commodity will naturally converge toward a single market. One market offering marginally narrower bid–ask spreads at volume will attract the business of others, improving its liquidity further and reducing that of its competitors. This, in turn, will engender an even greater competitive imbalance, leading eventually to full consolidation. Of course, this process may not be fully realized if there are impediments to competition or if markets are able to establish and secure niches by competing on factors other than price.

We need to be particularly careful, however, not to unintentionally and unnecessarily undermine sources of the extraordinary franchise values that have been built in to our equity markets, a process beginning with the Buttonwood Agreement of 1792, which founded what became the New York Stock Exchange. Participants in our equity markets have succeeded in concentrating a great depth of liquidity that is the envy of other nations and a symbol of the United States as the world's preeminent financial power.

Yet our established markets are undergoing profound competitive pressures and challenges, which they cannot fail to meet if they are to survive. The very financial participants they serve are signaling that our exchanges may soon become noncompetitive, and their centralized liquidity could drift to other, presumably far more automated, venues. The Nasdaq, as I noted earlier, has seen significant volume migrate to other trading systems. The New York Stock Exchange (NYSE) and regional exchanges, too, recognize that investors may increasingly choose to execute their trades elsewhere.

Just as the market provides investors' valuations of the long-term prospects of individual equities trading on exchanges, the market also signals its assessment of the values of memberships in the exchanges themselves. It is evident from these evaluations that market participants appear to be increasingly discounting the earnings from seats on the NYSE itself relative to the earnings of the stocks that trade on it. Since 1996, for example, price–earnings ratios of NYSE stocks have risen by half. The ratio of seat prices to the underlying earnings from seat leasing has barely budged. This clearly implies uncertainty about the future of the exchange. It would be unfortunate if this prized institution symbolizing American financial hegemony allowed itself to become marginalized.

But if it fails to respond to technological change, one centralized trading venue, even the NYSE, can be displaced by another as other trading systems take advantage of newer technology to offer greater efficiency or to provide new functions investors value more highly. The transition process clearly would result in fragmentation—a necessary consequence of the process of competition in the provision of trading services. Obviously, if fragmentation can be avoided, it should be. But if we enter such a transition process, it probably cannot be avoided entirely.

The Role for Policymakers

What, in general, should be the role of policymakers in this cycle of competition, fragmentation, and consolidation? We would do well to borrow the advice offered to the medical profession and, first, do no harm. It has never proved wise for policymakers to try to direct the evolution of markets, and it strikes me as especially problematic at this juncture. The structure of our equity markets is extraordinarily dynamic; hardly a week goes by that a new trading venue is not announced or an enhancement to an existing system is not trumpeted. None of us can anticipate which of these venues will hit upon the combination of services that best meets the needs of investors. That can only be revealed as competition establishes winners and losers.

In light of these judgments, I would caution against the implementation of a government mandate for any particular form of central limit order book. Given the pace of change in our markets, it is difficult to contemplate how a government mandate could be implemented; systems might well be obsolete before we were halfway through the planning process.

As this technology-led market restructuring process plays out, there is a role for policymakers in facilitating the transition to a long-run equilibrium market structure. Change often proves controversial because entities currently earning above-market rates of return owing to dominance over a segment of a market will seek, not unexpectedly, to protect those returns. Many will argue that the rules, regulations, or market practices that give rise to such niches are critical for the continued functioning of markets or are in the best interest of investors. These same entities, however, will see the need for additional competition in areas where *others* are earning above market returns. It is the obligation of policymakers to cut through this underbrush and ensure that market participants and trading venues compete on as even terms as possible and that property rights of participants be scrupulously enforced.

This suggests a reexamination of market practices and removal of current impediments to competition. The testimony by market participants over the past several weeks offers some suggestions, such as broadening access to the system by which orders are routed between trading systems. Clearly, all market participants recommend steps that are in their own self-interest; this, of course, is not surprising. However, the role of policymakers is to weigh the rationale for recommended practices and use regulatory policy to foster competition.

There are other ways in which policymakers can facilitate the shift to a new equilibrium market structure through steps to make competition itself more effective. One area in which endeavors could well prove fruitful is enhancement of the transparency in markets. The SEC's request for comment on market fragmentation seeks suggestions to improve disclosures both by market centers and by brokers about the handling of orders and the execution of trades. Transparency is a fundamental organizing principle of markets. Buyers and sellers should be fully cognizant not only of the characteristics of goods being bought and sold but also of the costs and methods by which trading occurs. Only in this way will they be able to signal through their trading patterns the market venues that best fit their needs. Retail investors, in particular, should pay attention to costs other than commissions that may be buried in the contracts authorizing their transactions. Such costs could include delayed executions, failures to execute, or forgone profit if there is no opportunity for price improvement. Disclosure empowers investors to make explicit choices about those factors that affect the quality of trade executions and ultimately the returns on their investments.

Investors should also be particularly aware of the liquidity characteristics of the systems with which they choose to deal. Despite the recent market volatility, the resiliency of our vastly expanded trading systems has not been fully tested, and there is a risk of complacency.

If investors assume that their everyday manner of dealing will always be possible in stressful conditions, such an assumption is unlikely to be realized. The Long Term Capital Management episode was a wake-up call to institutional investors about the risks of dealing in illiquid markets. The private-sector group that studied that event—the Counterparty Risk Management Policy Group—noted important deficiencies in the risk management systems of many market participants. Improvements to these systems should help market participants better assess the possible consequences of market illiquidity, whether in the equity markets or in other markets. But liquidity risk is not just an issue for institutional investors. Retail investors, too, need to evaluate the implications of their decisions to deal in particular trading systems. These investors need to exercise caution when dealing in illiquid markets, especially on a leveraged basis.

CONCLUSION

In conclusion, I would like to reiterate my confidence in competition as the fundamental guide to the organization of our markets. Although fragmentation has some undesirable consequences, it is an inevitable part of the competitive process. Fragmentation signals the value investors place on the services and functions offered by competing trading systems. In the long run, activity will migrate to the systems that best meet the needs of investors, absent impediments to competition. In the short run, policymakers should not attempt to anticipate the outcome of the competitive process. Rather, they should seek to remove impediments to competition and take judicious steps to mitigate the adverse effects of fragmentation through policies such as enhanced disclosure. Investors, too, can facilitate this evolutionary process by carefully evaluating the efficiency of the trading systems they use and the appropriateness of the trading strategies they undertake. □

Announcements

Formation of a Private-Sector Working Group on Public Disclosure by Banking and Securities Organizations

The Federal Reserve Board, the Office of the Comptroller of the Currency (OCC), and the Securities and Exchange Commission (SEC) announced on April 27, 2000, that the Board had established a private-sector working group to develop options for improving the public disclosure of financial information by banking and securities organizations. The OCC and the SEC will participate with the Board in support of the effort.

Walter Shipley, who recently retired as chairman of Chase Manhattan Bank, has agreed to chair the Working Group on Public Disclosure, made up of senior executives of banking and investment organizations. The other members of the working group are the following:

Clemens Boersig, chief financial officer and member of the board, Deutsche Bank AG, Frankfurt, Germany

Dina Dublon, executive vice president and chief financial officer, Chase Manhattan Bank, New York

Douglas Flint, finance director, HSBC Holdings PLC, London

James Hance, vice chairman and chief financial officer, Bank of America Corp., Charlotte, N.C.

Peter Hancock, chief financial officer and risk manager, J.P. Morgan & Co. Inc., New York

Ross Kari, executive vice president and chief financial officer, Wells Fargo Corp., San Francisco

Thomas H. Patrick, executive vice president and chief financial officer, Merrill Lynch and Co., New York

Lisa K. Polsky, managing director and chief risk officer, Morgan Stanley Dean Witter, New York

Marcel Rohner, member of the group managing board and chief risk manager, UBS AG, Zurich, Switzerland

Robert Rosholt, executive vice president and chief financial officer, Bank One Corporation, Chicago

Todd S. Thomson, chief financial officer, Citigroup, New York

Barry L. Zubrow, managing director and chief administrative officer, Goldman Sachs and Co., New York

The working group will evaluate the use of enhanced public disclosure as a means of improving the ability of markets to evaluate the risk exposure and risk-management practices of large, complex financial service organizations. It will describe industry best practices on disclosure and develop options for improving disclosure by these entities. A report on the group's recommendations will be released to the public upon completion. In recent years, market participants, scholars, and policymakers all have emphasized the utility of substituting increased market discipline for additional supervision and regulation. This issue will become more pressing as institutions take advantage of the opportunities in the Gramm–Leach–Bliley Act, particularly if the pace of financial industry consolidation continues. Effective market discipline depends on stakeholders of individual banking and securities organizations being provided with the information necessary to make informed judgments about the organizations' risk exposure. Although banking and securities organizations already disclose a considerable volume of information, it would be beneficial to re-examine the content and scope of current practices and to look for further opportunities to improve disclosure and enhance market discipline.

Consumer Education Brochures: New Edition and Reissuance

The Federal Reserve Board announced on April 26, 2000, that it had issued a revision of its brochure *Consumer Handbook to Credit Protection Laws*. The new edition, the thirteenth, reflects recent changes in law and regulation.

Topics covered in the handbook include the following:

- The cost of credit
- Applying for credit

- Credit histories and records
- Correcting mistakes and resolving misunderstandings
- Canceling a mortgage
- Liability limits on lost or stolen credit cards
- Electronic fund transfers.

It also includes a directory of federal agencies and information on how to file a credit complaint.

The Federal Reserve Board on April 26, 2000, also announced that it had reissued the brochure *A Guide to Business Credit for Women, Minorities, and Small Businesses*. The guide explains the application process for small business loans and steps to take if a loan is denied. It also provides information on the Equal Credit Opportunity Act and lists sources for assistance in the application process.

Copies of the brochures are available from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551. The first 100 copies are free.

The brochures are also available on the Board's web site at http://www.federalreserve.gov/pubs/brochure.htm.

PUBLICATION OF THE MAY 2000 UPDATE TO THE *COMMERCIAL BANK EXAMINATION MANUAL*

The May 2000 update to the *Commercial Bank Examination Manual*, Supplement No. 12, 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. *A replacement of the "Examination Strategy" section to include the following:*

   Revised examination frequency guidelines for state member banks, as well as pre-membership or pre-merger examination guidelines. Section 306 of the Riegle–Neal Interstate Banking and Branching Efficiency Act and section 2221 of the Economic Growth and Regulatory Paperwork Reduction Act revised the examination frequency guidelines. See SR 97-8. The pre-membership or pre-merger examination guidelines are also revised (SR 98-28).

   The Federal Reserve System's risk-focused examination program for large complex institutions and community banks. The program endorses the concept of conducting, when appropriate, a series of targeted examinations during a supervisory cycle, each focusing on an activity, business line, or legal entity. See the handbook *Framework for Risk-Focused Supervision of Large Complex Institutions* (SR 97-24). See also the handbook *Framework for Risk-Focused Supervision of Community Banks* (SR 97-25).

   The further development of the Federal Reserve System's on-going program of risk-focused supervision. The program's standards for management, monitoring (maintenance of an institutional overview, risk matrix, and risk assessment), and periodic reporting, as carried out for each consolidated organization by a dedicated supervisory team and designated Central Point of Contact, are explained (SR 99-15).

2. *The revised minimum criteria to be used for loan write-ups.* The minimum standards for information categories, to be included in the examination report on special mention or adversely classified assets, are discussed. Such write-ups are required when management and examiners disagree about the institution's disposition of assets, or when the institution will be assigned a rating of 3, 4, or 5. A full write-up must provide sufficient detail supporting the examiners' judgment concerning the rating assigned and any possible follow-up supervisory action for problem institutions. See SR 99-24.

3. *Revisions to the minimum information needed to be included on loan line sheets.* The information required on line sheets must state the reason for, and the status of, a loan review's disposition as well as what information is either not available (especially loan and collateral documentation and collateral values) or is unreliable, perhaps due to deficient loan administration. See SR 99-25.

4. *Revised supervisory guidance that is to be used in evaluating and controlling the risks posed to banks by loans with high loan-to-value (LTV) ratios.* The focus is on further clarification on two exemptions of the 1992 interagency real estate lending standards—the "abundance of caution" exemption, and the exemption for loans sold promptly without recourse. Guidance is provided for calculating the LTV ratio when multiple loans and lenders are involved. Supervisory caution emphasizes the monitoring of high LTV limits. See SR 99-26.

5. *Revisions to the risk-based capital treatment for credit derivatives that are used to synthetically replicate collateralized loan obligations (CLOs).* Guidance is provided on the capital treatment for three different synthetic CLO transactions: (1) when the entire amount of the referenced portfolio is hedged; (2) when a high-quality senior risk position in the reference portfolio is retained; or (3) when a first-loss position is retained. Minimum conditions are included for sponsoring institutions wishing to obtain the synthetic securitization capital treatment for transaction 2. See SR 99-32.

6. *Revised transfer risk examination guidelines that incorporate the "Guide to the Interagency Country Exposure Review Committee" (ICERC).* This clarifies for the public the evaluation process used by ICERC and its role in the supervisory process. New information is provided on the application of ICERC ratings, as well as several types of less severely rated exposures (short-term bank or trade exposures, trading accounts, and direct equity investments).

There are criteria for determining exposures involving strong, moderately strong, and weaker countries. See SR 99-35.

7. *The revision and updating of the table listing of statutes and regulations that are administered by the Federal Reserve.* The table references are listed in order by title number and section number of the United States Code (U.S.C.).

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/.

APPOINTMENT OF DAVID J. STOCKTON AS DIRECTOR OF THE DIVISION OF RESEARCH AND STATISTICS

The Federal Reserve Board on May 4, 2000, announced the appointment of David J. Stockton as Director of the Division of Research and Statistics, effective July 3, 2000. Mr. Stockton, currently Deputy Director of the division, will succeed Michael J. Prell, who will retire at the end of June, after thirty years of service in the Federal Reserve System and thirteen years as Director of the Division of Research and Statistics.

The Division of Research and Statistics is responsible for the analysis and forecasting of domestic economic and financial developments, supporting the monetary policy work of the Board and the Federal Open Market Committee. In connection with that activity, it produces a variety of statistical series, including the well-known indexes of industrial production and capacity utilization and the nation's flow of funds accounts. The division also provides support for the formulation of policy in the areas of banking supervision and regulation, consumer protection, and community reinvestment.

Mr. Stockton has been a member of the division since 1981, following his doctoral work at Yale University. In 1987 he was promoted to Assistant Director of the division and Chief of the Economic Activity Section. He was subsequently promoted to Associate Director in 1989 and to Deputy Director in 1994. He has also served as Associate Economist to the Federal Open Market Committee for a number of years. □

Legal Developments

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Caisse Nationale de Crédit Agricole
Paris, France

Order Approving the Formation of a Bank Holding Company

Caisse Nationale de Crédit Agricole ("CNCA"), a foreign banking organization subject to the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to own indirectly all of the voting shares of Espírito Santo Bank, Miami, Florida.[1]

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (64 *Federal Register* 53,680 (1999)). The time for filing comments has expired, and the Board has considered the proposal in light of the factors set forth in section 3 of the BHC Act.

CNCA, with total consolidated assets of approximately $402 billion, is the largest banking organization in France.[2] In the United States, CNCA operates branches in New York, New York, and Chicago, Illinois; and representative offices in Houston, Texas, and San Francisco, California. CNCA also engages through subsidiaries in the United States in a broad range of permissible nonbanking activities, including securities and futures trading, leasing, financing, brokerage, and financial consulting activities.

Espírito Santo Bank is the 53rd largest banking organization in Florida, controlling deposits of $315 million, representing less than 1 percent of all deposits in commercial banking organizations in the state.[3]

Certain Supervisory Considerations

Under section 3 of the BHC Act, 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."[4] The Board previously has determined, in applications under the International Banking Act (12 U.S.C. § 3101 *et seq.*) ("IBA"), that CNCA is subject to comprehensive consolidated supervision by its home country supervisor.[5] No material changes have occurred in the manner of CNCA's supervision that would alter the Board's previous determination. Based on all the facts of record, the Board has concluded that CNCA is subject to comprehensive supervision and regulation on a consolidated basis by its home country supervisor.

The BHC Act also requires the Board to determine that the 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.[6] The Board has reviewed the restrictions on disclosure in jurisdictions where CNCA has material operations and has communicated with relevant government authorities concerning access to information. CNCA has committed that it will make available to the Board such information on its operations and any of its affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act, the IBA, and other applicable federal law. CNCA also has committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary in order to enable CNCA to make any such information available to the Board. In light of these commitments and other facts of record, the Board has concluded that CNCA has provided adequate assurances of access to any appropriate information the Board may request. For these reasons, and based on all the facts of

1. CNCA controls more than 25 percent of the voting shares of Banco Espírito Santo, S.A., Lisbon, Portugal ("Banco Espírito Santo"), which also has applied to acquire all of the voting shares of Espírito Santo Bank. Because of its ownership of Banco Espírito Santo, CNCA is also required to seek Board approval under the BHC Act to own indirectly the shares of Espírito Santo Bank. The Board has approved applications filed by Banco Espírito Santo and its related holding companies in a separate order. *E.S. Control Holding S.A., et al.*, 86 *Federal Reserve Bulletin* 418 (2000).

2. Data are as of December 31, 1998, and are based on exchange rates on that date.

3. Data are as of June 30, 1999.

4. 12 U.S.C. § 1842(c)(3)(B). As provided in Regulation Y, the Board determines whether a foreign bank is subject to consolidated home country supervision under the standards set forth in Regulation K. *See* 12 C.F.R. 225.13(a)(4). Regulation K provides that a foreign bank may be considered subject to consolidated supervision if the Board determines that the bank is supervised or regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the foreign bank, including the relationships of the bank to its affiliates, to assess the foreign bank's overall financial condition and compliance with law and regulation. *See* 12 C.F.R. 211.24(c)(1)(ii).

5. *Caisse National de Crédit Agricole*, 81 *Federal Reserve Bulletin* 1055 (1995) *See also*, *Crédit Agricole Indosuez*, 83 *Federal Reserve Bulletin* 1025 (1996);.

6. *See* 12 U.S.C. § 1842(c)(3)(A).

record, the Board has concluded that the supervisory factors it is required to consider under section 3(c)(3) of the BHC Act are consistent with approval.

Other Factors Under the BHC Act

The Board also has carefully considered the financial and managerial resources and future prospects of the banks and companies involved in this proposal, the convenience and needs of the communities to be served, and certain supervisory factors. CNCA's capital levels exceed the levels required under French capital guidelines. The capital levels of CNCA also exceed the capital levels under the Basle Capital Accord, and are considered equivalent to the capital levels that would be required of a U.S. banking organization under similar circumstances.

The Board has reviewed supervisory information from the home country authorities responsible for supervising CNCA concerning the proposal and the condition of the parties, confidential financial information from CNCA, and reports of examination from the appropriate federal and state supervisors of the affected organizations assessing the financial and managerial resources of the organizations. Based on all the facts of record, the Board has concluded that the financial and managerial resources and future prospects of the organizations involved in the proposal are consistent with approval, as are other supervisory factors that the Board must consider under section 3 of the BHC Act.

In addition, based on all the facts of record, including the fact that CNCA does not have banking operations in the banking market in which Espírito Santo Bank operates, the Board has concluded 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. Considerations related to the convenience and needs of the communities to be served, including the performance record of Espírito Santo Bank under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"), also are consistent with approval of the proposal.[7]

Conclusion

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 specifically conditioned on CNCA's compliance with all the commitments made in connection with this application, and on the receipt by CNCA and Espírito Santo Bank of all necessary approvals from state and federal regulators. The approval is also specifically conditioned on the Board's receiving access to information on the operations or activities of CNCA and any of its affiliates that the Board determines to be appropriate to determine and enforce compliance by CNCA and its affiliates with applicable federal statutes. 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 Espírito Santo Bank shall not be consummated before the fifteenth calendar day following the effective date of this order, and the proposal shall not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of New York, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 5, 2000.

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

ROBERT DEV. FRIERSON
Associate Secretary of the Board

7. Espírito Santo Bank was rated "satisfactory" in its most recent CRA performance evaluation conducted by the Federal Deposit Insurance Corporation, as of July 21, 1997.

Dime Bancorp, Inc.
New York, New York

Order Approving Formation of a Bank Holding Company

Dime Bancorp, Inc. ("Dime"), a savings and loan holding company within the meaning of the Home Owners' Loan Act (12 U.S.C. § 1461 *et seq.*),[1] has requested the Board's approval under section 3(a)(1) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring all the voting shares of Hudson United Bancorp, Mahwah, New Jersey ("Hudson"), and thereby acquire its subsidiary, Hudson United Bank, Mahwah, New Jersey ("Hudson Bank").[2]

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (64 *Federal Register* 70,258 (1999)). 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.

Dime Savings is the 10th largest depository institution in New York, controlling total deposits of $10.4 billion, representing approximately 2.5 percent of total deposits in insured depository institutions in the state ("state depos-

1. Dime controls The Dime Savings Bank of New York, FSB, New York, New York ("Dime Savings").

2. Dime proposes to merge Dime Savings with and into Hudson Bank simultaneously with Dime's merger with Hudson, which would be renamed "DimeBank." Dime received approval for the proposed merger from the Federal Deposit Insurance Corporation ("FDIC") under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) ("Bank Merger Act") on April 5, 2000.

its").[3] In New Jersey, Dime Savings is the 14th largest depository institution, controlling deposits of $2.3 billion, representing approximately 1.6 percent of state deposits. Hudson operates in New Jersey, New York, Connecticut, and Pennsylvania. Hudson Bank is the 12th largest depository institution in New Jersey, controlling total deposits of $2.4 billion, representing approximately 1.7 percent of state deposits. Hudson Bank also is the 46th largest depository institution in New York, controlling deposits of $968 million, representing less than 1 percent of state deposits. After consummation of the proposal, DimeBank would be the tenth largest depository institution in New York, controlling deposits of approximately $11.4 billion, representing approximately 2.7 percent of state deposits. DimeBank also would be the eighth largest institution in New Jersey, controlling deposits of $4.7 billion, representing approximately 3.3 percent of state deposits.

Competitive Considerations

The BHC Act prohibits the Board from approving an application under section 3 of the BHC Act if the proposal would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking. The BHC Act also prohibits the Board from approving a proposed combination that would substantially lessen competition or tend to create a monopoly in any relevant banking market, unless the Board finds that the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effects of the proposal in meeting the convenience and needs of the community to be served.[4]

Dime and Hudson compete directly in the New York/New Jersey Metropolitan banking market ("New York banking market")[5] and in the Philadelphia banking market. On consummation of the proposal, Dime would become the seventh largest depository institution in the New York banking market, controlling deposits of $17.1 billion, representing approximately 4 percent of total deposits in depository institutions in the New York banking market ("market deposits").[6] Because Dime controls a savings association that would become a bank on consummation of this transaction, the Herfindahl–Hirschman Index ("HHI") would decrease by 12 points to 774. Numerous competitors would remain in the market.[7] In the Philadelphia banking market Dime would become the sixth largest depository institution in the market, controlling deposits of $2.1 billion, representing approximately 3.2 percent of market deposits. The HHI in the Philadelphia banking market would decrease by one point to 1542, and numerous competitors would remain in the market.

Based on these and all other facts of record, the Board concludes that consummation of the proposal would not result in any significantly adverse effects on competition or on the concentration of banking resources in the New York or Philadelphia banking markets or any other relevant banking market.

Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act, the Board is required to consider the effect of the proposal on the convenience and needs of the community to be served and take into account the records of the relevant depository institutions under the Community Reinvestment Act ("CRA").[8] The Board has carefully considered the effect of the proposal on the convenience and needs of the communities to be served in light of all the facts of record, including comments submitted by two community groups in New York and New Jersey, and one comment from two elected Freeholders of Hudson County, New Jersey ("Protestants"). Protestants expressed concern, based primarily on their analyses of data filed under the Home Mortgage Disclosure Act ("HMDA"),[9] that Hudson Bank's record of home mortgage and home improvement lending indicates disparities in Hudson Bank's treatment of minorities. One Protestant also argued that the HMDA data for Dime Savings and its subsidiary mortgage company, North American Mortgage Company ("NAM"), indicate disparate treatment in NAM's lending to minorities.

A. CRA Performance Examinations

As provided in the CRA, the Board has evaluated the convenience and needs factor in light of examinations of the CRA performance records of the relevant institutions

3. Deposit and ranking data are as of June 30, 1999. In this context, depository institutions include commercial banks, savings banks, and savings associations.

4. 12 U.S.C. § 1842(c).

5. The New York banking market includes Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster, and Westchester Counties in New York; Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, Warren, and a portion of Mercer Counties in New Jersey; Pike County in Pennsylvania; and portions of Fairfield and Litchfield Counties in Connecticut.

6. Market share data are as of March 31, 2000 and are based on calculations in which the deposits of thrift institutions, other than Dime Savings, are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *See WM Bancorp*, 76 *Federal Reserve Bulletin* 788 (1990); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Because the Board has analyzed the competitive factors in this case as if Dime Savings and Hudson Bank were a combined entity, the deposits of Dime Savings are included at 100 percent in the calculation of *pro forma* market share. *Norwest Corporation*, 78 *Federal Reserve Bulletin* 452 (1992); *First Banks, Inc.*, 76 *Federal Reserve Bulletin* 669 (1990).

7. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is less than 1000 points is considered to be unconcentrated. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial entities.

8. 12 U.S.C. § 2901 *et seq.*

9. 12 U.S.C. § 2801 *et seq.*

conducted by the appropriate federal supervisory agency.[10] Dime Savings received an overall rating of "outstanding" from its primary federal supervisor, the Office of Thrift Supervision ("OTS"), at its most recent evaluation for CRA performance, as of November 1999. Hudson Bank received an overall rating of "satisfactory" from its primary federal supervisor, the FDIC, at its most recent evaluation for CRA performance, as of February 1999.

B. Dime Savings' CRA Performance Record

In the most recent CRA performance examination (the "1999 examination") of Dime Savings, examiners found that Dime Savings performed at a high level in meeting the credit needs of its assessment area, including substantial growth in lending in low- and -moderate income ("LMI") areas and to LMI individuals. In particular, Dime Savings had increased the number and volume of its consumer loans in LMI areas since its previous performance examination, to a total of 10,209 loans in the amount of $142.9 million in LMI areas in its assessment area. Although small business lending did not comprise a large portion of Dime Savings' portfolio, more than 80 percent of the loans were in amounts of less than $100,000, which the examiners concluded had a positive impact on serving the credit needs of the community. Overall, the geographic distribution of Dime Savings' lending, including housing, consumer, and small business loans, was found to reflect a good penetration throughout the assessment area, including LMI areas. Dime Savings also offered a number of affordable loan programs for LMI borrowers, that feature lower interest rates, reduced closing costs, and more lenient debt-to-income ratios.

Dime Savings also is active in community development lending. Between the 1999 examination and the prior CRA performance examination, Dime Savings made almost $500 million in community development loans that were secured by more than 11,000 housing units that were affordable to LMI residents of the assessment area. Examiners in particular noted Dime Savings' use of multifamily housing lending, totaling $513.7 million in 1998, to meet the credit needs of LMI areas. Forty-four percent of the properties for which Dime Savings made multifamily loans in 1998 were in LMI areas.

Dime Savings was rated "outstanding" for its community development investment and grant activity, based on the complexity of its qualified community development investments, and excellent levels of activity and responsiveness. In the period between the 1999 examination and its prior CRA performance examination, Dime Savings had a total of $41.2 million of qualified investments, including $14.7 million in low-income housing tax credits and $21.4 million invested with the Community Preservation Corporation, which finances the upgrading and construction of LMI housing in the New York City area. Dime also made $1.6 million in grants and donations during this period to organizations supporting community development projects and programs, including affordable housing development and rehabilitation, homeownership services, economic development, youth centers, and homeless services.

Examiners found Dime Savings' community development services to include Community Partnership Accounts ("CPAs"), in which deposits by corporations earned below-market interest rates. The difference between the market rate and the interest paid creates funds that are used by Dime Savings to provide closing cost assistance to LMI borrowers and other community development projects. At the time of the examination, there were more than 30,000 CPAs, with outstanding balances totaling $23.4 million. Examiners also commended Dime Savings' efforts to ascertain the credit needs of its community through its outreach efforts.

Examiners noted with approval Dime Savings' use of a wide range of delivery systems for its products and services, its accessibility to all segments of the community, and its leadership in providing community development services. Examiners found that the bank's services were available in all portions of its assessment area and noted that 16 percent of Dime Savings' 127 branches were in LMI areas, as were 16 percent of its automatic teller machines ("ATMs"). Examiners found that Dime Savings had begun to use automatic loan machines ("ALMs"), installing them in 17 of its branches.[11] Dime Savings has also opened several 24-hour automated banking centers, which use ATMs and telephone connections to Dime Savings' call center to provide customers with 24-hour services, including account opening and loan applications. Dime Savings provided bilingual and multilingual publications and forms, and had bilingual and multilingual customer service staff in almost all its branches and in its telephone banking call center.

Finally, examiners identified no substantive violations of antidiscrimination laws and regulations and found that Dime Savings had implemented extensive fair lending policies, procedures, training programs, and internal assessment efforts.

C. Hudson Bank's CRA Performance Record

In the most recent CRA performance examination of Hudson Bank, examiners found that the bank's lending performance represented good responsiveness to the credit needs of individuals and businesses in its assessment area.[12]

10. The Interagency Questions and Answers Regarding Community Reinvestment provide that an institution's most recent CRA performance evaluation is a particularly important consideration in the application 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. 64 *Federal Register* 23,618 and 23,641 (1999) ("Interagency Questions and Answers").

11. ALMs allow a customer to apply for a credit line or personal loan of up to $7500 in minutes.

12. The examination, dated February 17, 1999, did not include a review of the CRA performance of Hudson's other subsidiary banks, Bank of the Hudson, Poughkeepsie, New York, and Lafayette Ameri-

Because 76 percent of the loans made by Hudson Bank during the period covered by the examination were consumer loans, examiners concluded that the best way to evaluate the bank's compliance with the CRA was through an analysis of its consumer lending. Using that data, as well as HMDA and other loan data, examiners found that Hudson Bank made a high percentage of its loans in its assessment area, and that its loan distribution by borrower income was excellent. Hudson Bank's distribution of consumer loans in its assessment area exceeded the distribution of LMI households in the area; for example, in 1998 Hudson Bank made 41 percent of its consumer loans to low-income households, while only 25 percent of area households were low-income. Examiners found that Hudson Bank's distribution of small business loans reflected a willingness to make small commercial loans and to address the credit needs of small businesses, and that the bank had an adequate level of community development loans.

The CRA performance exam found Hudson Bank to have an excellent level of qualified investments and excellent responsiveness to credit and community development needs. Examiners particularly noted that Hudson Bank had increased its qualified investments from $200,000 at the time of the prior CRA examination to over $7 million. Hudson Bank purchased four mortgage-backed securities that are backed by mortgages to LMI individuals in the bank's assessment area.

Examiners found that Hudson Bank provided delivery services that were accessible to geographies and individuals of different income levels, and that it had a relatively high level of community development services. The distribution of Hudson Bank branches by census tract income level was found to be very reasonable, and examiners noted that Hudson Bank also operated a 24-hour telephone banking system. Hudson Bank's community development services included providing technical services to educational organizations, affordable housing groups, and a local credit union. Hudson Bank also assisted affordable housing organizations in procuring project loans from the Federal Home Loan Bank and at the time of the examination was setting up a consumer credit counseling service in Newark, New Jersey.

Examiners identified no violations by Hudson Bank of the substantive provisions of the antidiscrimination laws or regulations and found that its record of complying with those laws was satisfactory.[13]

D. Lending Records

The Board has also carefully considered the lending records of Dime Savings[14] and Hudson Bank in light of comments on the 1998 HMDA data of the organizations' subsidiaries.[15] The 1998 data indicate that Dime Savings' denial disparity ratio[16] for African-Americans decreased since its last examination, and that the denial disparity ratio was more favorable than the ratio reported by lenders in the aggregate ("the aggregate") in all of Dime Savings' assessment areas.[17] Dime Savings' denial disparity ratio for Hispanics was more favorable by half than the aggregate in its New Jersey assessment area, and was similar to the rate for the aggregate in its New York City and New York State assessment areas. Dime Savings' substantial multifamily lending is also reflected in the 1998 data, which show that Dime Savings made 217 multifamily loans, 94 of which (43 percent) were for properties in LMI areas that were all in its New York City assessment area.

The Board has examined the preliminary 1999 HMDA data for Hudson,[18] which show that in its New Jersey assessment areas, the number and percentage of Hudson's loan originations to African-Americans, Hispanics, and LMI individuals, and in predominately minority and LMI areas, all increased significantly from 1997 to 1999. Hudson's denial disparity ratio for African-Americans and Hispanics in New Jersey and New York also decreased during that time. In addition, Hudson's percentage of originations in LMI areas in New Jersey, and to LMI individu-

can Bank, Bridgeport, Connecticut, which have since been merged into Hudson Bank. Bank of the Hudson received a rating of "outstanding" from the OTS at its last CRA performance examination, dated February 17, 1998. The examiners noted Bank of the Hudson's special programs for LMI borrowers and the introductory loans for the purchase of mobile homes. Lafayette American Bank received a rating of "satisfactory" from the FDIC at its last CRA performance examination, dated March 23, 1998. Examiners considered the distribution of loans to borrowers at various income levels to be reasonable and noted a positive trend in the percentage of HMDA-reportable loans in LMI areas and to LMI borrowers.

13. Two of the Protestants also alleged that Hudson Bank has failed to fulfil lending and other commitments it made in an agreement with one of the Protestants and have criticized a publicly announced plan by Dime to address CRA-related issues after the merger. The Board notes that the CRA requires that, in considering an acquisition proposal, the Board carefully review the actual record of performance of the relevant depository institutions in helping to meet the credit needs of their communities. Neither the CRA nor the CRA regulations of the federal supervisory agencies, however, require depository institutions to enter into agreements with any organization. The Board, therefore, has viewed such agreements and their enforceability as private contractual matters between the parties and has focused on the existing record of performance by the applicant and the programs that the applicant has in place to serve the credit needs of its communities. Any future activities of DimeBank would be reviewed by the appropriate federal supervisors in future performance examinations.

14. The data include data for Dime Savings' subsidiaries, Dime Mortgage Inc. and North American Mortgage Company.

15. All three Protestants were critical of the lending record of Hudson's subsidiary banks (now merged into Hudson Bank) as reflected in their 1998 HMDA data. Protestants in particular criticized Hudson's banks for making too few HMDA-related loans to minority applicants, and for a large disparity between the denial rates for white and minority loan applicants. One Protestant also criticized Lafayette American Bank for having attracted too few minority loan applicants, and criticized Dime Savings and NAM for making too few HMDA-related loans to minority applicants.

16. The denial disparity ratio compares the denial rate for minority loan applicants with that for white applicants.

17. The aggregate represents the cumulative lending for all institutions that have reported HMDA data in a given market. Dime Savings' assessment areas are New York State, New Jersey, New York City MSA, and Nassau-Suffolk (NY) MSA.

18. The 1999 HMDA data discussed here for Hudson are preliminary, and may differ from the final data, which are typically available in June of each year.

als in New Jersey, also increased in 1999. For example, in 1999, 23.6 percent of Hudson's loans in the Newark MSA were in LMI areas, and 38.4 percent of Hudson's loans in New Jersey were to LMI individuals.

In other respects, however, the HMDA data reflect disparities in the rates of loan applications, originations, and denials by racial group and income level.[19] The Board is concerned when an institution's record indicates any such disparities in lending and believes that all banks are obligated to ensure that their lending practices are based on criteria that assure not only safe and sound banking, but also equal access to credit by creditworthy applicants regardless of their race or income level. The Board recognizes, however, that HMDA data alone provide an incomplete measure of an institution's lending in its community and have limitations that make the data an inadequate basis, absent other information, for concluding that an institution has not adequately assisted in meeting its community's credit needs or has engaged in illegal lending discrimination.[20]

Because of the limitations of HMDA data, the Board has considered these data carefully in light of other information, including periodic and examination reports that provide an on-site evaluation of the compliance by the subsidiary banks of Dime and Hudson with fair lending laws and the overall lending and community development activities of the banks. In particular, the Board notes that examiners found no evidence of prohibited discriminatory practices or of substantive violations of the fair lending laws at the most recent examinations of the subsidiary depository institutions of Dime and Hudson.[21] The Board also has taken into account factors such as Hudson's focus on consumer lending, which is not reported under HMDA, in considering whether Dime and Hudson are meeting the credit needs of their communities.

19. For instance, Dime Savings' percentage of loan originations in predominately minority and LMI tracts lagged the aggregate in all its assessment areas by almost 50 percent, and Hudson's percentage of loan originations to African-Americans lagged the aggregate in all but one of its assessment areas in New Jersey and New York State. In Connecticut, Hudson received too few applications in 1998 from African-Americans, Hispanics, and applicants in predominately minority tracts to be statistically relevant.

20. The data, for example, do not provide a basis for an independent assessment of whether an applicant who was denied credit was, in fact, creditworthy. Information about credit history problems and excessive debt levels relative to income (reasons most frequently cited for a credit denial) are not available from HMDA data.

21. One Protestant questioned Hudson's practice of referring certain loan applicants to third-party lenders and suggested, without providing evidence, that minority applicants may be referred disproportionately to such lenders. Hudson has indicated that its practice is to advise loan applicants who do not qualify for its residential mortgage products of the availability of programs at other lenders. If the applicant consents, his or her application is then referred to one of two third-party lenders for their consideration. Such referral programs are permissible if all relevant fair lending laws are adhered to and, as noted, the most recent examinations found no evidence of illegal discrimination or credit practices at Hudson's subsidiary depository institutions.

E. Branch Closings

One Protestant expressed concern that consummation of the proposal would result in branch closings. Dime has indicated that it is considering the potential consolidation of several pairs of Dime Savings and Hudson Bank branches after consummation of the proposed transaction. Dime has preliminarily identified seven pairs of Dime Savings and Hudson Bank branches in which the banks in each pair are within approximately one-half mile of each other for possible consolidation, although Dime has not made any final consolidation determinations.

The Board has carefully considered all the facts of record concerning branch closings, including the preliminary branch consolidation information submitted by Dime and Dime's record in opening and closing branches. The Board also has reviewed the branch closing policies of Dime Savings and Hudson Bank. The policies are consistent with federal law, which requires an insured depository institution to provide notice to the public and to the appropriate federal supervisory agency before closing a branch.[22] Any branch closings resulting from the proposal would be considered by the appropriate federal supervisor at the next CRA examination of the relevant subsidiary depository institution.

F. Conclusion on Convenience and Needs

The Board has carefully considered all facts of record, including the public comments received, responses to the comments, and reports of examinations of the CRA performance of the institutions involved, in reviewing the proposal's effect on the convenience and needs of the communities to be served by the combined organization. Based on a review of the entire record, and for the reasons discussed above, the Board concludes that convenience and needs considerations, including the CRA performance records of the subsidiary depository institutions of Dime and Hudson, are consistent with approval.

Financial, Managerial, and Other Supervisory Factors

The BHC Act also requires the Board, in acting on an application, to consider the financial and managerial resources and future prospects of the companies and banks involved in a proposal, and certain other supervisory factors. The Board has carefully considered the financial and managerial resources and future prospects of Dime and Hudson and their respective subsidiary depository institutions, and other supervisory factors in light of all the facts

22. Section 42 of the Federal Deposit Insurance Act (12 U.S.C. § 1831r-1), as implemented by the Joint Policy Statement Regarding Branch Closings (64 *Federal Register* 34,844 (1999)), requires that a bank provide the public with at least 30 days notice and the appropriate federal supervisory agency with at least 90 days notice before the date of the proposed branch closing. The bank also is required to provide reasons and other supporting data for the closure, consistent with the institution's written policy for branch closings. The law does not authorize federal regulators to prevent the closing of any branch.

of record, including confidential reports of examination and other supervisory information received from the primary federal supervisors of the organizations. In evaluating the financial factors in expansion proposals by bank holding companies, the Board consistently has considered capital adequacy to be an especially important factor.[23] In this case, Dime will be adequately capitalized at consummation of this proposal and has committed to the Board that it will meet the well-capitalized standards of the Board's Capital Adequacy Guidelines no later than June 30, 2000.

Based on these and other facts of record, including Dime's commitment to increase its capital, the Board concludes that considerations relating to the financial and managerial resources and future prospects of Dime, Hudson, and their respective subsidiaries are consistent with approval of the proposal, as are the other supervisory factors the Board must consider under section 3 of the BHC Act.

Conclusion

Based on the foregoing, the Board has determined that the application should be, and hereby is, approved.[24] The Board's approval of the proposal is specifically conditioned on compliance by Dime with all the commitments made in connection with the proposal. These commitments and conditions are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The acquisition may 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 New York, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 12, 2000.

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

ROBERT DEV. FRIERSON
Associate Secretary of the Board

23. *See, e.g., Banc One Corporation*, 84 *Federal Reserve Bulletin* 961 (1998); *see also, Norwest Corporation*, 84 *Federal Reserve Bulletin* 1088 (1998).

24. The Protestants 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). The Board has considered carefully the Protestants' requests in light of all the facts of record. In the Board's view, Protestants have had ample opportunity to submit their views, and did submit written comments that have been considered carefully by the Board in acting on the proposal. The Protestants' requests fail to demonstrate why their written comments do not present their views adequately and fail 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 requests for a public meeting or hearing on the proposal are denied.

E.S. Control Holding S.A.
E.S. International Holding S.A.
Espírito Santo Financial Group S.A.
All of Luxembourg

Espírito Santo Financial (Portugal) Sociedade Gestora de Participacões Sociais, S.A.
Bespar-Sociedade Gestora de Participacões Sociais, S.A.
Banco Espírito Santo, S.A.
All of Lisbon, Portugal

Order Approving the Formation of Bank Holding Companies

E.S. Control Holding S.A. ("E.S. Control Holding"), E.S. International Holding S.A. ("E.S. International"), Espírito Santo Financial Group S.A. ("E.S. Financial"), Espírito Santo Financial (Portugal) Sociedade Gestora de Participacões Sociais, S.A. ("E.S. Portugal"), Bespar-Sociedade Gestora de Participacões Sociais, S.A. ("Bespar"), and Banco Espírito Santo, S.A. ("Banco Espírito Santo") (collectively, "Applicants"), all foreign banking organizations subject to the Bank Holding Company Act ("BHC Act"), have requested the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to obtain all of the voting shares of Espírito Santo Bank, Miami, Florida.[1]

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (64 *Federal Register* 20,308 (1999)). The time for filing comments has expired, and the Board has considered the proposal in light of the factors set forth in section 3 of the BHC Act.

Banco Espírito Santo has total consolidated assets of approximately $30 billion and is the third largest banking

1. Under the proposal, Banco Espírito Santo would acquire up to 100 percent of the voting shares of Espírito Santo Bank. E.S. Control Holding is the top tier foreign banking organization that controls Banco Espírito Santo for purposes of the BHC Act through its indirect control of more than 25 percent of the voting shares of Banco Espírito Santo. E.S. Control Holding controls Banco Espírito Santo through its ownership of E.S. International, E.S. Financial, E.S. Portugal, and Bespar. Caisse Nationale de Crédit Agricole, Paris, France ("CNCA"), also controls more than 25 percent of the voting shares of Banco Espírito Santo. The Board has separately approved CNCA's application to become a bank holding company with respect to Espírito Santo Bank. *Caisse Nationale de Crédit Agricole*, 86 *Federal Reserve Bulletin* 412 (2000).

organization in Portugal.[2] Banco Espírito Santo operates a branch in New York, New York, and engages in limited nonbanking activities in the United States.

Espírito Santo Bank is the 53rd largest banking organization in Florida, controlling deposits of $315 million, representing less than 1 percent of all deposits in commercial banking organizations in the state.[3]

Certain Supervisory Considerations

Under section 3 of the BHC Act, 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."[4] The Board has made the following findings with regard to the supervision of Banco Espírito Santo.

The home country supervisor of Banco Espírito Santo is the Bank of Portugal. The Board previously has determined in an application under the International Banking Act (12 U.S.C. § 3101 *et seq.*) ("IBA") that another Portuguese bank was subject to comprehensive consolidated supervision by the Bank of Portugal.[5] The Board finds that Banco Espírito Santo is supervised in substantially the same manner as the other Portuguese bank. Based on this finding and all the facts of record, the Board concludes that Banco Espírito Santo is subject to comprehensive supervision on a consolidated basis by its home country supervisor.[6]

The BHC Act also requires the Board to determine that the Applicants have provided adequate assurances that they will make available to the Board such information on their operations and activities and those of their affiliates that the Board deems appropriate to determine and enforce compliance with the BHC Act.[7] The Board has reviewed the restrictions on disclosure in jurisdictions where the Applicants have material operations and has communicated with relevant government authorities concerning access to information. The Applicants have committed that they will make available to the Board such information on their operations and the operations of any of their affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act, the IBA, and other applicable federal law. The Applicants also have committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary in order to enable them to make such information available to the Board. In light of these commitments and other facts of record, the Board has concluded that the Applicants have provided adequate assurances of access to any appropriate information the Board may request. For these reasons, and based on all the facts of record, the Board has concluded that the supervisory factors it is required to consider under section 3(c)(3) of the BHC Act are consistent with approval.

Other Factors Under the BHC Act

The Board also has carefully considered the financial and managerial resources and future prospects of the banks and companies involved in this proposal, the convenience and needs of the communities to be served, and other supervisory factors applicable under the BHC Act. Banco Espírito Santo's capital levels exceed the levels required under Portuguese capital guidelines. The capital levels of Banco Espírito Santo also exceed the capital levels under the Basle Capital Accord, and are considered equivalent to the capital levels that would be required of a U.S. banking organization under similar circumstances.

The Board has reviewed supervisory information from the home country authorities responsible for supervising Applicants concerning the proposal and the condition of the parties, confidential financial information from the Applicants, and reports of examination from the appropriate federal and state supervisors of the affected organizations assessing the financial and managerial resources of the organizations. Based on all the facts of record, the Board has concluded that the financial and managerial resources and future prospects of the organizations involved in the proposal are consistent with approval, as are other supervisory factors that the Board must consider under section 3 of the BHC Act.

In addition, based on all the facts of record, including the fact that Applicants do not have banking operations in the banking market in which Espírito Santo Bank operates, the Board has concluded 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. Considerations related

2. Data are as of December 31, 1998, and are based on exchange rates on that date.

3. Data are as of June 30, 1999.

4. 12 U.S.C. § 1842(c)(3)(B). As provided in Regulation Y, the Board determines whether a foreign bank is subject to consolidated home country supervision under the standards set forth in Regulation K. *See* 12 C.F.R. 225.13(a)(4). Regulation K provides that a foreign bank may be considered subject to consolidated supervision if the Board determines that the bank is supervised or regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the foreign bank, including the relationships of the bank to its affiliates, to assess the foreign bank's overall financial condition and compliance with law and regulation. *See* 12 C.F.R. 211.24(c)(1)(ii).

5. *See Caixa Geral de Depósitos S.A.*, 85 *Federal Reserve Bulletin* 774 (1999).

6. With regard to the supervision of the parent companies of Banco Espírito Santo, the Board has considered that Bespar and E.S. Portugal are subject to the supervision of the Bank of Portugal. E.S. Financial, although domiciled in Luxembourg, is also subject to the supervision of the Bank of Portugal as a matter of Portuguese law.

E.S. Control Holding and E.S. International are deemed "mixed activity holding companies" by the Bank of Portugal. Portuguese law provides that mixed activity holding companies and their subsidiaries must supply the Bank of Portugal with all the information that may be relevant for supervision. In addition, the Bank of Portugal may examine or commission the examination of mixed activity holding companies and their subsidiaries whenever it deems necessary for the consolidated supervision of a credit institution such as Banco Espírito Santo.

7. *See* 12 U.S.C. § 1842(c)(3)(A).

to the convenience and needs of the communities to be served, including the performance record of Espírito Santo Bank under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"), also are consistent with approval of the proposal.[8]

Conclusion

Based on the foregoing and all the facts of record, the Board has determined that the applications should be, and hereby are, approved. The Board's approvals are specifically conditioned on Applicants' compliance with all the commitments made in connection with these applications, and on the receipt by Applicants and Espírito Santo Bank of all necessary approvals from state and federal regulators. The approvals are also specifically conditioned on the Board's receiving access to information on the operations or activities of Applicants and any of their affiliates that the Board determines to be appropriate to determine and enforce compliance by Applicants and their affiliates with applicable federal statutes. 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 Espírito Santo Bank shall not be consummated before the fifteenth calendar day following the effective date of this order, and the proposal shall not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Atlanta, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 5, 2000.

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

ROBERT DEV. FRIERSON
Associate Secretary of the Board

Valley View Bancshares, Inc.
Overland Park, Kansas

Order Approving Acquisition of a Bank

Valley View Bancshares, Inc. ("Valley View"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire Bank of Lee's Summit, Lee's Summit, Missouri ("Bank of Lee's Summit").

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (64 *Federal Register* 71,457 (1999)). 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.

Valley View operates five subsidiary banks in Kansas and one bank in Missouri. Valley View is the seventh largest commercial banking organization in Kansas, controlling approximately $1.3 billion in deposits, representing 3.5 percent of total deposits in commercial banking organizations in the state ("state deposits").[1] Valley View is the 31st largest commercial banking organization in Missouri, controlling approximately $255.4 million in deposits, representing less than 1 percent of state deposits. Bank of Lee's Summit is the 87th largest commercial banking organization in Missouri, controlling approximately $113.9 million in deposits, representing less than 1 percent of state deposits. On consummation of the proposal, Valley View would become the 25th largest commercial banking organization in Missouri, controlling deposits of approximately $369.4 million, representing less than 1 percent of state deposits.

Interstate Analysis

Section 3(d) of the BHC Act, allows the Board to approve an application by a bank holding company to acquire control of a bank located in a state other than the home state of such bank holding company, if certain conditions are met.[2] For purposes of the BHC Act, the home state of Valley View is Kansas, and Valley View would acquire a bank in Missouri. The conditions for an interstate acquisition under section 3(d) are met in this case.[3] In view of all the facts of record, the Board is permitted to approve the proposal under section 3(d) of the BHC Act.

Competitive Considerations

The BHC Act prohibits the Board from approving an application under section 3 of the BHC Act if the proposal would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking. The BHC Act also prohibits the Board from approving a proposed combination that would substantially lessen competition or tend to create a monopoly in any relevant banking

8. Espírito Santo Bank was rated "satisfactory" in its most recent CRA performance evaluation conducted by the Federal Deposit Insurance Corporation, as of July 21, 1997.

1. State deposit data are as of June 30, 1999.

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

3. *See* 12 U.S.C. § 1842(d)(1)(A) and (B) and 1842(d)(2)(A) and (B). Bank of Lee's Summit has been in existence and continuously operated for the minimum period of time required under Missouri law. In addition, on consummation of the proposal, Valley View and its affiliates would control less than 10 percent of the total amount of deposits of insured depository institutions in the United States and less than 13 percent of the total amount of deposits of insured depository institutions in Missouri, as required by state law. Mo. Ann. Stat. § 362.915 (West 1997). Valley View also meets the capital, managerial, and other requirements established under applicable law.

market, unless the Board finds that the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effects of the proposal in meeting the convenience and needs of the community to be served.[4]

Valley View and Bank of Lee's Summit compete directly in the Kansas City, Missouri, banking market ("Kansas City banking market").[5] Valley View is the fifth largest commercial banking organization in the market, controlling deposits of $1.3 billion, representing 6.4 percent of total deposits in depository institutions in the market ("market deposits").[6] Bank of Lee's Summit is the 26th largest commercial banking organization in the market, controlling deposits of $103.8 million in deposits, representing less than 1 percent of market deposits. Consummation of the proposal would be consistent with the Department of Justice Merger Guidelines ("DOJ Guidelines").[7] On consummation of the proposal, Valley View would remain the fifth largest commercial banking organization in the Kansas City banking market, controlling $1.4 billion in deposits, representing approximately 7 percent of market deposits. The HHI would increase 7 points to 871.[8]

Based on all the facts of record, the Board concludes that consummation of the proposal is not likely to result in any significantly adverse effects on competition or on the concentration of banking resources in the Kansas City banking market or any other relevant market.

Financial, Managerial, and Other Supervisory Factors

The BHC Act also requires that the Board, in acting on an application, consider the financial and managerial resources and future prospects of the companies and banks involved in a proposal and certain supervisory factors. The Board has carefully reviewed the financial and managerial resources and future prospects of Valley View and Bank of Lee's Summit in light of all the facts of record, including relevant supervisory reports of examination and other confidential supervisory information assessing the financial and managerial resources of the organization. The Board notes that Valley View is well capitalized and would remain so after consummation of the proposal. Based on these and all other facts of record, the Board concludes that the financial and managerial resources and future prospects of Valley View, its subsidiary banks, and Bank of Lee's Summit are consistent with approval, as are other supervisory factors the Board must consider under section 3 of the BHC Act.

Convenience and Needs Factor

In acting on a proposal under section 3 of the BHC Act, the Board is required to consider the effect of the proposal on the convenience and needs of the community to be served and take into account the records of the relevant depository institutions under the Community Reinvestment Act ("CRA").[9] The Board has carefully considered the convenience and needs factor and the CRA performance records of Bank of Lee's Summit and Valley View's subsidiary banks in light of all the facts of record, including comments from The Concerned Clergy Coalition, Kansas City, Missouri ("Protestant").[10] Protestant alleges that Valley View's subsidiary banks have arbitrarily excluded low- and moderate-income ("LMI") census tracts from their assessment areas and have failed to adequately assist in meeting the credit needs of these areas. Protestant contends that Valley View's subsidiary banks are not adequately meeting the housing lending needs in LMI census tracts of the Kansas City banking market. Protestant also asserts that Security Bank of Kansas City, Kansas City, Missouri ("Security Bank"), has failed to comply with past CRA-related representations regarding participation in government-sponsored lending programs.

As provided in the CRA, the Board has evaluated the convenience and needs factor in light of examinations of the CRA performance records of the relevant institutions by the appropriate federal financial supervisory agency.[11] All the subsidiary banks of Valley View, and Bank of Lee's Summit have received "satisfactory" ratings from the Federal Deposit Insurance Corporation ("FDIC") in their most recent evaluations for CRA performance.[12]

4. 12 U.S.C. § 1842(c).

5. The Kansas City banking market is defined as the Kansas City Rand McNally Marketing Area in addition to the town of Trimble in Clinton County, Missouri.

6. In this context, depository institutions include commercial banks, savings banks, and savings associations.

7. Under the revised DOJ Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger Herfindahl–Hirschman Index ("HHI") is below 1000 is considered unconcentrated. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged in the absence of other factors indicating anticompetitive effects unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effect of limited-purpose lenders and other nondepository financial entities.

8. Market share data are as of June 30, 1998. These data are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *See Midwest Financial Group,* 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation,* 70 *Federal Reserve Bulletin* 743 (1984). Thus the Board has regularly included thrift deposits in the calculation of market share on a 50-percent weighted basis. *See, e.g., First Hawaiian, Inc.,* 77 *Federal Reserve Bulletin* 52 (1991).

9. 12 U.S.C. § 2901 *et seq.*

10. Protestant requests that the Board's action on the proposal impose a condition on Valley View to implement specific steps and programs that Protestant contends would improve the CRA performance of all the subsidiary banks involved in the proposal.

11. The interagency Questions and Answers Regarding Community Reinvestment provide that an institution's most recent CRA performance evaluation is an 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 the appropriate federal financial supervisor. 64 *Federal Register* 23,618 and 23,641 (1999).

12. Valley View's subsidiary banks received "satisfactory" ratings as follows, all in 1999: Citizens State Bank, Paola, Kansas ("Citi-

Protestant contends that Valley View Bank, Mission Bank, and First Bank, which serve suburban and other outlying areas of the Kansas City banking market, should extend their delineated communities under the CRA to include LMI census tracts in Kansas City. Although a bank's assessment area delineation is not a separate criterion for CRA performance, examiners review whether an institution's assessment area meets the requirements of the regulation, including whether it arbitrarily excludes LMI areas. In the most recent CRA performance evaluations of Valley View's banks, the FDIC reviewed their assessment areas delineation and concluded that the assessment area for each bank met the requirements of the regulation.[13] In addition, two of Valley View's subsidiary banks recently expanded their assessment areas to include a greater number of LMI areas.[14]

In the most recent CRA performance examination of Valley View's subsidiary banks, examiners found that the geographic distribution of loans by the banks reflected a pattern of lending throughout their respective assessment areas and to individuals of all income levels. Examiners noted no substantive violations of any antidiscrimination laws or regulations on any of the examinations.

Examiners noted that five of Valley View's six subsidiary banks focused primarily on commercial lending.[15] Consistent with that business strategy, commercial loans, which include construction and development, commercial real estate, and multifamily housing, represented a majority of the dollar amount of the banks' total outstanding loans.[16] Examinations of these banks noted the banks' commitments to small business lending. For example, examiners commended Valley View Bank for its excellent record of lending to businesses with gross annual revenues of $1 million or less. Valley View Bank made 479 small business loans from January 1997 through September 1999 in its assessment area. Approximately 76 percent by number, and 63 percent of the total dollar amount of small business loans made, were to businesses with gross annual revenues of $1 million or less. Examiners noted that this performance significantly exceeded the performance by area lenders in the aggregate, which averaged 42 percent of small business loans by number and 55 percent of the total dollar amount of small business loans made, to businesses with gross annual revenues of less than $1 million.

Examiners of Security Bank noted that its primary customer base consisted of small- and medium-size businesses, and its principal loan product was small business loans. Examiners also noted that Security Bank's lending reflected a good responsiveness to community credit needs. Examiners noted that 50 percent of the small business loans by number originated by Security Bank in its assessment area were made in LMI census tracts, compared with 10 percent by all reporting small business lenders in Wyandotte and Johnson Counties.[17] Examiners of First Bank noted that 29.3 percent of total dollar amount of the bank's small business loans were in LMI tracts.

Examiners noted that Valley View's subsidiary banks have had reasonable records of mortgage and consumer lending to LMI borrowers in light of the banks' focus on commercial lending and the demographic characteristics of the banks' delineated assessment areas.[18] For example, examiners determined that Valley View Bank made 35 percent of its consumer loans in its assessment area to LMI borrowers, which exceeded the percentage of LMI households in the bank's delineated area. In addition, of the 249 residential real estate loans Valley View Bank

zens"), as of June 29; First Bank, as of August 2; Industrial Bank, as of November 2; The Mission Bank, Mission, Kansas ("Mission Bank"), as of December 9; Security Bank, as of April 1; Valley View State Bank, Overland Park, Kansas ("Valley View Bank"), as of September 7. Bank of Lee's Summit received a "satisfactory" rating, as of November 2, 1998.

13. Protestant has criticized the FDIC's performance evaluations of Valley View's banks, including its review of their assessment areas. As noted above, the CRA performance evaluation is an important factor in the consideration of an institution's CRA record, and is given great weight because it represents an on-site evaluation of the CRA performance record of the bank and includes a review of local community banking needs. Protestant has not presented any data or evidence that were not available at the time of the performance evaluations.

14. Since the most recent CRA performance evaluations, Valley View Bank added 21 census tracts in Jackson County, Missouri, which includes Kansas City, to its assessment area. Five of these tracts are classified as LMI census tracts. Mission Bank added 14 census tracts in Wyandotte County, Kansas, to its assessment area. Ten of these tracts are LMI census tracts.

15. Citizens focused primarily on residential real estate lending, which represented 49 percent of its total loans. Examiners concluded that Citizens achieved an excellent penetration among borrowers of different income levels. They noted that 56 percent of the total number of real estate loans were made to LMI borrowers, which exceeded the percentage of families in the assessment area that resided in LMI tracts (31 percent).

16. Commercial loans represented 79 percent of the dollar amount of the outstanding loans for Valley View's lead bank, Valley View Bank. This statistic was 69 percent for Security Bank, 96 percent for The Mission Bank, 85 percent for Industrial Bank, and 81 percent for First Bank. Citizen's Bank, however, had only 28 percent of the total dollar amount of its outstanding loans in commercial loans.

17. Protestant asserts that Security Bank has failed to comply with CRA-related commitments made to the Board in 1996, involving Federal Housing Administration ("FHA") and Small Business Administration ("SBA") lending. Although Valley View had stated in 1996 that part of Security Bank's business plan was to become a more active SBA and FHA lender, this statement was neither a commitment nor a condition of approval of Valley View's application. *See Valley View Bancshares, Inc.*, 82 *Federal Reserve Bulletin* 1036, 1038 (1996). Moreover, the record indicates that Security Bank has made a good faith effort to employ individuals with experience in government-sponsored lending programs. Protestant highlights the fact that Security Bank has not made any SBA loans during its last assessment period. The Board notes that the CRA provides banks with substantial leeway in developing specific CRA-related policies and programs and does not require participation in any particular type of activity or program. Accordingly, in reviewing the proposal, the Board has focused on the programs and policies that Security Bank has in place to assist in serving the credit needs of the entire community. *See Fifth Third Bancorp*, 80 *Federal Reserve Bulletin* 838 (1994).

18. For example, Industrial Bank, Mission Bank, and Security Bank all include Wyandotte County in their assessment areas. Several of the LMI census tracts in Wyandotte County are industrial or commercial in nature, have a low percentage of owner-occupied housing, or are in a flood plain.

originated in its assessment area during the evaluation period, 16 percent were to LMI borrowers.[19] Examiners noted that although this percentage of residential real estate loans to LMI residents was less than the aggregate percentage of Home Mortgage Disclosure Act ("HMDA")[20] reporters in Johnson County, the bank's lending record was reasonable when the demographic factors of Valley View Bank's assessment area were taken into consideration.[21]

Examiners noted that First Bank had demonstrated an excellent responsiveness to the community's home mortgage needs by originating 36 percent of its 99 HMDA reportable loans in 1997 and 1998 to LMI borrowers in its assessment area, compared with 24.7 percent for all reporting HMDA lenders in the bank's assessment area.

Examiners also commended Security Bank for its excellent response to home mortgage needs in its community. In addition, 71 percent of the consumer loans Security bank originated in its assessment area were to LMI borrowers. Examiners noted that this compared favorably with the percentage of LMI borrowers in the assessment area (32.7 percent).

Protestant has criticized Industrial Bank's level of housing-related lending compared with smaller banks and the decline in its loan-to-deposit ratio. As noted, Industrial Bank's business strategy is focused on commercial lending, which represented 85 percent of the dollar amount of all outstanding loans. Residential real estate loans represented 5 percent of the dollar amount of the bank's total outstanding loans. As discussed above, the CRA does not require participation in any particular activity. Although Industrial Bank's home mortgage lending is limited, examiners found that Industrial Bank's overall lending levels reflected a good responsiveness to community credit needs. Of Industrial Bank's 95 small business loans originated from 1998 through November 1999 in its assessment area, 89 percent were to businesses that had annual revenues of less than $1 million. Examiners commended Industrial Bank for its responsiveness to the community's consumer loan needs by originating 70 percent of its 417 consumer loans to LMI borrowers, compared with the percentage of LMI borrowers in the assessment area (32.7 percent).

Citizens is the only Valley View subsidiary that primarily focuses on residential real estate lending. Examiners noted that Citizens' loan-to-deposit ratio of 75 percent reflected a strong responsiveness to community credit needs. Examiners also noted that in the 12 months preceding Citizens' evaluation, Citizens made 110 HMDA reportable loans, of which 86 percent by number and 88 percent of the total dollar amount of these loans made, were originated in the assessment area. Of the residential real estate loans Citizens originated in its assessment area, 56 percent were made to LMI borrowers. Examiners noted that this lending record compared very favorably with the percentage of LMI borrowers in the assessment area (31 percent), and commended Citizens for achieving an excellent penetration among borrowers of different income levels.

Bank of Lee's Summit's primary business focus was residential real estate lending, which constituted 40 percent of the institution's loan portfolio. Examiners noted an excellent penetration of lending among borrowers of various income levels. For example, examiners found that 44 percent of loans by number originated by Bank of Lee's Summit were to LMI borrowers. This compared favorably with the percentage of LMI families living in the bank's assessment area (23 percent). Examiners also noted that a majority of the bank's loan originations were in the bank's assessment area, and that the average loan-to-deposit ratio reflected a reasonable responsiveness to the credit needs of its community. Examiners noted no substantive or technical violations of any antidiscrimination laws or regulations.

Conclusion on the Convenience and Needs Factor

The Board has carefully considered the entire record in its review of the convenience and needs factor under the BHC Act. Based on all the facts of record, including information provided by Protestant, Valley View, and CRA performance examinations, and for the reasons discussed above, the Board concludes that considerations relating to convenience and needs, including the CRA performance records of the banks involved in the proposal, are consistent with approval.

Conclusion

Based on all the facts of record, the Board has determined that this application should be, and hereby is, approved.[22] The Board's approval is specifically conditioned on compliance by Valley View with all the commitments made in connection with the application. For purposes of this action, the commitments and conditions relied on by the

19. The evaluation period covered 1997 through June 1999. These statistics only include loans that included the borrower's gross income.

20. 12 U.S.C. § 2801 *et seq.*

21. Valley View Bank's assessment area at the time of the evaluation was Johnson County, Kansas, which had no LMI census tracts.

22. Protestant has requested that the Board hold a public hearing or meeting to receive testimony on the proposal. Section 3 of the BHC Act does not require the Board to hold a public hearing or meeting on an application unless the appropriate supervisory authority for the bank to be acquired makes a timely written recommendation of denial of the application. In this case, the Board has received no such request. Under its rules, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. 12 C.F.R. 262.3(e) and 262.25(d). The Board has carefully considered Protestant's request in light of all the facts of record. In the Board's view, Protestant has had ample opportunity to submit its views, and has in fact submitted substantial written materials that have been considered by the Board in acting on the application. Protestant fails to demonstrate why its substantial written submissions do not adequately present its allegations or why a public hearing or meeting is otherwise warranted in this case. For these reasons, and based on all the facts of record, the Board has determined that a public hearing or meeting is not necessary to clarify the factual record in the application, and is not warranted in this case. Accordingly, Protestant's request for a public hearing or meeting is denied.

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 proposed acquisition of the Bank of Lee's Summit shall not be consummated before the fifteenth calendar day following the effective date of this order, and not 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 Kansas City, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 3, 2000.

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

ROBERT DEV. FRIERSON
Associate Secretary of the Board

Orders Issued Under Section 4 of the Bank Holding Company Act

Canadian Imperial Bank of Commerce
Toronto, Canada

The CIBC World Markets Corporation
Toronto, Canada

CIBC World Markets Inc.
Toronto, Canada

CIBC Delaware Holdings Inc.
New York, New York

Order Approving the Acquisition of a Savings Association

Canadian Imperial Bank of Commerce ("CIBC"), The CIBC World Markets Corporation ("World Markets Corp."), CIBC World Markets Inc. ("World Markets Inc."), and CIBC Delaware Holdings Inc. ("Holdings") (collectively, "Notificants"), all bank holding companies within the meaning of the Bank Holding Company Act ("BHC Act"), have requested the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.24 of the Board's Regulation Y to acquire all the common stock of St. Anthony Bancorp, Inc. ("St. Anthony"), and St. Anthony's wholly owned subsidiary, St. Anthony Bank, A Federal Savings Bank ("Thrift"), both of Cicero, Illinois.

Notice of the proposals, affording interested persons an opportunity to comment, has been published (65 *Federal Register* 4975 (2000)). The time for filing comments has expired, and the Board has considered the notices and all comments received in light of the factors set forth in section 4 of the BHC Act.

CIBC, with consolidated assets of $185 billion, is the largest banking organization headquartered in Canada. CIBC owns a subsidiary depository institution in Florida, which controls deposits of less than $1 million,[1] and CIBC also operates a state- licensed branch in Chicago, Illinois; agencies in New York, New York; Atlanta, Georgia; and Los Angeles and Menlo Park, California; and a representative office in Houston, Texas. CIBC engages in a broad range of permissible nonbanking activities in the United States through subsidiaries, including a subsidiary engaged in underwriting and dealing in, to a limited extent, debt and equity securities.

St. Anthony, with total consolidated assets of $28.3 million, is the 591st largest depository organization in Illinois, controlling less than 1 percent of total deposits of insured depository institutions in the state ("state deposits").[2]

The Board previously has determined by regulation that the operation of a savings association by a bank holding company is closely related to banking for purposes of section 4(c)(8) of the BHC Act.[3] The Board requires that savings associations acquired by bank holding companies conform their direct and indirect activities to those permissible for bank holding companies under section 4 of the BHC Act. St. Anthony does not currently engage in any activities impermissible for bank holding companies.

Competitive Considerations

In order to approve the proposal, the Board is also required by section 4(j)(2)(A) of the BHC Act to determine that the acquisition of St. Anthony by CIBC "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."[4] As part of its review of these factors, the Board has considered carefully the competitive effects of the proposal in light of all the facts of record.[5] CIBC and St. Anthony do not compete directly in any relevant banking market. Based on all the facts of record, the Board concludes that consummation of the proposal would not result in a monopoly or in any significantly adverse effects on competition or on the concentration of banking resources in any relevant banking market.

Convenience and Needs Considerations

In acting on notices to acquire a savings association, the Board reviews the records of performance of the relevant depository institutions under the Community Reinvestment

1. Asset data for CIBC are as of April 30, 1999, and use exchange rates then in effect, ranking data are as of October 31, 1998, and deposit data are as of December 31, 1999.
2. Asset data for St. Anthony are as of September 30, 1999, and ranking data are as of June 30, 1999.
3. 12 C.F.R. 225.28(b)(4).
4. 12 U.S.C. § 1843(j)(2)(A).
5. *See First Hawaiian, Inc.*, 79 *Federal Reserve Bulletin* 966 (1993).

Act (12 U.S.C. § 2901 *et seq.*) ("CRA").[6] The only insured depository institution controlled by CIBC is CIBC National Bank, Maitland, Florida ("CIBC NB"). CIBC NB commenced operations in October 1999, and has not yet received a CRA performance rating from its primary federal supervisor, the Office of the Comptroller of the Currency. The Board has, however, reviewed the record of performance under the CRA of Canadian Imperial Bank of Commerce (New York) ("CIBC(NY)"), a New York state bank subsidiary of CIBC that was operated by CIBC from 1951 until it was voluntarily dissolved in 1996. The performance of CIBC(NY) under the CRA was last reviewed by the Federal Deposit Insurance Corporation on March 14, 1994, and rated "outstanding."[7] Thrift received a "satisfactory" rating in its most recent CRA evaluation by the Office of Thrift Supervision, dated August 18, 1998.

Based on all the facts of record, including CIBC's past record of performance under the CRA, the Board concludes that convenience and needs considerations are consistent with approval of the proposal.

Financial, Managerial, and Supervisory Considerations

In connection with its review of the public interest factors under section 4 of the BHC Act, and in light of all the facts of record, the Board also has carefully reviewed the financial and managerial resources of CIBC and St. Anthony and their respective subsidiaries and the effect the transaction would have on such resources.[8] The Board has reviewed, among other things, confidential reports of examination and other supervisory information received from the primary federal supervisors of the organizations. Based on all the facts of record, including commitments made by CIBC, the Board concludes that the financial and managerial resources of the organizations involved in the proposal are consistent with approval.

The record indicates that consummation of the proposal would result in benefits to consumers and businesses. The proposal would enable CIBC to provide Thrift's customers with access to a broad array of products and services throughout an expanded service area. Additionally, there are public benefits to be derived from permitting capital markets to operate so that bank holding companies may make potentially profitable investments in nonbanking companies and from permitting banking organizations to allocate their resources in the manner they believe is most efficient when, as in this case, those investments are consistent with the relevant considerations under the BHC Act. Based on all the facts of record, the Board has determined that consummation of this proposal can reasonably be expected to produce public benefits that would outweigh any likely adverse effects under the proper incident to banking standard of section 4(j)(2) of the BHC Act.

Conclusion

Based on the foregoing and all the facts of record, the Board has determined that the notice should be, and hereby is, approved. The Board's approval of the proposal is specifically conditioned on compliance by Notificants with the commitments made in connection with this notice, and on the Board's receiving access to information on the activities or operations of CIBC and any of its affiliates that the Board determines to be appropriate to determine and enforce compliance by CIBC and its affiliates with applicable federal statutes. The Board's approval is also subject to all the conditions set forth in this order and in Regulation Y, including those in sections 225.7 and 225.25(c) (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, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. These commitments and conditions relied on by the Board in reaching this decision shall be 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.

This transaction 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 New York, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 12, 2000.

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

ROBERT DEV. FRIERSON
Associate Secretary of the Board

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

Peoples Heritage Financial Group, Inc.
Portland, Maine

Order Approving the Acquisition of a Bank Holding Company

Peoples Heritage Financial Group, Inc. ("Peoples Heritage"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire Banknorth Group, Inc., Burlington, Vermont ("Banknorth"), and its wholly owned

6. *See, e.g., Banc One Corporation*, 83 *Federal Reserve Bulletin* 602 (1997).

7. Between the dissolution of CIBC(NY) and the establishment of CIBC NB, none of the operations of CIBC or its subsidiaries have been subject to the CRA, though CIBC also operated Canadian Imperial Bank of Commerce California, a California state bank, from 1929 until it was voluntarily dissolved in 1991.

8. *See* 12 C.F.R. 225.26.

subsidiary banks.[1] Peoples Heritage also has requested the Board's approval under sections 4(c)(8) and 4(j) of the BHC Act (12 U.S.C. §§ 1843(c)(8) and 1843(j)) and section 225.24 of the Board's Regulation Y (12 C.F.R. 225.24) to acquire The Stratevest Group, N.A., Barre, Vermont ("Stratevest"), and thereby engage in trust company activities under section 225.28(b)(5) of the Board's Regulation Y (12 C.F.R. 225.28(b)(5)).[2]

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (64 *Federal Register* 62,204 (1999)). 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.

Peoples Heritage, with total consolidated assets of $13.9 billion is the 48th largest commercial banking organization in the United States, controlling less than 1 percent of total assets of insured commercial banks in the United States.[3] Peoples Heritage operates depository institutions in Connecticut, Maine, Massachusetts, and New Hampshire. Peoples Heritage is headquartered in Maine, where it is the largest commercial banking organization, controlling deposits of $2.9 billion in the state, representing approximately 21.5 percent of total deposits in insured depository institutions in the state ("state deposits").[4] Banknorth, with total consolidated assets of $4.6 billion, operates depository institutions in Vermont, Massachusetts, New Hampshire, and New York. Banknorth is the second largest depository institution in Vermont, controlling deposits of $1.5 billion, representing approximately 20.6 percent of state deposits. On consummation of the proposal, and after accounting for the proposed divestiture discussed in this order, Peoples Heritage would have total consolidated assets of approximately $18.5 billion and control deposits of $11.9 billion.

Interstate Analysis

Section 3(d) of the BHC Act allows the Board to approve an application by a bank holding company to acquire control of a bank located in a state other than the home state of the bank holding company if certain conditions are met.[5] For purposes of the BHC Act, the home state of Peoples Heritage is Maine, and Banknorth's subsidiary banks are located in Vermont, Massachusetts, New Hampshire, and New York.[6] Thus, for purposes of section 3(d), this transaction involves the acquisition by a Maine bank holding company of banks in Massachusetts, New Hampshire, New York, and Vermont.

All the conditions for an interstate acquisition enumerated in section 3(d) of the BHC Act are met in this case.[7] In view of all the facts of record, the Board is permitted to approve the proposal under section 3(d) of the BHC Act.

Competitive Considerations

The BHC Act prohibits the Board from approving an application under section 3 of the BHC Act if the proposal would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking. The BHC Act also prohibits the Board from approving a proposed combination that would substantially lessen competition or tend to create a monopoly in any relevant banking market, unless the Board finds that the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effects of the proposal in meeting the convenience and needs of the community to be served.[8]

Peoples Heritage and Banknorth compete directly in seven banking markets: three in New Hampshire, three in Massachusetts, and one in Vermont.[9] The Board has carefully reviewed the competitive effects of the proposal in these banking markets in light of all the facts of record, including the number of competitors that would remain in the markets, the relative shares of total deposits in depository institutions in the markets ("market deposits") controlled by the companies involved in this transaction,[10] the concentration levels of market deposits and the increase in

1. The subsidiary banks of Banknorth are listed in Appendix A.

2. Peoples Heritage and Banknorth also have requested the Board's approval to hold and exercise an option for Peoples Heritage to acquire up to 19.9 percent of the voting shares of Banknorth and for Banknorth to acquire up to 19.9 percent of Peoples Heritage's voting shares. These options would expire on consummation of the proposal.

3. Asset data are as of June 30, 1999, and ranking data are as of December 31, 1999.

4. Deposit data are as of June 30, 1999. In this context, depository institutions include commercial banks, savings banks, and savings associations.

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

6. For purposes of section 3(d) of the BHC Act, the Board considers a bank to be located in the states in which the bank is chartered or headquartered or operates a branch. *NationsBank Corporation*, 84 *Federal Reserve Bulletin* 858 (1998).

7. *See* 12 U.S.C. §§ 1842(d)(1)(A) and (B) and 1842(d)(2)(A). Peoples Heritage is adequately capitalized and adequately managed, as defined in the BHC Act, and the subsidiary banks of Banknorth have been in existence and operated for the minimum periods of time necessary to satisfy age requirements established by applicable state law. *See* Mass. Gen. Laws Ann. Ch. 167A, § 2 (West 1998) (three years); N.H. Rev. Stat. Ann. § 384:58 (1999) (five years). Peoples Heritage also would not exceed applicable deposit limitations as calculated under state law. *See* 12 U.S.C. § 1842 (d)(2)(B); Mass. Gen. Laws Ann. Ch. 167A, § 2 (West 1998); N.H. Rev. Stat. Ann. § 384-B:3 (1999); Vt. Stat. Ann. tit. 8, § 1015 (1999). On consummation of the proposal, Peoples Heritage would control less than 10 percent of the total amount of deposits in insured depository institutions in the United States. All other requirements of section 3(d) of the BHC Act also would be met on consummation of the proposal.

8. 12 U.S.C. § 1842(c).

9. The banking markets are described in Appendix B.

10. Market share data are as of June 30, 1998, and are based on calculations that include the deposits of thrift institutions at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *See, e.g., Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Thus, the Board has regularly included thrift deposits in the calculation of market share on a 50-percent

these levels as measured by the Herfindahl–Hirschman Index ("HHI") under the Department of Justice Merger Guidelines ("DOJ Guidelines"), and other characteristics of the markets.[11]

A. Banking Market that Complies with the DOJ Guidelines without Divestitures

Consummation of the proposal without divestitures would be consistent with Board precedent and the DOJ Guidelines in five banking markets: Boston, Springfield, and Worcester, all in Massachusetts; Laconia, New Hampshire; and Brattleboro, Vermont.[12] After consummation of the proposal, numerous competitors would remain in each banking market and the markets would remain moderately concentrated as measured by the HHI.

B. Banking Market that Complies with the DOJ Guidelines with Proposed Divestiture

To mitigate the potential anticompetitive effects of the proposal in the Wolfeboro, New Hampshire, banking market, Peoples Heritage has committed to divest one branch that controls $28.1 million in deposits. The branch to be divested includes all deposits in the market controlled by Peoples Heritage before consummation of the proposal.[13] After accounting for the proposed divestiture, consummation of the proposal in this market would not cause any increase in market concentration as measured by the HHI and would be consistent with Board precedent and the DOJ Guidelines.[14]

C. Portsmouth-Dover-Rochester Banking Market

Peoples Heritage does not propose any divestiture in the Portsmouth-Dover-Rochester, New Hampshire, banking market, and consummation of the proposal in this market would result in an increase in market concentration that exceeds the thresholds in the DOJ Guidelines. The Board has considered whether other factors either mitigate the competitive effects of the proposal in the market or indicate that the proposal would have a significantly adverse effect on competition in the market.[15]

Peoples Heritage is the largest depository institution in the market, controlling deposits of $811.3 million, representing approximately 29.7 percent of market deposits. Banknorth is the seventh largest depository institution in the market, controlling deposits of $105.4 million, representing approximately 3.8 percent of market deposits. On consummation of the proposed merger, Peoples Heritage would remain the largest depository institution in the market, controlling deposits of $916.7 million, representing approximately 33.5 percent of market deposits. The HHI would increase 229 points to 1967.

In reviewing the competitive effects of this proposal, the Board has considered that several factors appear to mitigate the likely effect of the proposal on competition in the Portsmouth-Dover-Rochester banking market. In particular, the Board has considered the number and size of competing institutions in the banking market. Fifteen depository institutions in addition to Peoples Heritage would remain in the market after the proposed acquisition. Two of these depository institutions would each control more than 12 percent of market deposits.

The market also appears to be attractive for entry by out-of-market competitors. Since 1990, the population in the market has increased at a rate faster than the rate of increase in population in New Hampshire or Maine, the two states in which the market is located. In 1998, the average household income in two of the counties that comprise a significant portion of the market exceeded the average household income in their respective states. In addition, there has been one *de novo* entry into the market in the past three years.

The Board believes that the number of competitors, the structure of the market, and the attractiveness of the Portsmouth-Dover-Rochester banking market mitigate potential anticompetitive effects of the transaction in this case.

The Department of Justice has conducted a detailed review of the proposal and advised the Board that, conditioned on completion of the proposed divestiture, consummation of the proposal would not likely have a significantly adverse effect on competition in any relevant banking market. The Office of the Comptroller of the Currency ("OCC") and the Federal Deposit Insurance

weighted basis. *See, e.g., First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991).

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

12. The effects of the proposal on the concentration of banking resources in these markets are set forth in Appendix C.

13. Peoples Heritage has committed that, if it is unsuccessful in completing the proposed divestiture with a purchaser determined by the Board to be competitively suitable within 180 days after consummation of the acquisition of Banknorth, it will transfer the unsold branch to an independent trustee that is acceptable to the Board and will instruct the trustee to sell the branch promptly to one or more alternative purchasers acceptable to the Board. *See BankAmerica Corporation*, 78 *Federal Reserve Bulletin* 338 (1992); *United New Mexico Financial Corporation*, 77 *Federal Reserve Bulletin* 484 (1991).

14. The effect of the proposal on the concentration of banking resources in the Wolfeboro banking market is set forth in Appendix D.

15. The number and strength of factors necessary to mitigate the competitive effects of a proposal depend on the level of concentration and size of the increase in market concentration. *See NationsBank Corporation*, 84 *Federal Reserve Bulletin* 129 (1998).

Corporation ("FDIC") also have been afforded an opportunity to comment and have not objected to consummation of the proposal.

After carefully reviewing all the facts of record, and for the reasons discussed in the order and appendices, the Board concludes that consummation of the proposal would not likely result in a significantly adverse effect on competition or on the concentration of banking resources in any of the seven banking markets in which Peoples Heritage and Banknorth directly compete or in any other relevant banking market. Accordingly, based on all the facts of record, and subject to completion of the proposed divestiture and compliance with the related commitments, the Board has determined that competitive factors are consistent with approval of the proposal.

Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act, the Board is required to consider the effect of the proposal on the convenience and needs of the community to be served. The Board has carefully considered the effect of the proposal on the convenience and needs of the communities to be served in light of all the facts of record, including comments submitted by a community development organization in Vermont ("Commenter"). Commenter expressed support for the efforts of Banknorth's subsidiary banks to help address the need for affordable housing, farm, and small business lending and for community reinvestment in Vermont, and expressed concern that the proposal may result in reduced support for these areas or reduced access to banking services.

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 Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). As provided in the CRA, the Board has evaluated this factor in light of examinations by the appropriate federal banking supervisors of the CRA performance records of the relevant institutions.[16] Peoples Heritage's lead subsidiary bank, Peoples Heritage Savings Bank, Portland, Maine ("Peoples Heritage Bank"), received an "outstanding" rating from its primary federal supervisor, the FDIC, at its most recent CRA examination, as of September 1998 ("Peoples Examination").[17] Peoples Heritage's other subsidiary banks have received "outstanding" or "satisfactory" CRA performance ratings in their most recent CRA examination by their primary federal supervisors.[18] Banknorth's lead subsidiary bank, Howard Bank, N.A., Burlington, Vermont, was rated "outstanding" for CRA performance by the OCC, as of December 1, 1997, and Banknorth's other subsidiary banks that have been examined have received "outstanding" or "satisfactory" CRA performance ratings in their most recent CRA examination by their primary federal supervisors.[19]

In the Peoples Examination, examiners found that lending by Peoples Heritage Bank was geographically distributed throughout its assessment area and that credit was extended to borrowers at all income levels. Examiners noted no substantive or technical violations at the bank of any antidiscrimination laws or regulations.

In 1997, Peoples Heritage Bank was the largest home mortgage lender in Maine, with almost 17 percent of all mortgage loans reported under the Home Mortgage Disclosure Act (12 U.S.C. § 2801 *et seq.*) that were originated in its assessment area.[20] The bank made 13,959 mortgage loans totaling $1.9 billion.

Examiners reported that Peoples Heritage Bank provided a broad range of loan products, including government-sponsored affordable mortgage loan programs. The bank has been the largest lender under programs offered by the Maine State Housing Authority (MSHA).[21] In 1997 and the first six months of 1998, the bank originated 219 MSHA loans totaling $14.7 million.[22] Peoples Heritage Bank also

16. The Interagency Questions and Answers Regarding Community Reinvestment provide that an institution's most recent CRA performance evaluation is an 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 the appropriate federal banking supervisor. 64 *Federal Register* 23,618 and 23,641 (1999).

17. The bank has retained an "outstanding" CRA performance rating since 1978 when federal supervisors began examining insured depository institutions for CRA performance.

18. Springfield Institution for Savings, Springfield, Massachusetts ("SIS"), received an "outstanding" rating from the FDIC, as of September 1997; Family Bank, FSB, Haverhill, Massachusetts ("Family Bank"), received an "outstanding" rating from the Office of Thrift Supervision ("OTS"), as of July 1997; Atlantic Bank of Portland, Portland, Maine, received a "satisfactory" rating from the OCC, as of June 1996; Glastonbury Bank and Trust Company, Glastonbury, Connecticut, received a "satisfactory" rating from the FDIC, as of August 1996; and Bank of New Hampshire, Manchester, New Hampshire, received a "satisfactory" rating from the FDIC, as of September 1998. SIS was merged into Family Bank in 1999, but Family Bank has not been examined for CRA performance since the merger.

19. Franklin-Lamoille Bank, Saint Albans, Vermont, received an "outstanding" rating from the FDIC, as of March 1999; Evergreen Bank, N.A., Glens Falls, New York, received a "satisfactory" rating from the OCC, as of November 1997; Farmington National Bank, Farmington, New Hampshire, received a "satisfactory" rating from the OCC, as of December 1997; First Vermont Bank and Trust Company, Brattleboro, Vermont, received a "satisfactory" rating from the FDIC, as of December 1997; and Granite Savings Bank and Trust Company, Barre, Vermont, received a "satisfactory" rating from the FDIC, as of August 1998. First Massachusetts Bank, N.A., Worcester, Massachusetts, has not been examined for CRA performance by the OCC.

20. The assessment area for Peoples Heritage Bank approximated the State of Maine. The bank controlled 21.5 percent of state deposits.

21. Peoples Heritage Bank has been named MSHA Lender of the Year for the past three years.

22. Commenter questioned whether Peoples Heritage would expand its support for affordable housing loans and multifamily housing projects to compensate fully for the loss of support for these projects by Banknorth. Commenter expressed particular concern that Peoples Heritage might not maintain Banknorth's level of support of programs sponsored by the Vermont Housing Finance Authority ("VHFA"), which combines state subsidies, low-cost bank funding, and the assistance of nonprofit associations to provide affordable mortgages to

has developed its own affordable mortgage loan programs in response to the needs of the community it serves. For example, the bank entered into an agreement with the Penquis Community Action Program to provide qualified low-income borrowers in the Bangor, Maine, area with home purchase mortgage loans featuring 100 percent financing and a sliding scale of fixed interest rates no higher than 7 percent, with lower rates for borrowers with lower incomes. Examiners also commended Peoples Heritage Bank for its strong level of small business and small farm lending. During 1997, it extended 1,843 CRA-reported small business loans totaling $156.3 million. Of these loans, 93.3 percent by number, and 93.5 percent of the total dollar amount, were made in Peoples Heritage Bank's assessment area.[23]

In addition, examiners found that Peoples Heritage Bank participated in community development lending in a manner consistent with the needs of its assessment area. The bank originated 19 qualified community development loans in its assessment area during the period covered in the Peoples Examination, totaling $11.5 million. The bank also made 50 qualified community development investments, totaling $11.4 million, during this period.

Peoples Heritage Bank was considered by examiners to be competitive in the banking hours it offered, the accessibility of its branches and alternative retail delivery systems, and the features of its low-cost checking accounts. The branch closing policy was reviewed by examiners and considered satisfactory.[24] Peoples Heritage Bank has indicated that the Vermont banks would remain independent franchises for the foreseeable future and that it does not anticipate significant branch closings in the state.

The Board has carefully considered all the facts of record, including the comments received, responses to these comments, and the CRA performance records of Peoples Heritage Bank, Howard Bank, and the other subsidiary banks of Peoples Heritage and Banknorth, including relevant reports of examination and other supervisory information. Based on a review of the entire record and for the reasons discussed above, the Board concludes that convenience and needs considerations, including the CRA records of performance of the institutions involved, are consistent with approval of the proposal.

Financial, Managerial, and Other Supervisory Factors

The BHC Act also requires the Board, in acting on an application, to consider the financial and managerial resources and future prospects of the companies and banks involved in a proposal, and certain other supervisory factors.

The Board has carefully considered the financial and managerial resources and future prospects of Peoples Heritage and Banknorth and their respective subsidiary banks, and other supervisory factors in light of all the facts of record. As part of this consideration, the Board has reviewed relevant reports of examination and other supervisory information prepared by the Federal Reserve Bank of Boston and other federal banking supervisory agencies, including reports concerning the parties' risk management systems and steps taken recently by Peoples Heritage to enhance these systems. The Board notes that the bank holding companies and their subsidiary banks are well capitalized and are expected to remain so after consummation of the proposal.

The Board also has considered other aspects of the financial condition and resources of Peoples Heritage and Banknorth and the combined organization and other aspects of their managerial resources. Based on all the facts of record, the Board concludes that considerations relating to the financial and managerial resources and future prospects of Peoples Heritage, Banknorth, and their respective subsidiaries are consistent with approval of the proposal, as are the other supervisory factors that the Board must consider under section 3 of the BHC Act.

Nonbanking Activities

Peoples Heritage has filed notice under sections 4(c)(8) and 4(j) of the BHC Act to acquire Banknorth's wholly owned nonbanking subsidiary, Stratevest, and thereby engage in trust company activities. The Board has determined by regulation that trust company activities are closely related to banking for purposes of the BHC Act.[25] Peoples has committed to conduct this nonbanking activity in accordance with the limitations set forth in Regulation Y and the Board's orders and interpretations governing trust company activities.

In order to approve this notice, the Board is required by section 4(j)(2)(A) of the BHC Act to determine that the acquisition of Stratevest by Peoples Heritage "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair com-

low-income homebuyers. Peoples Heritage has indicated that it would continue to focus on being a leader in residential mortgage lending in its market areas.

23. More than 82 percent of the bank's small business loans were made to borrowers with gross annual revenues of $1 million or less. In addition, more than 80 percent of Peoples Heritage Bank's small business loans and all its small farm loans were originated in amounts under $100,000.

24. Commenter questioned whether job losses and community disruptions might result from possible consolidations after consummation of the proposal. The effect of a proposal on employment in a community is not among the factors included in the BHC Act, and the federal banking agencies, courts, and Congress consistently have interpreted the convenience and needs factor to relate to the effect of a proposal on the availability and quality of banking services in the community. *See, e.g., Wells Fargo & Company*, 82 *Federal Reserve Bulletin* 445, 457 (1996). Peoples Heritage also has described certain steps it would take to minimize these effects, including job search assistance and training opportunities for dismissed employees.

25. *See* 12 C.F.R. 225.28(b)(5).

petition, conflicts of interests, or unsound banking practices."[26]

As part of its evaluation of these factors, the Board considers the financial and managerial resources of Peoples Heritage and its subsidiaries, including the companies to be acquired, and the effect of the proposed transaction on those resources. For the reasons noted 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 Peoples of Stratevest. The market for trust company services in which Peoples Heritage and Stratevest compete is national or regional in scope and is unconcentrated. Consummation of this proposal would have a *de minimis* effect on the market, and numerous competitors would remain in the market. Based on all the facts of record, the Board concludes that it is unlikely that significantly adverse competitive effects would result from the nonbanking acquisition proposed in this transaction.

The Board also expects that the proposed transaction would give Peoples Heritage an increased ability to serve the needs of its customers. In addition, there are public benefits to be derived from permitting capital markets to 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 to be most efficient when such investments are consistent, as in this case, with the relevant considerations under the BHC Act.

The Board also concludes that the conduct of the proposed nonbanking activity within the framework of Regulation Y and Board precedent is not likely to result in 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 interest factors that the Board must consider under section 4(j)(2)(A) of the BHC Act is favorable and consistent with approval of this proposal.

Conclusion

Based on the foregoing, and in light of all the facts of record, the Board has determined that the applications and notice should be, and hereby are, approved. Approval of the applications and notice is specifically conditioned on compliance by Peoples Heritage with all the commitments made in connection with the proposal and with the conditions stated or referred to in this order, including Peoples Heritage's divestiture commitment. The Board's determination on the nonbanking activities also is subject to all the terms and conditions set forth in Regulation Y, including those in sections 225.7 and 225.25(c) (12 C.F.R. 225.7 and 225.25(c)), and the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders thereunder. For purposes of this transaction, the commitments and conditions referred to in this order shall be 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 banks of Banknorth shall not be consummated before the fifteenth calendar day after the effective date of this order, and the proposal shall not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Boston, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 24, 2000.

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

ROBERT DEV. FRIERSON
Associate Secretary of the Board

26. 12 U.S.C. § 1843(j)(2)(A).

Appendix A

Subsidiary Banks of Banknorth

Massachusetts
First Massachusetts Bank, N.A., Worcester
New Hampshire
Farmington National Bank, Farmington
New York
Evergreen Bank, N.A., Glen Falls
Vermont
First Vermont Bank and Trust Company, Brattleboro
Franklin-Lamoille Bank, St. Albans
Granite Savings Bank and Trust Company, Barre
Howard Bank, N.A., Burlington

Appendix B

Banking Markets in which Peoples Heritage and Banknorth Compete Directly

Massachusetts

Boston: Boston Rand McNally Marketing Area ("RMA") and the town of Lyndeboro in New Hampshire.
Springfield: Springfield RMA and the towns of Otis in Berkshire County; Deerfield, Leverett, Shutesbury, and Whately in Franklin County; Blandford, Chester, Gran-

ville, and Tolland in Hampden County; Chesterfield, Cummington, Goshen, Pelham, Plainfield, Westhampton, and Worthington in Hampshire County; and Hardwick and Warren in Worcester County.
Worcester: Worcester RMA and the towns of Brimfield and Wales in Hampton County and Hubbardston in Worcester County.

New Hampshire

Laconia: Belknap County, excluding the town of Barnstead, and the towns of Northfield in Merrimack County and Moultonboro and Sandwich in Carroll County.
Portsmouth-Dover-Rochester: Portsmouth-Dover-Rochester RMA and the towns of Brookfield, Middleton, New Durham, Northwood, Nottingham, Strafford, and Wakefield in New Hampshire; and Kennebunk, Lebanon, North Berwick, and Wells in Maine.
Wolfeboro: The towns of Effinghham, Ossipee, Tuftonboro, and Wolfeboro in Carroll County.

Vermont

Brattleboro: The towns of Brattleboro, Brookline, Dummerston, Guilford, Halifax, Marlboro, Newfane, Putney, Townsend, and Vernon in Windham County; and the town of Hinsdale in New Hampshire.

Appendix C

Banking Markets that Comply with the DOJ Guidelines without Divestitures[1]

Massachusetts

Boston: Peoples Heritage is the sixth largest depository institution in the market, controlling deposits of $1.5 billion, representing approximately 1.9 percent of market deposits. Banknorth is the 90th largest depository institution in the market, controlling deposits of $65.1 million, representing less than 1 percent of market deposits. On consummation of the proposal, Peoples Heritage would remain the sixth largest of 180 depository institutions in the market, controlling deposits of $1.6 billion, representing approximately 2 percent of market deposits. The HHI would remain unchanged at 1899.
Springfield: Peoples Heritage is the second largest depository institution in the market, controlling deposits of $1.1 billion, representing approximately 19.8 percent of market deposits. Banknorth is the 16th largest depository institution in the market, controlling deposits of $61.9 million, representing approximately 1.1 percent of market deposits. On consummation of the proposal, Peoples Heritage would remain the second largest of 22 depository institutions in the market, controlling deposits of $1.2 billion, representing approximately 20.9 percent of market deposits. The HHI would increase 43 points to 1656.
Worcester: Peoples Heritage is the eighth largest depository institution in the market, controlling deposits of $93.5 million, representing approximately 2.2 percent of market deposits. Banknorth is the third largest depository institution in the market, controlling deposits of $388.6 million, representing approximately 9 percent of market deposits. On consummation of the proposal, Peoples Heritage would become the third largest of 25 depository institutions in the market, controlling deposits of $482.1 million, representing approximately 11.2 percent of market deposits. The HHI would increase 28 points to 1819.

1. Market deposit data are adjusted to account for bank acquisitions approved after June 30, 1998.

New Hampshire

Laconia: Peoples Heritage is the seventh largest depository institution in the market, controlling deposits of $40.3 million, representing approximately 7.8 percent of market deposits. Banknorth is the sixth largest depository institution in the market, controlling deposits of $45.8 million, representing approximately 8.9 percent of market deposits. On consummation of the proposal, Peoples Heritage would become the fourth largest of nine depository institutions in the market, controlling deposits of $86.1 million, representing approximately 16.7 percent of market deposits. The HHI would increase 138 points to 1826.

Vermont

Brattleboro: Peoples Heritage is the eighth largest depository institution in the market, controlling deposits of $4.8 million, representing approximately 1.1 percent of market deposits. Banknorth is the second largest depository institution in the market, controlling deposits of $145.2 million, representing approximately 32.2 percent of market deposits. On consummation of the proposal, Peoples Heritage would become the second largest of eight depository institutions in the market, controlling deposits of approximately $150 million, representing approximately 33.2 percent of market deposits. The HHI would increase 69 points to 3318.

Appendix D

Banking Market with Proposed Divestiture

New Hampshire

Wolfeboro: Peoples Heritage is the fourth largest depository institution in the market, controlling deposits of $28.1 million, representing approximately 10.2 percent of market deposits. Banknorth is the third largest depository institution in the market, controlling deposits of $56.9 million, representing approximately 20.6 percent of market deposits. Peoples Heritage proposes to divest one branch with deposits of approximately $28.1 million to an out-of-market competitor. After the proposed merger and divestiture, Peoples Heritage would become the third largest of five depository institution in the market, controlling deposits of $56.9 million, representing approximately 20.6 percent of market deposits. The HHI would remain unchanged at 2753.

SierraCities.com, Inc.
Houston, Texas

FSF of Delaware, Inc.
Wilmington, Delaware

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

SierraCities.com, Inc. ("SierraCities"), and its wholly owned subsidiary, FSF of Delaware, Inc. (collectively, "Applicants"), have 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 bank holding companies by acquiring all the voting shares of Greenbelt Bancshares, Inc. ("Greenbelt"), thereby acquiring Security National Bank of Quanah ("Bank"), both in Quanah, Texas.[1] Applicants also have requested the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) to retain certain nonbanking businesses and thereby engage in the following nonbanking activities:

(1) Making, acquiring, brokering, or servicing loans, pursuant to section 225.28(b)(1) of Regulation Y (12 C.F.R. 225.28(b)(1)); and
(2) Leasing personal or real property or acting as agent, broker, or adviser in leasing such property, pursuant to section 225.28(b)(3) of Regulation Y (12 C.F.R. 225.28(b)(3)).

SierraCities also has filed an application pursuant to section 4(c)(13) of the BHC Act (12 U.S.C. § 1843(c)(13)) and the Board's Regulation K (12 C.F.R. 211) to retain certain foreign investments.[2]

Notice of the proposal, affording interested persons an opportunity to comment, has been published (64 *Federal Register* 66,189 (1999); 65 *Federal Register* 13,766 (2000)). 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.

SierraCities is an operating company that provides leases and loans to small businesses. Bank is the 808th largest depository institution in Texas, controlling $11 million in deposits, representing less than 1 percent of total deposits in commercial banking organizations in the state.[3] The proposal involves the acquisition of a bank by SierraCities, which currently does not own a 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.

The BHC Act also requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved in the proposal and certain supervisory factors. SierraCities has indicated that Bank would adopt SierraCities's business strategy of using the Internet to reach and serve commercial customers throughout the United States.[4] In addition, SierraCities proposes changes in the data processing systems of Bank to improve its ability to provide services to current customers in and around the Quanah, Texas, area and to Internet customers. The Board has reviewed SierraCities's operating plan for Bank and has taken into account SierraCities's record of offering lease financing and other products and services via the Internet and related technologies. In addition, the Board has reviewed confidential supervisory and examination information, and publicly reported financial and other information, and has consulted with the Office of the Comptroller of the Currency ("OCC"), which is the primary federal supervisor of Bank. After considering 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, as are the other supervisory factors the Board must consider under section 3 of the BHC Act.

The Board also has carefully considered the effect of the proposal on the convenience and needs of the communities to be served in light of all the facts of record. Bank received an overall rating of "satisfactory" from the OCC at Bank's most recent evaluation for performance under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"), as of April 1997. SierraCities has indicated that, after consummation of the proposal, Bank intends to file a strategic plan to help meet the credit needs of its communities because Bank's primary focus would become the distribution of products and services to small

1. On consummation of this proposal, the name of Bank would be changed to SierraCities Bank, N.A. SierraCities proposes to acquire Bank by merging Greenbelt with and into a wholly owned subsidiary of FSF of Delaware, Inc.

2. SierraCities owns the following companies, all in the United Kingdom: First Sierra Financial (UK), Limited; Suffolk Street Group, plc; Equitable Asset Finance Limited; Academy Asset Finance Limited; Booker Montague Leasing LTD; and Titan Finance Limited (collectively, "UK Subsidiaries"). The UK Subsidiaries engage in leasing activities that SierraCities proposes to retain under section 211.5(d)(3) of Regulation K.

3. Deposit data are as of June 30, 1999.

4. SierraCities engages in the business of providing leases and loans to small businesses. In its initial application to become a bank holding company, SierraCities proposed to contribute to Bank substantially all the assets and liabilities of SierraCities and its nonbank subsidiaries. SierraCities subsequently revised its application and now proposes to contribute capital to Bank only in the form of cash. The Board notes that SierraCities must comply with all applicable requirements of sections 23A and/or 23B of the Federal Reserve Act, 12 U.S.C. §§ 371c, 371c-1, with respect any transaction between Bank and any of its affiliates.

businesses via the Internet.[5] 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 record of the institution involved, are consistent with approval of the proposal.

Applicants also have filed a notice under section 4 of the BHC Act to retain SierraCities's nonbanking subsidiaries and thereby engage in extending credit and servicing loans and leasing personal or real property. The Board has determined by regulation that these activities are closely related to banking for purposes of the BHC Act.[6] SierraCities has committed to conduct these nonbanking activities in accordance with the limitations set forth in Regulation Y and all relevant Board orders and interpretations.

In connection with its review of the public interest factors under section 4 of the BHC Act, and in light of all the facts of record, the Board also has carefully reviewed the financial and managerial resources of SierraCities and Bank and the effect the transaction would have on such resources.[7] The Board has reviewed, among other things, confidential reports of examination and other supervisory information received from the primary federal supervisor of Bank, and information provided by Applicants. Based on all the facts of record, including commitments made bySierraCities, the Board concludes that the financial and managerial resources of the organizations involved in the proposal are consistent with approval.

The record indicates that consummation of the proposal would result in benefits to consumers and businesses. SierraCities has indicated that, after consummation of the proposal, it may provide more products and services than it offers currently. In addition, as the Board has previously noted, there are public benefits to be derived from permitting capital markets to 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 to be most efficient when such investments and actions are consistent, as in this case, with the relevant considerations under the BHC Act.[8] Based on all the facts of record, the Board has determined that consummation of this proposal can reasonably be expected to produce public benefits that would outweigh any likely adverse effects under the proper incident to banking standard of section 4(j)(2) of the BHC Act.[9]

The Board also concludes that the conduct of the proposed nonbanking activities within the framework established under Regulation Y is not likely to result in 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 the proper incident to banking standard of section 4 of the BHC Act is favorable and consistent with approval of the notice.

SierraCities also has requested approval under section 4(c)(13) of the BHC Act and section 211.5(c) of the Board's Regulation K (12 C.F.R. 211.5(c)) to retain its UK Subsidiaries. The Board concludes that all the factors required to be considered under the BHC Act and Regulation K are consistent with approval of the proposal.

Based on the foregoing, and in light of all the facts of record, the Board has determined that the applications and notice should be, and hereby are, approved. The Board's approval is specifically conditioned on compliance by Applicants with all the commitments made in connection with the applications and notice. The Board's approval is also subject to all the conditions set forth in this order and in Regulation Y, including those in sections 225.7 and 225.25(c) (12 C.F.R. 225.7 and 225.25(c)). For the purpose of this action, the commitments 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 periods are 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 April 12, 2000.

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

ROBERT DEV. FRIERSON
Associate Secretary of the Board

Orders Issued Under International Banking Act

Banca Intesa S.p.A. Milan, Italy

Order Approving Establishment of a Branch and Representative Offices

Banca Intesa S.p.A. ("Bank"), Milan, Italy, a foreign bank within the meaning of the International Banking Act

5. Bank's CRA performance record of meeting the credit needs of its assessment area may be assessed under an approved strategic plan. *See* 12 C.F.R. 25.27.
6. *See* 12 C.F.R. 225.28(b)(1) and (3).
7. *See* 12 C.F.R. 225.26.
8. *See, e.g., Banc One Corporation*, 84 *Federal Reserve Bulletin* 553 (1998); *First Union Corporation*, 84 *Federal Reserve Bulletin* 489 (1998).
9. Regulation Y provides that a bank holding company must seek the Board's approval prior to altering in any material respect a nonbanking activity previously approved by the Board. *See* 12 C.F.R. 225.25(c)(3).

("IBA"), has applied under section 7(d) of the IBA (12 U.S.C. § 3105(d)) to establish a state-licensed branch in New York, New York. Bank has also applied under section 10(a) of the IBA (12 U.S.C. § 3107(a)) to establish representative offices in Chicago, Illinois, and San Francisco, California. The Foreign Bank Supervision Enhancement Act of 1991, which amended the IBA, provides that a foreign bank must obtain the Board's approval to establish a branch or representative office in the United States.

Notice of the application, affording interested persons an opportunity to submit comments, has been published in newspapers of general circulation in New York, New York (New York Post, October 15, 1999), Chicago, Illinois (Chicago Tribune, December 6, 1999), and San Francisco, California (San Francisco Chronicle, December 7, 1999). The time for filing comments has expired, and the Board has considered all comments received.

Bank, with total consolidated assets of approximately $194 billion, is one of the largest banks in Italy.[1] Approximately 46 percent of Bank's shares are held by fourteen shareholders. Bank's two largest shareholders, Caisse Nationale de Crédit Agricole, a French bank, and Fondazione Cariplo, an Italian charitable organization, respectively hold 15.01 and 10.26 percent of Bank's shares. The remaining 54 percent of Bank's shares are widely held, with no shareholder controlling more than 1.5 percent of shares.

Bank engages in retail and commercial banking and other financial activities, including insurance and securities, directly and through its bank and nonbank subsidiaries. Bank has operations in Europe, Asia, the Carribean, and the United States. Bank operates three nonbank subsidiaries in the United States, and three of Bank's foreign bank subsidiaries, Banco Ambrosiano Veneto S.p.A. ("Ambroveneto"), Cariplo-Cassa di Risparmio delle Provincie Lombarde S.p.A. ("Cariplo"), and Banca Commerciale Italiana S.p.A., operate offices in the United States. Bank's proposed offices would assume the existing business of Cariplo's New York branch and Chicago and San Francisco representative offices and of Ambroveneto's New York representative office, and the U.S. offices of Cariplo and Ambroveneto thereafter would be closed.

In order to approve an application by a foreign bank to establish a branch or representative office in the United States, the IBA and Regulation K require the Board to determine that the foreign bank applicant engages directly in the business of banking outside of the United States and that the applicant has furnished to the Board the information it needs to assess the application adequately. The Board generally also must determine that the foreign bank and any of its foreign bank parents is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor.[2] The Board also may take into account additional standards as set forth in the IBA and Regulation K.[3]

1. Unless otherwise indicated, data are as of June 30, 1999.

2. *See* 12 U.S.C. § 3105(d)(2).

3. *See* 12 U.S.C. § 3105(d)(3) & (4); 12 CFR 211.24(c).

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

Regulation K provides that a foreign bank will be considered to be subject to consolidated 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.[4] The Board has made the following findings with regard to the supervision of Bank.

The Board previously has determined, in connection with applications involving other banks in Italy, that those banks were subject to home country supervision on a consolidated basis.[5] The Board has found that Bank is supervised by the Bank of Italy on substantially the same terms and conditions as those other banks. Based on all the facts of record, the Board has determined that Bank is subject to comprehensive supervision on a consolidated basis by its home country supervisor.

The Board also has taken into account the additional standards set forth in the IBA and Regulation K.[6] The Bank of Italy has no objection to establishment of the proposed branch and representative offices.

Italy's risk-based capital standards conform to European Union capital standards, which are consistent with those established by the Basle Capital Accord. Bank's capital is in excess of the minimum levels that would be required by the Basle Capital Accord and is considered equivalent to capital that would be required of a U.S. banking organization. Managerial and other financial resources of Bank also are considered consistent with approval, and Bank appears to have the experience and capacity to support the proposed offices. In addition, Bank has established controls and procedures for the offices to ensure compliance with

4. *See* 12 C.F.R. 211.24(c)(1). In assessing this standard, the Board considers, among other factors, the extent to which the home country supervisors:
- (i) Ensure that the bank has adequate procedures for monitoring and controlling its activities worldwide;
- (ii) Obtain information on the condition of the bank and its subsidiaries and offices through regular examination reports, audit reports, or otherwise;
- (iii) Obtain information on the dealings with and relationship between the bank and its affiliates, both foreign and domestic;
- (iv) Receive from the bank financial reports that are consolidated on a worldwide basis or comparable information that permits analysis of the bank's financial condition on a worldwide consolidated basis;
- (v) Evaluate prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis. These are indicia of comprehensive, consolidated supervision; no single factor is essential, and other elements may inform the Board's determination.

5. *See Istituto Bancario San Paolo di Torino S.p.A.*, 82 *Federal Reserve Bulletin* 1147 (1996); *Banca de Roma S.p.A.*, 82 *Federal Reserve Bulletin* 1145 (1996).

6. *See* 12 U.S.C. § 3105(d)(3)-(4); 12 CFR 211.24(c)(2)-(3).

U.S. law, as well as controls and procedures for its world-wide operations generally.

Finally, the Board has reviewed the restrictions on disclosure in relevant jurisdictions in which Bank operates and has communicated with relevant government authorities about access to information. Bank has committed to make available to the Board such information on Bank and any of its affiliates that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act, and other applicable federal law. To the extent that the provision of such information may be prohibited or impeded by law or otherwise, Bank has committed to cooperate with the Board to obtain any necessary consents or waivers that might be required from third parties in connection with disclosure of certain information. In addition, subject to certain conditions, the Bank of Italy may share information on Bank's operations with other supervisors, including the Board. In light of these commitments and other facts of record, and subject to the condition described below, the Board concludes that Bank has provided adequate assurances of access to any necessary information the Board may request.

On the basis of all the facts of record, and subject to the commitments made by Bank, as well as the terms and conditions set forth in this order, the Board has determined that Bank's application to establish the state-licensed branch in New York, New York, and the representative offices in Chicago, Illinois, and San Francisco, California, should be, and hereby is, approved. Should any restrictions on access to information on the operations or activities of Bank or any of its affiliates subsequently interfere with the Board's ability to determine and enforce compliance by Bank or its affiliates with applicable federal statutes, the Board may require termination of any of Bank's direct or indirect activities in the United States. Approval of this application also is specifically conditioned on Bank's compliance with the commitments made in connection with this application and with the conditions in this order.[7] The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with its decision and may be enforced in proceedings under applicable law against Bank, its offices, and its affiliates.

By order of the Board of Governors, effective April 5, 2000.

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

ROBERT DEV. FRIERSON
Associate Secretary of the Board

7. The Board's authority to approve the establishment of the proposed branch and representative offices parallels the continuing authority of the States of New York, Illinois, and California to license offices of a foreign bank. The Board's approval of this application does not supplant the authority of those states to license the proposed offices of Bank in accordance with any terms or conditions they may impose.

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT
By Federal Reserve Banks

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

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Advantage Bankshares, Inc., Village of North Palm Beach, Florida	Advantage Bank, Village of North Palm Beach, Florida	Atlanta	April 5, 2000
Anderson Bancshares, Inc., Hemingay, South Carolina	Anderson Brothers Bancshares, Inc., Mullins, South Carolina Anderson Brothers Bank, Mullins, South Carolina	Richmond	April 20, 2000
Apalachicola State Banking Corporation, Apalachicola, Florida	Apalachicola State Bank, Apalachicola, Florida	Atlanta	March 30, 2000
Bancorp Rhode Island, Inc., Providence, Rhode Island	Bank Rhode Island, Providence, Rhode Island	Boston	April 7, 2000
Bay National Corporation, Baltimore, Maryland	Bay National Bank, Baltimore, Maryland	Richmond	March 30, 2000
BGC Bancorp, Inc., Gibson City, Illinois	Bank of Gibson City, Gibson City, Illinois	Chicago	April 14, 2000

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Border Bancshares, Inc., Greenbush, Minnesota	Border State Bank of International Falls, International Falls, Minnesota	Minneapolis	March 23, 2000
Brookline Bancorp, Inc., Brookline, Massachusetts Brookline Bancorp, MHC, Brookline, Massachusetts	Lighthouse Bank, Waltham, Massachusetts	Boston	April 12, 2000
Burton Bancshares, Inc., Burton, Texas Burton Holdings, Inc., Wilmington, Delaware	Burton State Bank, Burton, Texas	Dallas	April 19, 2000
Cardinal Financial Corporation, Fairfax, Virginia	Cardinal Bank-Alexandria/Arlington, N.A., Alexandria, Virginia	Richmond	March 29, 2000
Dentel Bancorporation, Victor, Iowa	Pocahontas Bancorporation, Pocahontas, Iowa Pocahontas State Bank, Pocahontas, Iowa	Chicago	April 20, 2000
ETN Leasing, Inc., Palestine, Texas	East Texas National Bank, Palestine, Texas	Dallas	April 13, 2000
First Sterling Bank, Inc., Kennesaw, Georgia	Main Street Banks, Inc., Covington, Georgia	Atlanta	April 5, 2000
Greater Bay Bancorp, Palo Alto, California	Coast Bancorp, Santa Cruz, California Coast Commercial Bank, Santa Cruz, California	San Francisco	April 5, 2000
Indiana United Bancorp, Greensburg, Indiana FAB Merger Corporation, Greensburg, Indiana	First Affiliated Bancorp, Inc., Watseka, Illinois Capstone Bank, N.A., Watseka, Illinois	Chicago	March 29, 2000
Maries County Bancorp, Inc., Vienna, Missouri Progress Bancshares, Inc., Sullivan, Missouri	Tritten Bancshares, Inc., Waynesville, Missouri	St. Louis	April 17, 2000
NBM Corporation Employee Stock Ownership Plan, McAlester, Oklahoma	NBM Corporation, McAlester, Oklahoma	Kansas City	April 12, 2000
NBT Bancorp Inc., Norwich, New York	Pioneer American Holding Company Corp., Carbondale, Pennsylvania Pioneer American Bank, National Association, Carbondale, Pennsylvania	New York	March 30, 2000
RSB Financial, Inc., Reading, Kansas	Reading State Bank, Reading, Kansas	Kansas City	April 10, 2000
SNB Bancorp, Inc., Salyersville, Kentucky	Salyersville National Bank, Salyersville, Kentucky	Cleveland	April 20, 2000
Tennessee Commerce Bancorp, Franklin, Tennessee	Tennessee Commerce Bank, Franklin, Tennessee	Atlanta	March 31, 2000
Terre Haute Savings M.H.C., Terre Haute, Indiana	Terre Haute Savings Bank, Terre Haute, Indiana	Chicago	April 5, 2000
TrustBanc Financial Group, Inc., Mountain Home, Arkansas	TrustBanc, Mountain Home, Arkansas	St. Louis	March 28, 2000

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Waumandee Bancshares, Ltd., Waumandee, Wisconsin	Waumandee State Bank, Waumandee, Wisconsin	Minneapolis	April 13, 2000
Weststar Financial Services Corporation, Asheville, North Carolina	The Bank of Asheville, Asheville, North Carolina	Richmond	March 29, 2000

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
BancFirst Ohio Corp., Zanesville, Ohio	Milton Federal Financial Corporation, West Milton, Ohio	Cleveland	April 13, 2000
First Banks, Inc., Creve Coeur, Missouri	First Capital Group, Inc., Albuquerque, New Mexico First State Bank of Taos, Taos, New Mexico	St. Louis	April 14, 2000
Marquette Bancshares, Inc., Minneapolis, Minnesota	Marquette Consumer Finance, Inc., Plymouth, Minnesota	Minneapolis	March 27, 2000
Mid State Banks, Inc., Cordele, Georgia	Cobb Insurance Agency, Cordele, Georgia	Atlanta	March 28, 2000
Northern Trust Corporation, Chicago, Illinois	Carl Domino Associates, L.P., West Palm Beach, Florida	Chicago	April 14, 2000
Synovus Financial Corp., Columbus, Georgia	ProCard, Inc., Golden, Colorado	Atlanta	April 5, 2000
USBANCORP, Inc., Johnstown, Pennsylvania	Standard Mortgage Company, Atlanta, Georgia Three Rivers Bank & Trust Company, Jefferson, Pennsylvania	Philadelphia	April 4, 2000

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Andover Bancorp, Inc., Andover, Massachusetts	GBT Bancorp, Gloucester, Massachusetts Gloucester Bank & Trust Company, Gloucester, Massachusetts Gloucester Investment Corp., Gloucester, Massachusetts	Boston	April 10, 2000
Klein Financial, Inc., Chaska, Minnesota	Preferred Bancshares, Inc., Big Lake, Minnesota Preferred Bank, Big Lake, Minnesota Preferred Lenders, LLC, Big Lake, Minnesota	Minneapolis	April 5, 2000

Applications Approved Under Bank Merger Act By Federal Reserve Banks

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

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Arvest Bank, Fort Smith, Arkansas	Bank of Bentonville, Bentonville, Arkansas	St. Louis	March 23, 2000
The Bank, Warrior, Alabama	Emerald Coast Bank, Panama City Beach, Florida; C&L Bank, Bristol, Florida	Atlanta	March 29, 2000
Legacy Bank ACB, Binger, Oklahoma	Legacy Bank, Hinton, Oklahoma; Legacy Bank TC, Blanchard, Oklahoma	Kansas City	April 14, 2000

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.

Bettersworth v. Board of Governors, No. 00–50262 (5th Cir., filed April 14, 2000). Appeal of district court's dismissal of Privacy Act claims

Hunter v. Board of Governors, No. 00-CV-735 (ESH) (D.D.C., filed April 5, 2000). Action claiming retaliation for whistle-blowing activity.

Albrecht v. Board of Governors, No. 00-CV-317 (CKK) (D.D.C., filed February 18, 2000). Action challenging the funding of the retirement plan for certain Board employees.

Board Of Governors v. Interfinancial Services, Ltd., No. 00–75 (RCL) (D.D.C., filed February 9, 2000). Action to enforce administrative subpoena issued by the Board.

Toland v. Internal Revenue Service, Federal Reserve System, et al., No. CV-S-99–1769-JBR-RJJ (D. Nevada, filed December 29, 1999). Challenge to income taxation and Federal Reserve notes. On February 16, 2000, the government filed a motion to dismiss the action.

Irontown Housing Corp. v. Board of Governors, No. 99–9549 (10th Cir., filed December 27, 1999). Petition for review of Board order dated December 13, 1999, approving the merger of Zions Bancorporation with First Security Corporation.

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

Sheriff Gerry Ali v. U.S. State Department, No. 99–7438 (C.D. Cal., filed July 21, 1999). Action relating to impounded bank drafts.

Kerr v. Department of the Treasury, No. 99–16263 (9th Cir., filed April 28, 1999). Appeal of dismissal of action challenging income taxation and Federal Reserve notes.

Sedgwick v. Board of Governors, No. Civ 99 0702 (D. Arizona, filed April 14, 1999). Action under Federal Tort Claims Act alleging violation of bank supervision requirements. The Board filed a motion to dismiss on June 15, 1999.

Hunter v. Board of Governors, No. 1:98CV02994 (ESH) (D.D.C., filed December 9, 1998). Action under the Freedom of Information Act, the Privacy Act, and the first amendment. On April 26, 2000, the court granted the Board's motion to dismiss or for summary judgment.

Folstad v. Board of Governors, No. 00–1056 (6th Cir., filed January 14, 2000). Appeal of district court order granting summary judgment to the Board in a Freedom of Information Act case.

Nelson v. Greenspan, No. 1:99CV00215 (EGS) (D.D.C., filed January 28, 1999). Employment discrimination complaint. On February 25, 2000, the court granted the Board's motion to dismiss the complaint.

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.

Board of Governors v. Carrasco, No. 98 Civ. 3474 (LAK) (S.D.N.Y., filed May 15, 1998). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On May 26, 1998, the court issued a preliminary injunction restraining the transfer or disposition of the individual's assets and appointing the Federal Reserve Bank of New York as receiver for those assets. Following entry of the Board's order requiring restitution, 85 *Federal Reserve Bulletin* 142 (1998), the court granted the Board's motion for judgment in the asset freeze action and authorized a judicial sale of the seized property.

Board of Governors v. Pharaon, No. 98–6101 (2d Cir., filed May 4, 1998). Appeal and cross-appeal of district court order granting in part and denying in part the Board's motion for summary judgment seeking prejudgment interest and a statutory surcharge in connection with a civil money penalty assessed by the Board. On February 24, 1999, the court granted the Board's appeal and denied the cross-appeal, and remanded the matter to the district court for determination of prejudgment interest due to the Board.

FINAL ENFORCEMENT DECISION ISSUED BY THE BOARD OF GOVERNORS

In the Matter of
Oren L. Benton and
Edward D. Scott
Former Institution-Affiliated Parties of
The Professional Bank,
Denver, Colorado

Docket Nos. 99–030-E-I1, 99–030-CMP-I1,
99–030-E-12, 99–030-CMP-12

Determination on Requests for Private Hearing

Background

This is an enforcement proceeding brought by the Board of Governors of the Federal Reserve System (the "Board") against Oren L. Benton and Edward D. Scott (the "Respondents") pursuant to the Federal Deposit Insurance Act (the "FDI Act"). Benton was the sole shareholder and a director of The Professional Bank, a state member bank, and Scott was its executive vice president and director. In a Notice of Intent to Prohibit and Notice of Assessment of a Civil Money Penalty (the "Notice") issued on January 24, 1999, the Board alleged that Benton and Scott engaged in unsafe or unsound banking practices and breached their fiduciary duty to the Bank when they caused the Bank to engage in numerous violations of Section 23A of the Federal Reserve Act and the Board's Regulation O. The Notice seeks civil money penalties and an order of prohibition against both Respondents.

In accordance with section 8(u)(2) of the FDI Act, 12 U.S.C. § 1818(u)(2), the Notice advised the Respondents that any hearing held in this matter would be public, unless the Board determines that an open hearing would be contrary to the public interest. The Notice informed Respondents that they could submit a statement detailing any reasons why the hearing should not be public. Both Respondents duly filed a motion with the Board seeking a private hearing in this matter. Board Enforcement Counsel opposed the motion.

Respondents assert generally that their reputations, and those of witnesses and of the institution for which Mr. Scott currently works, could be harmed by a public hearing. They also note that the allegations of wrongdoing occurred more than five years ago, and argue that the public interest in disclosure of these events is outweighed by the privacy interests of the Respondents and others involved in the charges.

Discussion

The enforcement provisions of the Federal Deposit Insurance Act provide that all administrative hearings must be public unless the Board, in its discretion, determines that a public hearing would be "contrary to the public interest." The Board's regulations echo this requirement. 12 C.F.R. 263.33(a). In a recent case, *In the Matter of Incus Co., Ltd.*, 85 *Federal Reserve Bulletin* 284, 285 (1999), the Board set forth the standard by which requests for private hearings would be determined. Specifically, the Board ruled that,

> Before the Board exercises its discretion to close a hearing, there should be a substantial basis for concluding that the case reflects unusual circumstances that overcome the presumption in favor of open hearings. In general, in light of the congressional requirement that the proceeding be open unless "contrary to the public interest," those circumstances should involve serious safety and soundness concerns flowing from a public hearing. . . . [A] party seeking a closed hearing should be required to demonstrate how the effects of this proceeding differ so significantly from those involving other banks in terms of the *public* interest as to warrant special treatment.

See also In the Matter of Fonkenell, 85 *Federal Reserve Bulletin* 353 (1999) (same).

The reasons given by Respondents here for closing the hearing to the public do not establish that an open hearing would be contrary to the public interest. Respondents assert that because the events in question occurred more than five years ago, the potential injuries to reputation of the Respondents and witnesses outweigh the present public interest in disclosure. Respondents also note that the Notice refers to some individuals with knowledge of the events by descriptions rather than by name, in an apparent effort to protect the anonymity and reputations of those individuals. Respondents argue that the same concern regarding unnecessary public disclosure should apply to them. Finally, Respondent Scott asserts, without providing factual support, that a public hearing could cause "irreparable harm" to the institution where he is now employed.

These arguments fail to meet the standard required by the Board to close a hearing to the public. The fact that the alleged wrongdoing occurred some time ago may diminish the public's interest in the case, but it does not establish a public interest in keeping the hearing private. The Board has previously rejected the argument that reputational concerns of the respondent or third parties justify closing a hearing to the public. *See In the Matter of Zbinden*, 80 *Federal Reserve Bulletin* 360 (1994); *Fonkenell*, 85 *Federal Reserve Bulletin* at 354; *Incus*, 85 *Federal Reserve Bulletin* at 285. Respondent Scott's concern about the potential harm to his current employer is not supported by any factual material, and as Enforcement Counsel noted, Mr. Scott's current institution was not involved in the transactions alleged in the Notice. Finally, a public hearing would obviously entail disclosure of the individuals identified only by description in the Notice, so Respondents would not be subject to any less favorable treatment than they.

Accordingly, Respondents' requests for a private hearing are denied.

By Order of the Board of Governors, this 18th day of April, 2000.

Board of Governors of the
Federal Reserve System

JENNIFER J. JOHNSON
Secretary of the Board

Financial and Business Statistics

Guide to Tabular Presentation

Symbols and Abbreviations

c	Corrected
e	Estimated
n.a.	Not available
p	Preliminary
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)
0	Calculated to be zero
. . .	Cell not applicable
ATS	Automatic transfer service
BIF	Bank insurance fund
CD	Certificate of deposit
CMO	Collateralized mortgage obligation
CRA	Community Reinvestment Act of 1977
FFB	Federal Financing Bank
FHA	Federal Housing Administration
FHLBB	Federal Home Loan Bank Board
FHLMC	Federal Home Loan Mortgage Corporation
FmHA	Farmers Home Administration
FNMA	Federal National Mortgage Association
FSLIC	Federal Savings and Loan Insurance Corporation
G-7	Group of Seven
G-10	Group of Ten
GNMA	Government National Mortgage Association
GDP	Gross domestic product
HUD	Department of Housing and Urban Development
IMF	International Monetary Fund
IO	Interest only
IPCs	Individuals, partnerships, and corporations
IRA	Individual retirement account
MMDA	Money market deposit account
MSA	Metropolitan statistical area
NOW	Negotiable order of withdrawal
OCD	Other checkable deposit
OPEC	Organization of Petroleum Exporting Countries
OTS	Office of Thrift Supervision
PMI	Private mortgage insurance
PO	Principal only
REIT	Real estate investment trust
REMIC	Real estate mortgage investment conduit
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	1999 Q2	1999 Q3	1999 Q4	2000 Q1	1999 Nov.	1999 Dec.	2000 Jan.	2000 Feb.	2000 Mar.
Reserves of depository institutions[2]									
1 Total	−6.6	−15.4	−7.9	4.2	7.5	9.4	47.0	−46.3	−33.0
2 Required	−5.6	−15.0	−9.4	2.5	2.2	10.4	27.2	−22.0	−37.1
3 Nonborrowed	−6.7	−17.1	−7.5	4.8	8.9	7.0	45.8	−39.2	−35.2
4 Monetary base[3]	9.6	9.2	20.0	3.7	25.6	44.2	1.3	−38.1	−5.3
Concepts of money and debt[4]									
5 M1	2.1	−1.8	4.9	.3	9.0	15.6	−3.1	−16.8ʳ	6.0
6 M2	6.0	5.2	5.0	5.6	4.9	7.3	6.0ʳ	2.2	8.8
7 M3	6.0	4.9	9.8ʳ	10.0	14.5ʳ	16.9ʳ	8.0ʳ	2.6ʳ	12.0
8 Debt	7.0	6.1	6.3ʳ	n.a.	4.7	6.9ʳ	6.0	4.6	n.a.
Nontransaction components									
9 In M2[5]	7.3	7.5	5.0	7.3	3.7	4.6	8.8	8.2	9.7
10 In M3 only[6]	5.9	4.0	23.1ʳ	21.6	40.5ʳ	42.5ʳ	13.3ʳ	3.7ʳ	20.1
Time and savings deposits									
Commercial banks									
11 Savings, including MMDAs	10.7	10.6	4.2	3.4	−.7	−3.1	2.1	12.4	6.1
12 Small time[7]	−2.0	2.1	6.8	8.4	9.0	8.2	7.4	9.2	9.1
13 Large time[8,9]	−.9	.2	36.9	21.0	52.7	47.6ʳ	8.3ʳ	5.5ʳ	5.4
Thrift institutions									
14 Savings, including MMDAs	14.5	13.3	−3.3	−1.1	−4.5	−8.0	−3.5ʳ	6.7ʳ	8.0
15 Small time[7]	−6.3	−3.2	5.0	5.8	8.3	6.4	8.2	2.2	1.9
16 Large time[8]	−4.4	1.2	6.3	17.2	20.1	5.3	36.8	6.4ʳ	.0
Money market mutual funds									
17 Retail	11.2	8.0	9.4	17.8	9.2	20.2	26.9	4.1	19.4
18 Institution-only	14.1	9.3	21.4	23.5	29.9	31.0	31.8	−11.5	45.1
Repurchase agreements and Eurodollars									
19 Repurchase agreements[10]	−1.2	9.1	12.8	16.1	31.0	49.3	−20.4	47.4	−15.1
20 Eurodollars[10]	21.7	−9.7	12.1ʳ	29.6	67.5ʳ	71.2ʳ	18.7ʳ	−31.4ʳ	65.2
Debt components[4]									
21 Federal	−2.3	−.3	−4.3ʳ	n.a.	−7.6ʳ	.9ʳ	−4.4	−12.1	n.a.
22 Nonfederal	9.7	8.0	9.3ʳ	n.a.	8.1	8.5ʳ	8.8	9.0	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						
	2000			2000						
	Jan.	Feb.	Mar	Feb. 16	Feb. 23	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	582,309	556,692	555,397	557,686	557,049	556,754	554,836	555,115	556,442	553,988
U.S. government securities[2]										
2 Bought outright—System account[3]	491,902	501,923	501,572	502,470	502,193	501,486	502,147	501,927	500,433	501,704
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	180	158	150	150	150	150	150	150	150	150
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty[4]	53,099	19,991	20,177	19,826	21,041	21,333	19,736	20,104	21,833	17,906
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	315	40	94	27	42	31	55	30	236	63
9 Seasonal credit	30	44	70	44	52	57	64	63	71	82
10 Special Liquidity Facility credit	48	17	7	19	15	16	14	14	0	0
11 Extended credit	0	0	0	0	0	0	0	0	0	0
12 Float	1,344	679	91	667	1,010	885	47	−207	320	334
13 Other Federal Reserve assets	35,392	33,840	33,236	34,483	32,546	32,796	32,621	33,034	33,399	33,749
14 Gold stock	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048
15 Special drawing rights certificate account	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
16 Treasury currency outstanding	28,177	28,445	28,664	28,435	28,484	28,533	28,593	28,638	28,683	28,728
ABSORBING RESERVE FUNDS										
17 Currency in circulation	587,982	565,554	563,365	565,828	565,907	564,245	563,645	563,646	563,220	562,761
18 Reverse repurchase agreements—triparty[4]	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	121	148	165	146	162	162	159	164	168	170
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	8,148	5,259	5,344	5,306	5,334	5,090	5,358	5,457	5,675	5,067
21 Foreign	93	92	96	88	81	92	77	85	102	117
22 Service-related balances and adjustments	7,676	7,415	6,866	7,895	6,960	6,915	6,799	6,975	6,721	6,907
23 Other	361	244	201	237	238	245	234	196	190	182
24 Other Federal Reserve liabilities and capital	18,240	18,684	19,071	18,795	18,823	18,807	18,921	19,152	19,106	19,106
25 Reserve balances with Federal Reserve Banks[5]	5,114	4,988[r]	6,201	5,074	5,278	6,981	5,483	5,327	7,192	5,656

Factor	End-of-month figures			Wednesday figures						
	Jan.	Feb.	Mar.	Feb. 16	Feb. 23	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	561,444	558,483	559,809	557,308	560,717	558,659	559,012	560,782	559,321	555,546
U.S. government securities[2]										
2 Bought outright—System account[3]	500,228	500,771	501,708	502,699	500,423	501,899	502,112	502,215	500,492	502,762
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	175	150	150	150	150	150	150	150	150	150
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty[4]	23,105	24,768	23,745	21,505	24,255	24,265	24,060	25,045	22,855	18,420
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	86	29	157	19	48	33	28	18	1,551	35
9 Seasonal credit	21	64	79	49	53	59	65	66	78	89
10 Special Liquidity Facility credit	22	16	0	18	16	16	14	14	0	0
11 Extended credit	0	0	0	0	0	0	0	0	0	0
12 Float	2,986	339	−213	482	2,998	−162	−253	107	593	31
13 Other Federal Reserve assets	34,820	32,347	34,183	32,385	32,775	32,399	32,835	33,167	33,601	34,059
14 Gold stock	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048
15 Special drawing rights certificate account	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
16 Treasury currency outstanding	28,282	28,533	28,773	28,435	28,484	28,533	28,593	28,638	28,683	28,728
ABSORBING RESERVE FUNDS										
17 Currency in circulation	566,568	564,789	562,970	566,669	566,193	564,784	564,734	564,517	564,013	563,999
18 Reverse repurchase agreements—triparty[4]	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	125	162	174	162	162	158	163	168	169	174
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	6,119	5,004	4,357	4,775	4,818	5,019	5,356	7,611	4,864	5,288
21 Foreign	82	129	125	108	107	99	85	71	84	80
22 Service-related balances and adjustments	7,230	6,916[r]	7,065	7,895	6,960	6,916	6,799	6,975	6,721	6,907
23 Other	265	243	188	256	238	234	192	196	184	181
24 Other Federal Reserve liabilities and capital	18,101	18,785	19,752	18,548	18,609	18,329	18,862	18,836	18,817	18,820
25 Reserve balances with Federal Reserve Banks[5]	8,484	8,238[r]	11,198	4,578	9,362	8,902	8,661	8,294	10,400	6,074

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	Prorated monthly averages of biweekly averages									
	1997	1998	1999	1999				2000		
	Dec.	Dec.	Dec.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 Reserve balances with Reserve Banks[2]	10,664	9,021	5,260	7,698	6,768	6,285	5,260	5,207	5,073[r]	6,524
2 Total vault cash[3]	44,742	44,293	60,499	44,447	47,030	50,754	60,499	73,898	63,745	48,928
3 Applied vault cash[4]	37,255	35,997	36,384	34,089	33,933	34,660	36,384	39,097	37,015	33,231
4 Surplus vault cash[5]	7,486	8,296	24,116	10,359	13,096	16,094	24,116	34,802	26,731	15,697
5 Total reserves[6]	47,920	45,018	41,643	41,787	40,702	40,944	41,643	44,304	42,088[r]	39,755
6 Required reserves	46,235	43,435	40,332	40,590	39,549	39,610	40,332	42,279	40,971	38,532
7 Excess reserve balances at Reserve Banks[7]	1,685	1,583	1,311	1,197	1,153	1,334	1,311	2,025	1,117[r]	1,223
8 Total borrowing at Reserve Banks	324	117	320	338	281	236	320	374	108	179
9 Adjustment	245	101	179	56	52	157	179	296	45	101
10 Seasonal	79	15	67	282	221	71	67	31	44	71
11 Special Liquidity Facility[8]	...	...	74	0	8	7	74	46	19	7
12 Extended credit[9]	0	0	0	0	0	0	0	0	0	0
	Biweekly averages of daily figures for two week periods ending on dates indicated									
	1999			2000						
	Dec. 1	Dec. 15	Dec. 29	Jan. 12	Jan. 26	Feb. 9	Feb 23	Mar. 8	Mar. 22	Apr. 5
1 Reserve balances with Reserve Banks[2]	5,927	5,434	4,888	6,308	4,644	4,145	5,172	6,234[r]	6,267	7,181
2 Total vault cash[3]	52,813	56,693	63,663	68,851	75,759	80,804	58,780	49,745	48,678	48,593
3 Applied vault cash[4]	35,470	35,346	37,329	37,491	40,031	40,334	36,271	33,772	32,862	33,326
4 Surplus vault cash[5]	17,343	21,347	26,334	31,360	35,728	40,470	22,509	15,973	15,816	15,267
5 Total reserves[6]	41,397	40,780	42,217	43,799	44,675	44,479	41,443	40,006[r]	39,129	40,507
6 Required reserves	40,027	39,682	40,956	40,674	43,278	43,333	40,260	39,088[r]	38,003	38,860
7 Excess reserve balances at Reserve Banks[7]	1,370	1,098	1,261	3,125	1,396	1,146	1,183	918[r]	1,125	1,647
8 Total borrowing at Reserve Banks	133	181	425	657	224	114	100	119	207	189
9 Adjustment	64	94	222	530	180	62	35	44	133	104
10 Seasonal	62	61	79	38	28	27	48	61	67	85
11 Special Liquidity Facility[8]	7	27	124	90	17	25	17	15	7	0
12 Extended credit[9]	0	0	0	0	0	0	0	0	0	0

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover. Data are not break-adjusted or seasonally adjusted.
2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.
3. Vault cash eligible to satisfy reserve requirements. It includes only vault cash held by those banks and thrift institutions that are not exempt from reserve requirements. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements.
4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.
5. Total vault cash (line 2) less applied vault cash (line 3).
6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).
7. Total reserves (line 5) less required reserves (line 6).
8. Borrowing at the discount window under the terms and conditions established for the Century Date Change Special Liquidity Facility in effect from October 1, 1999 through April 7, 2000.
9. Consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as with traditional short-term adjustment credit, the money market effect of extended credit is similar to that of nonborrowed reserves.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Adjustment credit[1]			Seasonal credit[2]			Extended credit[3]		
	On 5/5/00	Effective date	Previous rate	On 5/5/00	Effective date	Previous rate	On 5/5/00	Effective date	Previous rate
Boston	5.50	3/21/00	5.25	6.20	5/4/00	6.15	6.70	5/4/00	6.65
New York		3/21/00							
Philadelphia		3/21/00							
Cleveland		3/21/00							
Richmond		3/21/00							
Atlanta		3/21/00							
Chicago		3/21/00							
St. Louis		3/22/00							
Minneapolis		3/21/00							
Kansas City		3/21/00							
Dallas		3/23/00							
San Francisco	5.50	3/22/00	5.25	6.20	5/4/00	6.15	6.70	5/4/00	6.65

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
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
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
In effect May 5, 2000	5.50	5.50

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–\$44.3 million[3]	3	12/30/99
2 More than \$44.3 million[4]	10	12/30/99
3 Nonpersonal time deposits[5]	0	12/27/90
4 Eurocurrency liabilities[6]	0	12/27/90

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

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

3. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 of each year. Effective with the reserve maintenance period beginning December 30, 1999, for depository institutions that report weekly, and with the period beginning January 20, 2000, for institutions that report quarterly, the amount was decreased from \$46.5 million to \$44.3 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 30, 1999, for depository institutions that report weekly, and with the period beginning January 20, 2000, for institutions that report quarterly, the exemption was raised from \$4.9 million to \$5.0 million.

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

5. For institutions that report weekly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to 1½ percent for the maintenance period that began Dec. 13, 1990, and to zero for the maintenance period that began Dec. 27, 1990. For institutions that report quarterly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to zero on Jan. 17, 1991.

The reserve requirement on nonpersonal time deposits with an original maturity of 1½ 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 1½ years (see note 5).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS[1]

Millions of dollars

Type of transaction and maturity	1997	1998	1999	1999 Aug.	1999 Sept.	1999 Oct.	1999 Nov.	1999 Dec.	2000 Jan.	2000 Feb.
U.S. TREASURY SECURITIES[2]										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	9,147	3,550	0	0	0	0	0	0	0	0
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	435,907	450,835	464,218	37,052	42,643	35,844	36,882	42,468	37,029	38,607
4 For new bills	435,907	450,835	464,218	37,052	42,643	35,844	36,882	42,468	37,029	38,607
5 Redemptions	0	2,000	0	0	0	0	0	0	0	0
Others within one year										
6 Gross purchases	5,549	6,297	11,895	429	960	0	964	1,450	0	0
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	41,716	46,062	50,590	7,669	3,468	3,831	6,675	3,936	3,566	6,877
9 Exchanges	−27,499	−49,434	−53,315	−10,798	−2,125	−368	−10,150	−2,175	−4,360	−6,688
10 Redemptions	1,996	2,676	1,429	0	0	170	0	0	390	0
One to five years										
11 Gross purchases	20,080	12,901	19,731	1,272	0	0	1,014	3,514	160	0
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	−37,987	−37,777	−44,032	−4,751	−3,468	−3,831	−3,685	−3,936	−3,566	−5,210
14 Exchanges	20,274	37,154	42,604	8,433	2,125	0	8,015	2,175	4,045	4,348
Five to ten years										
15 Gross purchases	3,449	2,294	4,303	447	0	0	0	581	809	0
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	−1,954	−5,908	−5,841	−2,918	0	0	−2,273	0	0	−949
18 Exchanges	5,215	7,439	7,583	1,290	0	0	2,135	0	316	1,170
More than ten years										
19 Gross purchases	5,897	4,884	9,428	1,075	0	0	925	1,257	1,069	0
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	−1,775	−2,377	−717	0	0	0	−717	0	0	−717
22 Exchanges	2,360	4,842	3,139	1,075	0	374	0	0	0	1,170
All maturities										
23 Gross purchases	44,122	29,926	45,357	3,223	960	0	2,903	6,802	2,038	0
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	1,996	4,676	1,429	0	0	170	0	0	390	0
Matched transactions										
26 Gross purchases	3,577,954	4,395,430	4,395,998	374,032	348,014	332,708	317,537	488,845	492,277	340,127
27 Gross sales	3,580,274	4,399,330	4,414,253	373,159	350,151	330,856	318,294	510,605	471,663	339,585
Repurchase agreements										
28 Gross purchases	810,485	512,671	281,599	23,097	29,369	100	0	0	0	0
29 Gross sales	809,268	514,186	301,273	23,717	24,337	7,707	0	0	0	0
30 Net change in U.S. Treasury securities	41,022	19,835	5,999	3,476	3,855	−5,924	2,146	−14,959	22,262	542
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
31 Gross purchases	0	0	0	0	0	0	0	0	0	0
32 Gross sales	0	25	0	0	0	0	0	0	0	0
33 Redemptions	1,540	322	157	11	0	50	7	0	6	25
Repurchase agreements										
34 Gross purchases	160,409	284,316	360,069	61,968	53,224	9,636	0	0	0	0
35 Gross sales	159,369	276,266	370,772	56,053	47,963	24,092	0	0	0	0
36 Net change in federal agency obligations	−500	7,703	−10,859	5,904	5,261	−14,506	−7	0	−6	−25
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	0	304,989	0	0	68,061	81,350	155,578	61,345	82,998
40 Gross sales	0	0	164,349	0	0	45,501	54,470	64,378	178,880	81,335
41 Net change in triparty obligations	0	0	140,640	0	0	22,560	26,880	91,200	−117,535	1,663
42 Total net change in System Open Market Account	**40,522**	**27,538**	**135,780**	**9,380**	**9,116**	**2,130**	**29,019**	**76,241**	**−95,279**	**2,180**

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		
	2000					2000		
	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29	Jan. 31	Feb. 29	Mar. 31
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048
2 Special drawing rights certificate account	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
3 Coin	419	431	432	438	456	357	422	483
Loans								
4 To depository institutions	108	108	98	1,629	124	130	109	236
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]	24,265	24,060	25,045	22,855	18,420	23,105	24,768	23,745
Federal agency obligations[3]								
8 Bought outright	150	150	150	150	150	175	150	150
9 Held under repurchase agreements	0	0	0	0	0	0	0	0
10 **Total U.S. Treasury securities**[3]	**501,899**	**502,112**	**502,215**	**500,492**	**502,762**	**500,228**	**500,771**	**501,708**
11 Bought outright[4]	501,899	502,112	502,215	500,492	502,762	500,228	500,771	501,708
12 Bills	198,802	199,012	199,111	197,386	198,093	197,131	197,674	197,038
13 Notes	217,843	217,845	217,848	217,850	219,082	219,013	217,843	219,082
14 Bonds	85,254	85,255	85,256	85,257	85,588	84,084	85,254	85,588
15 Held under repurchase agreements	0	0	0	0	0	0	0	0
16 **Total loans and securities**	**526,422**	**526,430**	**527,508**	**525,126**	**521,456**	**523,638**	**525,798**	**525,839**
17 Items in process of collection	8,040	7,719	7,658	7,724	6,234	4,511	9,642	4,904
18 Bank premises	1,380	1,382	1,385	1,384	1,384	1,365	1,380	1,381
Other assets								
19 Denominated in foreign currencies[5]	15,235	15,239	15,244	15,248	15,253	15,528	15,234	15,803
20 All other[6]	15,685	16,122	16,433	16,862	17,423	17,949	15,633	16,988
21 **Total assets**	**584,429**	**584,571**	**585,908**	**584,031**	**579,454**	**580,597**	**585,357**	**582,647**
LIABILITIES								
22 Federal Reserve notes	536,827	536,735	536,480	535,938	535,901	538,768	536,839	534,854
23 Reverse repurchase agreements—triparty[2]	0	0	0	0	0	0	0	0
24 **Total deposits**	**21,410**	**21,425**	**23,194**	**22,388**	**18,319**	**21,789**	**20,548**	**22,866**
25 Depository institutions	16,058	15,791	15,316	17,256	12,771	15,322	15,173	18,196
26 U.S. Treasury—General account	5,019	5,356	7,611	4,864	5,288	6,119	5,004	4,357
27 Foreign—Official accounts	99	85	71	84	80	82	129	125
28 Other	234	192	196	184	181	265	243	188
29 Deferred credit items	7,862	7,549	7,399	6,888	6,413	1,939	9,186	5,175
30 Other liabilities and accrued dividends[7]	4,652	4,926	4,852	4,811	4,833	4,461	4,683	5,016
31 **Total liabilities**	**570,752**	**570,635**	**571,925**	**570,024**	**565,467**	**566,957**	**571,256**	**567,911**
CAPITAL ACCOUNTS								
32 Capital paid in	6,701	6,706	6,708	6,699	6,706	6,650	6,699	6,744
33 Surplus	6,410	6,431	6,431	6,431	6,431	6,314	6,404	6,431
34 Other capital accounts	566	799	845	876	849	676	999	1,561
35 **Total liabilities and capital accounts**	**584,429**	**584,571**	**585,908**	**584,031**	**579,454**	**580,597**	**585,357**	**582,647**
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)	799,031	796,521	794,196	791,774	789,660	809,367	799,674	788,805
38 LESS: Held by Federal Reserve Banks	262,204	259,786	257,716	255,836	253,759	270,599	262,835	253,951
39 Federal Reserve notes, net	536,827	536,735	536,480	535,938	535,901	538,768	536,839	534,854
Collateral held against notes, net								
40 Gold certificate account	11,048	11,048	11,048	11,048	11,048	11,048	11,048	11,048
41 Special drawing rights certificate account	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
42 Other eligible assets	0	0	0	0	0	0	0	0
43 U.S. Treasury and agency securities	519,579	519,487	519,231	518,689	518,653	521,520	519,590	517,606
44 **Total collateral**	**536,827**	**536,735**	**536,480**	**535,938**	**535,901**	**538,768**	**536,839**	**534,854**

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

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type of holding and maturity	Wednesday						End of month		
	2000						2000		
	Feb. 23	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29	Jan. 31	Feb. 29	Mar. 31
1 **Total loans**	**117**	**108**	**108**	**98**	**1,629**	**124**	**130**	**109**	**236**
2 Within fifteen days[1]	99	59	54	40	1,627	107	101	81	203
3. Sixteen days to ninety days	18	50	53	57	2	17	29	28	33
4. 91 days to 1 year	0	0	0	0	0	0	0	0	0
5 **Total U.S. Treasury securities**[2]	**500,423**	**501,899**	**502,112**	**502,215**	**500,493**	**502,762**	**500,228**	**500,771**	**501,708**
6 Within fifteen days[1]	14,512	16,149	11,540	11,049	14,276	20,153	20,547	13,372	3,674
7 Sixteen days to ninety days	102,796	104,150	108,257	108,849	104,196	103,506	100,224	106,030	114,085
8 Ninety-one days to one year	139,803	138,688	139,631	139,631	139,331	134,851	136,588	138,688	141,215
9 One year to five years	124,578	123,947	123,947	123,948	123,948	124,688	124,808	123,947	123,170
10 Five years to ten years	50,941	50,941	50,943	50,944	50,946	51,437	50,720	50,941	51,438
11 More than ten years	67,793	67,793	67,794	67,795	67,795	68,126	67,340	67,793	68,127
12 **Total federal agency obligations**	**150**	**150**	**150**	**150**	**150**	**150**	**175**	**150**	**150**
13 Within fifteen days[1]	0	0	0	0	0	10	25	0	10
14 Sixteen days to ninety days	10	10	10	10	10	0	10	10	0
15 Ninety-one days to one year	10	10	10	10	10	10	10	10	10
16 One year to five years	10	10	10	10	10	10	10	10	10
17 Five years to ten years	120	120	120	120	120	120	120	120	120
18 More than ten years	0	0	0	0	0	0	0	10	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	1996 Dec.	1997 Dec.	1998 Dec.	1999 Dec.	1999 Aug.	1999 Sept.	1999 Oct.	1999 Nov.	1999 Dec.	2000 Jan.	2000 Feb.	2000 Mar.
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]												
1 Total reserves[3]	50.16	46.86	44.90	41.52	42.07	42.11	40.94	41.20	41.52	43.15	41.48	40.34
2 Nonborrowed reserves[4]	50.01	46.54	44.79	41.20	41.72	41.77	40.66	40.96	41.20	42.77	41.38	40.16
3 Nonborrowed reserves plus extended credit[5]	50.01	46.54	44.79	41.20	41.72	41.77	40.66	40.96	41.20	42.77	41.38	40.16
4 Required reserves	48.75	45.18	43.32	40.21	40.94	40.92	39.79	39.86	40.21	41.12	40.37	39.12
5 Monetary base[6]	451.61	479.16	512.59	590.65	544.63	550.22	557.75	569.66	590.65	591.30	572.51	569.99
	Not seasonally adjusted											
6 Total reserves[7]	51.45	48.01	45.12	41.72	41.92	41.85	40.77	41.02	41.72	44.29	42.10	39.78
7 Nonborrowed reserves	51.30	47.69	45.00	41.40	41.58	41.51	40.49	40.78	41.40	43.92	41.99	39.60
8 Nonborrowed reserves plus extended credit[5]	51.30	47.69	45.00	41.40	41.58	41.51	40.49	40.78	41.40	43.92	41.99	39.60
9 Required reserves[8]	50.04	46.33	43.54	40.41	40.79	40.65	39.62	39.68	40.41	42.27	40.98	38.55
10 Monetary base[9]	456.63	484.98	518.28	600.46	543.87	548.13	555.51	571.89	600.46	597.03	571.68	569.79
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10]												
11 Total reserves[11]	51.17	47.92	45.02	41.64	41.87	41.79	40.70	40.94	41.64	44.30	42.09	39.76
12 Nonborrowed reserves	51.02	47.60	44.90	41.32	41.53	41.45	40.42	40.71	41.32	43.93	41.98	39.58
13 Nonborrowed reserves plus extended credit[5]	51.02	47.60	44.90	41.32	41.53	41.45	40.42	40.71	41.32	43.93	41.98	39.58
14 Required reserves	49.76	46.24	43.44	40.33	40.74	40.59	39.55	39.61	40.33	42.28	40.97	38.53
15 Monetary base[12]	463.40	491.79	525.06	607.93	550.86	555.19	562.64	579.02	607.93	604.76	579.02	576.66
16 Excess reserves[13]	1.42	1.69	1.58	1.31	1.13	1.20	1.15	1.33	1.31	2.03	1.12	1.22
17 Borrowings from the Federal Reserve	.16	.32	.12	.32	.34	.34	.28	.24	.32	.37	.11	.18

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

2. Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (See also table 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	1996 Dec.	1997 Dec.	1998 Dec.	1999 Dec.	1999 Dec.	2000 Jan.	2000 Feb.	2000 Mar.
	Seasonally adjusted							
Measures[2]								
1 M1	1,081.1	1,073.9	1,097.4	1,123.8	1,123.8	1,120.9	1,105.2[r]	1,110.7
2 M2	3,822.9	4,040.8	4,397.0	4,652.2	4,652.2	4,675.3[r]	4,683.8[r]	4,718.0
3 M3	4,952.4	5,402.2	5,996.9	6,469.3[r]	6,469.3[r]	6,512.5[r]	6,526.7[r]	6,591.7
4 Debt	14,446.5	15,209.2	16,230.9	17,314.8[r]	17,314.8[r]	17,401.2[r]	17,467.8	n.a.
M1 components								
5 Currency[3]	394.3	424.8	459.5	515.6	515.6	524.3	518.1[r]	516.9
6 Travelers checks[4]	8.3	8.1	8.2	8.3	8.3	8.2	8.1	8.2
7 Demand deposits[5]	402.3	395.3	379.3	355.9	355.9	345.5[r]	338.3[r]	343.0
8 Other checkable deposits[6]	276.1	245.8	250.3	244.0	244.0	243.0	240.6	242.6
Nontransaction components								
9 In M2[7]	2,741.8	2,966.9	3,299.6	3,528.4	3,528.4	3,554.4	3,578.6[r]	3,607.4
10 In M3 only[8]	1,129.5	1,361.3	1,599.9	1,817.1[r]	1,817.1[r]	1,837.2[r]	1,842.9[r]	1,873.7
Commercial banks								
11 Savings deposits, including MMDAs	904.0	1,020.5	1,184.8	1,285.8	1,285.8	1,288.1	1,301.4	1,308.0
12 Small time deposits[9]	593.3	625.4	626.1	634.5	634.5	638.4	643.3	648.2
13 Large time deposits[10, 11]	413.9	488.3	539.3	610.4[r]	610.4[r]	614.6[r]	617.4[r]	620.2
Thrift institutions								
14 Savings deposits, including MMDAs	366.6	376.6	413.8	448.7	448.7	447.4[r]	449.9[r]	452.9
15 Small time deposits[9]	353.6	342.8	325.6	320.6	320.6	322.8	323.4	323.9
16 Large time deposits[10]	78.3	85.6	88.9	91.4	91.4	94.2	94.7[r]	94.7
Money market mutual funds								
17 Retail	524.4	601.7	749.4	838.9	838.9	857.7	860.6	874.5
18 Institution-only	312.0	380.8	518.4	607.4	607.4	623.5	617.5	640.7
Repurchase agreements and Eurodollars								
19 Repurchase agreements[12]	210.7	256.0	300.8	334.7	334.7	329.0	342.0	337.7
20 Eurodollars[12]	114.6	150.7	152.6	173.1[r]	173.1[r]	175.8[r]	171.2[r]	180.5
Debt components								
21 Federal debt	3,781.3	3,800.3	3,750.8	3,659.5[r]	3,659.5[r]	3,646.2[r]	3,609.4	n.a.
22 Nonfederal debt	10,665.2	11,408.9	12,480.1	13,655.4[r]	13,655.4[r]	13,755.0[r]	13,858.4	n.a.
	Not seasonally adjusted							
Measures[2]								
23 M1	1,105.1	1,097.7	1,121.3	1,148.3	1,148.3	1,127.6	1,096.7[r]	1,107.4
24 M2	3,845.1	4,063.9	4,422.2	4,680.5	4,680.5	4,685.8	4,681.9[r]	4,738.8
25 M3	4,973.4	5,426.1	6,026.5	6,504.4[r]	6,504.4[r]	6,528.9[r]	6,546.1[r]	6,625.1
26 Debt	14,443.3	15,206.3	16,227.8	17,313.2[r]	17,313.2[r]	17,386.3[r]	17,439.6	n.a.
M1 components								
27 Currency[3]	397.9	428.9	464.1	521.3	521.3	523.1	517.2	517.0
28 Travelers checks[4]	8.6	8.3	8.4	8.4	8.4	8.4	8.3	8.3
29 Demand deposits[5]	419.9	412.4	395.9	371.9	371.9	350.2[r]	331.9[r]	338.5
30 Other checkable deposits[6]	278.8	248.2	252.8	246.7	246.7	246.0	239.3	243.6
Nontransaction components								
31 In M2[7]	2,740.0	2,966.3	3,300.9	3,532.2	3,532.2	3,558.2	3,585.2[r]	3,631.4
32 In M3 only[8]	1,128.2	1,362.2	1,604.3	1,823.9[r]	1,823.9[r]	1,843.0[r]	1,864.2[r]	1,886.2
Commercial banks								
33 Savings deposits, including MMDAs	903.3	1,020.4	1,186.0	1,288.6	1,288.6	1,286.3	1,294.0	1,310.7
34 Small time deposits[9]	592.7	625.3	626.5	635.3	635.3	640.0	645.8	650.2
35 Large time deposits[10, 11]	413.2	487.2	537.8	608.6	608.6	605.8[r]	613.0[r]	620.4
Thrift institutions								
36 Savings deposits, including MMDAs	366.3	376.5	414.2	449.7	449.7	446.7	447.4	453.8
37 Small time deposits[9]	353.2	342.8	325.8	321.0	321.0	323.6	324.7	324.9
38 Large time deposits[10]	78.1	85.4	88.6	91.1	91.1	92.9	94.1	94.7
Money market mutual funds								
39 Retail	524.3	601.3	748.3	837.5	837.5	861.5	873.4	891.9
40 Institution-only	315.6	386.7	527.9	618.9	618.9	638.2	640.6	650.5
Repurchase agreements and Eurodollars								
41 Repurchase agreements[12]	205.7	250.5	295.4	330.0	330.0	329.2	343.9	340.3
42 Eurodollars[12]	115.7	152.3	154.5	175.2[r]	175.2[r]	177.0[r]	172.6[r]	180.3
Debt components								
43 Federal debt	3,787.9	3,805.8	3,754.9	3,663.1[r]	3,663.1[r]	3,639.0[r]	3,605.4	n.a.
44 Nonfederal debt	10,655.4	11,400.5	12,472.9	13,650.1[r]	13,650.1[r]	13,747.2[r]	13,834.2	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			
	1999	1999[r]				2000			2000			
	Mar.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[r]	Mar.	Mar. 8	Mar. 15	Mar. 22	Mar. 29
	Seasonally adjusted											
Assets												
1 Bank credit	4,494.4	4,617.3	4,634.0	4,690.6	4,766.3	4,788.4	4,821.5	4,856.7	4,856.3	4,848.7	4,859.3	4,857.6
2 Securities in bank credit	1,190.8	1,244.8	1,249.7	1,242.9	1,263.3	1,265.2	1,266.4	1,275.4	1,273.8	1,271.3	1,271.1	1,284.8
3 U.S. government securities	801.4	817.6	813.2	799.1	804.0	811.4	812.7	812.0	813.8	811.3	808.4	813.9
4 Other securities	389.4	427.2	436.5	443.9	459.3	453.8	453.7	463.4	460.0	460.0	462.7	470.9
5 Loans and leases in bank credit[2]	3,303.6	3,372.5	3,384.2	3,447.6	3,502.9	3,523.2	3,555.1	3,581.3	3,582.6	3,577.4	3,588.2	3,572.8
6 Commercial and industrial	954.9	978.4	982.4	998.1	1,003.4	1,010.2	1,021.3	1,029.1	1,025.6	1,032.7	1,032.6	1,026.0
7 Real estate	1,346.1	1,402.5	1,419.5	1,432.9	1,469.9	1,488.6	1,505.4	1,520.1	1,513.6	1,518.6	1,524.2	1,521.5
8 Revolving home equity	103.3	100.2	100.9	102.7	107.6	110.8	112.9	115.0	114.0	114.5	115.1	116.0
9 Other	1,242.8	1,302.3	1,318.6	1,330.3	1,362.2	1,377.7	1,392.5	1,405.1	1,399.7	1,404.1	1,409.1	1,405.5
10 Consumer	495.8	482.4	482.6	484.7	492.9	499.5	503.2	505.8	503.9	504.0	506.3	508.8
11 Security[3]	123.5	118.3	109.6	133.7	153.2	143.1	142.4	142.5	155.9	135.9	140.4	136.8
12 Other loans and leases	383.3	390.8	390.1	398.3	383.6	381.8	382.9	383.7	383.6	386.3	384.6	379.7
13 Interbank loans	218.7	213.5	225.4	222.1	226.5	222.2	234.2	235.8	235.1	234.7	238.8	238.0
14 Cash assets[4]	258.0	264.4	269.0	274.6	287.6	286.2	284.3	277.9	281.9	281.1	282.6	262.4
15 Other assets[5]	346.1	359.1	362.6	368.8	379.1	405.4	408.0	400.0	398.8	404.4	396.9	401.0
16 **Total assets**[6]	**5,258.7**	**5,395.2**	**5,431.7**	**5,496.8**	**5,599.6**	**5,643.1**	**5,689.1**	**5,711.3**	**5,713.0**	**5,709.8**	**5,718.6**	**5,699.9**
Liabilities												
17 Deposits	3,362.4	3,414.3	3,448.4	3,481.8	3,524.5	3,541.8	3,559.6	3,576.6	3,563.2	3,595.1	3,577.9	3,556.6
18 Transaction	662.0	634.7	630.8	624.9	630.2	626.8	624.9	625.7	606.3	634.7	635.8	628.5
19 Nontransaction	2,700.5	2,779.6	2,817.6	2,856.9	2,894.4	2,915.0	2,934.7	2,951.0	2,957.0	2,960.4	2,942.1	2,928.1
20 Large time	719.3	741.0	772.4	801.8	828.1	840.9	847.6	854.4	852.3	850.7	851.2	858.2
21 Other	1,981.1	2,038.6	2,045.2	2,055.1	2,066.2	2,074.1	2,087.1	2,096.6	2,104.7	2,109.7	2,090.9	2,069.9
22 Borrowings	986.6	1,045.5	1,050.2	1,059.8	1,116.6	1,134.0	1,130.8	1,149.1	1,159.5	1,148.0	1,138.7	1,146.6
23 From banks in the U.S.	315.6	336.1	348.3	349.9	347.1	360.0	365.7	373.3	370.0	381.8	366.2	375.6
24 From others	671.0	709.4	702.0	709.9	769.5	774.0	765.1	775.7	789.4	766.2	772.5	771.0
25 Net due to related foreign offices	201.7	218.3	220.4	223.9	221.1	229.8	233.9	233.1	236.7	215.2	240.4	241.9
26 Other liabilities	271.0	283.3	291.3	297.7	302.2	288.8	295.3	289.1	292.9	291.3	281.4	292.7
27 **Total liabilities**	**4,821.8**	**4,961.4**	**5,010.4**	**5,063.2**	**5,164.5**	**5,194.3**	**5,219.6**	**5,247.9**	**5,252.3**	**5,249.6**	**5,238.4**	**5,237.8**
28 Residual (assets less liabilities)[7]	436.9	433.7	421.4	433.7	435.1	448.8	469.5	463.3	460.7	460.2	480.2	462.0
	Not seasonally adjusted											
Assets												
29 Bank credit	4,489.7	4,604.1	4,643.2	4,718.1	4,798.8	4,812.6	4,824.5	4,850.8	4,855.0	4,844.7	4,846.4	4,849.3
30 Securities in bank credit	1,194.1	1,238.4	1,252.6	1,256.8	1,273.5	1,273.6	1,270.5	1,276.8	1,278.1	1,273.2	1,268.6	1,284.8
31 U.S. government securities	807.9	809.2	808.3	801.9	806.1	813.1	816.6	819.0	821.1	818.3	813.6	821.2
32 Other securities	386.2	429.3	444.3	455.0	467.4	460.5	453.9	457.8	457.0	454.9	454.9	463.5
33 Loans and leases in bank credit[2]	3,295.6	3,365.7	3,390.6	3,461.3	3,525.3	3,539.0	3,554.0	3,574.0	3,576.8	3,571.4	3,577.8	3,564.5
34 Commercial and industrial	958.7	974.8	983.1	1,001.9	1,005.4	1,007.8	1,022.0	1,033.0	1,026.7	1,036.5	1,037.7	1,031.2
35 Real estate	1,341.7	1,403.0	1,424.2	1,439.4	1,474.7	1,492.6	1,502.3	1,515.3	1,511.0	1,515.0	1,517.2	1,515.5
36 Revolving home equity	102.3	100.8	101.3	103.0	108.0	111.1	112.5	113.9	113.2	113.5	113.8	114.7
37 Other	1,239.4	1,302.2	1,322.9	1,336.3	1,366.6	1,381.4	1,389.8	1,401.4	1,397.8	1,401.5	1,403.4	1,400.8
38 Consumer	493.6	482.6	480.2	483.3	498.4	506.8	505.3	504.2	502.5	502.7	504.9	506.4
39 Security[3]	122.5	113.0	112.1	135.8	157.8	147.2	143.9	141.5	156.9	135.4	138.9	134.3
40 Other loans and leases	379.1	392.2	391.1	400.9	389.1	384.7	380.5	379.8	379.7	381.8	379.1	377.1
41 Interbank loans	224.6	207.9	219.5	226.2	231.9	223.1	235.7	241.7	243.5	241.3	239.7	243.0
42 Cash assets[4]	249.4	260.1	270.2	283.6	307.5	300.4	284.8	269.4	272.3	275.8	265.7	258.7
43 Other assets[5]	347.9	358.0	356.0	365.7	379.1	404.0	410.5	403.7	403.1	407.6	397.2	406.3
44 **Total assets**[6]	**5,253.1**	**5,370.9**	**5,429.7**	**5,534.1**	**5,657.3**	**5,681.3**	**5,696.7**	**5,706.4**	**5,714.6**	**5,710.2**	**5,689.9**	**5,698.3**
Liabilities												
45 Deposits	3,364.9	3,400.0	3,440.9	3,509.6	3,566.9	3,555.1	3,558.5	3,580.5	3,572.4	3,599.0	3,559.5	3,567.0
46 Transaction	654.4	628.1	622.3	633.1	662.9	638.3	617.9	618.6	598.2	629.3	612.8	630.5
47 Nontransaction	2,710.5	2,771.9	2,818.5	2,876.5	2,903.9	2,916.8	2,940.6	2,961.9	2,974.2	2,969.7	2,946.8	2,936.5
48 Large time	725.5	732.3	770.7	811.9	843.2	851.9	860.3	862.9	863.9	860.0	858.9	864.9
49 Other	1,985.0	2,039.6	2,047.8	2,064.6	2,060.8	2,064.9	2,080.3	2,099.0	2,110.3	2,109.7	2,087.9	2,071.6
50 Borrowings	984.6	1,039.7	1,049.9	1,067.7	1,125.8	1,152.5	1,134.7	1,144.1	1,149.6	1,147.4	1,143.3	1,135.9
51 From banks in the U.S.	315.9	333.8	345.3	353.3	352.0	363.9	367.2	373.2	367.8	381.9	367.9	375.8
52 From others	668.7	705.9	704.6	714.4	773.8	788.7	767.5	770.9	781.8	765.4	775.4	760.1
53 Net due to related foreign offices	202.0	214.4	221.5	227.9	227.3	233.3	248.2	236.6	239.1	218.0	249.5	248.6
54 Other liabilities	271.7	282.8	290.4	298.7	304.4	290.2	297.6	289.8	294.6	292.4	281.7	292.8
55 **Total liabilities**	**4,823.2**	**4,936.9**	**5,002.6**	**5,103.9**	**5,224.5**	**5,231.1**	**5,239.1**	**5,251.1**	**5,255.6**	**5,256.7**	**5,234.0**	**5,244.2**
56 Residual (assets less liabilities)[7]	430.0	434.0	427.1	430.2	432.9	450.1	457.6	455.3	459.0	453.5	455.8	454.0
MEMO												
57 Revaluation gains on off-balance-sheet items[8]	86.7	97.9	100.0	100.8	104.0	101.4	104.9	105.3	108.3	105.1	102.9	106.3
58 Revaluation losses on off-balance-sheet items[8]	86.3	96.7	97.8	99.7	102.3	99.5	104.4	102.3	105.2	101.1	100.3	103.4

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			
	1999	1999[r]				2000			2000			
	Mar.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[r]	Mar.	Mar. 8	Mar. 15	Mar. 22	Mar. 29
	Seasonally adjusted											
Assets												
1 Bank credit	3,944.5	4,097.2	4,109.2	4,152.1	4,218.1	4,242.5	4,281.7	4,313.7	4,311.7	4,315.5	4,320.8	4,305.1
2 Securities in bank credit	992.0	1,055.1	1,057.8	1,050.6	1,061.1	1,065.9	1,075.2	1,081.4	1,077.7	1,084.2	1,081.5	1,082.0
3 U.S. government securities	714.5	734.9	730.8	720.6	723.3	731.2	737.4	734.7	735.2	736.5	733.8	732.6
4 Other securities	277.5	320.2	327.0	330.0	337.8	334.7	337.8	346.6	342.4	347.7	347.7	349.4
5 Loans and leases in bank credit[2]	2,952.5	3,042.1	3,051.3	3,101.4	3,157.0	3,176.6	3,206.5	3,232.3	3,234.1	3,231.3	3,239.3	3,223.1
6 Commercial and industrial	746.7	783.8	787.5	801.9	810.0	815.4	824.6	831.0	827.7	833.5	834.1	829.3
7 Real estate	1,325.9	1,384.8	1,401.8	1,415.6	1,452.9	1,471.2	1,487.6	1,502.0	1,495.8	1,500.6	1,506.0	1,503.2
8 Revolving home equity	103.3	100.2	100.9	102.7	107.6	110.8	112.9	115.0	114.0	114.5	115.1	116.0
9 Other	1,222.6	1,284.6	1,301.0	1,313.0	1,345.3	1,360.3	1,374.8	1,387.0	1,381.8	1,386.1	1,391.0	1,387.2
10 Consumer	495.8	482.4	482.6	484.7	492.9	499.5	503.2	505.8	503.9	504.0	506.3	508.8
11 Security[3]	72.2	66.4	54.6	68.3	86.1	76.5	75.8	76.3	90.1	72.8	73.4	69.5
12 Other loans and leases	311.8	324.7	324.8	331.0	315.2	314.0	315.2	317.2	316.6	320.4	319.5	312.3
13 Interbank loans	193.1	188.5	199.8	196.9	197.0	193.3	201.6	207.2	206.6	207.3	208.6	208.5
14 Cash assets[4]	223.2	222.6	224.6	225.8	234.1	230.8	229.8	226.1	229.1	229.0	229.9	213.5
15 Other assets[5]	309.4	328.6	329.8	333.9	342.5	366.9	369.8	360.9	360.3	365.8	358.4	360.2
16 **Total assets**[6]	**4,612.0**	**4,778.1**	**4,804.4**	**4,849.7**	**4,932.2**	**4,974.6**	**5,024.3**	**5,049.2**	**5,048.9**	**5,058.8**	**5,059.0**	**5,028.5**
Liabilities												
17 Deposits	3,051.2	3,098.9	3,112.9	3,126.5	3,150.4	3,161.0	3,179.0	3,193.5	3,180.5	3,214.8	3,197.6	3,169.8
18 Transaction	651.1	624.4	620.2	614.5	619.6	615.9	613.8	614.3	595.4	622.7	624.3	617.5
19 Nontransaction	2,400.1	2,474.5	2,492.8	2,511.9	2,530.8	2,545.0	2,565.2	2,579.2	2,585.1	2,592.1	2,573.3	2,552.3
20 Large time	421.3	438.6	450.3	459.5	467.8	473.5	480.0	485.4	483.2	485.4	484.9	485.6
21 Other	1,978.7	2,035.9	2,042.4	2,052.4	2,063.0	2,071.5	2,085.1	2,093.7	2,101.9	2,106.7	2,088.4	2,066.7
22 Borrowings	810.6	873.1	871.6	873.8	935.1	954.0	954.6	971.1	978.1	970.0	964.2	970.6
23 From banks in the U.S.	291.3	311.9	326.1	323.8	322.6	340.3	347.3	353.8	349.2	358.9	349.5	358.3
24 From others	519.3	561.2	545.6	550.1	612.5	613.7	607.3	617.3	628.9	611.1	614.8	612.3
25 Net due to related foreign offices	117.4	152.7	165.4	178.9	182.0	194.1	207.1	213.2	214.3	199.8	219.7	221.6
26 Other liabilities	203.7	219.3	225.5	230.5	232.9	220.1	223.8	219.9	221.4	223.6	214.3	222.4
27 **Total liabilities**	**4,182.9**	**4,344.0**	**4,375.4**	**4,409.7**	**4,500.4**	**4,529.2**	**4,564.5**	**4,597.7**	**4,594.2**	**4,608.2**	**4,595.8**	**4,584.4**
28 Residual (assets less liabilities)[7]	429.1	434.2	429.0	440.0	431.8	445.5	459.8	451.4	454.7	450.6	463.2	444.0
	Not seasonally adjusted											
Assets												
29 Bank credit	3,940.0	4,085.9	4,111.3	4,167.0	4,240.6	4,258.9	4,280.4	4,309.2	4,309.8	4,311.6	4,310.7	4,300.0
30 Securities in bank credit	997.0	1,049.5	1,055.0	1,055.0	1,067.5	1,070.4	1,078.0	1,085.7	1,083.0	1,088.0	1,083.8	1,086.9
31 U.S. government securities	720.9	728.6	726.3	721.9	724.0	732.3	741.2	741.9	743.1	743.4	739.4	740.0
32 Other securities	276.0	321.0	328.7	333.1	343.5	338.1	336.8	343.8	339.9	344.6	344.5	346.9
33 Loans and leases in bank credit[2]	2,943.0	3,036.4	3,056.4	3,112.0	3,173.1	3,188.5	3,202.4	3,223.4	3,226.8	3,223.6	3,226.9	3,213.1
34 Commercial and industrial	749.1	780.3	786.9	802.7	808.4	811.5	822.8	833.3	827.4	835.3	837.2	833.0
35 Real estate	1,321.5	1,385.4	1,406.3	1,422.0	1,457.8	1,475.0	1,484.3	1,497.1	1,492.8	1,496.7	1,498.9	1,497.2
36 Revolving home equity	102.3	100.8	101.3	103.0	108.0	111.1	112.5	113.9	113.2	113.5	113.8	114.7
37 Other	1,219.2	1,284.6	1,304.9	1,318.9	1,349.7	1,363.9	1,371.8	1,383.2	1,379.7	1,383.2	1,385.0	1,382.6
38 Consumer	493.6	482.6	480.2	483.3	498.4	506.8	505.3	504.2	502.5	502.7	504.9	506.4
39 Security[3]	70.9	61.3	57.4	71.0	90.3	80.2	77.5	75.0	91.3	72.3	71.3	66.1
40 Other loans and leases	308.0	326.7	325.6	333.0	318.3	315.1	312.4	313.8	312.8	316.6	314.6	310.3
41 Interbank loans	199.0	182.9	193.9	201.0	202.4	194.2	203.1	213.1	215.0	213.9	209.4	213.5
42 Cash assets[4]	215.4	219.0	224.9	231.8	249.7	242.7	231.0	218.6	220.8	224.7	214.2	210.3
43 Other assets[5]	310.1	328.1	323.9	330.8	340.3	363.9	370.4	363.4	361.9	367.2	358.2	365.2
44 **Total assets**[6]	**4,606.3**	**4,756.9**	**4,795.2**	**4,871.5**	**4,973.4**	**5,001.3**	**5,026.4**	**5,045.4**	**5,048.6**	**5,058.6**	**5,033.7**	**5,030.3**
Liabilities												
45 Deposits	3,049.0	3,089.4	3,108.8	3,151.6	3,184.2	3,167.4	3,170.8	3,191.2	3,184.4	3,213.0	3,172.4	3,172.1
46 Transaction	643.8	617.3	611.6	622.6	651.8	627.3	606.9	607.5	587.7	617.6	601.6	619.5
47 Nontransaction	2,405.2	2,472.0	2,497.2	2,529.0	2,532.4	2,540.1	2,563.9	2,583.7	2,596.7	2,595.4	2,570.8	2,552.6
48 Large time	422.3	434.8	451.7	466.7	474.0	479.1	486.7	487.1	488.8	488.1	485.4	483.5
49 Other	1,983.0	2,037.3	2,045.5	2,062.3	2,058.5	2,061.0	2,077.2	2,096.6	2,107.9	2,107.3	2,085.4	2,069.2
50 Borrowings	808.6	867.3	871.2	881.7	944.3	972.5	958.5	966.1	968.2	969.4	968.9	959.9
51 From banks in the U.S.	291.7	309.6	323.1	327.2	327.6	344.1	348.9	353.7	346.9	359.1	351.2	358.4
52 From others	516.9	557.7	548.2	554.5	616.7	628.3	609.7	612.4	621.3	610.3	617.7	601.5
53 Net due to related foreign offices	117.6	149.8	166.2	181.2	183.0	195.4	219.1	216.2	219.4	202.7	225.3	225.0
54 Other liabilities	204.1	219.1	225.2	230.5	233.1	219.8	224.2	220.3	221.9	223.9	214.5	222.8
55 **Total liabilities**	**4,179.3**	**4,325.5**	**4,371.4**	**4,445.0**	**4,544.6**	**4,555.1**	**4,572.7**	**4,593.8**	**4,593.8**	**4,608.9**	**4,581.1**	**4,579.9**
56 Residual (assets less liabilities)[7]	427.0	431.3	423.8	426.4	428.8	446.2	453.7	451.6	454.8	449.7	452.6	450.5
MEMO												
57 Revaluation gains on off-balance-sheet items[8]	47.8	60.1	60.9	59.8	64.5	62.7	64.8	66.0	66.8	66.7	64.7	67.2
58 Revaluation losses on off-balance-sheet items[8]	47.7	59.8	60.0	59.8	63.9	61.9	64.4	64.1	64.5	64.0	63.1	65.5
59 Mortgage-backed securities[9]	337.1	347.9	346.7	348.2	347.7	348.0	351.6	353.8	355.2	353.7	351.8	352.6

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			
	1999	1999[r]				2000			2000			
	Mar.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[r]	Mar.	Mar. 8	Mar. 15	Mar. 22	Mar. 29
	Seasonally adjusted											
Assets												
1 Bank credit	2,460.0	2,530.4	2,527.5	2,566.9	2,620.8	2,619.8	2,640.2	2,662.4	2,662.6	2,663.5	2,669.8	2,652.6
2 Securities in bank credit	556.1	596.9	598.7	596.9	608.6	607.3	612.4	620.5	615.1	622.7	622.0	622.4
3 U.S. government securities	389.5	395.3	390.7	386.1	391.3	392.2	393.9	393.7	392.5	394.9	393.8	392.9
4 Trading account	22.4	21.3	20.7	18.8	20.1	21.0	22.1	21.2	19.1	21.2	21.8	22.5
5 Investment account	367.1	374.0	369.9	367.3	371.2	371.2	371.8	372.5	373.3	373.8	372.0	370.4
6 Other securities	166.6	201.6	208.1	210.8	217.3	215.1	218.5	226.8	222.7	227.7	228.2	229.5
7 Trading account	67.7	78.1	81.7	82.4	87.1	81.8	86.2	91.5	89.0	92.8	92.2	92.9
8 Investment account	98.9	123.6	126.3	128.4	130.2	133.2	132.3	135.3	133.7	134.9	136.0	136.6
9 State and local government	24.8	25.7	25.9	26.3	26.4	26.7	26.8	27.0	26.8	26.8	27.2	27.2
10 Other	74.1	97.8	100.5	102.1	103.9	106.5	105.4	108.3	106.9	108.1	108.9	109.4
11 Loans and leases in bank credit[2]	1,903.9	1,933.5	1,928.8	1,969.9	2,012.2	2,012.5	2,027.8	2,041.9	2,047.5	2,040.9	2,047.8	2,030.1
12 Commercial and industrial	555.0	577.1	576.8	588.4	594.8	595.2	601.3	604.7	602.1	607.4	607.5	602.5
13 Bankers acceptances	1.1	1.2	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.1
14 Other	553.9	575.9	575.6	587.3	593.7	594.2	600.3	603.7	601.2	606.4	606.5	601.4
15 Real estate	734.7	752.5	761.5	769.4	800.2	808.3	814.5	822.7	819.3	821.3	825.5	822.1
16 Revolving home equity	74.3	69.5	69.8	71.2	75.7	78.1	79.4	81.2	80.3	80.8	81.3	82.0
17 Other	660.4	683.0	691.7	698.1	724.4	730.2	735.1	741.5	739.0	740.6	744.2	740.2
18 Consumer	304.7	286.3	284.6	287.9	291.8	294.0	296.9	298.5	296.8	296.8	298.5	301.1
19 Security[3]	66.8	61.4	49.5	62.7	80.6	71.3	70.4	70.8	84.6	67.4	68.1	63.8
20 Federal funds sold to and repurchase agreements with broker–dealers	50.6	43.7	32.3	44.4	60.7	50.2	47.0	48.7	62.0	44.1	46.5	43.5
21 Other	16.2	17.7	17.2	18.3	19.9	21.1	23.4	22.0	22.6	23.3	21.6	20.3
22 State and local government	11.7	12.2	12.3	12.2	12.2	12.2	12.3	12.5	12.5	12.6	12.6	12.5
23 Agricultural	9.0	9.3	9.6	9.5	9.6	9.7	9.9	9.9	9.9	9.9	9.9	9.9
24 Federal funds sold to and repurchase agreements with others	12.7	11.2	10.0	12.3	11.8	11.2	11.3	11.3	12.8	10.9	10.9	10.5
25 All other loans	93.6	98.4	97.2	98.3	81.2	80.1	80.7	81.1	79.2	84.2	84.3	77.5
26 Lease-financing receivables	115.7	125.2	127.3	129.2	130.0	130.3	130.3	130.3	130.2	130.3	130.3	130.3
27 Interbank loans	135.8	137.3	150.8	142.4	142.7	139.3	145.9	151.5	153.0	152.7	154.5	148.9
28 Federal funds sold to and repurchase agreements with commercial banks	86.1	84.1	91.9	75.5	73.0	67.5	74.7	78.4	82.4	81.5	76.9	74.3
29 Other	49.7	53.2	58.9	67.0	69.7	71.9	71.2	73.2	70.6	71.2	77.5	74.7
30 Cash assets[4]	155.3	152.5	154.5	154.6	159.5	159.6	159.8	156.2	160.3	157.8	159.5	145.3
31 Other assets[5]	240.4	249.5	247.7	252.3	259.6	281.1	285.8	277.0	276.6	280.1	274.5	278.1
32 **Total assets**[6]	**2,952.4**	**3,030.7**	**3,041.6**	**3,077.2**	**3,143.4**	**3,161.4**	**3,193.6**	**3,209.1**	**3,214.5**	**3,216.2**	**3,220.3**	**3,186.9**
Liabilities												
33 Deposits	1,724.9	1,721.2	1,722.3	1,726.1	1,738.3	1,732.6	1,739.3	1,744.6	1,739.4	1,762.3	1,748.4	1,720.2
34 Transaction	370.2	346.9	342.6	338.7	345.3	336.9	333.6	332.9	321.4	340.6	339.2	331.8
35 Nontransaction	1,354.7	1,374.3	1,379.7	1,387.4	1,393.1	1,395.7	1,405.7	1,411.7	1,418.0	1,421.7	1,409.3	1,388.3
36 Large time	230.2	239.2	246.7	251.9	258.0	260.8	263.2	265.3	264.2	265.3	264.5	264.9
37 Other	1,124.5	1,135.1	1,133.0	1,135.5	1,135.0	1,134.9	1,142.4	1,146.4	1,153.8	1,156.3	1,144.8	1,123.5
38 Borrowings	632.1	671.8	669.3	673.0	728.6	733.1	731.7	743.1	751.7	741.5	737.4	740.5
39 From banks in the U.S.	208.6	222.0	238.7	237.7	237.9	250.9	257.2	259.9	256.0	264.9	255.6	262.5
40 From others	423.5	449.8	430.7	435.3	490.7	482.2	474.5	483.2	495.7	476.7	481.8	477.9
41 Net due to related foreign offices	112.8	149.3	161.1	174.4	177.5	189.1	201.9	207.8	208.8	194.4	214.3	216.6
42 Other liabilities	174.7	185.2	191.2	196.6	198.6	184.9	186.7	185.0	186.1	188.9	179.3	187.1
43 **Total liabilities**	**2,644.5**	**2,727.4**	**2,744.0**	**2,770.0**	**2,843.0**	**2,839.6**	**2,859.6**	**2,880.6**	**2,886.0**	**2,887.1**	**2,879.5**	**2,864.4**
44 Residual (assets less liabilities)[7]	307.9	303.3	297.6	307.1	300.4	321.8	334.0	328.6	328.5	329.1	340.8	322.5

Footnotes appear on p. A21.

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

C. Large domestically chartered commercial banks—Continued

Account	Monthly averages								Wednesday figures			
	1999	1999[r]				2000			2000			
	Mar.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[r]	Mar.	Mar. 8	Mar. 15	Mar. 22	Mar. 29
	Not seasonally adjusted											
Assets												
45 Bank credit	2,461.2	2,515.4	2,528.4	2,582.1	2,642.9	2,642.6	2,651.6	2,663.9	2,671.1	2,666.8	2,665.0	2,649.7
46 Securities in bank credit	559.9	592.3	598.3	603.0	615.5	613.6	618.5	623.8	621.7	626.1	622.6	624.1
47 U.S. government securities	394.7	389.8	388.5	389.2	392.5	394.9	400.2	399.5	400.9	400.8	397.4	397.5
48 Trading account	23.4	20.7	20.8	19.9	20.0	21.7	23.2	22.2	21.3	22.4	22.1	22.2
49 Investment account	371.2	369.1	367.7	369.2	372.5	373.2	377.1	377.4	379.7	378.4	375.3	375.3
50 Mortgage-backed securities	250.5	245.6	243.7	244.1	243.9	243.7	248.3	249.3	251.3	249.9	247.5	247.4
51 Other	120.7	123.4	123.9	125.1	128.6	129.5	128.8	128.1	128.4	128.4	127.7	127.9
52 One year or less	24.9	24.8	25.6	24.0	25.3	26.1	30.4	32.4	32.8	32.6	31.9	31.8
53 One to five years	54.4	59.2	60.0	60.7	61.6	61.3	58.2	56.2	56.4	56.5	56.1	55.9
54 More than five years	41.4	39.4	38.3	40.5	41.7	42.0	40.1	39.6	39.1	39.3	39.7	40.2
55 Other securities	165.2	202.6	209.8	213.9	222.9	218.7	218.3	224.3	220.8	225.3	225.2	226.6
56 Trading account	67.7	78.1	81.7	82.4	87.1	81.8	86.2	91.5	89.0	92.8	92.2	92.9
57 Investment account	97.5	124.5	128.1	131.5	135.8	136.8	132.0	132.8	131.8	132.5	133.0	133.7
58 State and local government	24.9	25.6	25.9	26.6	26.6	26.9	27.0	27.1	27.0	26.9	27.3	27.3
59 Other	72.6	98.9	102.2	104.9	109.2	109.9	105.0	105.7	104.8	105.6	105.8	106.4
60 Loans and leases in bank credit[2]	1,901.4	1,923.1	1,930.0	1,979.1	2,027.4	2,029.0	2,033.1	2,040.1	2,049.4	2,040.7	2,042.3	2,025.6
61 Commercial and industrial	557.2	574.8	576.6	590.3	593.6	592.2	600.7	607.0	602.6	609.4	610.2	605.7
62 Bankers acceptances	1.1	1.2	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.1
63 Other	556.0	573.7	575.5	589.2	592.5	591.1	599.6	605.9	601.6	608.4	609.2	604.6
64 Real estate	733.1	750.6	763.2	773.8	805.7	814.5	815.8	820.9	820.3	820.8	821.8	818.3
65 Revolving home equity	73.5	69.9	70.0	71.4	75.9	78.4	79.3	80.3	79.7	80.0	80.3	81.0
66 Other	401.6	413.0	419.5	425.7	450.0	453.1	451.9	454.8	455.5	454.9	454.9	452.2
67 Commercial	258.0	267.7	273.8	276.7	279.7	283.0	284.6	285.8	285.1	286.0	286.6	285.1
68 Consumer	304.4	285.4	282.3	286.0	295.0	300.6	300.0	298.7	297.5	297.2	298.8	300.7
69 Security[3]	65.5	56.3	52.4	65.5	84.8	74.9	72.1	69.5	85.7	66.8	66.0	60.4
70 Federal funds sold to and repurchase agreements with broker–dealers	49.0	38.9	35.3	47.5	64.6	54.5	49.6	47.2	63.5	43.2	43.9	39.2
71 Other	16.5	17.4	17.1	17.9	20.2	20.4	22.5	22.3	22.2	23.6	22.2	21.3
72 State and local government	11.7	12.4	12.4	12.3	12.2	12.2	12.3	12.4	12.4	12.5	12.5	12.4
73 Agricultural	8.8	9.5	9.8	9.6	9.6	9.8	9.7	9.7	9.7	9.7	9.7	9.7
74 Federal funds sold to and repurchase agreements with others	12.7	11.2	10.0	12.3	11.8	11.2	11.3	11.3	12.8	10.9	10.9	10.5
75 All other loans	91.1	99.2	97.2	101.3	85.0	81.1	79.0	78.8	76.4	81.5	80.7	76.3
76 Lease-financing receivables	116.9	123.6	126.2	127.9	129.6	132.5	132.2	131.9	131.9	131.8	131.7	131.7
77 Interbank loans	137.7	133.7	144.8	141.7	143.8	140.0	146.2	154.3	155.4	156.6	155.1	152.5
78 Federal funds sold to and repurchase agreements with commercial banks	87.7	81.8	88.6	76.5	74.5	69.0	74.3	80.4	84.5	84.1	76.7	77.6
79 Other	50.0	51.9	56.3	65.1	69.3	71.0	71.9	73.9	70.9	72.5	78.4	74.9
80 Cash assets[4]	149.6	149.3	155.0	157.6	170.8	170.1	161.4	150.9	153.7	155.6	148.0	142.9
81 Other assets[5]	241.2	249.3	242.0	247.9	258.0	280.3	287.3	279.5	278.4	282.8	275.8	281.2
82 **Total assets**[6]	**2,950.6**	**3,008.4**	**3,031.2**	**3,090.1**	**3,176.1**	**3,194.9**	**3,208.5**	**3,210.5**	**3,220.3**	**3,223.7**	**3,205.9**	**3,188.5**
Liabilities												
83 Deposits	1,723.8	1,713.3	1,716.9	1,740.2	1,763.3	1,744.0	1,739.7	1,744.4	1,742.9	1,764.3	1,732.8	1,722.3
84 Transaction	365.1	341.7	336.3	343.2	366.6	346.6	330.2	328.4	314.0	337.9	324.3	334.8
85 Nontransaction	1,358.8	1,371.6	1,380.6	1,397.0	1,396.7	1,397.4	1,409.5	1,416.0	1,428.9	1,426.4	1,408.6	1,387.5
86 Large time	231.1	235.4	248.1	259.1	264.2	266.4	269.9	267.0	269.8	268.1	265.0	262.7
87 Other	1,127.7	1,136.1	1,132.5	1,137.9	1,132.5	1,131.0	1,139.6	1,149.0	1,159.1	1,158.3	1,143.6	1,124.8
88 Borrowings	635.4	662.4	667.1	679.5	735.3	753.2	739.8	744.1	750.6	747.6	745.9	734.0
89 From banks in the U.S.	212.1	217.8	234.2	240.6	241.4	255.3	261.4	263.3	258.6	268.8	259.9	265.4
90 From nonbanks in the U.S.	423.3	444.7	432.9	438.9	493.9	497.8	478.5	480.8	492.0	478.7	485.9	468.6
91 Net due to related foreign offices	113.1	146.4	161.9	176.7	178.6	190.4	213.9	210.8	213.9	197.3	219.9	220.0
92 Other liabilities	174.7	185.2	191.2	196.6	198.6	184.9	186.7	185.0	186.1	188.9	179.3	187.1
93 **Total liabilities**	**2,646.9**	**2,707.3**	**2,737.1**	**2,793.0**	**2,875.7**	**2,872.4**	**2,880.1**	**2,884.3**	**2,893.4**	**2,898.0**	**2,877.9**	**2,863.5**
94 Residual (assets less liabilities)[7]	303.7	301.2	294.2	297.1	300.4	322.6	328.4	326.2	326.8	325.7	328.0	325.0
MEMO												
95 Revaluation gains on off-balance-sheet items[8]	47.8	60.1	60.9	59.8	64.5	62.7	64.8	66.0	66.8	66.7	64.7	67.2
96 Revaluation losses on off-balance-sheet items[8]	47.6	59.8	60.0	59.8	63.9	61.9	64.4	64.1	64.5	64.0	63.1	65.5
97 Mortgage-backed securities[9]	278.4	280.3	278.7	281.5	281.5	280.7	283.1	284.2	285.7	284.2	282.4	282.6
98 Pass-through securities	184.5	185.6	185.0	188.1	189.0	188.6	192.0	192.1	193.5	192.5	190.4	190.4
99 CMOs, REMICs, and other mortgage-backed securities	93.9	94.7	93.7	93.4	92.5	92.1	91.1	92.1	92.2	91.8	92.0	92.2
100 Net unrealized gains (losses) on available-for-sale securities[10]	.6	−.2	−5.6	−5.8	−6.0	−7.4	−7.8	−7.3	−7.4	−7.3	−7.0	−7.1
101 Offshore credit to U.S. residents[11]	39.0	27.8	26.7	24.8	24.0	23.2	23.6	24.1	23.9	24.4	23.9	24.3

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			
	1999	1999[r]				2000			2000			
	Mar.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[r]	Mar.	Mar. 8	Mar. 15	Mar. 22	Mar. 29
	Seasonally adjusted											
Assets												
1 Bank credit	1,484.5	1,566.8	1,581.7	1,585.2	1,597.3	1,622.7	1,641.4	1,651.4	1,649.1	1,652.0	1,650.9	1,652.5
2 Securities in bank credit	435.9	458.2	459.1	453.7	452.5	458.6	462.8	460.9	462.5	461.6	459.4	459.6
3 U.S. government securities	324.9	339.6	340.1	334.5	332.1	339.0	343.5	341.1	342.8	341.6	340.0	339.7
4 Other securities	111.0	118.6	119.0	119.2	120.4	119.6	119.3	119.8	119.8	120.0	119.5	119.8
5 Loans and leases in bank credit[2]	1,048.6	1,108.6	1,122.6	1,131.5	1,144.8	1,164.1	1,178.7	1,190.5	1,186.6	1,190.4	1,191.5	1,192.9
6 Commercial and industrial	191.7	206.8	210.7	213.5	215.2	220.2	223.3	226.3	225.6	226.1	226.5	226.8
7 Real estate	591.3	632.2	640.3	646.3	652.7	662.9	673.1	679.4	676.4	679.2	680.5	681.1
8 Revolving home equity	29.0	30.7	31.1	31.4	31.9	32.8	33.4	33.8	33.7	33.7	33.8	34.1
9 Other	562.3	601.6	609.2	614.8	620.8	630.1	639.7	645.5	642.8	645.5	646.7	647.0
10 Consumer	191.1	196.2	198.0	196.8	201.0	205.5	206.3	207.4	207.1	207.2	207.8	207.7
11 Security[3]	5.4	5.0	5.0	5.5	5.4	5.2	5.4	5.5	5.6	5.5	5.3	5.7
12 Other loans and leases	69.1	68.4	68.5	69.4	70.4	70.3	70.6	71.9	71.9	72.5	71.4	71.7
13 Interbank loans	57.3	51.2	48.9	54.5	54.3	54.0	55.7	55.7	53.5	54.5	54.1	59.6
14 Cash assets[4]	67.9	70.1	70.1	71.2	74.7	71.2	70.0	69.8	68.9	71.1	70.5	68.3
15 Other assets[5]	69.1	79.1	82.0	81.7	82.8	85.7	84.0	83.9	83.6	85.8	83.9	82.1
16 **Total assets[6]**	**1,659.6**	**1,747.4**	**1,762.9**	**1,772.6**	**1,788.7**	**1,813.2**	**1,830.7**	**1,840.0**	**1,834.4**	**1,842.6**	**1,838.7**	**1,841.5**
Liabilities												
17 Deposits	1,326.3	1,377.7	1,390.6	1,400.4	1,412.1	1,428.4	1,439.7	1,448.9	1,441.1	1,452.5	1,449.1	1,449.6
18 Transaction	280.9	277.6	277.6	275.8	274.4	279.1	280.2	281.4	274.0	282.1	285.1	285.6
19 Nontransaction	1,045.4	1,100.2	1,113.1	1,124.6	1,137.7	1,149.3	1,159.5	1,167.5	1,167.1	1,170.4	1,164.0	1,164.0
20 Large time	191.2	199.4	203.7	207.6	209.8	212.8	216.8	220.1	219.0	220.0	220.4	220.7
21 Other	854.2	900.8	909.4	917.0	928.0	936.5	942.7	947.3	948.1	950.4	943.6	943.2
22 Borrowings	178.5	201.3	202.3	200.9	206.5	220.9	222.9	228.0	226.4	228.5	226.8	230.1
23 From banks in the U.S.	82.7	89.9	87.4	86.1	84.7	89.4	90.1	93.9	93.1	94.1	93.9	95.7
24 From others	95.8	111.4	114.9	114.8	121.8	131.5	132.8	134.1	133.2	134.4	133.0	134.4
25 Net due to related foreign offices	4.5	3.4	4.3	4.5	4.5	5.1	5.2	5.3	5.5	5.4	5.4	5.0
26 Other liabilities	29.0	34.1	34.3	34.0	34.3	35.2	37.1	35.0	35.2	34.7	35.0	35.3
27 **Total liabilities**	**1,538.4**	**1,616.5**	**1,631.5**	**1,639.7**	**1,657.3**	**1,689.6**	**1,704.9**	**1,717.2**	**1,708.2**	**1,721.1**	**1,716.3**	**1,720.0**
28 Residual (assets less liabilities)[7]	121.2	130.9	131.4	132.8	131.4	123.7	125.8	122.9	126.3	121.5	122.3	121.5
	Not seasonally adjusted											
Assets												
29 Bank credit	1,478.8	1,570.5	1,583.0	1,584.9	1,597.7	1,616.3	1,628.8	1,645.2	1,638.8	1,644.9	1,645.8	1,650.3
30 Securities in bank credit	437.1	457.2	456.7	452.0	452.0	456.9	459.5	461.9	461.3	461.9	461.2	462.8
31 U.S. government securities	326.3	338.8	337.8	332.7	331.4	337.4	341.0	342.3	342.2	342.6	342.0	342.5
32 Other securities	110.9	118.4	118.9	119.3	120.6	119.4	118.5	119.6	119.1	119.3	119.2	120.2
33 Loans and leases in bank credit[2]	1,041.7	1,113.3	1,126.3	1,132.9	1,145.7	1,159.5	1,169.2	1,183.3	1,177.5	1,182.9	1,184.6	1,187.5
34 Commercial and industrial	191.9	205.5	210.3	212.4	214.8	219.3	222.1	226.3	224.9	225.9	227.0	227.3
35 Real estate	588.3	634.8	643.0	648.2	652.1	660.5	668.5	676.2	672.5	675.9	677.1	679.0
36 Revolving home equity	28.8	30.9	31.3	31.7	32.1	32.7	33.2	33.6	33.5	33.5	33.5	33.7
37 Other	559.5	603.9	611.7	616.5	620.0	627.8	635.3	642.6	639.0	642.3	643.6	645.3
38 Consumer	189.2	197.2	197.8	197.3	203.4	206.1	205.3	205.5	205.0	205.5	206.1	205.8
39 Security[3]	5.4	5.0	5.0	5.5	5.4	5.2	5.4	5.5	5.6	5.5	5.3	5.7
40 Other loans and leases	66.8	70.7	70.1	69.5	70.0	68.3	67.9	69.7	69.5	70.1	69.1	69.8
41 Interbank loans	61.3	49.2	49.0	59.3	58.7	54.2	56.9	58.8	59.6	57.3	54.3	61.0
42 Cash assets[4]	65.8	69.7	69.9	74.2	78.9	72.5	69.6	67.8	67.1	69.1	66.2	67.4
43 Other assets[5]	68.9	78.8	81.9	82.9	82.3	83.7	83.1	83.9	83.6	84.4	82.4	84.0
44 **Total assets[6]**	**1,655.7**	**1,748.4**	**1,764.0**	**1,781.3**	**1,797.3**	**1,806.4**	**1,817.8**	**1,834.9**	**1,828.3**	**1,834.8**	**1,827.9**	**1,841.9**
Liabilities												
45 Deposits	1,325.1	1,376.1	1,392.0	1,411.4	1,420.9	1,423.4	1,431.2	1,446.9	1,441.5	1,448.7	1,439.6	1,449.8
46 Transaction	278.7	275.6	275.3	279.4	285.2	280.7	276.7	279.2	273.7	279.7	277.3	284.7
47 Nontransaction	1,046.4	1,100.5	1,116.7	1,132.0	1,135.7	1,142.7	1,154.4	1,167.7	1,167.8	1,169.0	1,162.2	1,165.1
48 Large time	191.2	199.4	203.7	207.6	209.8	212.8	216.8	220.1	219.0	220.0	220.4	220.7
49 Other	855.3	901.1	913.0	924.4	926.0	930.0	937.6	947.6	948.8	948.9	941.8	944.4
50 Borrowings	173.3	204.8	204.1	202.2	209.0	219.3	218.7	222.0	217.6	221.8	223.0	225.9
51 From banks in the U.S.	79.6	91.8	88.9	86.6	86.2	88.8	87.5	90.4	88.3	90.3	91.3	93.0
52 From others	93.7	113.1	115.2	115.6	122.8	130.5	131.2	131.6	129.3	131.5	131.7	132.9
53 Net due to related foreign offices	4.5	3.4	4.3	4.5	4.5	5.1	5.2	5.3	5.5	5.4	5.4	5.0
54 Other liabilities	29.4	33.9	34.0	33.9	34.5	35.0	37.4	35.3	35.8	34.9	35.2	35.7
55 **Total liabilities**	**1,532.4**	**1,618.2**	**1,634.3**	**1,652.0**	**1,668.9**	**1,682.8**	**1,692.5**	**1,709.5**	**1,700.4**	**1,710.8**	**1,703.2**	**1,716.4**
56 Residual (assets less liabilities)[7]	123.3	130.2	129.7	129.3	128.4	123.6	125.3	125.4	127.9	124.0	124.6	125.5
MEMO												
57 Mortgage-backed securities[9]	58.7	67.5	68.0	66.7	66.2	67.3	68.6	69.7	69.5	69.5	69.5	70.0

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			
	1999	1999[r]				2000			2000			
	Mar.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[r]	Mar.	Mar. 8	Mar. 15	Mar. 22	Mar. 29
	Seasonally adjusted											
Assets												
1 Bank credit	549.9[r]	520.1	524.8	538.5	548.2	545.9	539.9	543.0	544.6	533.2	538.6	552.5
2 Securities in bank credit	198.8[r]	189.7	191.9	192.3	202.3	199.3	191.2	194.1	196.1	187.0	189.7	202.8
3 U.S. government securities	86.9[r]	82.7	82.4	78.5	80.7	80.2	75.3	77.3	78.5	74.8	74.6	81.2
4 Other securities	111.9[r]	107.0	109.5	113.9	121.6	119.1	115.9	116.8	117.6	112.3	115.0	121.6
5 Loans and leases in bank credit[2]	351.1[r]	330.3	332.9	346.2	345.9	346.6	348.7	348.9	348.5	346.2	348.9	349.7
6 Commercial and industrial	208.1[r]	194.6	194.9	196.2	193.4	194.8	196.7	198.1	197.8	199.1	198.6	196.7
7 Real estate	20.2	17.8	17.6	17.3	17.0	17.4	17.7	18.1	17.9	18.0	18.2	18.3
8 Security[3]	51.3[r]	51.9	55.1	65.4	67.1	66.6	66.6	66.3	65.8	63.1	67.0	67.4
9 Other loans and leases	71.5[r]	66.1	65.3	67.3	68.5	67.8	67.7	66.5	67.0	65.9	65.2	67.3
10 Interbank loans	25.6	25.0	25.6	25.2	29.5	28.9	32.6	28.6	28.5	27.4	30.3	29.5
11 Cash assets[4]	34.8[r]	41.8	44.4	48.8	53.5	55.4	54.5	51.8	52.8	52.2	52.6	48.9
12 Other assets[5]	36.6[r]	30.5	32.8	34.8	36.6	38.5	38.2	39.0	38.5	38.6	38.5	40.8
13 **Total assets[6]**	**646.7[r]**	**617.0**	**627.3**	**647.1**	**667.5**	**668.4**	**664.8**	**662.1**	**664.1**	**651.0**	**659.6**	**671.4**
Liabilities												
14 Deposits	311.2[r]	315.4	335.5	355.3	374.2	380.8	380.6	383.1	382.7	380.3	380.3	386.8
15 Transaction	10.8[r]	10.3	10.6	10.4	10.5	10.8	11.1	11.3	10.8	12.1	11.5	11.0
16 Nontransaction	300.4[r]	305.2	324.9	345.0	363.6	370.0	369.5	371.8	371.9	368.3	368.8	375.8
17 Borrowings	176.0	172.4	178.6	186.0	181.5	180.0	176.2	178.0	181.4	178.0	174.4	176.0
18 From banks in the U.S.	24.3	24.2	22.2	26.1	24.4	19.7	18.3	19.5	20.8	22.8	16.7	17.4
19 From others	151.7[r]	148.2	156.4	159.8	157.1	160.3	157.9	158.4	160.5	155.2	157.7	158.6
20 Net due to related foreign offices	84.4[r]	65.6	55.0	45.0	39.1	35.6	26.8	19.9	22.4	15.4	20.7	20.3
21 Other liabilities	67.3[r]	64.1	65.8	67.2	69.3	68.7	71.5	69.2	71.6	67.7	67.1	70.3
22 **Total liabilities**	**638.9[r]**	**617.5**	**634.9**	**653.4**	**664.1**	**665.1**	**655.1**	**650.2**	**658.1**	**641.4**	**642.6**	**653.4**
23 Residual (assets less liabilities)[7]	7.8[r]	−.5	−7.6	−6.3	3.4	3.3	9.7	11.9	6.0	9.6	17.0	18.0
	Not seasonally adjusted											
Assets												
24 Bank credit	549.7	518.2	531.8	551.1	558.2	553.7	544.1	541.6	545.1	533.0	535.7	549.3
25 Securities in bank credit	197.1	188.9	197.6	201.8	206.0	203.2	192.5	191.1	195.1	185.2	184.7	197.9
26 U.S. government securities	87.0	80.6	82.0	80.0	82.1	80.8	75.4	77.1	78.0	74.9	74.3	81.2
27 Trading account	21.3	14.9	14.2	8.5	6.7	7.6	7.4	9.4	9.6	7.3	7.0	13.5
28 Investment account	65.7	65.7	67.8	71.5	75.4	73.2	68.1	67.8	68.4	67.6	67.2	67.6
29 Other securities	110.1	108.3	115.6	121.8	123.9	122.4	117.0	114.0	117.1	110.4	110.4	116.7
30 Trading account	66.1	69.1	75.3	80.3	80.7	77.1	74.3	71.7	76.0	68.2	68.0	73.6
31 Investment account	44.1	39.2	40.2	41.5	43.2	45.3	42.8	42.3	41.2	42.2	42.4	43.1
32 Loans and leases in bank credit[2]	352.6	329.3	334.3	349.3	352.2	350.5	351.6	350.5	350.0	347.8	351.0	351.4
33 Commercial and industrial	209.6	194.5	196.2	199.2	197.0	196.3	199.2	199.7	199.2	201.1	200.5	198.2
34 Real estate	20.3	17.6	17.9	17.4	16.9	17.6	18.0	18.2	18.2	18.3	18.3	18.2
35 Security[3]	51.6	51.8	54.7	64.8	67.5	67.0	66.4	66.5	65.7	63.1	67.6	68.2
36 Other loans and leases	71.1	65.5	65.5	67.9	70.8	69.6	68.1	66.0	66.9	65.3	64.5	66.8
37 Interbank loans	25.6	25.0	25.6	25.2	29.5	28.9	32.6	28.6	28.5	27.4	30.3	29.5
38 Cash assets[4]	34.0[r]	41.1	45.3	51.8	57.8	57.7	53.8	50.7	51.5	51.1	51.5	48.4
39 Other assets[5]	37.7	30.0	32.1	34.9	38.7	40.0	40.1	40.3	41.2	40.4	39.0	41.1
40 **Total assets[6]**	**646.8[r]**	**614.0**	**634.5**	**662.6**	**683.9**	**680.0**	**670.3**	**660.9**	**666.0**	**651.6**	**656.1**	**667.9**
Liabilities												
41 Deposits	315.9	310.6	332.0	358.0	382.6	387.7	387.7	389.3	388.0	386.0	387.1	394.9
42 Transaction	10.6	10.8	10.7	10.5	11.1	11.0	11.0	11.1	10.4	11.7	11.2	11.0
43 Nontransaction	305.3	299.8	321.3	347.5	371.5	376.7	376.7	378.2	377.5	374.3	376.0	383.8
44 Borrowings	176.0	172.4	178.6	186.0	181.5	180.0	176.2	178.0	181.4	178.0	174.4	176.0
45 From banks in the U.S.	24.3	24.2	22.2	26.1	24.4	19.7	18.3	19.5	20.8	22.8	16.7	17.4
46 From others	151.7[r]	148.2	156.4	159.8	157.1	160.3	157.9	158.4	160.5	155.2	157.7	158.6
47 Net due to related foreign offices	84.4	64.6	55.3	46.7	44.3	37.9	29.1	20.5	19.7	15.3	24.2	23.5
48 Other liabilities	67.6	63.7	65.2	68.2	71.4	70.4	73.5	69.5	72.7	68.5	67.2	70.0
49 **Total liabilities**	**643.9**	**611.4**	**631.2**	**658.8**	**679.9**	**676.0**	**666.4**	**657.2**	**661.8**	**647.8**	**652.9**	**664.4**
50 Residual (assets less liabilities)[7]	2.9[r]	2.7	3.3	3.8	4.1	4.0	3.9	3.7	4.2	3.8	3.2	3.6
MEMO												
51 Revaluation gains on off-balance-sheet items[8]	39.0	37.8	39.1	41.0	39.5	38.7	40.1	39.3	41.5	38.4	38.2	39.1
52 Revaluation losses on off-balance-sheet items[8]	38.6	36.9	37.8	39.9	38.5	37.7	40.0	38.2	40.7	37.1	37.2	37.8

Footnotes appear on p. A21.

NOTES TO TABLE 1.26

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

A. Commercial Paper

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					1999				2000	
	1995	1996	1997	1998	1999	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 **All issuers**	**674,904**	**775,371**	**966,699**	**1,163,303**	**1,403,023**	**1,274,726**	**1,321,163**	**1,369,100**	**1,403,023**	**1,407,789**	**1,428,605**
Financial companies[1]											
2 Dealer-placed paper, total[2]	275,815	361,147	513,307	614,142	786,643	718,380	751,245	802,194	786,643	821,870	835,140
3 Directly placed paper, total[3]	210,829	229,662	252,536	322,030	337,240	293,381	296,998	299,777	337,240	299,599	298,603
4 Nonfinancial companies[4]	188,260	184,563	200,857	227,132	279,140	262,965	272,920	267,128	279,140	286,319	294,863

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	1996	1997	1998	1999
1 **Total amount of reporting banks' acceptances in existence**	**25,832**	**25,774**	**14,363**	**10,094**
2 Amount of other banks' eligible acceptances held by reporting banks	709	736	523	461
3 Amount of own eligible acceptances held by reporting banks (included in item 1)	7,770	6,862	4,884	4,261
4 Amount of eligible acceptances representing goods stored in, or shipped between, foreign countries (included in item 1)	9,361	10,467	5,413	3,498

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 55 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
1997—Jan. 1	8.25	1997	8.44	1998—Jan.	8.50	1999—Jan.	7.75
Mar. 26	8.50	1998	8.35	Feb.	8.50	Feb	7.75
		1999	8.00	Mar.	8.50	Mar.	7.75
1998—Sept. 30	8.25			Apr.	8.50	Apr.	7.75
Oct. 16	8.00	1997—Jan.	8.25	May	8.50	May	7 75
Nov. 18	7.75	Feb.	8.25	June	8.50	June	7 75
		Mar.	8.30	July	8.50	July	8.00
1999—July 1	8.00	Apr.	8.50	Aug.	8.50	Aug.	8.06
Aug. 25	8.25	May	8.50	Sept.	8.49	Sept.	8.25
Nov. 17	8.50	June	8.50	Oct.	8.12	Oct.	8.25
		July	8.50	Nov.	7.89	Nov.	8.37
2000—Feb. 3	8.75	Aug.	8.50	Dec.	7.75	Dec.	8.50
Mar. 22	9.00	Sept.	8.50				
		Oct.	8.50			2000—Jan.	8.50
		Nov.	8.50			Feb.	8.73
		Dec.	8.50			Mar.	8.83
						Apr.	9.00

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

1.35 INTEREST RATES Money and Capital Markets

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

Item	1997	1998	1999	1999	2000			2000, week ending				
				Dec.	Jan.	Feb.	Mar.	Mar. 3	Mar. 10	Mar. 17	Mar. 24	Mar. 31
MONEY MARKET INSTRUMENTS												
1 Federal funds[1,2,3]	5.46	5.35	4.97	5.30	5.45	5.73	5.85	5.77	5.73	5.79	5.81	6.01
2 Discount window borrowing[2,4]	5.00	4.92	4.62	5.00	5.00	5.24	5.34	5.25	5.25	5.25	5.32	5.50
Commercial paper[3,5,6]												
Nonfinancial												
3 1-month	5.57	5.40	5.09	5.97	5.59	5.76	5.93	5.78	5.83	5.93	6.01	6.04
4 2-month	5.57	5.38	5.14	5.91	5.67	5.81	5.96	5.85	5.87	5.96	6.03	6.04
5 3-month	5.56	5.34	5.18	5.87	5.74	5.87	6.00	5.89	5.91	6.00	6.05	6.09
Financial												
6 1-month	5.59	5.42	5.11	6.02	5.62	5.78	5.94	5.79	5.85	5.94	6.02	6.03
7 2-month	5.59	5.40	5.16	5.95	5.72	5.84	5.98	5.88	5.90	5.97	6.05	6.05
8 3-month	5.60	5.37	5.22	5.93	5.81	5.90	6.03	5.93	5.95	6.02	6.08	6.11
Commercial paper (historical)[3,5,7]												
9 1-month	5.54	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	5.58	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	5.62	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	5.44	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	5.48	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	5.48	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	5.54	5.39	5.24	6.00	5.88	5.94	6.06	5.97	5.99	6.06	6.10	6.14
16 6-month	5.57	5.30	5.30	5.94	5.99	6.11	6.22	6.15	6.15	6.20	6.25	6.30
Certificates of deposit, secondary market[3,10]												
17 1-month	5.54	5.49	5.19	6.34	5.74	5.83	6.01	5.87	5.93	6.00	6.08	6.10
18 3-month	5.62	5.47	5.33	6.05	5.95	6.01	6.14	6.04	6.07	6.13	6.19	6.24
19 6-month	5.73	5.44	5.46	6.07	6.15	6.26	6.36	6.26	6.29	6.33	6.39	6.48
20 Eurodollar deposits, 3-month[3,11]	5.61	5.45	5.31	6.06	5.94	6.02	6.13	6.06	6.05	6.11	6.18	6.22
U.S. Treasury bills												
Secondary market[3,5]												
21 3-month	5.06	4.78	4.64	5.20	5.32	5.55	5.69	5.62	5.67	5.71	5.74	5.71
22 6-month	5.18	4.83	4.75	5.44	5.50	5.72	5.85	5.76	5.82	5.86	5.88	5.90
23 1-year	5.32	4.80	4.81	5.51	5.75	5.84	5.86	5.83	5.83	5.84	5.88	5.93
Auction high[3,5,12]												
24 3-month	5.07	4.81	4.66	5.23	5.34	5.57	5.72	5.67	5.69	5.73	5.78	5.72
25 6-month	5.18	4.85	4.76	5.43	5.52	5.75	5.85	5.77	5.83	5.86	5.90	5.91
26 1-year	5.36	4.85	4.78	5.35	5.65	5.91	5.84	5.84	n.a.	n.a.	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities[13]												
27 1-year	5.63	5.05	5.08	5.84	6.12	6.22	6.22	6.18	6.18	6.20	6.24	6.30
28 2-year	5.99	5.13	5.43	6.10	6.44	6.61	6.53	6.51	6.51	6.50	6.54	6.57
29 3-year	6.10	5.14	5.49	6.14	6.49	6.65	6.53	6.55	6.56	6.50	6.50	6.53
30 5-year	6.22	5.15	5.55	6.19	6.58	6.68	6.50	6.58	6.60	6.50	6.44	6.42
31 7-year	6.33	5.28	5.79	6.38	6.70	6.72	6.51	6.64	6.62	6.52	6.42	6.40
32 10-year	6.35	5.26	5.65	6.28	6.66	6.52	6.26	6.39	6.39	6.28	6.14	6.13
33 20-year	6.69	5.72	6.20	6.69	6.86	6.54	6.38	6.45	6.48	6.40	6.30	6.30
34 30-year	6.61	5.58	5.87	6.35	6.63	6.23	6.05	6.15	6.17	6.08	5.97	5.94
Composite												
35 More than 10 years (long-term)	6.67	5.69	6.14	6.63	6.81	6.49	6.33	6.41	6.43	6.36	6.25	6.24
STATE AND LOCAL NOTES AND BONDS												
Moody's series[14]												
36 Aaa	5.32	4.93	5.28	5.82	5.91	5.88	5.68	5.81	5.76	5.62	5.60	5.60
37 Baa	5.50	5.14	5.70	6.25	6.38	6.35	6.19	6.33	6.25	6.09	6.13	6.15
38 *Bond Buyer* series[15]	5.52	5.09	5.43	5.95	6.08	6.00	5.83	5.94	5.89	5.84	5.76	5.74
CORPORATE BONDS												
39 Seasoned issues, all industries[16]	7.54	6.87	7.45	7.87	8.06	7.96	7.99	8.00	8.03	8.06	7.92	7.95
Rating group												
40 Aaa	7.27	6.53	7.05	7.55	7.78	7.68	7.68	7.71	7.73	7.75	7.61	7.63
41 Aa	7.48	6.80	7.36	7.78	7.96	7.82	7.83	7.85	7.88	7.90	7.75	7.79
42 A	7.54	6.93	7.53	7.96	8.15	8.02	8.07	8.09	8.11	8.13	8.00	8.02
43 Baa	7.87	7.22	7.88	8.19	8.33	8.29	8.37	8.35	8.38	8.45	8.31	8.34
MEMO												
Dividend–price ratio[17]												
44 Common stocks	1.77	1.49	1.25	1.18	1.18	1.21	1.18	1.22	1.23	1.21	1.12	1.11

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 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 Moodys' 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	1997	1998	1999	1999 July	1999 Aug.	1999 Sept.	1999 Oct.	1999 Nov.	1999 Dec.	2000 Jan.	2000 Feb.	2000 Mar.
	Prices and trading volume (averages of daily figures)											
Common stock prices (indexes)												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	456.99	550.65	619.52	648.83	621.03	607.87	599.04	634.22	638.17	634.07	606.03	622.28
2 Industrial	574.97	684.35	775.29	809.33	778.82	769.47	753.94	791.41	808.28	814.73	767.08	790.35
3 Transportation	415.08	468.61	491.62	528.72	492.13	462.33	450.13	474.78	461.04	456.35	398.69	384.39
4 Utility	143.87	190.52	284.82	250.50	241.84	237.71	285.16	502.58	511.78	485.82	482.30	509.59
5 Finance	424.84	516.65	530.97	557.92	521.59	493.37	490.92	539.20	510.99	495.23	471.65	491.29
6 Standard & Poor's Corporation (1941–43 = 10)[1]	873.43	1,085.50	1,327.33	1,380.99	1,327.49	1,318.17	1,300.01	1,390.99	1,428.68	1,425.59	1,388.88	1,442.21
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	628.34	682.69	770.90	803.75	781.33	788.74	786.96	819.60	838.24	878.73	910.00	1,014.03
Volume of trading (thousands of shares)												
8 New York Stock Exchange	523,254	666,534	799,554	721,294	709,569	772,627	882,422	866,281	884,141	1,058,021	1,032,791	1,124,097
9 American Stock Exchange	24,390	28,870	32,629	25,754	27,795	32,540	35,762	33,330	41,076	47,530	51,134	59,449
	Customer financing (millions of dollars, end-of-period balances)											
10 **Margin credit at broker–dealers**[3]	**126,090**	**140,980**	**228,530**	**178,360**	**176,390**	**179,316**	**182,272**	**206,280**	**228,530**	**243,490**	**265,210**	**278,530**
Free credit balances at brokers[4]												
11 Margin accounts[5]	31,410	40,250	55,130	44,330	44,230	47,125	51,040	49,480	55,130	57,800	56,470	65,020
12 Cash accounts	52,160	62,450	79,070	60,000	62,600	62,810	61,085	68,200	79,070	75,760	79,700	85,530

	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					
				1999			2000		
	1997	1998	1999	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
U.S. budget[1]									
1 Receipts, total	1,579,292	1,721,798	1,827,454	121,035	121,375	201,196	189,478	108,675	135,582
2 On-budget	1,187,302	1,305,999	1,382,986	89,009	86,909	162,772	143,838	71,090	94,586
3 Off-budget	391,990	415,799	444,468	32,026	34,466	38,424	45,640	37,585	40,996
4 Outlays, total	1,601,235	1,652,552	1,702,940	147,691	148,407	168,114	127,326	150,409	170,962
5 On-budget	1,290,609	1,335,948	1,382,262	119,495	116,387	165,504	97,451	118,340	137,864
6 Off-budget	310,626	316,604	320,778	28,196	32,020	2,611	29,875	32,069	33,099
7 Surplus or deficit (−), total	−21,943	69,246	124,414	−26,656	−27,031	33,081	62,152	−41,734	−35,380
8 On-budget	−103,307	−29,949	724	−30,486	−29,478	−2,732	46,387	−47,250	−43,278
9 Off-budget	81,364	99,195	123,690	3,830	2,446	35,813	15,765	5,516	7,897
Source of financing (total)									
10 Borrowing from the public	38,171	−51,211	−88,304	5,754	6,132	35,749	−83,985	17,131	39,746
11 Operating cash (decrease, or increase (−))	604	4,743	−17,580	8,891	41,488	−77,248	20,592	40,773	−22,808
12 Other[2]	−16,832	−22,778	−18,530	12,011	−20,589	8,418	1,241	−16,170	18,442
MEMO									
13 Treasury operating balance (level, end of period)	43,621	38,878	56,458	47,567	6,079	83,327	62,735	21,962	44,770
14 Federal Reserve Banks	7,692	4,952	6,641	4,527	5,025	28,402	6,119	5,004	4,357
15 Tax and loan accounts	35,930	33,926	49,817	43,040	1,054	54,925	56,615	16,958	40,413

1. Since 1990, off-budget items have been the social security trust funds (federal old-age survivors insurance and federal 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*.

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

Millions of dollars

Source or type	Fiscal year		Calendar year						
	1998	1999	1998		1999		2000		
			H1	H2	H1	H2	Jan.	Feb.	Mar.
RECEIPTS									
1 **All sources**	**1,721,798**	**1,827,454**	**922,630**	**825,057**	**966,045**	**892,266**	**189,478**	**108,675**	**135,582**
2 Individual income taxes, net	828,586	879,480	447,514	392,332	481,744[r]	425,451	111,306	45,731	44,789
3 Withheld	646,483	693,940	316,309	339,144	351,068	372,012	65,922	65,868	75,161
4 Nonwithheld	281,527	308,185	219,136	65,204	240,278	68,302	46,556	3,730	7,855
5 Refunds	99,476	122,706	87,989	12,032	109,467	14,841	1,173	23,875	38,239
Corporation income taxes									
6 Gross receipts	213,008	216,324	109,353	104,163	106,861	110,111	7,135	4,903	27,546
7 Refunds	24,593	31,645	14,220	14,250	17,092	13,996	1,800	3,126	3,273
8 Social insurance taxes and contributions, net	571,831	611,833	312,713	268,466	324,831	292,551	60,484	50,514	53,329
9 Employment taxes and contributions[2]	540,014	580,880	293,520	256,142	306,235	280,059	58,819	47,859	52,565
10 Unemployment insurance	27,484	26,480	17,080	10,121	16,378	10,173	1,319	2,280	317
11 Other net receipts[3]	4,333	4,473	2,112	2,202	2,216	2,319	346	376	447
12 Excise taxes	57,673	70,414	29,922	33,366	31,015	34,262	5,316	5,076	5,722
13 Customs deposits	18,297	18,336	8,546	9,838	8,440	10,287	1,457	1,212	1,681
14 Estate and gift taxes	24,076	27,782	12,971	12,359	14,915	14,001	2,116	1,768	2,379
15 Miscellaneous receipts[4]	32,658	34,929	15,829	18,735	15,140	19,569	3,464	2,597	3,412
OUTLAYS									
16 **All types**	**1,652,552**	**1,702,940**	**815,884**	**877,414**	**817,227**	**882,795[r]**	**127,326**	**150,409**	**170,962**
17 National defense	268,456	274,873	129,351	140,196	134,414	149,820	17,581	22,136	29,266
18 International affairs	13,109	15,243	4,610	8,297	6,879	8,530	1,404	1,366	859
19 General science, space, and technology	18,219	18,125	9,426	10,142	9,319	10,089	1,229	1,569	1,725
20 Energy	1,270	912	957	699	797	−90	94	−238	−737
21 Natural resources and environment	22,396	23,970	10,051	12,671	10,351	12,100	1,490	1,779	1,872
22 Agriculture	12,206	23,011	2,387	16,757	9,803	20,887	4,213	1,896	1,588
23 Commerce and housing credit	1,014	2,649	−2,483	4,046	−1,629	7,353	−1,336	−1,685	699
24 Transportation	40,332	42,531	16,196	20,836	17,082	22,972[r]	3,112	2,909	3,739
25 Community and regional development	9,720	11,870	4,863	6,972	5,368	7,135	270	−23	1,221
26 Education, training, employment, and social services	54,919	56,402	25,928	27,762	29,003	27,532	4,788	5,385	6,656
27 Health	131,440	141,079	65,053	67,838	69,320	74,490	11,575	11,567	14,333
28 Social security and Medicare	572,047	580,488	286,305	316,809	261,146	295,030	45,336	49,858	54,344
29 Income security	233,202	237,707	125,196	109,481	126,552	113,504	16,565	32,110	29,211
30 Veterans benefits and services	41,781	43,212	19,615	22,750	20,105	23,412	1,991	3,741	5,868
31 Administration of justice	22,832	25,924	11,287	12,041	13,149	13,459	2,224	2,147	2,647
32 General government	13,444	15,771	6,139	9,136	6,641	7,006	490	38	1,942
33 Net interest[5]	243,359	229,735	122,345	116,954	116,655	112,420	19,428	18,884	19,002
34 Undistributed offsetting receipts[6]	−47,194	−40,445	−21,340	−25,793	−17,724	−22,850	−3,129	−3,030	−3,270

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 2001*; 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	1998				1999				2000
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31
1 **Federal debt outstanding**	**5,573**	**5,578**	**5,556**	**5,643**	**5,681**	**5,668**	**5,685**	**29**	n.a.[r]
2 Public debt securities	5,542	5,548	5,526	5,614	5,652	5,639	5,656	5,776	5,773[r]
3 Held by public	3,872	3,790	3,761	3,787	3,795	3,685	3,667	3,716	n.a.[r]
4 Held by agencies	1,670	1,758	1,766	1,827	1,857	1,954	1,989	2,061	n.a.[r]
5 Agency securities	31	30	29	29	29	29	29	29	n.a.[r]
6 Held by public	26	26	26	29	28	28	28	28	n.a.[r]
7 Held by agencies	5	4	4	1	1	1	1	1	n.a.[r]
8 **Debt subject to statutory limit**	**5,457**	**5,460**	**5,440**	**5,530**	**5,566**	**5,552**	**5,568**	**5,687**	**5,687[r]**
9 Public debt securities	5,456	5,460	5,439	5,530	5,566	5,552	5,568	5,687	5,686[r]
10 Other debt[1]	0	0	0	0	0	0	0	0	0[r]
MEMO									
11 Statutory debt limit	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950[r]

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 *Treasury Bulletin.*

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

Billions of dollars, end of period

Type and holder	1996	1997	1998	1999	1999			2000
					Q2	Q3	Q4	Q1
1 **Total gross public debt**	**5,323.2**	**5,502.4**	**5,614.2**	**5,776.1**	**5,638.8**	**5,656.3**	**5,776.1**	**5,773.4**
By type								
2 Interest-bearing	5,317.2	5,494.9	5,605.4	5,766.1	5,629.5	5,647.2	5,766.1	5,763.8
3 Marketable	3,459.7	3,456.8	3,355.5	3,281.0	3,248.5	3,233.0	3,281.0	3,261.2
4 Bills	777.4	715.4	691.0	737.1	647.8	653.2	737.1	753.3
5 Notes	2,112.3	2,106.1	1,960.7	1,784.5	1,868.5	1,828.8	1,784.5	1,732.6
6 Bonds	555.0	587.3	621.2	643.7	632.5	643.7	643.7	653.0
7 Inflation-indexed notes and bonds[1]	n.a.	33.0	50.6	68.2	59.9	67.6	68.2	74.7
8 Nonmarketable[2]	1,857.5	2,038.1	2,249.9	2,485.1	2,381.0	2,414.2	2,485.1	2,502.6
9 State and local government series	101.3	124.1	165.3	165.7	172.6	168.1	165.7	161.9
10 Foreign issues[3]	37.4	36.2	34.3	31.3	30.9	31.0	31.3	28.8
11 Government	47.4	36.2	34.3	31.3	30.9	31.0	31.3	28.8
12 Public	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	182.4	181.2	180.3	179.4	180.0	180.0	179.4	178.6
14 Government account series[4]	1,505.9	1,666.7	1,840.0	2,078.7	1,967.5	2,005.2	2,078.7	2,103.3
15 Non-interest-bearing	6.0	7.5	8.8	10.0	9.3	9.0	10.0	n.a.
By holder[5]								
16 U.S. Treasury and other federal agencies and trust funds	1,497.2	1,655.7	1,826.8	2,060.6	1,953.6	1,989.1	2,060.6	↑
17 Federal Reserve Banks	410.9	451.9	471.7	477.7	493.8	496.5	477.7	
18 Private investors	3,431.2	3,414.6	3,334.0	3,234.2	3,199.3	3,175.6	3,234.2	
19 Depository institutions	296.6	300.3	237.3	n.a.	240.6	240.6	n.a.	
20 Mutual funds	315.8	321.5	343.2	n.a.	335.4	332.6	n.a.	
21 Insurance companies	214.1	176.6	144.5	n.a.	142.5	138.2	n.a.	n.a.
22 State and local treasuries[6]	257.0	239.3	269.3	n.a.	279.1	271.6	n.a.	
Individuals								
23 Savings bonds	187.0	186.5	186.7	186.5	186.6	186.6	186.5	
24 Pension funds	392.7	421.0	434.7	n.a.	449.1	444.9	n.a.	
25 Private	189.2	204.1	218.1	n.a.	226.6	228.3	n.a.	
26 State and Local	203.5	216.9	216.6	n.a.	222.5	216.6	n.a.	
27 Foreign and international[7]	1,102.1	1,241.6	1,278.7	1,268.7	1,258.6	1,281.3	1,268.7	
28 Other miscellaneous investors[6,8]	665.9	527.9	439.6	n.a.	307.4	279.8	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. 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.
7. 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.
8. Includes individuals, government-sponsored enterprises, brokers and dealers, bank personal trusts and estates, corporate and noncorporate businesses, and other investors.

SOURCE. U.S. Treasury Department, data by type of security, *Monthly Statement of the Public Debt of the United States;* data by holder, *Treasury Bulletin.*

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

Millions of dollars, daily averages

Item	1999 Dec.	2000 Jan.	2000 Feb.	2000, week ending Feb. 2	Feb. 9	Feb. 16	Feb. 23	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29
OUTRIGHT TRANSACTIONS[2]												
By type of security												
1 U.S. Treasury bills	32,212	27,307	31,065	29,997	25,658	28,301	36,030	36,848	36,679	25,896	24,758	47,120
Coupon securities, by maturity												
2 Five years or less	72,460	105,119	116,615	132,069	123,653	107,635	111,093	116,838	95,661	96,707	86,272	115,093
3 More than five years	42,065	68,774	87,516	95,038	117,810	82,512	65,400	74,257	59,187	60,163	61,308	71,333
4 Inflation-indexed	469	1,560	937	1,618	1,379	601	687	716	948	1,040	983	978
Federal agency												
5 Discount notes	44,350	47,215	53,679	56,356	57,374	52,220	47,914	55,312	53,939	52,829	62,412	58,405
Coupon securities, by maturity												
6 One year or less	797	1,482	992	790	876	1,245	1,236	677	1,010	1,838	884	1,537
7 More than one year, but less than or equal to five years	4,350	8,172	8,577	7,461	7,940	11,369	7,153	7,865	7,702	6,330	7,642	8,247
8 More than five years	2,935	7,417	7,419	7,432	9,004	9,240	5,113	5,463	6,611	5,112	6,163	14,884
9 Mortgage-backed	43,380	65,811	67,758	59,435	103,218	66,634	50,841	45,916	63,522	86,330	47,833	42,007
By type of counterparty												
With interdealer broker												
10 U.S. Treasury	77,097	103,083	119,309	130,522	136,646	112,587	106,793	112,949	94,848	86,273	83,724	113,659
11 Federal agency	3,757	6,123	7,538	8,152	8,417	7,220	6,855	7,211	6,143	6,215	7,558	9,597
12 Mortgage-backed	16,476	25,254	27,071	24,832	36,862	28,271	22,804	18,718	19,480	30,410	20,616	17,992
With other												
13 U.S. Treasury	70,108	99,679	116,824	128,200	131,854	106,461	106,417	115,710	97,627	97,533	89,597	120,865
14 Federal agency	48,674	58,162	63,129	63,887	66,776	66,854	54,560	62,106	63,119	59,893	69,543	73,476
15 Mortgage-backed	26,904	40,557	40,687	34,602	66,356	38,363	28,037	27,199	44,041	55,920	27,217	24,016
FUTURES TRANSACTIONS[3]												
By type of deliverable security												
16 U.S. Treasury bills	n.a.	0	0	0	n.a.	0	0	n.a.	n.a.	n.a.	0	0
Coupon securities, by maturity												
17 Five years or less	3,382	3,726	6,293	6,875	6,521	5,817	5,662	6,944	3,886	5,308	3,424	3,217
18 More than five years	12,135	18,071	21,702	24,776	26,651	16,193	20,458	22,108	13,731	15,460	14,574	14,253
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	0	0	0	0	n.a.	n.a.	n.a.
23 More than five years	0	0	0	0	0	0	0	0	0	n.a.	21	31
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	1,042	1,449	1,397	1,200	1,480	1,145	1,847	1,255	1,619	1,589	1,388	1,123
27 More than five years	3,773	5,616	5,601	6,323	6,800	4,147	7,022	4,137	4,023	2,171	3,754	3,795
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	0	0	0	0	0	0	0	0	0	0	0	0
32 More than five years	0	0	0	0	0	0	0	0	0	0	0	0
33 Mortgage-backed	583	620	776	494	931	404	948	1,015	754	297	702	1,527

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	1999	2000		2000, week ending							
	Dec.	Jan.	Feb.	Feb. 2	Feb. 9	Feb. 16	Feb. 23	Mar. 1	Mar. 8	Mar. 15	Mar. 22
	Positions[2]										
NET OUTRIGHT POSITIONS[3]											
By type of security											
1 U.S. Treasury bills	21,385	14,304	2,930	5,747	3,667	−2,846	7,682	2,325	6,040	1,748	1,064
Coupon securities, by maturity											
2 Five years or less	−24,622	−38,777	−37,515	−41,018	−39,008	−40,533	−34,981	−34,043	−35,406	−31,091	−31,704
3 More than five years	−29,849	−32,995	−22,779	−28,754	−21,045	−23,939	−21,847	−22,545	−22,166	−20,900	−20,618
4 Inflation-indexed	2,438	2,894	3,197	3,659	3,131	3,049	3,610	2,812	2,730	2,799	2,661
Federal agency											
5 Discount notes	45,011	39,668	37,602	33,400	41,209	35,515	38,358	36,348	32,716	36,734	34,724
Coupon securities, by maturity											
6 One year or less	5,436	7,101	9,707	8,571	8,474	10,855	9,561	10,357	11,061	13,338	12,843
7 More than one year, but less than or equal to five years	1,910	7,172	5,855	7,252	2,519	7,556	6,910	6,066	6,291	4,451	2,913
8 More than five years	2,706	6,114	3,848	5,453	3,162	4,627	4,072	2,941	2,909	1,358	2,220
9 Mortgage-backed	25,603	21,183	15,723	13,922	18,182	20,133	11,269	13,505	18,519	22,813	25,750
NET FUTURES POSITIONS[4]											
By type of deliverable security											
10 U.S. Treasury bills	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0
Coupon securities, by maturity											
11 Five years or less	7,121	11,986	14,668	12,487	17,902	13,660	13,167	14,550	14,513	13,145	14,086
12 More than five years	408	8,056	−2,067	5,497	1,658	−615	−6,337	−5,645	−6,130	−9,896	−6,041
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	0	0	0	0	0	0	0	0	n.a.	n.a.
17 More than five years	0	0	0	0	0	0	0	0	0	0	−28
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	−1,855	−3,840	−2,684	−3,009	−3,616	−3,870	−2,196	−673	−1,176	−519	425
21 More than five years	241	−1,465	2,770	2,003	2,310	2,222	3,054	3,869	4,326	4,981	5,422
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	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26 More than five years	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a	n.a.	n.a.	n.a.
27 Mortgage-backed	1,260	2,215	2,728	2,602	3,271	2,616	2,440	2,603	2,811	956	727
	Financing[5]										
Reverse repurchase agreements											
28 Overnight and continuing	260,169	281,382	301,114	298,458	281,516	313,199	302,825	308,769	298,906	276,751	298,448
29 Term	847,806	729,307	711,031	759,268	823,767	652,298	667,517	682,715	750,898	834,477	850,467
Securities borrowed											
30 Overnight and continuing	224,527	240,177	261,280	265,418	262,639	258,495	257,744	265,688	257,004	255,405	267,674
31 Term	117,116	112,088	98,511	99,073	102,979	101,040	96,149	92,914	97,532	102,930	103,430
Securities received as pledge											
32 Overnight and continuing	1,647	1,677	1,632	1,632	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,042
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	647,385	690,465	729,491	718,575	727,628	742,894	731,678	717,115	709,447	715,862	730,788
35 Term	761,776	619,703	580,824	640,630	682,425	517,879	539,250	564,294	623,256	704,778	726,614
Securities loaned											
36 Overnight and continuing	8,843	9,344	10,660	11,143	11,513	9,980	10,437	10,556	9,236	9,124	7,914
37 Term	7,283	7,149	6,087	6,856	6,642	5,732	5,734	6,011	6,018	6,526	9,044
Securities pledged											
38 Overnight and continuing	49,236	47,887	51,230	49,496	50,432	48,757	52,860	53,721	55,533	53,595	61,892
39 Term	10,713	10,985	7,232	9,223	7,750	8,255	6,097	6,097	6,005	7,009	7,340
Collateralized loans											
40 Total	14,892	20,093	16,629	15,282	16,272	17,367	19,241	13,588	11,753	13,882	18,063

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	1996	1997	1998	1999	1999				2000
					Sept.	Oct.	Nov.	Dec.	Jan.
1 **Federal and federally sponsored agencies**	**925,823**	**1,022,609**	**1,296,477**	**1,616,492**	**1,525,916**	n.a.	n.a.	**1,616,492**	
2 Federal agencies	29,380	27,792	26,502	26,376	26,384	28,218	28,218	26,376	
3 Defense Department[1]	6	6	6	6	6	6	6	6	
4 Export-Import Bank[2,3]	1,447	552	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration[4]	84	102	205	126	114	126	126	126	
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.	
7 Postal Service[6]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
8 Tennessee Valley Authority	27,853	27,786	26,496	26,370	26,378	28,212	28,212	26,370	
9 United States Railway Association[6]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
10 Federally sponsored agencies[7]	896,443	994,817	1,269,975	1,590,116	1,499,532	n.a.	n.a.	1,590,116	
11 Federal Home Loan Banks	263,404	313,919	382,131	529,005	481,639	489,401	502,842	529,005	522,692
12 Federal Home Loan Mortgage Corporation	156,980	169,200	287,396	360,711	341,144	352,487	357,317	360,711	372,586
13 Federal National Mortgage Association	331,270	369,774	460,291	547,619	524,880	527,403	540,364	547,619	544,360
14 Farm Credit Banks[8]	60,053	63,517	63,488	68,883	67,938	68,338	67,654	68,883	69,082
15 Student Loan Marketing Association[9]	44,763	37,717	35,399	41,988	41,921	44,224	44,402	41,988	n.a.
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]	**58,172**	**49,090**	**44,129**	**42,152**	**43,116**	**42,843**	**42,843**	**42,152**	n.a.
Lending to federal and federally sponsored agencies									
20 Export-Import Bank[3]	1,431	552							
21 Postal Service[6]	n.a.	n.a.							
22 Student Loan Marketing Association	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
23 Tennessee Valley Authority	n.a.	n.a.							n.a.
24 United States Railway Association[6]	n.a.	n.a.							
Other lending[14]									
25 Farmers Home Administration	18,325	13,530	9,500	6,665	7,125	6,775	6,775	6,665	
26 Rural Electrification Administration	16,702	14,898	14,091	14,085	13,885	14,025	14,025	14,085	
27 Other	21,714	20,110	20,538	21,402	22,106	22,043	22,043	21,402	

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	1997	1998	1999	1999					2000		
				Aug.	Sept.	Oct	Nov.	Dec.	Jan.	Feb.	Mar.
1 **All issues, new and refunding**[1]	**214,694**	**262,342**	**215,427**	**15,746**	**18,433**	**17,497**	**17,428**	**14,751**	**8,969**	**10,905**	**16,780**
By type of issue											
2 General obligation	69,934	87,015	73,308	4,268	5,171	4,183	4,996	3,715	3,454	4,473	5,008
3 Revenue	134,989	175,327	142,120	11,478	13,262	13,314	12,433	11,035	5,516	6,433	11,773
By type of issuer											
4 State	18,237	23,506	16,376	911	2,341	1,753	929	834	863	1,730	1,570
5 Special district or statutory authority[2]	134,919	178,421	152,418	11,578	13,449	12,186	12,613	10,640	5,784	7,414	11,098
6 Municipality, county, or township	70,558	60,173	46,634	3,257	2,642	3,557	3,886	3,277	2,322	1,761	4,112
7 **Issues for new capital**	**135,519**	**160,568**	**161,065**	**12,530**	**14,973**	**14,908**	**14,084**	**11,475**	**8,009**	**9,382**	**13,508**
By use of proceeds											
8 Education	31,860	36,904	36,563	2,842	2,885	2,049	2,732	3,095	2,189	2,548	3,436
9 Transportation	13,951	19,926	17,394	1,955	1,886	1,674	892	1,201	1,064	723	2,723
10 Utilities and conservation	12,219	21,037	15,098	1,038	1,976	1,176	1,893	1,008	588	115	1,086
11 Social welfare	27,794	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Industrial aid	6,667	8,594	9,099	585	1,271	726	668	707	89	647	747
13 Other purposes	35,095	42,450	47,896	3,255	3,941	4,509	5,213	3,141	2,885	2,804	2,426

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	1997	1998	1999	1999						2000	
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 **All issues**[1]	**929,256**	**1,128,491**	**1,072,866**[r]	**96,608**	**83,466**	**82,414**	**58,613**	**85,016**	**50,805**[r]	**55,714**[r]	**81,038**
2 **Bonds**[2]	**811,376**	**1,001,736**	**941,298**[r]	**83,546**	**75,708**	**75,807**	**47,103**	**61,033**	**42,477**[r]	**44,220**	**63,391**
By type of offering											
3 Sold in the United States	708,188	923,771	818,683[r]	69,451	63,383	65,679	37,721	53,908	36,488[r]	30,784	56,727
4 Sold abroad	103,188	77,965	122,615	14,095	12,325	10,128	9,382	7,125	5,989	13,436	6,664
MEMO											
5 Private placements, domestic	54,990	37,845	28,506	2,133	1,670	1,640[r]	1,632[r]	1,237	3,241	967	65
By industry group											
6 Nonfinancial	222,603	307,935	293,963[r]	25,526	22,704	20,655	13,990	24,283	14,614[r]	14,599	26,593
7 Financial	588,773	693,801	647,335	58,020	53,005	55,151	33,112	36,750	27,863	29,620	36,792
8 **Stocks**[3]	**117,880**	**126,755**	**131,568**	**13,062**	**7,758**	**6,607**	**11,510**	**23,983**	**8,328**	**11,494**[r]	**21,956**
By type of offering											
9 Public	117,880	126,755	131,568	13,062	7,758	6,607	11,510	23,983	8,328	11,494[r]	21,956
10 Private placement[4]	55,450	78,850	86,300	7,192	7,192	7,192	7,192	7,192	7,192	n.a.	n.a.
By industry group											
11 Nonfinancial	60,386	74,113	110,284	11,589	6,379	5,647	10,961	22,611	7,450	9,247[r]	21,464
12 Financial	57,494	52,642	21,284	1,473	1,379	960	549	1,372	878	2,247	492

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	1998	1999	1999 Aug.	1999 Sept.	1999 Oct.	1999 Nov.	1999 Dec.	2000 Jan.	2000 Feb.[r]	2000 Mar.
1 **Sales of own shares[2]**	**1,461,430**	**1,791,894**	**132,991**	**132,226**	**140,738**	**155,490**	**185,898**	**226,251**	**237,861**	**264,419**
2 Redemptions of own shares	1,217,022	1,621,987	125,908	126,207	124,052	143,688	178,855	204,380	197,423	242,633
3 Net sales[3]	244,408	169,906	7,084	6,019	16,686	11,801	7,042	21,871	40,438	21,786
4 **Assets[4]**	**4,173,531**	**5,233,191**	**4,548,784**	**4,498,964**	**4,705,746**	**4,874,733**	**5,233,191**	**5,114,482**	**5,375,874**	**5,596,806**
5 Cash[5]	191,393	219,189	209,349	209,709	225,762	214,751	219,189	222,729	231,480	221,624
6 Other	3,982,138	5,014,002	4,339,435	4,289,255	4,479,985	4,659,982	5,014,002	4,891,753	5,144,394	5,375,182

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	1997	1998	1999	1998 Q1	1998 Q2	1998 Q3	1998 Q4	1999 Q1	1999 Q2	1999 Q3	1999 Q4
1 Profits with inventory valuation and capital consumption adjustment	838.5[r]	848.4[r]	892.7	858.4[r]	849.4[r]	846.8[r]	839.0[r]	886.9[r]	880.5[r]	884.1[r]	919.4
2 Profits before taxes	795.9	781.9	848.5	788.9	792.0	780.1	766.7	818.1	835.8	853.8	886.3
3 Profits-tax liability	238.3	240.2	259.4	239.9	241.1	244.3	235.6	248.0	254.4	259.4	275.7
4 Profits after taxes	557.6	541.7	589.1	548.9	550.9	535.8	531.0	570.1	581.4	594.3	610.6
5 Dividends	333.7	348.6	364.7	346.5	347.3	348.4	352.2	356.4	361.5	367.3	373.5
6 Undistributed profits	223.9	193.1	224.4	202.5	203.6	187.4	178.8	213.7	219.9	227.0	237.1
7 Inventory valuation	7.4	20.9	−13.0	29.5	13.6	19.8	20.8	13.3	−13.6	−26.7	−24.9
8 Capital consumption adjustment	35.3[r]	45.6[r]	57.2[r]	40.1[r]	43.8[r]	46.9[r]	51.6[r]	55.5[r]	58.2[r]	57.0[r]	58.0[r]

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	1997	1998	1999	1998 Q2	1998 Q3	1998 Q4	1999 Q1	1999 Q2	1999 Q3	1999 Q4
ASSETS										
1 Accounts receivable, gross[2]	663.3	711.7	811.5[r]	676.0	687.6	711.7	733.8	756.5	776.3	811.5[r]
2 Consumer	256.8	261.8	279.8	251.3	254.0	261.8	261.7	269.2	271.0	279.8
3 Business	318.5	347.5	405.2[r]	334.9	335.1	347.5	362.8	373.7	383.0	405.2[r]
4 Real estate	87.9	102.3	126.5[r]	89.9	98.5	102.3	109.2	113.5	122.3	126.5[r]
5 LESS: Reserves for unearned income	52.7	56.3	54.1	53.2	52.4	56.3	52.9	53.4	54.0	54.1
6 Reserves for losses	13.0	13.8	13.6	13.2	13.2	13.8	13.4	13.4	13.6	13.6
7 Accounts receivable, net	597.6	641.6	743.8[r]	609.6	622.0	641.6	667.6	689.7	708.6	743.8[r]
8 All other	312.4	337.9	388.1	340.1	313.7	337.9	363.3	373.2	368.5	388.1
9 **Total assets**	**910.0**	**979.5**	**1,131.9[r]**	**949.7**	**935.7**	**979.5**	**1,030.8**	**1,062.9**	**1,077.2**	**1,131.9[r]**
LIABILITIES AND CAPITAL										
10 Bank loans	24.1	26.3	35.1	22.3	24.9	26.3	24.8	25.1	27.0	35.1
11 Commercial paper	201.5	231.5	223.9	225.9	226.9	231.5	222.9	231.0	205.3	223.9
Debt										
12 Owed to parent	64.7	61.8	105.8	60.0	58.3	61.8	64.6	65.4	84.5	105.8
13 Not elsewhere classified	328.8	339.7	394.8	348.7	337.6	339.7	366.7	383.1	396.2	394.8
14 All other liabilities	189.6	203.2	228.9	188.9	185.4	203.2	220.3	226.1	216.0	228.9
15 Capital, surplus, and undivided profits	101.3	117.0	144.5	103.9	103.6	117.0	131.5	132.2	148.2	144.5
16 **Total liabilities and capital**	**910.0**	**979.5**	**1,132.9**	**949.7**	**936.6**	**979.5**	**1,030.8**	**1,062.9**	**1,077.2**	**1,132.9**

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.

1.52 DOMESTIC FINANCE COMPANIES Owned and Managed Receivables[1]

Billions of dollars, amounts outstanding

Type of credit	1997	1998	1999	1999				2000	
				Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.
	Seasonally adjusted								
1 **Total**	**810.5**	**875.8**	**993.9**	**972.8**	**980.6**	**984.8**	**993.9**	**1,020.0**	**1,029.2**
2 Consumer	327.9	352.8	385.3	381.9	384.0	385.2	385.3	391.7	395.9
3 Real estate	121.1	131.4	154.7	148.9	149.3	152.7	154.7	159.1	162.2
4 Business	361.5	391.6	453.9	442.0	447.2	446.9	453.9	469.2	471.1
	Not seasonally adjusted								
5 **Total**	**818.1**	**884.0**	**1,003.2**	**968.4**	**978.8**	**986.3**	**1,003.2**	**1,020.0**	**1,028.9**
6 Consumer	330.9	356.1	388.8	383.1	384.5	386.5	388.8	391.1	392.7
7 Motor vehicles loans	87.0	103.1	114.7	109.5	110.2	111.6	114.7	117.6	121.3
8 Motor vehicle leases	96.8	93.3	98.3	98.1	98.4	99.1	98.3	99.3	100.7
9 Revolving[2]	38.6	32.3	33.8	30.7	31.5	30.5	33.8	34.4	33.2
10 Other[3]	34.4	33.1	33.1	32.8	32.4	33.2	33.1	33.0	32.8
Securitized assets[4]									
11 Motor vehicle loans	44.3	54.8	71.1	73.5	74.1	74.6	71.1	69.6	67.8
12 Motor vehicle leases	10.8	12.7	9.7	10.6	10.3	10.0	9.7	9.5	9.4
13 Revolving	.0	8.7	10.5	10.2	10.1	10.2	10.5	10.4	10.2
14 Other	19.0	18.1	17.7	17.8	17.6	17.4	17.7	17.4	17.3
15 Real estate	121.1	131.4	154.7	148.9	149.3	152.7	154.7	159.1	162.2
16 One- to four-family	59.0	75.7	88.3	87.7	87.7	89.4	88.3	91.1	91.3
17 Other	28.9	26.6	38.3	34.6	35.1	37.1	38.3	38.6	38.4
Securitized real estate assets[4]									
18 One- to four-family	33.0	29.0	28.0	26.5	26.2	25.9	28.0	29.2	32.2
19 Other	.2	.1	.2	.2	.2	.2	.2	.2	.2
20 Business	366.1	396.5	459.6	436.3	445.0	447.1	459.6	469.8	474.1
21 Motor vehicles	63.5	79.6	87.8	80.3	84.3	85.4	87.8	87.9	89.6
22 Retail loans	25.6	28.1	33.2	34.5	34.9	33.7	33.2	33.3	33.7
23 Wholesale loans[5]	27.7	32.8	34.7	26.8	30.3	32.6	34.7	34.6	35.8
24 Leases	10.2	18.7	19.9	19.0	19.1	19.2	19.9	20.1	20.1
25 Equipment	203.9	198.0	221.9	208.0	212.8	211.2	221.9	222.3	224.2
26 Loans	51.5	50.4	52.2	48.2	51.5	49.1	52.2	51.9	52.3
27 Leases	152.3	147.6	169.7	159.8	161.3	162.1	169.7	170.4	171.8
28 Other business receivables[6]	51.1	69.9	95.5	94.7	97.1	98.2	95.5	98.2	100.0
Securitized assets[4]									
29 Motor vehicles	33.0	29.2	31.5	31.0	28.8	30.6	31.5	31.5	31.0
30 Retail loans	2.4	2.6	2.9	2.6	2.5	3.0	2.9	2.9	2.8
31 Wholesale loans	30.5	24.7	26.4	26.4	24.3	25.6	26.4	26.5	26.1
32 Leases	.0	1.9	2.1	2.0	2.0	2.0	2.1	2.1	2.1
33 Equipment	10.7	13.0	14.6	14.6	14.3	14.0	14.6	21.8	21.6
34 Loans	4.2	6.6	7.9	7.7	7.6	7.4	7.9	15.1	15.0
35 Leases	6.5	6.4	6.7	6.9	6.8	6.6	6.7	6.7	6.6
36 Other business receivables[6]	4.0	6.8	8.4	7.7	7.7	7.7	8.4	8.1	7.7

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	1997	1998	1999	1999 Sept.	1999 Oct.	1999 Nov.	1999 Dec	2000 Jan.	2000 Feb.	2000 Mar.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms[1]										
1 Purchase price (thousands of dollars)	180.1	195.2	210.7	210.3	214.4	220.8	216.3	223.7	216.9	226.0
2 Amount of loan (thousands of dollars)	140.3	151.1	161.7	161.8	165.1	167.0	167.2	169.9	165.6	170.7
3 Loan-to-price ratio (percent)	80.4	80.0	78.7	78.8	79.0	77.4	78.6	77.9	78.4	77.7
4 Maturity (years)	28.2	28.4	28.8	29.1	29.1	29.0	29.0	29.1	29.1	29.0
5 Fees and charges (percent of loan amount)[2]	1.02	.89	.77	.64	.71	.73	.71	.75	.71	.68
Yield (percent per year)										
6 Contract rate[1]	7.57	6.95	6.94	6.99	7.06	7.13	7.18	7.34	7.43	7.49
7 Effective rate[1,3]	7.73	7.08	7.06	7.09	7.17	7.24	7.28	7.45	7.54	7.60
8 Contract rate (HUD series)[4]	7.76	7.00	7.45	7.76	7.77	7.79	7.95	8.21	8.20	8.19
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (Section 203)[5]	7.89	7.04	7.74	8.05	8.02	8.06	8.55	8.56	8.53	8.35
10 GNMA securities[6]	7.26	6.43	7.03	7.42	7.52	7.37	7.58	7.84	7.96	7.79
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	316,678	414,515	523,941	504,938	509,990	518,337	523,941	527,977	535,096	538,751
12 FHA/VA insured	31,925	33,770	55,318	49,456	50,639	52,632	55,318	57,369	58,294	58,451
13 Conventional	284,753	380,745	468,623	455,482	459,351	465,705	468,623	470,608	476,802	480,300
14 Mortgage transactions purchased (during period)	70,465	188,448	195,210	15,200	10,057	14,683	11,416	9,035	11,484	8,801
Mortgage commitments (during period)										
15 Issued[7]	69,965	193,795	187,948	7,998	10,480	12,050	9,931	9,130	9,811	10,051
16 To sell[8]	1,298	1,880	5,900	609	1,710	381	1,592	1,287	612	1,954
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[8]										
17 Total	164,421	255,010	324,443	315,968	318,682	323,027	324,443	325,914	328,598	336,338
18 FHA/VA insured	177	785	1,836[r]	1,689	1,744	1,848	1,836[r]	1,806	1,719	2,521
19 Conventional	164,244	254,225	322,607[r]	314,279	316,938	321,179	322,607[r]	324,108	326,879	333,817
Mortgage transactions (during period)										
20 Purchases	117,401	267,402	239,793	15,238	13,323	11,869	9,335	12,942	6,747	9,323
21 Sales	114,258	250,565	233,031	14,153	12,671	11,129	8,589	12,764	6,424	8,569
22 Mortgage commitments contracted (during period)[9]	120,089	281,899	228,432	14,608	10,810	10,501	11,587	8,341	7,156	10,122

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 FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING[1]

Millions of dollars, end of period

Type of holder and property	1996	1997	1998	1998	1999			
				Q4	Q1	Q2	Q3	Q4
1 **All holders**	**4,880,736**	**5,184,691**	**5,683,280**	**5,683,280**	**5,819,743**	**5,968,122**	**6,173,523**	**6,318,783**
By type of property								
2 One- to four-family residences	3,721,917	3,959,565	4,328,434	4,328,434	4,420,898	4,533,031	4,663,148	4,759,962
3 Multifamily residences	288,929	301,516	328,714	328,714	339,266	346,240	357,423	370,381
4 Nonfarm, nonresidential	782,755	833,311	929,626	929,626	962,175	989,206	1,051,551	1,085,896
5 Farm	87,134	90,299	96,506	96,506	97,404	99,644	101,403	102,544
By type of holder								
6 Major financial institutions	1,981,885	2,083,978	2,194,813	2,194,813	2,202,306	2,242,525	2,321,448	2,393,404
7 Commercial banks[2]	1,145,389	1,245,315	1,337,217	1,337,217	1,336,733	1,361,365	1,418,819	1,495,717
8 One- to four-family	677,603	745,510	797,195	797,195	782,135	790,043	826,936	879,299
9 Multifamily	45,451	49,670	52,871	52,871	56,731	59,151	62,477	66,010
10 Nonfarm, nonresidential	397,452	423,148	458,115	458,115	468,355	481,635	498,087	518,569
11 Farm	24,883	26,986	29,035	29,035	29,513	30,536	31,320	31,839
12 Savings institutions[3]	628,335	631,822	643,957	643,957	646,510	656,518	676,346	668,634
13 One- to four-family	513,712	520,672	533,792	533,792	534,772	544,832	560,483	548,926
14 Multifamily	61,570	59,543	56,825	56,825	56,763	55,020	57,286	59,143
15 Nonfarm, nonresidential	52,723	51,252	52,923	52,923	54,539	56,222	58,118	60,090
16 Farm	331	354	417	417	435	443	459	475
17 Life insurance companies	208,161	206,841	213,640	213,640	219,063	224,642	226,282	229,053
18 One- to four-family	6,977	7,187	6,590	6,590	6,956	7,295	7,435	7,278
19 Multifamily	30,750	30,402	31,522	31,522	31,528	31,813	32,011	32,460
20 Nonfarm, nonresidential	160,314	158,780	164,004	164,004	168,862	173,568	174,642	177,092
21 Farm	10,120	10,472	11,524	11,524	11,717	11,966	12,194	12,223
22 Federal and related agencies	295,192	286,167	292,636	292,636	288,176	288,038	322,098	321,717
23 Government National Mortgage Association	2	8	7	7	6	8	8	7
24 One- to four-family	2	8	7	7	6	8	8	7
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration[4]	41,596	41,195	40,851	40,851	40,691	40,766	73,705	73,871
27 One- to four-family	17,303	17,253	16,895	16,895	16,777	16,653	16,583	16,506
28 Multifamily	11,685	11,720	11,739	11,739	11,731	11,735	11,745	11,741
29 Nonfarm, nonresidential	6,841	7,370	7,705	7,705	7,769	7,943	41,068	41,355
30 Farm	5,768	4,852	4,513	4,513	4,413	4,435	4,308	4,268
31 Federal Housing and Veterans' Administrations	6,244	3,821	3,674	3,674	3,538	3,490	3,889	3,737
32 One- to four-family	3,524	1,767	1,849	1,849	1,713	1,623	2,013	1,862
33 Multifamily	2,719	2,054	1,825	1,825	1,825	1,867	1,876	1,876
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	361	315	189	163	152
40 One- to four-family	365	109	54	54	47	28	24	23
41 Multifamily	413	123	61	61	54	32	28	26
42 Nonfarm, nonresidential	1,653	492	245	245	214	129	111	103
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	168,813	161,308	157,675	157,675	157,185	155,637	154,420	152,633
45 One- to four-family	155,008	149,831	147,594	147,594	147,063	145,033	142,982	141,195
46 Multifamily	13,805	11,477	10,081	10,081	10,122	10,604	11,438	11,438
47 Federal Land Banks	29,602	30,657	32,983	32,983	33,128	33,666	34,218	34,640
48 One- to four-family	1,742	1,804	1,941	1,941	1,949	1,981	2,013	2,038
49 Farm	27,860	28,853	31,042	31,042	31,179	31,685	32,205	32,602
50 Federal Home Loan Mortgage Corporation	46,504	48,454	57,085	57,085	53,313	54,282	55,695	56,676
51 One- to four-family	41,758	42,629	49,106	49,106	44,140	43,574	44,010	44,321
52 Multifamily	4,746	5,825	7,979	7,979	9,173	10,708	11,685	12,355
53 Mortgage pools or trusts[5]	2,044,049	2,240,928	2,587,942	2,587,942	2,715,181	2,810,119	2,891,145	2,954,654
54 Government National Mortgage Association	506,340	536,879	537,446	537,446	543,280	553,196	569,038	582,296
55 One- to four-family	494,158	523,225	522,498	522,498	527,886	537,287	552,670	565,222
56 Multifamily	12,182	13,654	14,948	14,948	15,395	15,909	16,368	17,074
57 Federal Home Loan Mortgage Corporation	554,260	579,385	646,459	646,459	687,179	718,085	738,581	749,081
58 One- to four-family	551,513	576,846	643,465	643,465	684,240	714,844	735,088	744,619
59 Multifamily	2,747	2,539	2,994	2,994	2,939	3,241	3,493	4,462
60 Federal National Mortgage Association	650,780	709,582	834,518	834,518	881,815	911,435	938,484	960,883
61 One- to four-family	633,210	687,981	804,205	804,205	849,513	877,863	903,531	924,941
62 Multifamily	17,570	21,601	30,313	30,313	32,302	33,572	34,953	35,942
63 Farmers Home Administration[4]	3	2	1	1	1	1	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	1	1	1	0	0
68 Private mortgage conduits	332,666	415,080	569,518	569,518	602,906	627,403	645,041	662,394
69 One- to four-family[6]	261,900	318,000	410,900	410,900	430,653	447,938	455,276	462,600
70 Multifamily	16,113	20,278	32,586	32,586	35,455	37,065	38,551	40,164
71 Nonfarm, nonresidential	54,654	76,802	126,033	126,033	136,798	142,400	151,215	159,630
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others[7]	559,609	573,619	607,888	607,888	614,081	627,440	638,833	649,008
74 One- to four-family	363,143	366,744	392,343	392,343	393,047	404,028	414,094	421,125
75 Multifamily	69,179	72,629	74,971	74,971	75,249	75,524	75,512	77,690
76 Nonfarm, nonresidential	109,119	115,467	120,600	120,600	125,638	127,310	128,311	129,057
77 Farm	18,169	18,779	19,974	19,974	20,147	20,578	20,917	21,137

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	1997	1998	1999	1999				2000	
				Sept.[r]	Oct.	Nov.	Dec.	Jan.[r]	Feb.
	Seasonally adjusted								
1 **Total**	**1,234,122**	**1,300,491**	**1,393,062[r]**	**1,365,434**	**1,370,373[r]**	**1,383,108[r]**	**1,393,062[r]**	**1,411,279**	**1,423,250**
2 Revolving	531,295	560,653	595,773[r]	584,419	584,721[r]	589,647[r]	595,773[r]	604,980	610,739
3 Nonrevolving[2]	702,828	739,838	797,289[r]	781,015	785,653[r]	793,461[r]	797,289[r]	806,299	812,512
	Not seasonally adjusted								
4 **Total**	**1,264,103**	**1,331,742**	**1,426,151[r]**	**1,368,929**	**1,375,474[r]**	**1,389,747[r]**	**1,426,151[r]**	**1,420,628**	**1,416,671**
By major holder									
5 Commercial banks	512,563	508,932	499,758	472,524	474,042	480,763	499,758	498,589	499,164
6 Finance companies	160,022	168,491	181,573	172,956	174,081	175,296	181,573	184,887	187,283
7 Credit unions	152,362	155,406	167,921[r]	162,911	164,391[r]	165,951[r]	167,921[r]	168,109	168,449
8 Savings institutions	47,172	51,611	61,527	60,051	60,544	61,035	61,527	62,019	62,511
9 Nonfinancial business	78,927	74,877	80,311[r]	67,454	67,962[r]	70,286[r]	80,311[r]	76,073	73,465
10 Pools of securitized assets[3]	313,057	372,425	435,061	433,033	434,454	436,416	435,061	430,951	425,799
By major type of credit[4]									
11 Revolving	555,858	586,528	623,245[r]	581,268	583,488[r]	592,022[r]	623,245[r]	615,608	611,571
12 Commercial banks	219,826	210,346	189,352	168,882	167,469	172,345	189,352	185,451	186,360
13 Finance companies	38,608	32,309	33,814	30,731	31,453	30,512	33,814	34,352	33,236
14 Credit unions	19,552	19,930	20,641[r]	19,396	19,328[r]	19,582[r]	20,641[r]	20,175	19,916
15 Savings institutions	11,441	12,450	15,838	13,461	14,254	15,046	15,838	16,631	17,423
16 Nonfinancial business	44,966	39,166	42,783	34,156	34,534	36,002	42,783	39,746	37,838
17 Pools of securitized assets[3]	221,465	272,327	320,817	314,642	316,450	318,535	320,817	319,253	316,798
18 Nonrevolving	708,245	745,214	802,906[r]	787,661	791,986[r]	797,725[r]	802,906[r]	805,020	805,100
19 Commercial banks	292,737	298,586	310,406	303,642	306,573	308,418	310,406	313,138	312,804
20 Finance companies	121,414	136,182	147,759	142,225	142,628	144,784	147,759	150,535	154,047
21 Credit unions	132,810	135,476	147,280[r]	143,515	145,063[r]	146,369[r]	147,280[r]	147,934	148,533
22 Savings institutions	35,731	39,161	45,689	46,590	46,290	45,989	45,689	45,388	45,088
23 Nonfinancial business	33,961	35,711	37,528[r]	33,298	33,428[r]	34,284[r]	37,528[r]	36,327	35,627
24 Pools of securitized assets[3]	91,592	100,098	114,244	118,391	118,004	117,881	114,244	111,698	109,001

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. 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	1997	1998	1999	1999					2000	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
INTEREST RATES										
Commercial banks[2]										
1 48-month new car	9.02	8.72	8.44	8.44	n.a.	n.a.	8.66	n.a.	n.a.	8.88
2 24-month personal	13.90	13.74	13.39	13.38	n.a.	n.a.	13.52	n.a.	n.a.	13.76
Credit card plan										
3 All accounts	15.77	15.71	15.21	15.08	n.a.	n.a.	15.13	n.a.	n.a.	15.47
4 Accounts assessed interest	15.57	15.59	14.81	14.79	n.a	n.a.	14.77	n.a.	n.a.	14.32
Auto finance companies										
5 New car	7.12	6.30	6.66	6.28	6.47	7.07	7.44	7.32	7.18	7.34
6 Used car	13.27	12.64	12.60	12.96	13.13	13.28	13.27	13.28	12.95	13.27
OTHER TERMS[3]										
Maturity (months)										
7 New car	54.1	52.1	52.7	51.7	52.1	53.2	53.9	53.4	52.9	52.7
8 Used car	51.0	53.5	55.9	55.8	55.9	55.8	55.8	55.6	57.0[r]	57.1
Loan-to-value ratio										
9 New car	92	92	92	92	92	92	91	91	91	92
10 Used car	99	99	99	100	100	100	99	99	98	98
Amount financed (dollars)										
11 New car	18,077	19,083	19,880	20,012	20,154	20,335	20,517	20,699	20,503	20,206
12 Used car	12,281	12,691	13,642	13,374	13,449	13,613	13,777	13,970	13,809[r]	13,697

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	1994	1995	1996	1997	1998	1998 Q2	1998 Q3	1998 Q4	1999 Q1	1999 Q2	1999 Q3	1999 Q4
						Nonfinancial sectors						
1 **Total net borrowing by domestic nonfinancial sectors**	**568.0**	**712.0**	**735.6**	**775.8**	**1,011.3**	**1,033.7**	**888.2**	**1,056.5**	**1,276.6**	**871.5**	**1,168.2**	**1,107.4**
By sector and instrument												
2 Federal government	155.8	144.4	145.0	23.1	−52.6	−28.4	−113.5	−54.1	−75.2	−112.2	−83.1	−16.9
3 Treasury securities	155.7	142.9	146.6	23.2	−54.6	−26.9	−113.1	−66.3	−73.7	−112.8	−83.2	−16.9
4 Budget agency securities and mortgages	.2	1.5	−1.6	−.1	2.0	−1.4	−.4	12.2	−1.5	.6	.0	.0
5 Nonfederal	412.2	567.6	590.6	752.7	1,063.9	1,062.0	1,001.7	1,110.7	1,351.8	983.7	1,251.3	1,124.3
By instrument												
6 Commercial paper	21.4	18.1	−.9	13.7	24.4	3.8	85.6	−43.0	58.3	−2.6	49.8	44.0
7 Municipal securities and loans	−35.9	−48.2	2.6	71.4	96.8	101.3	82.9	89.6	100.7	48.0	77.0	47.0
8 Corporate bonds	23.3	91.1	116.3	150.5	218.7	294.8	108.0	193.2	274.0	287.6	202.8	155.2
9 Bank loans n.e.c.	75.2	103.7	70.5	106.5	108.2	169.2	107.8	120.9	70.0	22.2	112.8	123.7
10 Other loans and advances	34.0	67.2	33.5	69.1	74.3	40.8	77.7	102.5	154.1	−14.3	78.9	66.6
11 Mortgages	169.3	196.7	280.0	289.0	473.9	390.1	460.2	577.5	563.1	580.4	652.8	571.9
12 Home	183.4	180.4	245.3	237.6	367.9	289.1	375.2	429.1	414.9	422.9	492.8	396.4
13 Multifamily residential	−3.5	5.5	9.3	7.7	19.2	19.8	13.2	25.9	32.4	32.0	43.7	45.7
14 Commercial	−12.9	9.3	22.9	40.6	80.5	74.5	66.3	113.9	112.1	116.6	109.1	124.9
15 Farm	2.2	1.6	2.6	3.2	6.2	6.7	5.5	8.6	3.6	9.0	7.2	4.9
16 Consumer credit	124.9	138.9	88.8	52.5	67.6	62.1	79.6	69.9	131.5	62.4	77.3	115.9
By borrowing sector												
17 Household	316.3	350.9	354.0	327.3	471.9	420.3	473.4	528.6	558.6	519.4	614.6	533.8
18 Nonfinancial business	142.2	268.2	243.4	369.4	511.7	559.8	458.3	507.0	705.8	428.6	579.7	559.8
19 Corporate	134.5	234.7	154.9	285.7	405.7	456.9	353.4	396.1	597.5	315.3	449.9	413.4
20 Nonfarm noncorporate	3.3	30.6	83.8	77.4	98.4	95.4	97.6	103.3	101.6	114.2	120.2	140.8
21 Farm	4.4	2.9	4.8	6.2	7.7	7.5	7.3	7.5	6.6	−1.0	9.7	5.6
22 State and local government	−46.2	−51.5	−6.8	56.1	80.3	82.0	70.0	75.1	87.4	35.7	57.0	30.7
23 Foreign net borrowing in United States	−13.9	71.1	77.2	57.6	33.6	97.9	−19.6	−38.9	17.0	−36.8	62.2	30.8
24 Commercial paper	−26.1	13.5	11.3	3.7	7.8	−25.5	6.2	−4.7	18.0	−27.5	41.1	33.6
25 Bonds	12.2	49.7	55.8	47.2	25.1	119.2	−27.2	−34.2	.9	−12.6	29.4	−8.2
26 Bank loans n.e.c.	1.4	8.5	9.1	8.5	6.7	8.4	3.6	9.8	.9	5.6	−6.6	2.4
27 Other loans and advances	−1.4	−.5	1.0	−1.8	−6.0	−4.2	−2.2	−9.7	−2.8	−2.3	−1.6	3.0
28 **Total domestic plus foreign**	**554.1**	**783.1**	**812.9**	**833.4**	**1,044.9**	**1,131.6**	**868.6**	**1,017.7**	**1,293.5**	**834.8**	**1,230.4**	**1,138.2**
						Financial sectors						
29 **Total net borrowing by financial sectors**	**468.4**	**453.9**	**548.9**	**652.2**	**1,068.8**	**988.9**	**1,056.3**	**1,298.7**	**1,213.1**	**1,016.1**	**1,078.0**	**1,056.5**
By instrument												
30 Federal government-related	287.5	204.1	231.5	212.8	470.9	405.4	555.8	673.3	592.2	578.9	653.0	543.9
31 Government-sponsored enterprise securities	176.9	105.9	90.4	98.4	278.3	166.4	294.0	510.5	193.0	304.7	407.1	367.9
32 Mortgage pool securities	115.4	98.2	141.1	114.5	192.6	239.0	261.7	162.8	399.2	274.3	245.9	176.0
33 Loans from U.S. government	−4.8	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	180.9	249.8	317.5	439.4	597.9	583.5	500.5	625.4	620.9	437.2	425.1	512.6
35 Open market paper	40.5	42.7	92.2	166.7	161.0	135.6	141.0	130.7	78.3	57.8	89.8	478.9
36 Corporate bonds	121.8	195.9	176.9	209.0	291.8	361.8	177.4	281.9	489.7	263.2	184.9	−56.8
37 Bank loans n.e.c	−13.7	2.5	12.6	13.2	30.1	−9.7	60.2	12.4	−8.8	10.5	−6.2	−50.1
38 Other loans and advances	22.6	3.4	27.9	35.6	90.2	76.0	82.3	169.9	41.6	117.9	147.2	121.8
39 Mortgages	9.8	5.3	7.9	14.9	24.8	19.9	39.6	30.6	20.1	−12.3	9.4	18.8
By borrowing sector												
40 Commercial banking	20.1	22.5	13.0	46.1	72.9	80.8	61.7	66.3	31.1	72.7	111.3	62.7
41 Savings institutions	12.8	2.6	25.5	19.7	52.2	31.2	63.7	103.2	58.0	58.6	55.2	11.5
42 Credit unions	2	−.1	.1	.1	.6	.2	1.0	.4	1.5	1.4	2.8	3.3
43 Life insurance companies	.3	−.1	1 1	.2	.7	−.6	1.6	1.8	3.3	3.0	1.1	−4.4
44 Government-sponsored enterprises	172.1	105.9	90.4	98.4	278.3	166.4	294.0	510.5	193.0	304.7	407.1	367.9
45 Federally related mortgage pools	115.4	98.2	141.1	114.5	192.6	239.0	261.7	162.8	399.2	274.3	245.9	176.0
46 Issuers of asset-backed securities (ABSs)	76.5	142.4	153.9	200.7	316.3	352.4	294.2	335.7	299.4	309.2	227.4	114.3
47 Finance companies	48.7	50.2	45.9	48.7	43.0	91.9	−12.0	17.8	71.2	88.4	−22.6	88.2
48 Mortgage companies	−11.5	−2.2	4.1	−4.6	1.6	−28.2	2.3	3.0	−4.6	5.1	−6.1	6.2
49 Real estate investment trusts (REITs)	10.2	4.5	11.9	39.6	62.7	64.4	79.3	44.0	25.6	−19.7	7.9	17.7
50 Brokers and dealers	.5	−5.0	−2.0	8.1	7.2	20.0	−2.6	12.4	−31.1	−17.4	16.9	−37.3
51 Funding corporations	23.1	34.9	64.1	80.7	40.7	−28.6	11.2	40.9	166.5	−63.8	31.2	250.5

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

Transaction category or sector	1994	1995	1996	1997	1998	1998 Q2	1998 Q3	1998 Q4	1999 Q1	1999 Q2	1999 Q3	1999 Q4
	All sectors											
52 **Total net borrowing, all sectors**	**1,022.5**	**1,237.0**	**1,361.8**	**1,485.6**	**2,113.7**	**2,120.5**	**1,924.9**	**2,316.4**	**2,506.6**	**1,850.9**	**2,308.5**	**2,194.7**
53 Open market paper	35.7	74.3	102.6	184.1	193.1	113.8	232.7	83.0	154.6	27.7	180.6	556.5
54 U.S. government securities	448.1	348.5	376.5	235.9	418.3	377.1	442.3	619.1	517.0	466.8	569.8	527.0
55 Municipal securities	−35.9	−48.2	2.6	71.4	96.8	101.3	82.9	89.6	100.7	48.0	77.0	47.0
56 Corporate and foreign bonds	157.3	336.7	348.9	406.7	535.6	775.8	258.2	440.9	764.6	538.2	417.1	90.3
57 Bank loans n.e.c.	62.9	114.7	92.1	128.2	145.0	167.9	171.6	143.0	62.1	38.3	100.0	75.9
58 Other loans and advances	50.4	70.1	62.5	102.8	158.5	112.5	157.8	262.7	192.9	101.3	224.5	191.4
59 Mortgages	179.0	202.0	287.9	303.9	498.6	410.0	499.8	608.1	583.2	568.2	662.1	590.7
60 Consumer credit	124.9	138.9	88.8	52.5	67.6	62.1	79.6	69.9	131.5	62.4	77.3	115.9
	Funds raised through mutual funds and corporate equities											
61 **Total net issues**	**113.4**	**131.5**	**209.1**	**165.6**	**76.5**	**261.6**	**−166.6**	**−3.5**	**135.4**	**143.3**	**47.7**	**167.7**
62 Corporate equities	12.8	−16.0	−28.5	−99.6	−198.1	−116.2	−340.0	−228.3	−117.9	−64.9	−79.1	−9.2
63 Nonfinancial corporations	−44.9	−58.3	−69.5	−114.4	−267.0	−129.1	−308.4	−491.3	−52.2	−338.2	−138.6	−41.6
64 Foreign shares purchased by U.S. residents	48.1	50.4	60.0	42.0	77.8	12.3	−32.8	317.4	−33.4	270.9	76.7	64.0
65 Financial corporations	9.6	−8.1	−19.0	−27.1	−8.9	.6	1.1	−54.5	−32.3	2.4	−17.2	−31.6
66 Mutual fund shares	100.6	147.4	237.6	265.1	274.6	377.8	173.4	224.8	253.3	208.2	126.8	176.9

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

1.58 SUMMARY OF FINANCIAL TRANSACTIONS[1]

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

Transaction category or sector	1994	1995	1996	1997	1998	1998			1999			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
NET LENDING IN CREDIT MARKETS[2]												
1 **Total net lending in credit markets**	**1,022.5**	**1,237.0**	**1,361.8**	**1,485.6**	**2,113.7**	**2,120.5**	**1,924.9**	**2,316.4**	**2,506.6**	**1,850.9**	**2,308.5**	**2,194.7**
2 Domestic nonfederal nonfinancial sectors	223.4	−98.4	15.1	−79.2	35.1	461.4	27.9	−304.3	398.8	351.3	147.9	55.0
3 Household	260.2	−3.0	63.4	−76.5	−64.0	335.0	−106.6	−425.4	347.4	280.9	147.9	−59.1
4 Nonfinancial corporate business	17.7	−8.8	−10.2	−2.3	−.3	−47.9	8.9r	29.3r	−1.1r	17.3r	34.6	82.1
5 Nonfarm noncorporate business	.6	4.7	−4.3	−.6	.0	.0	.0	.0	.4	−.2	−.6	.0
6 State and local governments	−55.0	−91.4	−33.7	.1	99.5	174.3	125.7	91.7	52.2	53.3	−33.9	32.0
7 Federal government	−27.4	−.2	−7.4	5.1	13.5	12.9	13.8	11.7	17.0	6.9	11.4	12.9
8 Rest of the world	132.3	273.9	414.4	310.7	249.3	321.8	60.8	390.7	253.3	37.4	371.3	237.3
9 Financial sectors	694.1	1,061.7	939.7	1,249.0	1,815.8	1,324.5	1,822.3	2,218.3	1,837.5	1,455.2	1,777.8	1,889.5
10 Monetary authority	31.5	12.7	12.3	38.3	21.1	11.5	41.6	3.5	71.8	62.4	34.1	−65.7
11 Commercial banking	163.4	265.9	187.5	324.3	305.2	132.7	250.1	531.5	68.9	135.4	435.5	592.8
12 U.S.-chartered banks	148.1	186.5	119.6	274.9	312.0	130.0	309.2	540.2	134.1	231.5	410.7	494.2
13 Foreign banking offices in United States	11.2	75.4	63.3	40.2	−11.9	15.2	−68.1	−12.1	−54.9	−105.7	30.6	49.5
14 Bank holding companies	.9	−.3	3.9	5.4	−.9	−17.6	6.0	−7.4	−6.0	.4	−12.4	42.6
15 Banks in U.S.-affiliated areas	3.3	4.2	.7	3.7	6.0	5.1	2.9	10.7	−4.4	9.2	6.6	6.6
16 Savings institutions	6.7	−7.6	19.9	−4.7	36.3	2.1	17.9	113.3	102.7	88.8	60.9	22.0
17 Credit unions	28.1	16.2	25.5	16.8	19.0	22.7	21.0	16.0	34.7	32.1	36.6	21.2
18 Bank personal trusts and estates	7.1	−8.3	−7.7	−25.0	−12.8	−11.3	−16.0	−13.5	−7.6	−8.4	−8.6	−9.1
19 Life insurance companies	72.0	100.0	69.6	104.8	76.9	63.4	65.6	86.0	82.2	84.0	52.9	71.3
20 Other insurance companies	24.9	21.5	22.5	25.2	20.4	−1.5	−7.7	67.6	−19.7	26.7	−14.4	−12.6
21 Private pension funds	46.1	56.0	52.3	65.5	118.7	130.1	95.5	174.5	60.6	150.0	45.4	104.9
22 State and local government retirement funds	30.9	33.6	37.3	63.8	66.0	78.4	68.7	49.5	76.5	27.3	38.4	49.1
23 Money market mutual funds	30.0	86.5	88.8	87.5	244.0	208.1	255.5	353.1	227.6	−92.6	232.1	360.8
24 Mutual funds	−7.1	52.5	48.9	80.9	124.8	146.4	92.9	103.5	103.0	121.0	−20.2	1.1
25 Closed-end funds	−3.7	10.5	4.7	−2.9	4.5	4.5	4.5	4.5	4.4	4.4	4.3	4.3
26 Government-sponsored enterprises	117.8	86.7	84.2	94.3	260.8	150.6	264.7	429.5	157.2	259.2	287.5	264.6
27 Federally related mortgage pools	115.4	98.2	141.1	114.5	192.6	239.0	261.7	162.8	399.2	274.3	245.9	176.0
28 Asset-backed securities issuers (ABSs)	69.4	120.6	123.6	162.3	276.7	321.4	248.7	312.7	281.8	292.4	218.9	84.5
29 Finance companies	48.3	49.9	18.4	21.9	51.9	24.0	79.5	75.3	92.2	79.6	94.7	116.9
30 Mortgage companies	−24.0	−3.4	8.2	−9.1	3.2	−56.4	4.5	6.0	−9.1	10.2	−12.1	12.3
31 Real estate investment trusts (REITs)	−.7	1.4	4.4	20.2	−5.1	6.1	−11.3	−40.8	1.7	−2.2	−2.7	−7.3
32 Brokers and dealers	−44.2	90.1	−15.7	14.9	6.8	−133.2	146.0	−226.1	88.0	−193.7	16.3	−37.4
33 Funding corporations	−17.8	−21.2	14.0	55.6	5.0	−14.2	−61.4	9.4	21.5	104.4	32.4	140.0
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 **Net flows through credit markets**	**1,022.5**	**1,237.0**	**1,361.8**	**1,485.6**	**2,113.7**	**2,120.5**	**1,924.9**	**2,316.4**	**2,506.6**	**1,850.9**	**2,308.5**	**2,194.7**
Other financial sources												
35 Official foreign exchange	−5.8	8.8	−6.3	.7	6.6	8.1	8.9	8.6	−14.0	−5.4	−8.5	−5.5
36 Special drawing rights certificates	.0	2.2	−.5	−.5	.0	.0	.0	.0	−4.0	.0	−4.0	−4.0
37 Treasury currency	.7	.6	.1	.0	.0	.2	1.7	−2.3	.0	2.1	2.0	−4.1
38 Foreign deposits	52.9	35.3	85.9	106.8	−.2	92.9	84.9	−131.9	127.7	99.3	63.6	−55.9
39 Net interbank transactions	89.8	10.0	−51.6	−19.7	−32.3	40.1	44.7	−118.9	49.5	90.6	−36.0	−55.4
40 Checkable deposits and currency	−9.7	−12.7	15.8	41.5	47.6	90.1	−24.9	72.8	61.1	10.1	141.0	394.2
41 Small time and savings deposits	−39.9	96.6	97.2	97.1	152.4	84.9	144.7	281.2	−68.0	100.0	144.7	4.3
42 Large time deposits	19.6	65.6	114.0	122.5	92.1	−5.6	81.8	104.4	−5.9	42.6	105.2	379.2
43 Money market fund shares	43.3	142.3	145.8	157.6	285.5	247.2	367.9	313.1	204.9	100.5	180.3	516.7
44 Security repurchase agreements	78.2	110.5	41.4	120.9	91.3	50.7	274.8	−181.8	253.3	−27.9	114.6	345.7
45 Corporate equities	12.8	−16.0	−28.5	−99.6	−198.1	−116.2	−340.0	−228.3	−117.9	−64.9	−79.1	−9.2
46 Mutual fund shares	100.6	147.4	237.6	265.1	274.6	377.8	173.4	224.8	253.3	208.2	126.8	176.9
47 Trade payables	120.0	128.9	114.8	125.9	27.9	−27.9	57.9	−56.9	144.8	237.1	190.8	90.4
48 Security credit	−.1	26.7	52.4	111.0	103.3	131.3	149.5	−25.7	−66.6	139.9	29.5	271.1
49 Life insurance reserves	35.5	45.8	44.5	59.3	53.3	53.3	51.7	59.0	40.8	59.6	41.5	63.2
50 Pension fund reserves	254.7	235.1	246.9	304.0	290.4	272.8	279.2	314.8	286.1	324.4	305.0	373.5
51 Taxes payable	2.6	6.2	16.0	16.8	12.5	1.9	27.5	8.4	−8.0	41.8	−1.8	14.0
52 Investment in bank personal trusts	17.8	4.0	−8.6	−56.3	−48.0	−46.5	−51.2	−48.8	−32.0	−25.9	−34.3	−32.3
53 Noncorporate proprietors' equity	62.7	65.6	5.1	9.9	−19.9	−19.2	−64.0	16.3	10.1	16.0	−47.4	−18.5
54 Miscellaneous	253.4	453.6	508.1	527.5	710.0	434.1	749.8	577.8	129.4	1,223.6	360.0	682.3
55 **Total financial sources**	**2,111.6**	**2,793.5**	**2,992.0**	**3,376.2**	**3,962.6**	**3,790.4**	**3,943.2**	**3,502.8**	**3,751.3**	**4,422.5**	**3,902.2**	**5,321.4**
Liabilities not identified as assets (−)												
56 Treasury currency	−.2	−.5	−.9	−.6	−.7	−.3	1.1	−3.4	−1.5	.6	.2	−6.3
57 Foreign deposits	43.0	25.1	59.6	106.8	−8.1	149.9	69.9	−156.5	62.7	83.5	19.9	13.6
58 Net interbank liabilities	−2.7	−3.1	−3.3	−19.9	3.4	8.9	22.3	−52.8	58.7	−1.7	−1.0	−53.1
59 Security repurchase agreements	67.7	20.2	4.5	62.3	54.1	−18.6	153.8	−11.0	209.4	67.5	43.0	−153.9
60 Taxes payable	16.6	21.1	22.8	26.8	17.7	9.1	28.2	19.1	−15.4	4.8	2.4	−10.1
61 Miscellaneous	−120.2	−179.5	−37.3	−214.7	−58.3	−323.0	−70.6	.7	−408.9	−568.0	−539.2	−112.4
Floats not included in assets (−)												
62 Federal government checkable deposits	−4.8	−6.0	.5	−2.7	2.6	−44.4	32.4	14.0	−1.8	−41.4	23.0	−8.7
63 Other checkable deposits	−2.8	−3.8	−4.0	−3.9	−3.1	−2.9	−3.6	−1.8	−1.9	−1.0	−.5	.1
64 Trade credit	27.4	15.6	−21.2	33.2	−30.9	−110.5	−65.0	−20.2	45.8	−9.9	71.7	39.7
65 **Total identified to sectors as assets**	**2,087.5**	**2,904.5**	**2,971.4**	**3,388.8**	**3,986.1**	**4,122.2**	**3,774.7**	**3,714.5**	**3,804.3**	**4,888.1**	**4,282.6**	**5,612.6**

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

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING[1]

Billions of dollars, end of period

Transaction category or sector	1995	1996	1997	1998	1998 Q2	1998 Q3	1998 Q4	1999 Q1	1999 Q2	1999 Q3	1999 Q4
					Nonfinancial sectors						
1 **Total credit market debt owed by domestic nonfinancial sectors**	**13,723.8**	**14,459.4**	**15,233.8**	**16,245.0**	**15,710.4**	**15,921.7**	**16,245.0**	**16,557.5**	**16,730.6**	**17,048.8**	**17,385.6**
By sector and instrument											
2 Federal government	3,636.7	3,781.8	3,804.9	3,752.2	3,749.0	3,720.2	3,752.2	3,759.7	3,651 7	3,632.7	3,680.4
3 Treasury securities	3,608.5	3,755.1	3,778.3	3,723.7	3,723.4	3,694.7	3,723.7	3,731.6	3,623.4	3,604.5	3,652.1
4 Budget agency securities and mortgages	28.2	26.6	26.5	28.5	25.6	25.5	28.5	28.1	28.3	28.3	28.3
5 Nonfederal	10,087.1	10,677.7	11,428.9	12,492.8	11,961.4	12,201.5	12,492.8	12,797.8	13,078.9	13,416.1	13,705.2
By instrument											
6 Commercial paper	157.4	156.4	168.6	193.0	202.5	216.9	193.0	223.9	232.4	239.3	230.3
7 Municipal securities and loans	1,293.5	1,296.0	1,367.5	1,464.3	1,429.3	1,439.9	1,464.3	1,491.0	1,510.0	1,518.6	1,532.5
8 Corporate bonds	1,344.1	1,460.4	1,610.9	1,829.6	1,754.3	1,781.3	1,829.6	1,898.1	1,970.0	2,020.7	2,059.5
9 Bank loans n.e.c.	863.6	934.1	1,040.5	1,148.8	1,097.6	1,120.6	1,148.8	1,165.2	1,178.5	1,202.9	1,231.0
10 Other loans and advances	736.9	770.4	839.5	913.8	873.1	886.8	913.8	957.5	953.5	967.1	985.4
11 Mortgages	4,568.8	4,848.9	5,137.8	5,611.7	5,347.9	5,469.5	5,611.7	5,742.9	5,894.2	6,097.4	6,238.1
12 Home	3,510.4	3,721.9	3,959.5	4,327.5	4,122.0	4,222.4	4,327.5	4,420.2	4,532.1	4,662.4	4,759.2
13 Multifamily residential	265.5	278.4	286.1	305.3	295.5	298.8	305.3	313.6	321.6	332.6	344.0
14 Commercial	708.5	761.4	801.9	882.4	837.4	853.9	882.4	911.7	940.8	1,001.0	1,032.2
15 Farm	84.6	87.1	90.3	96.5	93.0	94.4	96.5	97.4	99.6	101.4	102.7
16 Consumer credit	1,122.8	1,211.6	1,264.1	1,331.7	1,256.8	1,286.6	1,331.7	1,319.3	1,340.4	1,370.1	1,428.5
By borrowing sector											
17 Household	4,782.8	5,108.0	5,438.0	5,909.9	5,618.8	5,752.1	5,909.9	5,993.0	6,136.7	6,306.1	6,466.8
18 Nonfinancial business	4,234.1	4,506.2	4,871.4	5,383.1	5,171.8	5,270.7	5,383.1	5,581.7	5,704.0	5,867.6	5,985.9
19 Corporate	2,936.6	3,120.2	3,401.7	3,807.3	3,649.0	3,722.1	3,807.3	3,981.8	4,071.9	4,203.6	4,285.7
20 Nonfarm noncorporate	1,152.4	1,236.1	1,313.6	1,411.9	1,361.8	1,385.5	1,411.9	1,437.4	1,466.0	1,495.3	1,531.1
21 Farm	145.1	149.9	156.1	163.8	161.0	163.1	163.8	162.4	166.1	168.7	169.1
22 State and local government	1,070.2	1,063.4	1,119.5	1,199.8	1,170.8	1,178.8	1,199.8	1,223.2	1,238.2	1,242.4	1,252.5
23 **Foreign credit market debt held in United States**	**441.4**	**518.7**	**570.1**	**603.7**	**617.1**	**612.8**	**603.7**	**607.8**	**598.2**	**614.7**	**622.0**
24 Commercial paper	56.2	67.5	65.1	72.9	71.4	74.0	72.9	77.2	70.1	81.8	89.2
25 Bonds	291.9	347.7	394.9	420.0	435.4	428.6	420.0	420.2	417.1	424.4	422.4
26 Bank loans n.e.c.	34.6	43.7	52.1	58.9	55.5	56.4	58.9	59.1	60.5	58.8	59.4
27 Other loans and advances	58.8	59 8	58.0	52.0	54.8	53.8	52.0	51.3	50.5	49.7	51.0
28 **Total credit market debt owed by nonfinancial sectors, domestic and foreign**	**14,165.2**	**14,978.1**	**15,803.9**	**16,848.7**	**16,327.4**	**16,534.4**	**16,848.7**	**17,165.3**	**17,328.8**	**17,663.6**	**18,007.6**
					Financial sectors						
29 **Total credit market debt owed by financial sectors**	**4,278.8**	**4,827.7**	**5,446.8**	**6,515.6**	**5,926.8**	**6,195.5**	**6,515.6**	**6,809.0**	**7,073.3**	**7,347.6**	**7,606.6**
By instrument											
30 Federal government-related	2,376.8	2,608.3	2,821.1	3,292.0	2,981.4	3,121.7	3,292.0	3,434.1	3,580.7	3,745.9	3,884.0
31 Government-sponsored enterprise securities	806.5	896.9	995.3	1,273.6	1,072.5	1,146.0	1,273.6	1,321.8	1,398.0	1,499.8	1,591.7
32 Mortgage pool securities	1,570.3	1,711.4	1,825.8	2,018.4	1,908.9	1,975.7	2,018.4	2,112.3	2,182.7	2,246.1	2,292.3
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	1,901.9	2,219.4	2,625.7	3,223.6	2,945.4	3,073.8	3,223.6	3,374.9	3,492.6	3,601.8	3,722.6
35 Open market paper	486.9	579.1	745.7	906.7	838.9	874.2	906.7	926.4	940.9	963.4	1,082.9
36 Corporate bonds	1,204.7	1,381.5	1,557.5	1,849.4	1,738.7	1,786.2	1,849.4	1,968.6	2,042.8	2,091.9	2,069.6
37 Bank loans n.e.c.	51.4	64.0	77.2	107.2	88.2	103.2	107.2	104.1	106.8	105.2	93.6
38 Other loans and advances	135.0	162.9	198.5	288.7	225.6	246.2	288.7	299.1	328.6	365.4	395.8
39 Mortgages	24.1	31.9	46.8	71.6	54.1	64.0	71.6	76.6	73.6	75.9	80.6
By borrowing sector											
40 Commercial banks	102.6	113.6	140.6	188.6	159.6	169.6	188.6	187.5	202.7	224.2	232.2
41 Bank holding companies	148.0	150.0	168.6	193.5	190.5	196.1	193.5	202.6	205.5	211.9	219.4
42 Savings institutions	115.0	140.5	160.3	212.4	170.7	186.6	212.4	226.9	241.6	255.4	258.3
43 Credit unions	.4	.4	.6	1.1	.8	1.0	1.1	1.5	1.8	2.5	3.4
44 Life insurance companies	.5	1.6	1.8	2.5	1.6	2.0	2.5	3.3	4.0	4.3	3.2
45 Government-sponsored enterprises	806.5	896.9	995.3	1,273.6	1,072.5	1,146.0	1,273.6	1,321.8	1,398.0	1,499.8	1,591.7
46 Federally related mortgage pools	1,570.3	1,711.4	1,825.8	2,018.4	1,908.9	1,975.7	2,018.4	2,112.3	2,182.7	2,246.1	2,292.3
47 Issuers of asset-backed securities (ABSs)	712.5	866.4	1,078.2	1,394.6	1,230.4	1,307.0	1,394.6	1,463.1	1,539.9	1,599.8	1,632.1
48 Brokers and dealers	29.3	27.3	35.3	42.5	40.1	39.4	42.5	34.8	30.4	34.6	25.3
49 Finance companies	483.9	529.8	554.5	597.5	596.9	589.4	597.5	614.4	639.2	628.5	653.8
50 Mortgage companies	16.5	20.6	16.0	17.7	16.3	16.9	17.7	16.5	17.8	16.3	17.8
51 Real estate investment trusts (REITs)	44.6	56.5	96.1	158.8	128.0	147.8	158.8	165.2	160.3	162.2	166.7
52 Funding corporations	248.6	312.7	373.7	414.4	410.5	417.9	414.4	459.1	449.5	462.0	510.5
					All sectors						
53 **Total credit market debt, domestic and foreign**	**18,444.0**	**19,805.8**	**21,250.7**	**23,364.4**	**22,254.2**	**22,730.0**	**23,364.4**	**23,974.3**	**24,402.2**	**25,011.2**	**25,614.2**
54 Open market paper	700.4	803.0	979.4	1,172.6	1,112.7	1,165.1	1,172.6	1,227.6	1,243.3	1,284.5	1,402.4
55 U.S. government securities	6,013.6	6,390.0	6,626.0	7,044.3	6,730.3	6,841.9	7,044.3	7,193.8	7,232.4	7,378.6	7,564.4
56 Municipal securities	1,293.5	1,296.0	1,367.5	1,464.3	1,429.3	1,439.9	1,464.3	1,491.0	1,510.0	1,518.6	1,532.5
57 Corporate and foreign bonds	2,840.7	3,189.6	3,563.3	4,098.9	3,928.3	3,996.0	4,098.9	4,286.9	4,429.9	4,536.9	4,551.5
58 Bank loans n.e.c.	949.6	1,041.7	1,169.8	1,314.9	1,241.3	1,280.3	1,314.9	1,328.3	1,345.7	1,366.9	1,383.9
59 Other loans and advances	930.6	993.1	1,095.9	1,254.4	1,153.6	1,186.8	1,254.4	1,307.8	1,332.6	1,382.2	1,432.2
60 Mortgages	4,592.9	4,880.8	5,184.7	5,683.3	5,402.0	5,533.5	5,683.3	5,819.6	5,967.8	6,173.3	6,318.7
61 Consumer credit	1,122.8	1,211.6	1,264.1	1,331.7	1,256.8	1,286.6	1,331.7	1,319.3	1,340.4	1,370.1	1,428.5

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	1995	1996	1997	1998	1998 Q2	1998 Q3	1998 Q4	1999 Q1	1999 Q2	1999 Q3	1999 Q4
CREDIT MARKET DEBT OUTSTANDING[2]											
1 **Total credit market assets**	**18,444.0**	**19,805.8**	**21,250.7**	**23,364.4**	**22,254.2**	**22,730.0**	**23,364.4**	**23,974.3**	**24,402.2**	**25,011.2**	**25,614.2**
2 Domestic nonfederal nonfinancial sectors	2,846.3	2,906.7	2,783.8	2,790.6	2,837.8	2,850.6	2,790.6	2,877.6	2,918.4	2,964.9	3,021.4
3 Household	1,885.0	1,993.7	1,873.5	1,781.1	1,910.3	1,889.0	1,781.1	1,878.2	1,898.9	1,944.2	1,960.4
4 Nonfinancial corporate business	280.4	270.2	268.0	267.6	238.5	243.2	267.6	244.9	249.6	261.4	300.9
5 Nonfarm noncorporate business	42.3	38.0	37.4	37.4	37.4	37.4	37.4	37.5	37.5	37.3	37.3
6 State and local governments	638.6	604.8	605.0	704.4	651.6	681.1	704.4	717.1	732.3	721.9	722.8
7 Federal government	202.7	195.3	200.4	213.9	207.5	210.9	213.9	218.1	219.8	255.6	258.8
8 Rest of the world	1,531.1	1,926.6	2,256.8	2,534.3	2,396.0	2,412.2	2,534.3	2,601.8	2,609.8	2,703.5	2,736.7
9 Financial sectors	13,863.9	14,777.2	16,009.8	17,825.6	16,812.9	17,256.3	17,825.6	18,276.7	18,654.2	19,087.3	19,597.3
10 Monetary authority	380.8	393.1	431.4	452.5	440.3	446.5	452.5	466.0	485.1	489.3	478.1
11 Commercial banking	3,520.1	3,707.7	4,031.9	4,335.7	4,136.4	4,195.7	4,335.7	4,338.4	4,383.4	4,488.3	4,643.9
12 U.S.-chartered banks	3,056.1	3,175.8	3,450.7	3,761.2	3,543.6	3,616.2	3,761.2	3,782.9	3,847.6	3,944.3	4,078.9
13 Foreign banking offices in United States	412.6	475.8	516.1	504.2	525.6	510.1	504.2	487.8	465.7	475.3	484.0
14 Bank holding companies	18.0	22.0	27.4	26.5	26.8	28.3	26.5	25.0	25.1	22.0	32.6
15 Banks in U.S.-affiliated areas	33.4	34.1	37.8	43.8	40.4	41.1	43.8	42.7	45.0	46.7	48.3
16 Savings institutions	913.3	933.2	928.5	964.8	930.8	939.3	964.8	990.8	1,011.4	1,030.8	1,033.4
17 Credit unions	263.0	288.5	305.3	324.2	315.1	320.5	324.2	330.2	341.0	350.2	355.3
18 Bank personal trusts and estates	239.7	232.0	207.0	194.1	201.5	197.5	194.1	192.2	190.1	188.0	185.7
19 Life insurance companies	1,587.5	1,657.0	1,751.1	1,828.0	1,793.2	1,810.6	1,828.0	1,853.7	1,874.7	1,889.2	1,902.7
20 Other insurance companies	468.7	491.2	515.3	535.7	520.8	518.8	535.7	530.8	537.5	533.9	530.7
21 Private pension funds	716.9	769.2	834.7	953.4	885.9	909.8	953.4	968.5	1,006.0	1,017.4	1,043.6
22 State and local government retirement funds	531.0	568.2	632.0	698.0	668.5	685.7	698.0	717.2	724.0	733.6	745.8
23 Money market mutual funds	545.5	634.3	721.9	965.9	815.9	869.9	965.9	1,036.2	1,001.8	1,049.7	1,147.8
24 Mutual funds	771.3	820.2	901.1	1,025.9	979.1	1,005.9	1,025.9	1,050.8	1,084.0	1,083.0	1,077.1
25 Closed-end funds	96.4	101.1	98.3	102.8	100.5	101.7	102.8	103.9	105.0	106.1	107.1
26 Government-sponsored enterprises	750.0	807.9	902.2	1,163.0	989.4	1,055.4	1,163.0	1,201.9	1,267.0	1,338.6	1,405.1
27 Federally related mortgage pools	1,570.3	1,711.4	1,825.8	2,018.4	1,908.9	1,975.7	2,018.4	2,112.3	2,182.7	2,246.1	2,292.3
28 Asset-backed securities issuers (ABSs)	653.4	777.0	939.3	1,216.0	1,068.9	1,134.2	1,216.0	1,280.1	1,352.7	1,410.5	1,435.4
29 Finance companies	526.2	544.5	566.4	618.4	579.0	592.7	618.4	639.9	660.9	678.2	714.2
30 Mortgage companies	33.0	41.2	32.1	35.3	32.7	33.8	35.3	33.0	35.6	32.5	35.6
31 Real estate investment trusts (REITs)	26.0	30.4	50.6	45.5	58.5	55.7	45.5	45.9	45.3	44.7	42.8
32 Brokers and dealers	183.4	167.7	182.6	189.4	209.4	245.9	189.4	211.4	162.9	167.0	157.7
33 Funding corporations	87.4	101.4	152.3	158.7	178.3	161.3	158.7	173.5	202.9	210.3	263.0
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 **Total credit market debt**	**18,444.0**	**19,805.8**	**21,250.7**	**23,364.4**	**22,254.2**	**22,730.0**	**23,364.4**	**23,974.3**	**24,402.2**	**25,011.2**	**25,614.2**
Other liabilities											
35 Official foreign exchange	63.7	53.7	48.9	60.1	50.1	54.5	60.1	53.6	50.9	52.1	50.1
36 Special drawing rights certificates	10.2	9.7	9.2	9.2	9.2	9.2	9.2	8.2	8.2	7.2	6.2
37 Treasury currency	18.2	18.3	18.3	18.3	18.4	18.8	18.3	18.3	18.8	19.3	18.3
38 Foreign deposits	418.8	516.1	618.8	639.9	630.4	651.7	639.9	671.8	696.6	712.5	698.5
39 Net interbank liabilities	290.7	240.8	219.4	188.9	189.2	198.9	188.9	181.8	203.2	195.8	199.1
40 Checkable deposits and currency	1,229.3	1,245.1	1,286.6	1,334.2	1,320.7	1,282.3	1,334.2	1,311.4	1,354.1	1,354.9	1,485.8
41 Small time and savings deposits	2,279.7	2,377.0	2,474.1	2,626.5	2,531.0	2,553.8	2,626.5	2,637.6	2,644.6	2,666.6	2,671.8
42 Large time deposits	476.9	590.9	713.4	805.5	754.0	776.5	805.5	804.3	809.0	837.5	935.8
43 Money market fund shares	745.3	891.1	1,048.7	1,334.2	1,153.7	1,249.7	1,334.2	1,416.0	1,398.1	1,449.6	1,584.8
44 Security repurchase agreements	660.0	701.5	822.4	913.7	892.1	960.5	913.7	980.3	970.8	999.3	1,085.2
45 Mutual fund shares	1,852.8	2,342.4	2,989.4	3,610.5	3,438.4	3,137.3	3,610.5	3,758.4	4,049.4	3,933.6	4,515.3
46 Security credit	305.7	358.1	469.1	572.3	539.6	573.6	572.3	552.7	589.3	593.2	665.8
47 Life insurance reserves	566.2	610.6	665.0	718.3	690.6	703.5	718.3	730.9	745.8	756.2	772.0
48 Pension fund reserves	5,767.8	6,642.5	7,894.4	9,079.2	8,730.8	8,116.5	9,079.2	9,267.0	9,729.0	9,487.5	10,360.4
49 Trade payables	1,698.0	1,812.8	1,938.6	1,966.5	1,933.9	1,953.0	1,966.5	1,970.0	2,028.8	2,082.0	2,132.3
50 Taxes payable	107.6	123.6	140.4	152.8	144.6	155.0	152.8	159.6	162.1	165.5	164.4
51 Investment in bank personal trusts	803.0	871.7	942.5	1,001.0	999.8	908.6	1,001.0	1,012.5	1,059.8	998.3	1,116.6
52 Miscellaneous	5,645.8	6,119.6	6,698.5	7,147.3	6,860.2	7,041.3	7,147.3	7,162.6	7,311.5	7,255.7	7,542.8
53 **Total liabilities**	**41,383.6**	**45,331.1**	**50,248.3**	**55,542.8**	**53,140.9**	**53,074.8**	**55,542.8**	**56,671.4**	**58,232.1**	**58,577.8**	**61,619.3**
Financial assets not included in liabilities (+)											
54 Gold and special drawing rights	22.1	21.4	21.1	21.6	21.0	21.2	21.6	20.7	20.8	21.3	21.4
55 Corporate equities	8,495.7	10,255.8	13,181.4	15,413.4	14,987.0	13,121.2	15,413.4	15,893.6	17,018.0	16,008.3	18,876.7
56 Household equity in noncorporate business	3,640.4	3,833.2	4,171.8	4,395.3	4,284.7	4,331.3	4,395.3	4,404.7	4,488.7	4,543.3	4,630.3
Liabilities not identified as assets (−)											
57 Treasury currency	−5.8	−6.7	−7.3	−8.0	−7.4	−7.2	−8.0	−8.4	−8.2	−8.2	−9.7
58 Foreign deposits	360.2	431.4	534.0	547.2	547.6	565.1	547.2	562.8	583.7	588.7	592.1
59 Net interbank transactions	−9.0	−10.6	−32.2	−27.0	−17.1	−15.4	−27.0	−11.3	−10.6	−13.0	−28.2
60 Security repurchase agreements	86.4	90.9	153.1	207.2	171.6	216.8	207.2	263.6	276.8	294.0	248.7
61 Taxes payable	62.4	76.7	93.5	103.4	95.8	102.2	103.4	90.6	111.8	94.4	92.4
62 Miscellaneous	−1,000.3	−1,318.8	−1,636.8	−2,213.3	−1,907.9	−1,959.4	−2,213.3	−2,382.4	−2,510.0	−2,974.4	−2,953.8
Floats not included in assets (−)											
63 Federal government checkable deposits	3.1	−1.6	−8.1	−3.9	−16.1	−12.0	−3.9	−7.2	−12.4	−10.2	−9.8
64 Other checkable deposits	34.2	30.1	26.2	23.1	24.2	15.7	23.1	18.9	22.1	14.5	22.3
65 Trade credit	198.2	176.7	199.5	168.0	119.4	98.9	168.0	123.4	105.0	119.8	204.8
66 **Total identified to sectors as assets**	**53,812.5**	**59,973.5**	**68,300.6**	**76,576.3**	**73,423.6**	**71,543.7**	**76,576.3**	**78,340.3**	**81,201.2**	**81,045.3**	**86,988.9**

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	1997	1998	1999	1999						2000		
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.r	Feb.	Mar.p
1 **Industrial production**[1]	**127.1**	**132.4**	**137.1**	**137.4**	**137.7**	**138.1**	**139.1**	**139.4**	**140.1r**	**141.5**	**141.6**	**142.0**
Market groupings												
2 Products, total	119.6	123.7	126.5	126.9	127.6	127.6	128.5	128.0	128.5	130.0	130.2	130.3
3 Final, total	121.1	125.4	128.0	128.6	129.5	129.1	130.2	129.8	130.3r	131.9	132.0	132.2
4 Consumer goods	115.1	116.2	116.9	116.8	117.6	117.1	118.2	117.6	118.1r	119.2	119.2	119.0
5 Equipment	132.1	142.7	148.9	149.3	150.5	150.2	151.2	151.4	151.8r	154.3	154.6	155.7
6 Intermediate	115.3	118.8	122.1	121.5	121.7	122.6	123.2	122.4	123.1r	124.3	124.5	124.2
7 Materials	139.0	146.5	154.8	155.0	154.6	155.7	156.8	158.8	159.7r	160.8	161.0	162.0
Industry groupings												
8 Manufacturing	130.1	136.4	142.3	142.0	142.5	142.9	144.2	145.0	145.6	146.8	147.0	147.6
9 Capacity utilization, manufacturing (percent)[2]	82.4	80.9	79.8	79.7	79.7	79.7	80.2	80.3	80.3r	80.7	80.6	80.6
10 Construction contracts[3]	143.1r	157.3r	169.3r	168.0r	160.0r	162.0r	172.0	172.0	171.0	174.0	175.0	n.a.
11 Nonagricultural employment, total[4]	120.3	123.4	126.2	126.3	126.5	126.6	126.9	127.1	127.4	127.8	127.8	128.2
12 Goods-producing, total	101.2	102.7	102.3	102.3	101.9	102.1	102.1	102.4	102.5	103.0	102.9	103.2
13 Manufacturing, total	98.3	98.8	97.0	97.1	96.7	96.7	96.6	96.6	96.6	96.7	96.7	96.6
14 Manufacturing, production workers	99.6	99.8	97.8	98.0	97.4	97.4	97.3	97.4	97.4	97.5	97.4	97.3
15 Service-producing	126.5	130.0	133.8	134.0	134.3	134.4	134.7	135.0	135.4	135.7	135.8	136.2
16 Personal income, total	175.4	185.7	196.6	197.0	197.9	198.1	200.5	201.3	201.9	203.3	204.2	n.a.
17 Wages and salary disbursements	171.3	184.4	197.0	197.8	198.6	199.5	200.7	201.3	202.6	204.4	205.0	n.a.
18 Manufacturing	144.6	152.4	156.9	158.2	158.0	158.6	159.7	158.8	158.8	160.3	161.0	n.a.
19 Disposable personal income[5]	172.9	181.7	191.9	192.1	193.4	193.0	195.6	196.4	196.7	198.5	199.1	n.a.
20 Retail sales[5]	170.1	178.5	194.4	194.5	197.1	197.1	197.7	200.3	204.2	205.5	209.2	210.0
Prices[6]												
21 Consumer (1982–84=100)	160.5	163.0	166.6	166.7	167.1	167.9	168.2	168.3	168.3	168.7	169.7	171.1
22 Producer finished goods (1982=100)	131.8	130.7	133.1	132.9	133.7	134.7	135.1	134.9r	135.0	134.7	136.0	137.0

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 November 1999. The recent annual revision is described in an article in the March 2000 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	1997	1998	1999	1999					2000		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.r	Feb.	Mar.
HOUSEHOLD SURVEY DATA[1]											
1 Civilian labor force[2]	136,297	137,673	139,368	139,372	139,475	139,697	139,834	140,108	140,910	141,165	140,867
Employment											
2 Nonagricultural industries[3]	126,159	128,085	130,207	130,296	130,471	130,702	130,788	131,141	131,850	131,954	131,801
3 Agriculture	3,399	3,378	3,281	3,234	3,179	3,238	3,310	3,279	3,371	3,408	3,359
Unemployment											
4 Number	6,739	6,210	5,880	5,842	5,825	5,757	5,736	5,688	5,689	5,804	5,708
5 Rate (percent of civilian labor force)	4.9	4.5	4.2	4.2	4.2	4.1	4.1	4.1	4.0	4.1	4.1
ESTABLISHMENT SURVEY DATA											
6 **Nonagricultural payroll employment**[4]	**122,690**	**125,826**	**128,616**	**128,945**	**129,048**	**129,332**	**129,589**	**129,898**	**130,292**	**130,299**	**130,715**
7 Manufacturing	18,675	18,772	18,431	18,378	18,366	18,356	18,361	18,361	18,376	18,364	18,359
8 Mining	596	590	535	524	527	528	527	529	530	532	536
9 Contract construction	5,691	5,985	6,273	6,246	6,293	6,314	6,369	6,393	6,504	6,487	6,576
10 Transportation and public utilities	6,408	6,600	6,792	6,813	6,831	6,841	6,862	6,897	6,902	6,892	6,919
11 Trade	28,614	29,127	29,792	29,919	29,903	29,955	29,972	30,061	30,126	30,115	30,135
12 Finance	7,109	7,407	7,632	7,650	7,653	7,668	7,675	7,685	7,685	7,696	7,685
13 Service	36,040	37,526	39,000	39,205	39,257	39,433	39,554	39,657	39,804	39,826	39,976
14 Government	19,557	19,819	20,161	20,210	20,218	20,237	20,269	20,315	20,365	20,387	20,529

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	1999			2000	1999			2000	1999			2000
	Q2	Q3	Q4[r]	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4[r]	Q1
	Output (1992=100)				Capacity (percent of 1992 output)				Capacity utilization rate (percent)[2]			
1 **Total industry**	**136.1**	**137.7**	**139.5**	**141.7**	**169.2**	**170.7**	**172.3**	**173.8**	**80.5**	**80.7**	**81.0**	**81.5**
2 Manufacturing	140.9	142.5	144.9	147.1	176.9	178.7	180.6	182.4	79.6	79.7	80.3	80.7
3 Primary processing[3]	122.5	123.4	125.4	126.3	148.2	149.0	149.8	150.5	82.7	82.8	83.7	83.9
4 Advanced processing[4]	150.5	152.5	155.2	158.1	191.4	193.7	196.1	198.6	78.6	78.7	79.1	79.6
5 Durable goods	170.8	174.4	177.4	181.6	214.2	217.6	221.0	224.7	79.8	80.2	80.3	80.8
6 Lumber and products	122.5	120.5	120.6	121.9	146.3	147.4	148.4	149.1	83.7	81.7	81.2	81.7
7 Primary metals	125.1	128.7	130.9	132.3	148.5	149.3	150.1	150.6	84.2	86.2	87.2	87.8
8 Iron and steel	121.4	126.6	129.1	130.3	150.0	151.3	152.5	153.3	80.9	83.7	84.6	85.0
9 Nonferrous	129.6	131.2	133.3	134.8	146.8	147.0	147.2	147.5	88.3	89.3	90.5	91.4
10 Industrial machinery and equipment	227.9	232.3	239.9	251.2	275.5	285.3	295.8	306.4	82.7	81.4	81.1	82.0
11 Electrical machinery	374.6	400.9	419.0	450.7	482.0	498.5	514.6	535.7	77.7	80.4	81.4	84.1
12 Motor vehicles and parts	150.6	153.3	154.7	154.6	184.8	184.9	185.0	185.7	81.5	82.9	83.6	83.3
13 Aerospace and miscellaneous transportation equipment	95.9	93.8	89.9	87.1	126.6	126.2	125.8	125.2	75.7	74.3	71.5	69.5
14 Nondurable goods	111.6	111.5	113.4	113.9	139.5	139.9	140.3	140.5	80.0	79.7	80.9	81.0
15 Textile mill products	111.1	111.6	111.4	112.0	131.5	131.6	131.8	132.0	84.5	84.8	84.5	84.9
16 Paper and products	115.1	116.0	117.9	116.3	134.5	135.3	136.1	136.6	85.6	85.7	86.6	85.1
17 Chemicals and products	116.3	117.0	121.8	122.6	150.4	150.7	151.0	151.4	77.3	77.6	80.7	81.0
18 Plastics materials	123.5	124.2	132.3	131.9	137.2	138.4	139.6	140.8	90.0	89.7	94.8	93.7
19 Petroleum products	114.1	114.6	114.1	117.4	122.2	122.7	123.1	123.5	93.3	93.4	92.7	95.1
20 Mining	97.1	98.2	99.5	99.7	120.3	120.2	120.2	119.8	80.7	81.7	82.8	83.2
21 Utilities	116.6	118.4	113.2	117.3	127.3	127.8	128.2	128.6	91.6	92.7	88.3	91.2
22 Electric	118.9	120.8	116.5	119.6	125.2	125.6	126.1	126.6	95.0	96.2	92.4	94.5

Series	1973	1975	Previous cycle[5]		Latest cycle[6]		1999	1999			2000		
	High	Low	High	Low	High	Low	Mar.	Oct.	Nov.	Dec.[r]	Jan.[r]	Feb.	Mar.[p]
	Capacity utilization rate (percent)[2]												
1 **Total industry**	**89.2**	**72.6**	**87.3**	**71.1**	**85.4**	**78.1**	**80.5**	**81.0**	**80.9**	**81.1**	**81.6**	**81.5**	**81.4**
2 Manufacturing	88.5	70.5	86.9	69.0	85.7	76.6	79.6	80.2	80.3	80.3	80.7	80.6	80.6
3 Primary processing[3]	91.2	68.2	88.1	66.2	88.9	77.7	82.9	83.4	83.8	83.9	83.9	83.9	84.0
4 Advanced processing[4]	87.2	71.8	86.7	70.4	84.2	76.1	78.5	79.1	79.2	79.2	79.7	79.5	79.5
5 Durable goods	89.2	68.9	87.7	63.9	84.6	73.1	79.5	80.3	80.3	80.3	81.0	80.6	80.8
6 Lumber and products	88.7	61.2	87.9	60.8	93.6	75.5	83.6	81.4	80.7	81.6	82.2	81.8	81.2
7 Primary metals	100.2	65.9	94.2	45.1	92.7	73.7	83.8	86.1	87.4	88.3	88.3	87.4	87.8
8 Iron and steel	105.8	66.6	95.8	37.0	95.2	71.8	79.2	82.1	85.7	86.1	85.6	84.4	85.0
9 Nonferrous	90.8	59.8	91.1	60.1	89.3	74.2	89.6	91.1	89.4	91.0	91.7	91.1	91.2
10 Industrial machinery and equipment	96.0	74.3	93.2	64.0	85.4	72.3	83.5	81.6	81.1	80.7	81.8	82.1	82.0
11 Electrical machinery	89.2	64.7	89.4	71.6	84.0	75.0	75.5	81.1	81.3	82.0	83.8	83.9	84.7
12 Motor vehicles and parts	93.4	51.3	95.0	45.5	89.1	55.9	80.1	84.2	84.2	82.5	84.6	82.4	82.8
13 Aerospace and miscellaneous transportation equipment	78.4	67.6	81.9	66.6	87.3	79.2	77.2	71.9	71.2	71.4	70.4	69.4	68.9
14 Nondurable goods	87.8	71.7	87.5	76.4	87.3	80.7	80.3	80.6	81.0	81.0	81.0	81.1	81.0
15 Textile mill products	91.4	60.0	91.2	72.3	90.4	77.7	83.8	85.5	84.5	83.5	85.0	84.8	84.9
16 Paper and products	97.1	69.2	96.1	80.6	93.5	85.0	86.5	86.9	86.7	86.3	85.9	84.8	84.7
17 Chemicals and products	87.6	69.7	84.6	69.9	86.2	79.3	77.7	79.4	81.3	81.3	80.5	81.1	81.3
18 Plastics materials	102.0	50.6	90.9	63.4	97.0	74.8	90.2	94.0	95.4	94.9	91.9	94.2	94.9
19 Petroleum products	96.7	81.1	90.0	66.8	88.5	85.1	94.3	93.2	91.7	93.3	92.0	95.0	98.3
20 Mining	94.3	88.2	96.0	80.3	88.0	87.0	80.9	82.6	83.0	82.8	83.3	82.7	83.6
21 Utilities	96.2	82.9	89.1	75.9	92.6	83.4	91.9	89.9	86.5	88.4	91.6	92.3	89.9
22 Electric	99.0	82.7	88.2	78.9	95.0	87.1	95.4	92.8	91.8	92.6	94.7	95.3	93.5

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 November 1999. The recent annual revision is described in an article in the March 2000 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	1999 avg.	1999										2000		
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.[r]	Jan.[r]	Feb.	Mar.[p]
				Index (1992 = 100)												
	MAJOR MARKETS															
1	**Total index**	**100.0**	**137.1**	**135.1**	**135.5**	**136.2**	**136.6**	**137.4**	**137.7**	**138.1**	**139.1**	**139.4**	**140.1**	**141.5**	**141.6**	**142.0**
2	Products	60.5	126.5	126.0	126.2	126.8	126.8	126.9	127.6	127.6	128.5	128.0	128.5	130.0	130.2	130.3
3	Final products	46.3	128.0	127.3	127.6	128.2	128.3	128.6	129.5	129.1	130.2	129.8	130.3	131.9	132.0	132.2
4	Consumer goods, total	29.1	116.9	116.7	116.5	116.8	117.0	116.8	117.6	117.1	118.2	117.6	118.1	119.2	119.2	119.0
5	Durable consumer goods	6.1	152.6	149.9	152.0	152.8	154.0	153.4	155.5	153.5	157.4	154.4	155.7	159.0	157.6	158.1
6	Automotive products	2.6	144.7	140.0	142.0	145.4	147.4	143.7	150.6	145.5	147.9	146.2	144.4	149.2	146.1	147.2
7	Autos and trucks	1.7	151.8	147.0	149.0	153.2	157.5	148.9	162.9	152.8	155.1	154.3	148.7	155.0	150.7	152.4
8	Autos, consumer	.9	102.6	101.6	102.3	99.9	101.8	102.4	105.0	105.5	103.9	107.2	99.8	105.4	105.0	103.2
9	Trucks, consumer	.7	202.4	194.1	197.3	207.4	214.2	197.2	221.6	201.9	207.8	203.6	199.0	206.3	198.3	203.3
10	Auto parts and allied goods	.9	133.9	129.3	131.4	133.6	132.5	135.3	132.8	134.4	136.7	133.8	137.1	139.9	138.5	138.5
11	Other	3.5	158.6	157.8	160.0	158.3	158.8	161.1	158.7	159.7	165.0	160.7	164.9	166.7	166.9	167.1
12	Appliances, televisions, and air conditioners	1.0	324.3	317.6	325.8	311.1	319.0	329.9	319.0	326.3	363.1	348.4	357.6	361.1	362.9	368.3
13	Carpeting and furniture	8	121.7	119.6	120.2	121.0	121.0	124.1	122.1	124.1	124.8	117.4	123.0	127.3	126.5	126.7
14	Miscellaneous home goods	1.6	114.7	115.7	116.9	117.2	116.2	115.9	115.4	114.4	114.8	115.0	116.7	116.6	116.9	115.9
15	Nondurable consumer goods	23.0	108.7	108.9	108.3	108.4	108.4	108.3	108.9	108.7	109.3	109.1	109.5	110.1	110.4	110.0
16	Foods and tobacco	10.3	107.3	108.4	107.8	107.7	107.3	106.7	106.5	106.2	106.8	107.3	107.4	107.7	107.9	107.2
17	Clothing	2.4	90.6	91.3	91.8	90.2	90.2	89.2	90.1	89.9	89.4	90.6	89.1	90.3	89.5	89.3
18	Chemical products	4.5	121.8	121.6	118.7	120.5	120.2	119.4	122.7	120.9	123.1	126.0	126.5	126.1	126.7	127.3
19	Paper products	2.9	102.3	98.8	99.9	100.3	101.5	102.0	103.2	104.7	106.3	105.1	103.1	104.3	103.5	104.0
20	Energy	2.9	114.0	115.4	115.1	114.7	115.3	118.6	116.6	117.6	114.5	106.7	112.0	114.9	117.1	115.2
21	Fuels	.8	111.3	110.7	111.5	110.9	109.9	111.1	110.0	112.0	112.4	110.1	111.7	108.4	113.7	117.6
22	Residential utilities	2.1	115.0	117.2	116.4	116.1	117.4	121.7	119.3	119.7	114.9	104.3	111.6	117.5	118.1	113.3
23	Equipment	17.2	148.9	145.9	147.0	148.4	148.3	149.3	150.5	150.2	151.2	151.4	151.8	154.3	154.6	155.7
24	Business equipment	13.2	171.6	167.5	169.4	171.2	171.2	172.6	173.9	173.7	174.8	175.0	175.5	179.4	180.0	181.5
25	Information processing and related	5.4	248.6	229.2	236.9	244.3	248.2	253.8	259.9	261.3	265.6	266.7	270.1	277.8	281.4	287.0
26	Computer and office equipment	1.1	840.1	736.1	773.0	805.8	830.2	851.9	892.8	926.9	950.5	970.0	985.6	1,015.3	1,043.6	1,070.5
27	Industrial	4.0	135.3	135.2	136.0	135.3	133.7	135.4	133.6	133.9	134.9	134.6	135.0	138.9	139.9	139.0
28	Transit	2.5	126.9	129.5	129.4	128.9	128.2	127.5	128.1	124.0	122.3	121.2	118.5	119.6	115.6	114.2
29	Autos and trucks	1.2	131.4	129.0	130.7	131.2	132.2	131.2	135.3	132.0	133.4	134.2	127.8	134.6	132.9	131.8
30	Other	1.3	131.4	143.0	135.7	134.0	130.2	123.8	123.2	126.4	125.1	127.5	128.1	126.9	128.1	132.9
31	Defense and space equipment	3.3	74.4	75.6	75.1	75.2	74.6	74.5	74.7	73.6	73.7	73.0	72.4	70.6	69.8	70.2
32	Oil and gas well drilling	6	106.8	100.8	97.2	99.8	100.1	102.0	107.1	111.3	115.7	121.3	124.3	125.5	129.9	127.3
33	Manufactured homes	.2	155.2	168.8	164.7	161.3	158.9	151.5	151.3	144.4	142.6	139.3	138.3	135.4	129.6	131.7
34	Intermediate products, total	14.2	122.1	121.6	121.7	122.3	121.7	121.5	121.7	122.6	123.2	122.4	123.1	124.3	124.5	124.2
35	Construction supplies	5.3	133.4	131.7	131.3	132.9	132.6	133.2	132.9	134.1	135.4	134.3	134.9	136.5	136.6	136.5
36	Business supplies	8.9	115.3	115.6	116.1	116.1	115.3	114.6	115.1	115.8	115.9	115.2	116.0	117.0	117.2	116.9
37	Materials	39.5	154.8	150.3	150.8	151.7	153.1	155.0	154.6	155.7	156.8	158.8	159.7	160.8	161.0	162.0
38	Durable goods materials	20.8	198.9	191.9	193.1	194.3	197.2	200.3	199.9	202.3	203.4	206.7	208.8	211.3	211.9	213.7
39	Durable consumer parts	4.0	150.7	149.9	147.7	148.4	150.5	153.9	147.2	156.0	153.7	154.8	155.0	155.6	154.1	154.6
40	Equipment parts	7.6	360.9	331.5	340.5	345.0	355.2	364.6	369.0	371.4	377.5	386.8	394.9	403.7	409.8	417.9
41	Other	9.2	131.3	130.9	130.4	130.4	130.6	131.1	131.6	131.2	131.7	133.4	134.0	134.8	134.5	134.4
42	Basic metal materials	3.1	121.8	119.8	120.1	119.9	122.6	122.8	123.3	122.1	123.5	125.6	126.3	126.2	125.1	125.4
43	Nondurable goods materials	8.9	114.6	112.7	112.8	113.8	114.2	114.5	114.4	114.7	117.4	119.1	118.7	117.1	117.4	117.6
44	Textile materials	1.1	101.0	101.2	101.8	101.8	101.2	101.2	101.1	100.3	102.3	103.3	100.9	99.0	101.1	101.2
45	Paper materials	1.8	117.0	116.3	116.5	115.3	117.7	116.3	116.3	118.6	118.5	119.3	118.5	118.3	116.1	116.4
46	Chemical materials	3.9	117.3	113.6	114.2	116.0	116.9	117.7	117.4	117.7	122.0	125.1	124.2	122.4	124.2	124.7
47	Other	2.1	113.5	113.3	111.9	114.2	112.0	113.0	113.2	112.5	114.9	114.9	116.8	114.8	113.3	113.2
48	Energy materials	9.7	101.7	102.4	102.2	102.2	101.6	102.9	102.3	101.8	101.5	101.6	101.4	102.7	102.0	102.3
49	Primary energy	6.3	99.2	99.1	97.3	98.3	98.9	100.2	100.3	99.6	98.8	100.1	99.5	100.0	98.7	99.8
50	Converted fuel materials	3.3	107.0	108.9	111.7	109.9	106.8	108.0	106.1	106.1	106.5	104.1	104.8	107.8	108.7	107.0
	SPECIAL AGGREGATES															
51	Total excluding autos and trucks	97.1	137.0	135.1	135.4	136.1	136.4	137.3	137.4	138.0	138.9	139.3	140.2	141.4	141.7	142.0
52	Total excluding motor vehicles and parts	95.1	136.4	134.6	134.9	135.6	135.9	136.7	137.1	137.2	138.3	138.7	139.5	140.8	141.1	141.5
53	Total excluding computer and office equipment	98.2	131.1	129.5	129.7	130.2	130.6	131.2	131.4	131.5	132.4	132.7	133.2	134.4	134.5	134.7
54	Consumer goods excluding autos and trucks	27.4	115.0	115.1	114.8	114.8	114.8	115.0	115.2	115.2	116.3	115.6	116.4	117.3	117.5	117.2
55	Consumer goods excluding energy	26.2	117.3	116.9	116.7	117.0	117.2	116.6	117.7	117.1	118.7	118.8	118.8	119.7	119.5	119.4
56	Business equipment excluding autos and trucks	12.0	176.2	171.9	173.8	175.7	175.7	177.4	178.3	178.5	179.5	179.7	181.1	184.6	185.4	187.3
57	Business equipment excluding computer and office equipment	12.1	143.8	142.6	143.4	144.2	143.6	144.4	144.6	143.6	144.0	143.7	143.8	146.9	146.7	147.5
58	Materials excluding energy	29.8	172.0	165.5	166.3	167.4	169.5	171.6	171.3	173.0	174.7	177.4	178.6	179.7	180.2	181.4

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

Group	SIC code[2]	1992 proportion	1999 avg.	1999 Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.r	2000 Jan.r	Feb.	Mar.p
				Index (1992 = 100)												
MAJOR INDUSTRIES																
59 **Total index**	..	**100.0**	**137.1**	**135.1**	**135.5**	**136.2**	**136.6**	**137.4**	**137.7**	**138.1**	**139.1**	**139.4**	**140.1**	**141.5**	**141.6**	**142.0**
60 Manufacturing	..	85.4	142.3	139.7	140.2	141.0	141.4	142.0	142.5	142.9	144.2	145.0	145.6	146.8	147.0	147.6
61 Primary processing	..	26.5	123.3	122.4	122.2	122.5	122.7	123.3	123.4	123.6	124.8	125.6	125.9	126.2	126.2	126.5
62 Advanced processing	.	58.8	151.8	148.8	149.6	150.7	151.2	151.8	152.6	153.1	154.5	155.2	155.9	157.6	157.9	158.7
63 Durable goods	...	45.0	172.8	168.1	169.4	170.8	172.2	173.8	174.4	175.0	176.5	177.4	178.4	181.0	181.2	182.5
64 Lumber and products	24	2.0	121.6	121.7	121.5	123.9	122.2	121.5	120.2	119.7	120.5	119.8	121.4	122.5	121.9	121.2
65 Furniture and fixtures	25	1.4	125.5	125.8	123.8	124.4	124.4	125.7	126.4	127.9	127.0	125.2	128.6	127.3	126.9	127.4
66 Stone, clay, and glass products	32	2.1	130.5	130.8	128.8	128.5	127.8	129.3	130.2	129.6	131.2	132.4	131.4	131.0	132.0	131.7
67 Primary metals	33	3.1	126.6	124.0	123.9	123.9	127.4	128.0	129.6	128.3	129.0	131.1	132.8	132.9	131.7	132.3
68 Iron and steel	331,2	1.7	123.2	118.1	119.4	120.1	124.5	126.2	127.6	125.9	124.9	130.7	131.7	131.0	129.5	130.4
69 Raw steel	331PT	.1	113.3	108.3	109.3	111.4	110.7	111.1	115.9	112.4	121.8	124.0	124.2	123.1	118.7	120.2
70 Nonferrous	333–6,9	1.4	130.9	131.4	129.4	128.6	130.8	130.2	132.1	131.4	134.0	131.7	134.1	135.2	134.4	134.7
71 Fabricated metal products	34	5.0	128.7	128.5	128.0	127.2	128.3	128.6	128.5	128.4	128.8	129.7	129.0	130.6	130.7	130.8
72 Industrial machinery and equipment	35	8.0	230.1	224.6	227.0	228.4	228.2	230.0	231.4	235.5	238.3	239.7	241.8	247.9	251.6	254.0
73 Computer and office equipment	357	1.8	1,061.4	947.6	987.5	1,021.6	1,048.2	1,075.1	1,123.7	1,167.5	1,196.6	1,222.8	1,244.6	1,283.3	1,320.3	1,356.0
74 Electrical machinery	36	7.3	390.2	354.0	366.4	373.3	384.2	399.2	401.3	402.1	412.6	418.1	426.4	442.2	449.2	460.6
75 Transportation equipment	37	9.5	122.4	122.6	122.1	122.8	123.5	122.9	122.9	123.1	122.3	121.8	120.4	121.6	119.1	119.2
76 Motor vehicles and parts	371	4.9	151.0	148.1	148.4	150.6	152.9	152.2	152.2	155.6	155.7	155.8	152.7	156.8	153.1	154.1
77 Autos and light trucks	371PT	2.6	137.8	134.0	135.7	138.3	142.0	135.8	146.8	139.4	140.7	141.0	135.0	141.0	137.7	138.6
78 Aerospace and miscellaneous transportation equipment	372–6,9	4.6	94.9	97.9	96.5	96.0	95.2	94.7	94.7	92.2	90.6	89.5	89.7	88.3	86.8	86.1
79 Instruments	38	5.4	116.5	113.7	115.1	116.7	117.0	117.2	117.7	117.2	118.3	118.9	119.7	118.4	117.4	117.7
80 Miscellaneous	39	1.3	124.7	122.9	124.2	125.5	124.5	125.2	125.2	125.1	125.0	125.0	126.4	126.9	125.7	125.1
81 Nondurable goods	...	40.4	111.8	111.8	111.5	111.9	111.3	111.0	111.5	111.8	113.0	113.6	113.7	113.8	113.9	113.9
82 Foods	20	9.4	110.1	110.9	110.6	110.6	110.0	108.9	108.9	109.6	110.1	110.3	110.0	110.0	110.7	110.6
83 Tobacco products	21	1.6	94.3	95.4	94.1	95.4	94.5	96.0	94.8	90.9	91.9	93.1	94.7	96.7	94.5	91.4
84 Textile mill products	22	1.8	110.9	110.1	111.4	110.9	110.8	112.3	111.7	110.8	112.7	111.4	110.1	112.1	111.9	112.1
85 Apparel products	23	2.2	90.7	91.8	92.4	91.2	90.7	89.8	89.2	89.0	89.1	89.1	89.1	89.5	89.6	89.3
86 Paper and products	26	3.6	116.2	115.9	115.0	114.6	115.7	115.0	115.8	117.2	118.0	118.1	117.7	117.3	115.8	115.8
87 Printing and publishing	27	6.7	104.4	103.7	104.2	104.1	103.5	102.8	103.6	104.6	106.0	105.7	105.3	106.0	105.3	105.4
88 Chemicals and products	28	9.9	117.5	116.8	115.6	117.0	116.3	115.8	117.7	117.4	119.8	122.7	122.9	121.8	122.8	123.1
89 Petroleum products	29	1.4	114.7	114.9	114.6	114.2	113.4	115.1	114.1	114.6	114.5	112.8	114.9	113.5	117.3	121.5
90 Rubber and plastic products	30	3.5	137.7	135.8	136.2	137.4	136.4	138.0	137.6	139.3	138.9	139.3	141.4	142.2	141.5	141.0
91 Leather and products	31	.3	69.8	71.3	70.6	70.9	71.3	69.1	70.2	69.5	68.2	67.7	65.4	67.1	66.4	65.7
92 Mining	.	6.9	98.0	97.5	96.7	97.4	97.1	97.8	98.5	98.3	99.2	99.7	99.5	99.9	99.1	100.0
93 Metal	10	.5	97.1	98.5	100.5	100.2	98.9	96.2	93.0	91.4	94.2	94.5	95.2	94.1	93.1	92.1
94 Coal	12	1.0	108.1	103.9	107.3	106.1	107.0	110.0	110.7	109.4	108.8	110.0	109.5	106.3	101.9	109.3
95 Oil and gas extraction	13	4.8	92.5	92.1	90.8	91.8	91.4	92.3	93.2	93.0	94.0	94.5	94.6	95.7	95.4	95.4
96 Stone and earth minerals	14	.6	124.4	126.6	121.8	123.9	123.3	120.5	123.0	125.5	126.3	125.0	122.4	124.0	124.0	124.6
97 Utilities	...	7.7	115.6	116.8	116.3	116.1	117.4	119.8	117.8	117.7	115.2	110.9	113.5	117.7	118.6	115.7
98 Electric	491,493PT	6.2	118.2	119.1	118.6	118.4	119.6	122.6	120.0	119.8	116.9	115.8	116.9	119.8	120.6	118.5
99 Gas	492,493PT	1.6	104.8	106.4	105.7	105.8	107.5	107.4	108.2	108.5	107.9	88.2	98.1	108.4	110.1	102.7
SPECIAL AGGREGATES																
100 Manufacturing excluding motor vehicles and parts	..	80.5	141.7	139.3	139.8	140.5	140.8	141.4	142.0	142.3	143.6	144.5	145.2	146.3	146.7	147.3
101 Manufacturing excluding computer and office equipment	...	83.6	135.3	133.1	133.4	134.1	134.3	134.8	135.1	135.3	136.5	137.1	137.6	138.6	138.6	139.1
102 Computers, communications equipment, and semiconductors	...	5.9	794.1	700.3	731.6	753.3	780.5	812.1	830.4	843.0	863.9	887.7	908.5	948.9	975.4	1,007.9
103 Manufacturing excluding computers and semiconductors	..	81.1	121.6	121.0	120.9	121.3	121.2	121.3	121.6	121.7	122.6	122.9	123.1	123.8	123.6	123.8
104 Manufacturing excluding computers, communications equipment, and semiconductors	...	79.5	119.3	118.9	118.7	119.1	118.9	118.9	119.1	119.3	120.1	120.4	120.6	121.1	120.8	120.8
			Gross value (billions of 1992 dollars, annual rates)													
Major Markets																
105 **Products, total**	...	**2,001.9**	**2,726.1**	**2,701.8**	**2,710.2**	**2,721.9**	**2,723.6**	**2,726.1**	**2,742.0**	**2,740.2**	**2,762.6**	**2,740.0**	**2,751.5**	**2,788.2**	**2,793.9**	**2,799.1**
106 Final	..	1,552.1	2,101.6	2,080.1	2,087.2	2,095.3	2,100.3	2,102.8	2,118.5	2,112.5	2,132.5	2,115.8	2,122.4	2,151.6	2,156.2	2,161.7
107 Consumer goods	..	1,049.6	1,294.9	1,287.9	1,288.4	1,290.1	1,295.1	1,292.4	1,301.3	1,297.0	1,311.7	1,294.7	1,301.5	1,313.5	1,316.5	1,316.9
108 Equipment	...	502.5	808.3	793.3	800.1	806.7	806.7	812.3	819.0	817.5	822.5	823.4	822.9	840.7	842.3	847.7
109 Intermediate	..	449.9	623.3	620.4	621.7	625.2	622.1	622.0	622.4	626.4	628.9	623.0	627.9	635.4	636.5	636.2

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 November 1999. The recent annual revision is described in an article in the March 2000 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	1997	1998	1999	1999 May	1999 June	1999 July	1999 Aug.	1999 Sept.	1999 Oct.	1999 Nov.r	1999 Dec.r	2000 Jan.r	2000 Feb.
	Private residential real estate activity (thousands of units except as noted)												
NEW UNITS													
1 Permits authorized	1,441	1,612	1,640	1,591	1,641	1,641	1,619	1,506	1,594	1,612	1,622	1,772	1,653
2 One-family	1,062	1,188	1,232	1,243	1,241	1,247	1,210	1,171	1,178	1,200	1,228	1,318	1,223
3 Two-family or more	379	425	408	348	400	394	409	335	416	412	394	454	430
4 Started	1,474	1,617	1,667	1,649	1,562	1,704	1,657	1,628	1,636	1,663	1,769	1,744	1,807
5 One-family	1,134	1,271	1,335	1,368	1,269	1,348	1,285	1,290	1,343	1,344	1,441	1,361	1,307
6 Two-family or more	340	346	332	281	293	356	372	338	293	319	328	383	500
7 Under construction at end of period[1]	833	935	1,022	1,026	1,013	1,017	1,026	1,021	1,020	1,022	1,025	1,032	1,042
8 One-family	570	637	704	706	698	702	706	702	706	708	710	712	714
9 Two-family or more	264	297	318	320	315	315	320	319	314	314	315	320	328
10 Completed	1,404	1,473	1,636r	1,680	1,657	1,619	1,581	1,642	1,608	1,653	1,675	1,593	1,712
11 One-family	1,120	1,158	1,308r	1,355	1,336	1,262	1,251	1,307	1,274	1,345	1,340	1,294	1,349
12 Two-family or more	285	315	328	325	321	357	330	335	334	308	335	299	363
13 Mobile homes shipped	354	374	348	365	355	336	340	320	321	316	304	307	291
Merchant builder activity in one-family units													
14 Number sold	804	886	907	896	948	936	914	848	906	895	921	924	919
15 Number for sale at end of period[1]	287	300	326r	305	305	306	307	311	314	317	320	323	311
Price of units sold (thousands of dollars)[2]													
16 Median	146.0	152.5	160.0	154.8	158.3	157.9	154.9	162.0	160.0	172.9	165.0	158.0	162.0
17 Average	176.2	181.9	195.7r	188.2	193.4	188.8	193.3	194.4	200.3	212.4	203.2	194.4	202.5
EXISTING UNITS (one-family)													
18 Number sold	4,382	4,970	5,197	5,040	5,590	5,310	5,300	5,150	4,880	5,150	5,140	4,450	4,750
Price of units sold (thousands of dollars)[2]													
19 Median	121.8	128.4	133.3	132.8	136.9	136.0	137.4	134.4	132.5	133.2	133.7	132.2	133.7
20 Average	150.5	159.1	168.3	167.4	174.2	171.9	174.3	170.2	167.2	168.9	168.8	168.9	168.1
	Value of new construction (millions of dollars)[3]												
CONSTRUCTION													
21 **Total put in place**	**617,877**	**664,451**	**706,431r**	**698,461**	**698,852**	**701,961**	**698,439**	**698,168**	**703,447r**	**717,585**	**731,771**	**747,610**	**758,733**
22 Private	474,842	518,987	547,514r	546,880	546,931	545,992	541,793	540,939	544,532r	550,018	557,688	568,277	579,573
23 Residential	265,908	293,569	321,795r	321,803	320,913	320,350	319,656	320,048	322,876r	326,091	330,141	338,624	340,655
24 Nonresidential	208,933	225,418	225,720r	225,077	226,018	225,642	222,137	220,891	221,656r	223,927	227,547	229,653	238,918
25 Industrial buildings	31,355	32,308	26,698r	24,975	25,465	26,246	25,703	25,566	25,387r	26,136	26,771	26,452	28,066
26 Commercial buildings	86,190	95,252	103,111r	104,134	104,457	103,355	102,407	102,728	102,746r	104,208	104,172	106,363	111,920
27 Other buildings	37,198	39,438	38,774r	38,876	38,592	38,412	37,791	37,727	38,478r	37,820	38,735	39,305	41,027
28 Public utilities and other	54,190	58,421	57,136r	57,092	57,504	57,629	56,236	54,870	55,045r	55,763	57,869	57,533	57,905
29 Public	143,035	145,464	158,917r	151,581	151,921	155,969	156,646	157,229	158,915r	167,566	174,083	179,333	179,160
30 Military	2,559	2,588	2,133	2,128	2,137	2,275	1,682	1,947	2,090r	1,961	2,362	1,773	2,837
31 Highway	44,295	45,067	50,495r	48,542	45,518	47,822	48,182	49,031	47,058r	53,487	56,887	61,855	57,468
32 Conservation and development	5,576	5,487	6,173r	5,101	5,845	5,820	6,598	6,268	6,283r	6,555	7,104	6,484	7,109
33 Other	90,605	92,322	100,117r	95,810	98,421	100,052	100,184	99,983	103,484r	105,563	107,730	109,221	111,746

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, Mar. 2000
	1999 Mar.	2000 Mar.	1999			2000	1999		2000			
			June	Sept.	Dec.	Mar.	Nov.	Dec.	Jan.	Feb.	Mar.	
CONSUMER PRICES[2] (1982–84=100)												
1 **All items**	**1.7**	**3.7**	**2.7**	**3.9**	**2.4**	**5.8**	**.2**	**.2**	**.2**	**.5**	**.7**	**171.1**
2 Food	2.3	2.0	1.5	2.5	2.2	1.7	.2	.1	−.1	.4	.1	166.5
3 Energy items	−3.1	24.2	16.5	26.0	7.8	50.5	.1	1.8	1.0	4.6	4.9	122.2
4 All items less food and energy	2.1	2.4	2.1	2.5	1.8	3.2	.2	.1	.2	.2	.4	180.4
5 Commodities	.6	1.0	1.7	2.5	−.6	.3	−.2	−.1	−.2	.0	.3	145.3
6 Services	2.8	3.0	2.3	2.5	3.1	4.1	.4	.2	.3	.3	.5	200.5
PRODUCER PRICES (1982=100)												
7 Finished goods	.8	4.5	2.5	6.8	1.2	8.2	.1[r]	.2[r]	.0	1.0	1.0	137.0
8 Consumer foods	1.0	.9	−.6	3.3	−1.8	3.0	−.2[r]	.1[r]	.1	.4	.1	135.9
9 Consumer energy	−4.0	29.2	22.4	37.6	6.9	57.5	1.1[r]	1.0[r]	.7	5.2	5.8	92.0
10 Other consumer goods	2.8	1.6	.8	3.8	1.1	.8	−.1[r]	.1	−.4	.5	.1	153.6
11 Capital equipment	−.1	.6	.0	.3	1.2	.9	−.1	.1	.1	.0	.1	138.5
Intermediate materials												
12 Excluding foods and feeds	−2.0	6.3	5.7	6.6	4.2	9.1	.3[r]	.6[r]	.4	.8	1.0	128.8
13 Excluding energy	−1.6	3.1	2.8	3.4	2.4	3.6	.1	.2	.3	.2	.4	136.0
Crude materials												
14 Foods	−7.1	2.5	−7.7	3.7	−4.0	21.5	1.0	−2.1	.7	.7	3.5	101.3
15 Energy	−13.1	70.9	163.8	134.4	−24.3	82.2	11.5[r]	−10.0[r]	4.4	10.0	1.2	103.4
16 Other	−12.9	16.3	7.0	22.6	24.5	11.7	1.0[r]	2.2[r]	3.2	−.2	−.2	151.1

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	1997	1998	1999[r]	1998	1999			
				Q4	Q1	Q2	Q3	Q4[r]
GROSS DOMESTIC PRODUCT								
1 **Total**	**8,300.8**	**8,759.9**	**9,256.1**	**8,947.6**	**9,072.7**	**9,146.2**	**9,297.8**	**9,507.9**
By source								
2 Personal consumption expenditures	5,524.4	5,848.6	6,257.3	5,973.7	6,090.8	6,200.8	6,303.7	6,434.1
3 Durable goods	642.9	698.2	758.6	722.8	739.0	751.6	761.8	782.1
4 Nondurable goods	1,641.7	1,708.9	1,843.1	1,742.9	1,787.8	1,824.8	1,853.9	1,905.8
5 Services	3,239.8	3,441.5	3,655.6	3,508.0	3,564.0	3,624.3	3,688.0	3,746.2
6 Gross private domestic investment	1,383.7	1,531.2	1,622.7	1,580.3	1,594.3	1,585.4	1,635.0	1,675.8
7 Fixed investment	1,315.4	1,460.0	1,578.0	1,508.9	1,543.3	1,567.8	1,594.2	1,606.8
8 Nonresidential	986.1	1,091.3	1,166.7	1,121.4	1,139.9	1,155.4	1,181.6	1,190.0
9 Structures	254.1	272.8	273.4	278.0	274.7	272.5	272.1	274.1
10 Producers' durable equipment	732.1	818.5	893.4	843.4	865.2	882.9	909.5	916.0
11 Residential structures	329.2	368.7	411.3	387.5	403.4	412.4	412.7	416.7
12 Change in business inventories	68.3	71.2	44.6	71.4	51.0	17.6	40.8	69.1
13 Nonfarm	65.6	70.9	41.3	56.2	40.9	12.8	40.1	71.3
14 Net exports of goods and services	−88.3	−149.6	−253.9	−161.2	−201.6	−245.8	−278.2	−290.1
15 Exports	968.0	966.3	998.3	981.8	966.9	978.2	1,008.5	1,039.5
16 Imports	1,056.3	1,115.9	1,252.2	1,143.1	1,168.5	1,224.0	1,286.6	1,329.6
17 Government consumption expenditures and gross investment	1,481.0	1,529.7	1,630.1	1,554.8	1,589.1	1,605.9	1,637.2	1,688.0
18 Federal	537.8	538.7	570.6	546.7	557.4	561.6	569.8	593.6
19 State and local	943.2	991.0	1,059.4	1,008.1	1,031.8	1,044.3	1,067.4	1,094.4
By major type of product								
20 Final sales, total	8,232.4	8,688.7	9,211.5	8,876.2	9,021.6	9,128.6	9,257.0	9,438.8
21 Goods	3,074.1	3,239.1	3,437.5	3,318.4	3,365.6	3,406.6	3,453.2	3,524.6
22 Durable	1,424.8	1,528.9	1,618.7	1,571.4	1,584.3	1,601.7	1,631.1	1,657.8
23 Nondurable	1,649.3	1,710.3	1,818.8	1,747.0	1,781.3	1,804.9	1,822.2	1,866.9
24 Services	4,434.7	4,664.6	4,932.0	4,747.9	4,820.7	4,885.5	4,963.7	5,058.2
25 Structures	723.7	785.1	842.0	809.9	835.3	836.5	840.1	856.0
26 Change in business inventories	68.3	71.2	44.6	71.4	51.0	17.6	40.8	69.1
27 Durable goods	35.6	39.0	25.8	38.6	24.1	6.3	23.0	49.8
28 Nondurable goods	32.8	32.3	18.9	32.8	27.0	11.4	17.8	19.2
MEMO								
29 **Total GDP in chained 1996 dollars**	**8,144.8[r]**	**8,495.7[r]**	**8,848.2**	**8,639.5[r]**	**8,717.6[r]**	**8,758.3[r]**	**8,879.8[r]**	**9,037.2**
NATIONAL INCOME								
30 **Total**	**6,635.5[r]**	**7,038.8[r]**	**7,496.3**	**7,198.6[r]**	**7,339.4[r]**	**7,428.1[r]**	**7,527.0[r]**	**7,690.9**
31 Compensation of employees	4,675.7	5,011.2	5,331.7	5,134.7	5,217.7	5,287.1	5,373.6	5,448.3
32 Wages and salaries	3,884.7	4,189.5	4,472.3	4,300.8	4,371.5	4,432.6	4,509.4	4,575.6
33 Government and government enterprises	664.4	692.8	726.5	702.8	715.8	721.3	730.3	738.5
34 Other	3,220.3	3,496.7	3,745.8	3,598.0	3,655.7	3,711.3	3,779.1	3,837.1
35 Supplement to wages and salaries	791.0	821.7	859.4	833.9	846.2	854.5	864.2	872.7
36 Employer contributions for social insurance	290.1	306.0	323.6	311.8	318.3	321.5	325.7	329.0
37 Other labor income	500.9	515.7	535.8	522.1	528.0	533.0	538.5	543.7
38 Proprietors' income[1]	578.6	606.1	658.5	637.1	639.9	655.3	654.0	685.0
39 Business and professional[1]	549.1	581.0	627.3	596.0	607.5	621.2	633.0	647.4
40 Farm[1]	29.5	25.1	31.3	41.1	32.5	34.1	21.0	37.6
41 Rental income of persons[2]	130.2	137.4	145.9	147.0	148.6	148.8	139.0	147.3
42 Corporate profits[1]	838.5[r]	848.4[r]	892.7	839.0[r]	886.9[r]	880.5[r]	884.1[r]	919.4
43 Profits before tax[3]	795.9	781.9	848.5	766.7	818.1	835.8	853.8	886.3
44 Inventory valuation adjustment	7.4	20.9	−13.0	20.8	13.3	−13.6	−26.7	−24.9
45 Capital consumption adjustment	35.3[r]	45.6[r]	57.2	51.6[r]	55.5[r]	58.2[r]	57.0[r]	58.0
46 Net interest	412.5	435.7	467.5	440.8	446.3	456.4	476.3	491.0

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.
3. For after-tax profits, dividends, and the like, see table 1.48.

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

2.17 PERSONAL INCOME AND SAVING

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

Account	1997	1998	1999	1998	1999			
				Q4	Q1	Q2	Q3	Q4[r]
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**6,951.1**	**7,358.9**	**7,791.8[r]**	**7,530.8**	**7,630.2**	**7,732.6**	**7,831.4**	**7,972.9**
2 Wage and salary disbursements	3,888.9	4,186.0	4,472.3[r]	4,297.3	4,371.5	4,432.6	4,509.4	4,575.6
3 Commodity-producing industries	975.5	1,038.7	1,082.4	1,056.6	1,062.9	1,075.1	1,090.2	1,101.4
4 Manufacturing	718.8	757.5	779.7	765.6	767.0	774.8	786.4	790.7
5 Distributive industries	879.1	944.6	1,005.8	969.9	986.3	997.6	1,013.4	1,025.8
6 Service industries	1,369.8	1,509.9	1,657.6[r]	1,568.0	1,606.6	1,638.5	1,675.5	1,709.9
7 Government and government enterprises	664.4	692.8	726.5	702.8	715.8	721.3	730.3	738.5
8 Other labor income	500.9	515.7	535.8	522.1	528.0	533.0	538.5	543.7
9 Proprietors' income[1]	578.6	606.1	658.5	637.1	639.9	655.3	654.0	685.0
10 Business and professional[1]	549.1	581.0	627.3[r]	596.0	607.5	621.2	633.0	647.4
11 Farm[1]	29.5	25.1	31.3[r]	41.1	32.5	34.1	21.0	37.6
12 Rental income of persons[2]	130.2	137.4	145.9	147.0	148.6	148.8	139.0	147.3
13 Dividends	333.4	348.3	364.3	351.9	356.1	361.2	367.0	373.1
14 Personal interest income	854.9	897.8	931.3[r]	906.4	907.4	920.5	938.8	958.5
15 Transfer payments	962.4	983.6	1,018.2[r]	991.0	1,007.8	1,013.6	1,021.3	1,030.2
16 Old-age survivors, disability, and health insurance benefits	565.8	578.1	596.4	581.1	588.9	593.0	599.0	604.7
17 LESS: Personal contributions for social insurance	298.1	315.9	334.6	322.0	328.9	332.3	336.7	340.4
18 EQUALS: Personal income	6,951.1	7,358.9	7,791.8[r]	7,530.8	7,630.2	7,732.6	7,831.4	7,972.9
19 LESS: Personal tax and nontax payments	968.3	1,072.6	1,152.1[r]	1,113.0	1,124.8	1,139.4	1,160.4	1,183.8
20 EQUALS: Disposable personal income	5,982.8	6,286.2	6,639.7[r]	6,417.8	6,505.4	6,593.2	6,671.0	6,789.1
21 LESS: Personal outlays	5,711.7	6,056.6	6,483.3[r]	6,190.3	6,310.3	6,425.2	6,531.5	6,666.3
22 EQUALS: Personal saving	271.1	229.7	156.3[r]	227.5	195.1	168.0	139.5	122.8
MEMO								
Per capita (chained 1996 dollars)								
23 Gross domestic product	30,391.0[r]	31,395.8[r]	32,387.3[r]	31,809.6[r]	32,038.2[r]	32,105.2[r]	32,467.3[r]	32,958.4
24 Personal consumption expenditures	20,213.8[r]	20,997.0[r]	21,901.9[r]	21,278.7[r]	21,577.7[r]	21,790.7[r]	21,995.2[r]	22,257.1
25 Disposable personal income	21,887.0[r]	22,569.0[r]	23,244.0[r]	22,859.0[r]	23,043.0[r]	23,172.0[r]	23,275.0[r]	23,485.0
26 Saving rate (percent)	4.5	3.7	2.4[r]	3.5	3.0	2.5	2.1	1.8
GROSS SAVING								
27 **Gross saving**	**1,521.3**	**1,646.0**	**1,727.1**	**1,685.4**	**1,727.8**	**1,709.5**	**1,735.6**	**1,735.8**
28 Gross private saving	1,362.0	1,371.2	1,364.7	1,382.3	1,389.4	1,359.3	1,355.7	1,354.3
29 Personal saving	271.1	229.7	156.3[r]	227.5	195.1	168.0	139.5	122.8
30 Undistributed corporate profits[1]	266.6[r]	259.6[r]	268.6	251.2[r]	282.5[r]	264.5[r]	257.4[r]	270.1
31 Corporate inventory valuation adjustment	7.4	20.9	−13.0	20.8	13.3	−13.6	−26.7	−24.9
Capital consumption allowances								
32 Corporate	578.8[r]	616.9[r]	661.1[r]	632.4[r]	640.9[r]	652.2[r]	671.6[r]	679.7
33 Noncorporate	249.8	261.5	278.6[r]	267.7	271.0	274.6	287.2	281.6
34 Gross government saving	159.3	274.8	362.5	303.0	338.3	350.2	379.9	381.4
35 Federal	37.7	134.3	206.3	147.8	187.2	208.3	225.1	204.6
36 Consumption of fixed capital	86.6	87.4	90.9	88.1	89.6	90.2	91.2	92.4
37 Current surplus or deficit (−), national accounts	−48.8	46.9	115.4	59.7	97.6	118.1	133.8	112.2
38 State and local	121.5	140.5	156.2	155.2	151.1	141.9	154.8	176.9
39 Consumption of fixed capital	94.0	98.8	105.2[r]	101.1	102.4	104.3	106.0	108.1
40 Current surplus or deficit (−), national accounts	27.5	41.7	51.0	54.2	48.7	37.6	48.9	68.8
41 **Gross investment**	**1,518.1**	**1,598.4**	**1,602.0**	**1,623.0**	**1,628.4**	**1,574.0**	**1,594.4**	**1,611.3**
42 Gross private domestic investment	1,383.7	1,531.2	1,622.7[r]	1,580.3	1,594.3	1,585.4	1,635.0	1,675.8
43 Gross government investment	258.1	268.7	297.9[r]	272.6	289.8	292.2	295.7	313.7
44 Net foreign investment	−123.7	−201.5	−318.5	−229.9	−255.7	−303.7	−336.3	−378.2
45 **Statistical discrepancy**	**−3.2**	**−47.6**	**−125.1**	**−62.4**	**−99.4**	**−135.5**	**−141.2**	**−124.5**

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	1997	1998	1999	1998	1999			
				Q4	Q1	Q2	Q3	Q4
1 Balance on current account	−143,465	−220,562	−338,918	−61,669	−68,902	−81,157	−89,085	−99,779
2 Balance on goods and services	−104,730	−164,282	−267,548	−43,262	−54,177	−65,290	−72,588	−75,496
3 Exports	938,543	933,907	960,088	236,904	231,567	234,174	243,254	251,092
4 Imports	−1,043,273	−1,098,189	−1,227,636	−280,166	−285,744	−299,464	−315,842	−326,588
5 Income, net	3,231	−12,205	−24,789	−4,933	−4,419	−4,692	−5,289	−10,391
6 Investment, net	8,185	−6,956	−19,186	−3,571	−3,029	−3,308	−3,887	−8,964
7 Direct	69,220	59,405	58,433	14,558	14,757	13,913	16,543	13,218
8 Portfolio	−61,035	−66,361	−77,619	−18,129	−17,786	−17,221	−20,430	−22,182
9 Compensation of employees	−4,954	−5,249	−5,603	−1,362	−1,390	−1,384	−1,402	−1,427
10 Unilateral current transfers, net	−41,966	−44,075	−46,581	−13,474	−10,306	−11,175	−11,208	−13,892
11 Change in U.S. government assets other than official reserve assets, net (increase, −)	68	−429	−365	−50	119	−392	−686	594
12 Change in U.S. official reserve assets (increase, −)	−1,010	−6,784	8,749	−2,369	4,068	1,159	1,950	1,572
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	−350	−149	12	−227	563	−190	−185	−176
15 Reserve position in International Monetary Fund	−3,575	−5,118	5,485	−1,924	3	1,413	2,268	1,801
16 Foreign currencies	2,915	−1,517	3,252	−218	3,502	−64	−133	−53
17 Change in U.S. private assets abroad (increase, −)	−464,354	−285,605	−380,951	−48,188	−19,581	−155,726	−114,652	−90,988
18 Bank-reported claims[3]	−144,822	−24,918	−61,424	37,192	27,771	−42,519	−8,799	−37,877
19 Nonbank-reported claims	−120,403	−25,041	−69,493	16,202	−13,853	−16,816	−24,066	−14,758
20 U.S. purchases of foreign securities, net	−89,174	−102,817	−97,882	−70,809	8,132	−64,579	−34,431	−7,004
21 U.S. direct investments abroad, net	−109,955	−132,829	−152,152	−30,773	−41,631	−31,812	−47,356	−31,349
22 Change in foreign official assets in United States (increase, +)	18,119	−21,684	44,570	24,352	4,708	−628	11,881	28,609
23 U.S. Treasury securities	−6,690	−9,957	12,073	31,836	800	−6,708	12,963	5,018
24 Other U.S. government obligations	4,529	6,332	20,350	1,562	5,993	5,792	1,835	6,730
25 Other U.S. government liabilities[3]	−1,798	−3,113	−3,698	−1,054	−1,594	−647	−1,070	−387
26 Other U.S. liabilities reported by U.S. banks[3]	22,286	−11,469	14,937	−7,133	−589	1,437	−2,032	16,121
27 Other foreign official assets[4]	−208	−3,477	908	−859	98	−502	185	1,127
28 Change in foreign private assets in United States (increase, +)	733,542	524,321	706,195	125,453	84,260	275,007	195,854	151,077
29 U.S. bank-reported liabilities[2]	149,026	40,731	67,713	−21,811	−14,184	34,938	22,629	24,330
30 U.S. nonbank-reported liabilities	107,779	9,412	29,411	−53,210	20,188	8,871	3,475	−3,123
31 Foreign private purchases of U.S. Treasury securities, net	146,433	46,155	−21,756	24,391	−8,781	−5,407	9,639	−17,207
32 U.S. currency flows	24,782	16,622	22,407	6,250	2,440	3,057	4,697	12,213
33 Foreign purchases of other U.S. securities, net	196,258	218,026	325,913	49,328	61,540	79,067	94,573	90,733
34 Foreign direct investments in United States, net	109,264	193,375	282,507	120,505	23,057	154,481	60,841	44,131
35 Capital account transactions, net[5]	292	617	−172	166	166	178	175	−691
36 Discrepancy	−143,192	10,126	−39,108	−37,695	−4,838	−38,441	−5,437	9,606
37 Due to seasonal adjustment	..	..	...	4,144	5,650	662	−9,615	3,301
38 Before seasonal adjustment	−143,192	10,126	−39,108	−41,839	−10,488	−39,103	4,178	6,305
MEMO								
Changes in official assets								
39 U.S. official reserve assets (increase, −)	−1,010	−6,784	8,749	−2,369	4,068	1,159	1,950	1,572
40 Foreign official assets in United States, excluding line 25 (increase, +)	19,917	−18,571	48,268	25,406	6,302	19	12,951	28,996
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	12,124	−11,499	968	2,057	2,058	1,966	−983	−2,073

1. Seasonal factors are not calculated for lines 11–16, 18–20, 22–35, and 38–41.
2. Reporting banks included all types of depository institutions as well as some brokers and dealers.
3. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.
4. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.
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	1997	1998	1999	1999					2000	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[p]
1 Goods and services, balance	−104,731	−164,282	−267,575	−23,747	−23,548	−24,935	−25,974	−24,610	−27,447	−29,241
2 Merchandise	−196,652	−246,932	−347,158	−30,192	−30,271	−31,876	−32,869	−31,494	−34,154	−35,953
3 Services	91,921	82,650	79,583	6,445	6,723	6,941	6,895	6,884	6,707	6,712
4 Goods and services, exports	938,543	933,907	960,288	82,188	82,266	82,711	83,021	85,562	84,342	84,186
5 Merchandise	679,715	670,246	683,221	59,044	58,839	58,832	59,184	61,942	60,714	60,206
6 Services	258,828	263,661	277,067	23,144	23,427	23,879	23,837	23,620	23,628	23,980
7 Goods and services, imports	−1,043,273	−1,098,189	−1,227,863	−105,935	−105,814	−107,646	−108,995	−110,172	−111,789	−113,427
8 Merchandise	−876,366	−917,178	−1,030,379	−89,236	−89,110	−90,708	−92,053	−93,436	−94,868	−96,159
9 Services	−166,907	−181,011	−197,484	−16,699	−16,704	−16,938	−16,942	−16,736	−16,921	−17,268

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	1996	1997	1998	1999				2000			
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.[p]
1 **Total**	**75,090**	**69,954**	**81,755**	**73,414**	**73,230**	**72,318**	**71,516**	**69,898**	**69,309**	**70,789**	**66,587**
2 Gold stock, including Exchange Stabilization Fund[1]	11,049	11,050	11,041	11,047	11,049	11,049	11,089	11,048	11,048	11,048	11,048
3 Special drawing rights[2,3]	10,312	10,027	10,603	10,284	10,232	10,326	10,336	10,199	10,277	10,335	10,122
4 Reserve position in International Monetary Fund[2]	15,435	18,071	24,111	19,978	19,571	18,707	17,950	17,710	17,578	17,871	15,403
5 Foreign currencies[4]	38,294	30,809	36,001	32,105	32,378	32,236	32,182	30,941	30,406	31,535	30,014

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	1996	1997	1998	1999				2000			
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.[p]
1 **Deposits**	**167**	**457**	**167**	**243**	**189**	**501**	**71**	**82**	**87**	**125**	**142**
Held in custody											
2 U.S. Treasury securities[2]	638,049	620,885	607,574	634,086	621,351	629,430	632,482	627,326	631,421	641,830	632,216
3 Earmarked gold[3]	11,197	10,763	10,343	10,155	10,114	10,015	9,933	9,866	9,771	9,711	9,711

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	1997	1998	1999					2000	
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[p]
1 **Total**[1]	**776,505**	**759,928**	**782,490**	**778,640**	**782,865**	**779,191**	**806,046**[r]	**808,231**	**812,110**
By type									
2 Liabilities reported by banks in the United States[2]	135,384	125,883	126,220	124,148	124,523	122,505	138,575[r]	134,510	130,025
3 U.S. Treasury bills and certificates[3]	148,301	134,177	153,499	152,457	154,582	153,465	156,177[r]	153,548	156,995
U.S. Treasury bonds and notes									
4 Marketable	428,004	432,127	422,591	420,877	419,629	417,304	422,266	429,029	430,806
5 Nonmarketable[4]	5,994	6,074	6,060	6,098	6,139	6,177	6,111	6,152	6,191
6 U.S securities other than U.S. Treasury securities[5]	58,822	61,667	74,120	75,060	77,992	79,740	82,917	84,992	88,093
By area									
7 Europe[1]	252,289	256,026	243,334	241,233	243,412	242,587	244,805[r]	246,022	248,792
8 Canada	36,177	36,715	39,342	39,337	39,682	39,081	38,666	39,439	39,358
9 Latin America and Caribbean	96,942	79,503	75,339	74,279	73,627	70,632	73,518[r]	71,888	71,180
10 Asia	400,144	400,631	438,264	437,895	439,811	441,070	463,434	463,561	465,847
11 Africa	9,981	10,059	8,140	8,236	7,868	7,174	7,520	8,205	7,973
12 Other countries	7,058	3,080	4,157	3,746	4,551	4,733	4,189	5,202	5,046

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	1996	1997	1998	1999			
				Mar.	June	Sept.	Dec.
1 Banks' liabilities	103,383	117,524	101,125	101,360	97,820	111,221	97,223
2 Banks' claims	66,018	83,038	78,162	80,640	67,946	79,418	79,155
3 Deposits	22,467	28,661	45,985	40,957	39,801	45,099	46,232
4 Other claims	43,551	54,377	32,177	39,683	28,145	34,319	32,923
5 Claims of banks' domestic customers[2]	10,978	8,191	20,718	11,039	23,474	11,534	20,826

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	1997	1998	1999[r]	1999					2000	
				Aug.	Sept.	Oct.	Nov.	Dec.[r]	Jan.	Feb.[p]
BY HOLDER AND TYPE OF LIABILITY										
1 **Total, all foreigners**	**1,283,027**	**1,347,837**	**1,413,074**	**1,387,623[r]**	**1,382,451[r]**	**1,377,112[r]**	**1,422,378[r]**	**1,413,074**	**1,413,444**	**1,398,607**
2 Banks' own liabilities	882,980	884,939	975,791	908,237[r]	928,497[r]	932,195[r]	976,348[r]	975,791	981,094	962,058
3 Demand deposits	31,344	29,558	42,917	44,940	44,594	39,452[r]	42,889	42,917	36,555	39,673
4 Time deposits[2]	198,546	151,761	167,182	154,433	156,316[r]	162,271[r]	166,483	167,182	165,190	170,756
5 Other[3]	168,011	140,752	162,485	152,766	161,867[r]	155,705[r]	162,708[r]	162,485	174,656	164,579
6 Own foreign offices[4]	485,079	562,868	603,207	556,098[r]	565,720[r]	574,767[r]	604,268[r]	603,207	604,693	587,050
7 Banks' custodial liabilities[5]	400,047	462,898	437,283	479,386	453,954[r]	444,917[r]	446,030[r]	437,283	432,350	436,549
8 U.S. Treasury bills and certificates[6]	193,239	183,494	185,797	192,096	189,030	188,486	184,675	185,797	181,879	184,604
9 Other negotiable and readily transferable instruments[7]	93,641	141,699	132,575	133,789	131,726	131,464	131,859	132,575	129,551	128,673
10 Other	113,167	137,705	118,911	153,501	133,198[r]	124,967[r]	129,496[r]	118,911	120,920	123,272
11 Nonmonetary international and regional organizations[8]	11,690	11,883	14,872	18,268	19,799[r]	17,893	14,043	14,872	21,615	20,095
12 Banks' own liabilities	11,486	10,850	13,953	16,856	18,879[r]	17,052	13,156	13,953	20,759	19,172
13 Demand deposits	16	172	98	31	21	187	70	98	202	148
14 Time deposits[2]	5,466	5,793	10,349	6,419	7,370	8,772	7,675	10,349	9,621	9,151
15 Other[3]	6,004	4,885	3,506	10,406	11,488[r]	8,093	5,411	3,506	10,936	9,873
16 Banks' custodial liabilities[5]	204	1,033	919	1,412	920	841	887	919	856	923
17 U.S. Treasury bills and certificates[6]	69	636	680	896	661	628	658	680	625	704
18 Other negotiable and readily transferable instruments[7]	133	397	233	516	259	213	229	233	225	213
19 Other	2	0	6	0	0	0	0	6	6	6
20 Official institutions[9]	283,685	260,060	294,752	279,719	276,605	279,105	275,970	294,752	288,058	287,020
21 Banks' own liabilities	102,028	80,256	97,373	77,801	76,780	79,376	80,029	97,373	82,435	79,409
22 Demand deposits	2,314	3,003	3,341	2,537	2,932	2,314	2,829	3,341	2,645	3,306
23 Time deposits[2]	41,396	29,506	28,700	24,407	25,271[r]	29,152	27,009	28,700	25,666	27,447
24 Other[3]	58,318	47,747	65,332	50,857	48,577[r]	47,910	50,191	65,332	54,124	48,656
25 Banks' custodial liabilities[5]	181,657	179,804	197,379	201,918	199,825	199,729	195,941	197,379	205,623	207,611
26 U.S. Treasury bills and certificates[6]	148,301	134,177	156,177	153,499	152,457	154,582	153,465	156,177	153,548	156,995
27 Other negotiable and readily transferable instruments[7]	33,151	44,953	41,152	48,297	46,633	44,804	42,331	41,152	51,522	50,298
28 Other	205	674	50	122	735	343	145	50	553	318
29 Banks[10]	815,247	885,336	901,425	888,649[r]	880,533[r]	877,167[r]	923,780[r]	901,425	901,612	878,505
30 Banks' own liabilities	641,447	676,057	729,398	677,252[r]	692,545[r]	698,718[r]	739,978[r]	729,398	736,922	716,330
31 Unaffiliated foreign banks	156,368	113,189	126,191	121,154	126,825[r]	123,951[r]	135,710[r]	126,191	132,229	129,280
32 Demand deposits	16,767	14,071	17,583	15,436	14,084	17,111	14,402	17,583	12,964	12,424
33 Time deposits[2]	83,433	45,904	48,199	49,623	49,649[r]	48,693	54,388	48,199	51,218	51,522
34 Other[3]	56,168	53,214	60,409	56,095	63,092[r]	58,147[r]	66,920[r]	60,409	68,047	65,334
35 Own foreign offices[4]	485,079	562,868	603,207	556,098[r]	565,720[r]	574,767[r]	604,268[r]	603,207	604,693	587,050
36 Banks' custodial liabilities[5]	173,800	209,279	172,027	211,397	187,988[r]	178,449[r]	183,802[r]	172,027	164,690	162,175
37 U.S. Treasury bills and certificates[6]	31,915	35,359	16,936	26,314	24,749	22,203	19,512	16,936	17,582	14,635
38 Other negotiable and readily transferable instruments[7]	35,393	45,332	45,695	41,541	40,370	41,529	44,889	45,695	36,426	34,629
39 Other	106,492	128,588	109,396	143,542	122,869[r]	114,717[r]	119,401[r]	109,396	110,682	112,911
40 Other foreigners	172,405	190,558	202,025	200,987	205,514	202,947[r]	208,585[r]	202,025	202,159	212,987
41 Banks' own liabilities	128,019	117,776	135,067	136,328	140,293	137,049[r]	143,185[r]	135,067	140,978	147,147
42 Demand deposits	12,247	12,312	21,895	26,936	27,557	19,840[r]	25,588	21,895	20,744	23,795
43 Time deposits[2]	68,251	70,558	79,934	73,984	74,026	75,654[r]	77,411	79,934	78,685	82,636
44 Other[3]	47,521	34,906	33,238	35,408	38,710	41,555[r]	40,186[r]	33,238	41,549	40,716
45 Banks' custodial liabilities[5]	44,386	72,782	66,958	64,659	65,221	65,898	65,400	66,958	61,181	65,840
46 U.S. Treasury bills and certificates[6]	12,954	13,322	12,004	11,387	11,163	11,073	11,040	12,004	10,124	12,270
47 Other negotiable and readily transferable instruments[7]	24,964	51,017	45,495	43,435	44,464	44,918	44,410	45,495	41,378	43,533
48 Other	6,468	8,443	9,459	9,837	9,594	9,907	9,950	9,459	9,679	10,037
MEMO										
49 Negotiable time certificates of deposit in custody for foreigners	16,083	27,026	30,345	22,565	24,367	26,550	28,320	30,345	28,344	27,266

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. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.
8. Principally the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank. Excludes "holdings of dollars" of the International Monetary Fund.
9. Foreign central banks, foreign central governments, and the Bank for International Settlements.
10. Excludes central banks, which are included in "Official institutions."

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

Item	1997	1998	1999	1999					2000	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[p]
AREA										
50 **Total, all foreigners**	**1,283,027**	**1,347,837**	**1,413,074[r]**	**1,387,623[r]**	**1,382,451[r]**	**1,377,112[r]**	**1,422,378[r]**	**1,413,074[r]**	**1,413,444**	**1,398,607**
51 **Foreign countries**	**1,271,337**	**1,335,954**	**1,398,202[r]**	**1,369,355[r]**	**1,362,652[r]**	**1,359,219[r]**	**1,408,335[r]**	**1,398,202[r]**	**1,391,829**	**1,378,512**
52 Europe	419,672	427,375	448,004[r]	452,885[r]	457,041[r]	442,633[r]	470,893[r]	448,004[r]	449,971	451,718
53 Austria	2,717	3,178	2,789	3,210	3,205	3,299	2,842	2,789	2,648	2,997
54 Belgium and Luxembourg	41,007	42,818	44,692	36,908[r]	37,130[r]	38,750[r]	41,331	44,692	42,434	38,783
55 Denmark	1,514	1,437	2,196	1,811	1,903	2,658	3,197	2,196	2,510	2,533
56 Finland	2,246	1,862	1,658	1,335	1,222	1,269	1,894	1,658	1,290	1,479
57 France	46,607	44,616	49,790	42,424	45,809	45,763[r]	50,261[r]	49,790	48,530	49,839
58 Germany	23,737	21,357	24,748	23,719	24,485	25,472[r]	26,530[r]	24,748	24,097	24,201
59 Greece	1,552	2,066	3,748	3,121	3,358	3,322	3,365	3,748	3,145	4,000
60 Italy	11,378	7,103	6,775	5,832	6,231	6,305[r]	5,264	6,775	6,261	5,405
61 Netherlands	7,385	10,793	8,310	11,284[r]	11,626[r]	13,874[r]	12,775	8,310	7,271	7,797
62 Norway	317	710	1,327	1,333	1,225	951	1,364	1,327	834	1,169
63 Portugal	2,262	3,236	2,228	1,912	1,976	1,875	2,148	2,228	2,034	2,113
64 Russia	7,968	2,439	5,475	2,665	2,816	3,713	3,655	5,475	6,404	7,543
65 Spain	18,989	15,781	10,426	8,202	9,479	9,287	11,181	10,426	12,531	12,130
66 Sweden	1,628	3,027	4,652	3,779	4,571	5,381	5,518	4,652	4,673	4,792
67 Switzerland	39,023	50,654	65,985	76,176	68,971[r]	65,966[r]	67,025[r]	65,985	64,282	61,335
68 Turkey	4,054	4,286	7,842	7,883	8,368	8,250[r]	8,817	7,842	6,912	7,714
69 United Kingdom	181,904	181,554	176,168[r]	192,431	196,710[r]	177,992[r]	195,453[r]	176,168[r]	184,457	188,043
70 Yugoslavia[11]	239	233	286	270	266	267	267	286	273	294
71 Other Europe and other former U.S.S.R.[12]	25,145	30,225	28,909[r]	28,590	27,690	28,239	28,006	28,909[r]	29,385	29,551
72 Canada	28,341	30,212	34,119	30,409	29,728	34,995	33,746	34,119	32,965	33,387
73 Latin America and Caribbean	536,393	554,866	577,599[r]	581,427[r]	572,664[r]	576,142[r]	594,400[r]	577,599[r]	599,473	587,209
74 Argentina	20,199	19,014	18,633[r]	17,064	15,547	17,547[r]	15,042	18,633[r]	15,333	16,327
75 Bahamas	112,217	118,085	134,407	132,442	139,101	134,111	139,179	134,407	149,727	155,720
76 Bermuda	6,911	6,846	7,877	9,319	8,747	10,902	8,859	7,877	9,910	9,106
77 Brazil	31,037	15,815	12,860	15,423	16,241	13,252[r]	14,184	12,860	12,230	12,785
78 British West Indies	276,418	302,486	312,664[r]	315,843	302,016[r]	311,509[r]	328,052[r]	312,664[r]	320,245	302,939
79 Chile	4,072	5,015	7,008	5,805	6,601	6,559	6,521	7,008	6,366	6,244
80 Colombia	3,652	4,624	5,656	4,455	4,711	5,011	4,783	5,656	4,438	4,304
81 Cuba	66	62	75	72	76	72	73	75	75	75
82 Ecuador	2,078	1,572	1,956	1,724	1,792	1,833	1,930	1,956	1,985	2,035
83 Guatemala	1,494	1,336	1,621	1,521	1,471	1,484	1,577	1,621	1,630	1,611
84 Jamaica	450	577	520	533	550	549	546	520	540	571
85 Mexico	33,972	37,157	30,718	36,301	35,028	32,210[r]	31,189[r]	30,718	32,090	32,216
86 Netherlands Antilles	5,085	5,010	3,997	3,416[r]	2,935[r]	2,696[r]	3,389	3,997	4,269	3,692
87 Panama	4,241	3,864	4,415	3,816	4,029	4,007	3,834	4,415	4,042	3,737
88 Peru	893	840	1,142	995	1,042	958[r]	997	1,142	1,073	1,051
89 Uruguay	2,382	2,486	2,386	2,151	2,177	2,219[r]	2,585	2,386	2,260	2,262
90 Venezuela	21,601	19,894	20,189	19,797	19,451	19,914	20,311	20,189	21,517	21,297
91 Other	9,625	10,183	11,475[r]	10,750	11,149	11,309[r]	11,349	11,475[r]	11,743	11,237
92 Asia	269,379	307,960	319,361[r]	288,982	287,347[r]	287,963	292,078	319,361[r]	290,417	287,389
China										
93 Mainland	18,252	13,441	12,325	12,359	11,914	10,460	13,981	12,325	11,570	11,661
94 Taiwan	11,840	12,708	13,595	12,678	12,514	12,023	14,791	13,595	11,667	11,213
95 Hong Kong	17,722	20,900	27,697	24,149	23,368	24,299	22,276	27,697	25,951	24,049
96 India	4,567	5,250	7,367	5,408	5,625	5,659	5,610	7,367	5,491	5,405
97 Indonesia	3,554	8,282	6,567	6,633	6,468	6,037	6,486	6,567	6,853	7,495
98 Israel	6,281	7,749	7,488	5,059	5,688	5,175	5,071	7,488	6,581	7,669
99 Japan	143,401	168,563	159,075[r]	145,403	149,698[r]	151,632	152,095	159,075[r]	149,033	145,314
100 Korea (South)	13,060	12,524	12,840	12,723	11,903	9,935	8,474	12,840	11,558	12,620
101 Philippines	3,250	3,324	3,253	2,189	2,414	2,134	2,639	3,253	1,938	2,541
102 Thailand	6,501	7,359	6,050	5,809	5,281	4,983	5,164	6,050	5,399	5,134
103 Middle Eastern oil-exporting countries[13]	14,959	15,609	21,280	15,942	14,367	16,825	17,944	21,280	16,923	15,807
104 Other	25,992	32,251	41,824	40,630	38,107	38,801	37,547	41,824	37,453	38,481
105 Africa	10,347	8,905	9,469	7,660	8,045	8,037	7,799	9,469	8,106	8,271
106 Egypt	1,663	1,339	2,022	1,851	1,852	1,364	1,846	2,022	1,616	1,703
107 Morocco	138	97	179	108	118	174	166	179	176	262
108 South Africa	2,158	1,522	1,495	885	753	828	957	1,495	730	698
109 Zaire	10	5	14	13	13	14	13	14	7	13
110 Oil-exporting countries[14]	3,060	3,088	2,915	2,510	2,807	2,912	2,248	2,915	2,953	3,099
111 Other	3,318	2,854	2,844	2,293	2,502	2,745	2,569	2,844	2,624	2,496
112 Other	7,205	6,636	9,650[r]	7,992	7,827	9,449	9,419	9,650[r]	10,897	10,538
113 Australia	6,304	5,495	8,377	6,963	6,788	8,199	8,394	8,377	9,910	9,335
114 Other	901	1,141	1,273[r]	1,029	1,039	1,250	1,025	1,273[r]	987	1,203
115 Nonmonetary international and regional organizations	11,690	11,883	14,872[r]	18,268	19,799[r]	17,893	14,043	14,872[r]	21,615	20,095
116 International[15]	10,517	10,221	12,972[r]	16,112	17,723[r]	16,009	12,710	12,972[r]	19,516	17,520
117 Latin American regional[16]	424	594	650	725	662	960	345	650	1,128	1,558
118 Other regional[17]	749	1,068	1,250	1,431	1,414	924	988	1,250	971	1,017

11. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.
12. Includes the Bank for International Settlements. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.
13. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
14. Comprises Algeria, Gabon, Libya, and Nigeria.
15. Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.
16. Principally the Inter-American Development Bank.
17. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other 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	1997	1998	1999	1999 Aug.	1999 Sept.	1999 Oct.	1999 Nov.	1999 Dec.	2000 Jan.	2000 Feb.[p]
1 **Total, all foreigners**	**708,225**	**734,995**	**793,421[r]**	**731,113[r]**	**759,084[r]**	**752,319[r]**	**779,765[r]**	**793,421[r]**	**755,381**	**740,609**
2 **Foreign countries**	**705,762**	**731,378**	**788,855[r]**	**727,957[r]**	**755,494[r]**	**747,029[r]**	**774,100[r]**	**788,855[r]**	**749,760**	**735,942**
3 Europe	199,880	233,321	313,955[r]	305,205	316,617[r]	293,618[r]	313,288	313,955[r]	306,304	312,700
4 Austria	1,354	1,043	2,643	3,080	2,335	2,752[r]	2,407	2,643	3,020	2,471
5 Belgium and Luxembourg	6,641	7,187	10,193[r]	7,478	7,239	9,624	9,332	10,193[r]	8,898	9,771
6 Denmark	980	2,383	1,669	1,442	1,756	2,352	1,756	1,669	1,702	1,743
7 Finland	1,233	1,070	2,020[r]	1,915	1,855	1,669	2,034	2,020[r]	2,328	1,846
8 France	16,239	15,251	29,142[r]	19,040	19,253	21,533[r]	24,592	29,142[r]	30,051	28,303
9 Germany	12,676	15,923	29,205[r]	23,558	22,995	23,616	22,365	29,205[r]	29,871	28,887
10 Greece	402	575	806	659	663	743	754	806	793	683
11 Italy	6,230	7,284	8,496	7,748	7,958	6,682	7,297	8,496	8,614	6,785
12 Netherlands	6,141	5,697	10,477[r]	10,132	9,425	8,940	8,100	10,477[r]	10,144	10,151
13 Norway	555	827	867[r]	583	1,252	949	920	867[r]	1,243	1,013
14 Portugal	777	669	1,571	1,222	1,342	1,691	1,430	1,571	1,307	1,155
15 Russia	1,248	789	713	782	814	871	711	713	701	743
16 Spain	2,942	5,735	3,796	3,700	5,104	4,073	4,641	3,796	4,581	4,339
17 Sweden	1,854	4,223	3,213	4,082	4,184	4,325	3,853	3,213	4,505	5,331
18 Switzerland	28,846	46,874	79,086[r]	71,866	90,380[r]	78,448	91,493	79,086[r]	68,904	70,178
19 Turkey	1,558	1,982	2,617	2,270	2,385	2,403[r]	2,491	2,617	2,969	3,031
20 United Kingdom	103,143	106,349	119,829[r]	137,680	129,619[r]	114,209	120,836	119,829[r]	119,886	128,046
21 Yugoslavia[2]	52	53	50	49	50	51	50	50	50	50
22 Other Europe and other former U.S.S.R.[3]	7,009	9,407	7,562	7,919	8,008	8,687	8,226	7,562	6,737	8,174
23 Canada	27,189	47,037	37,196[r]	32,109	37,197	35,903	37,060	37,196[r]	36,474	38,541
24 Latin America and Caribbean	343,730	342,654	353,409[r]	310,088	320,952	335,163[r]	335,356	353,409[r]	323,534	306,322
25 Argentina	8,924	9,552	10,167	10,253	10,293	10,148[r]	10,034	10,167	9,962	10,092
26 Bahamas	89,379	96,455	99,324	77,674	85,386	87,083[r]	87,177	99,324	78,641	68,914
27 Bermuda	8,782	5,011	8,007	9,747	8,481	9,887	9,449	8,007	10,145	11,771
28 Brazil	21,696	16,184	15,706	13,793	13,983	14,218[r]	14,973	15,706	15,031	15,359
29 British West Indies	145,471	153,749	167,182[r]	137,214	142,500	159,171[r]	158,937	167,182[r]	157,469	148,316
30 Chile	7,913	8,250	6,607	6,900	6,810	6,846	6,591	6,607	6,672	6,224
31 Colombia	6,945	6,507	4,529[r]	5,040	4,818	4,800	4,745	4,529[r]	4,331	4,176
32 Cuba	0	0	0	0	0	0	0	0	0	0
33 Ecuador	1,311	1,400	760	889	844	792[r]	761	760	692	730
34 Guatemala	886	1,127	1,133	1,053	1,064	1,084	1,090	1,133	1,065	1,169
35 Jamaica	424	239	295	322	330	319[r]	309	295	298	332
36 Mexico	19,428	21,212	17,899[r]	17,819	18,255	17,792[r]	17,924	17,899[r]	17,848	17,480
37 Netherlands Antilles	17,838	6,779	5,982[r]	14,032	13,298	7,497	8,078	5,982[r]	6,194	6,341
38 Panama	4,364	3,584	3,387	2,898	2,941	2,917	3,050	3,387	3,067	2,970
39 Peru	3,491	3,275	2,529	2,515	2,533	2,442	2,507	2,529	2,462	2,411
40 Uruguay	629	1,126	801	1,041	945	778	775	801	709	777
41 Venezuela	2,129	3,089	3,494	3,460	3,325	4,103	3,587	3,494	3,571	3,524
42 Other	4,120	5,115	5,607[r]	5,438	5,146	5,286[r]	5,369	5,607[r]	5,377	5,736
43 Asia	125,092	98,607	74,922[r]	73,240[r]	72,448[r]	73,099[r]	78,454[r]	74,922[r]	73,338	69,032
China										
44 Mainland	1,579	1,261	2,090	2,758	2,032	1,998	2,082	2,090	2,221	2,726
45 Taiwan	922	1,041	1,390[r]	937	790	816	1,495	1,390[r]	1,462	1,501
46 Hong Kong	13,991	9,080	5,893[r]	4,969	5,224	4,740	6,010	5,893[r]	5,240	4,453
47 India	2,200	1,440	1,738	1,728	1,736	1,856	1,972	1,738	1,616	1,802
48 Indonesia	2,651	1,942	1,776	1,711	1,689	1,636	1,681	1,776	1,711	1,743
49 Israel	768	1,166	1,875	1,652[r]	934[r]	851[r]	1,053	1,875	1,853	1,832
50 Japan	59,549	46,713	28,636[r]	26,226	28,003[r]	28,363[r]	30,305[r]	28,636[r]	28,597	25,540
51 Korea (South)	18,162	8,289	9,267[r]	12,194	11,085[r]	12,441[r]	13,262	9,267[r]	11,386	12,043
52 Philippines	1,689	1,465	1,410	1,279	1,491	1,562[r]	990	1,410	1,088	1,058
53 Thailand	2,259	1,807	1,518	1,549	1,432	1,411	1,433	1,518	1,158	1,275
54 Middle Eastern oil-exporting countries[4]	10,790	16,130	14,252	11,221	11,379	10,667	11,631	14,252	10,774	10,947
55 Other	10,532	8,273	5,077[r]	7,016	6,653[r]	6,758	6,540	5,077[r]	6,232	4,112
56 Africa	3,530	3,122	2,268[r]	2,178	2,293	2,299	2,473	2,268	2,786	2,453
57 Egypt	247	257	258	209	225	251	233	258	222	207
58 Morocco	511	372	352	444	437	439	354	352	299	313
59 South Africa	805	643	622	449	506	589	873	622	943	889
60 Zaire	0	0	24	0	0	0	9	24	0	0
61 Oil-exporting countries[5]	1,212	936	276	280	323	253	275	276	494	228
62 Other	755	914	736[r]	796	802	767	729	736[r]	828	816
63 Other	6,341	6,637	7,105[r]	5,137	5,987	6,947	7,469	7,105[r]	7,324	6,894
64 Australia	5,300	6,173	6,824[r]	4,907	5,770	6,696	7,272	6,824[r]	7,113	6,682
65 Other	1,041	464	281	230	217	251	197	281	211	212
66 Nonmonetary international and regional organizations[6]	2,463	3,617	4,566[r]	3,156	3,590	5,290	5,665	4,566[r]	5,621	4,667

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.
2. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.
3. Includes the Bank for International Settlements. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Excludes the Bank for International Settlements, which is included in "Other 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	1997	1998	1999[r]	1999 Aug.	Sept.	Oct.[r]	Nov.[r]	Dec.[r]	2000 Jan.	Feb.[p]
1 **Total**	**852,852**	**875,891**	**943,357**	...	**901,046[r]**	...	...	**943,357**	...	...
2 Banks' claims	708,225	734,995	793,421	731,113[r]	759,084[r]	752,319	779,765	793,421	755,381	740,609
3 Foreign public borrowers	20,581	23,542	35,213	35,701	35,002	40,948	39,910	35,213	42,352	36,640
4 Own foreign offices[2]	431,685	484,535	528,036	457,994	488,820[r]	487,624	511,669	528,036	490,013	488,112
5 Unaffiliated foreign banks	109,230	106,206	101,230	108,885[r]	102,012[r]	97,262	99,497	101,230	93,527	87,597
6 Deposits	30,995	27,230	34,320	23,708	24,407	24,865	27,835	34,320	24,239	21,265
7 Other	78,235	78,976	66,910	85,177[r]	77,605[r]	72,397	71,662	66,910	69,288	66,332
8 All other foreigners	146,729	120,712	128,942	128,533	133,250[r]	126,485	128,689	128,942	129,489	128,260
9 Claims of banks' domestic customers[3]	144,627	140,896	149,936	...	141,962	...	...	149,936	...	...
10 Deposits	73,110	79,363	86,293	...	87,222	...	...	86,293	...	...
11 Negotiable and readily transferable instruments[4]	53,967	47,914	51,011	...	40,604	...	...	51,011	...	...
12 Outstanding collections and other claims	17,550	13,619	12,632	...	14,136	...	...	12,632	...	...
MEMO										
13 Customer liability on acceptances	9,624	4,520	4,672	...	4,620	...	...	4,672	...	...
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	33,816	39,978	34,789	32,336	27,750	33,847	37,163	34,789	46,020	54,565

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. 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]	1996	1997	1998	1999 Mar.	June	Sept.	Dec.
1 **Total**	**258,106**	**276,550**	**250,418**	**242,348**	**260,554**	**270,085**	**263,548**
By borrower							
2 Maturity of one year or less	211,859	205,781	186,526	175,391	186,818	196,816	187,396
3 Foreign public borrowers	15,411	12,081	13,671	20,902	24,661	22,603	22,527
4 All other foreigners	196,448	193,700	172,855	154,489	162,157	174,213	164,869
5 Maturity of more than one year	46,247	70,769	63,892	66,957	73,736	73,269	76,152
6 Foreign public borrowers	6,790	8,499	9,839	13,290	11,677	12,193	12,043
7 All other foreigners	39,457	62,270	54,053	53,667	62,059	61,076	64,109
By area							
Maturity of one year or less							
8 Europe	55,690	58,294	68,679	66,875	84,723	82,567	80,967
9 Canada	8,339	9,917	10,968	7,832	6,705	8,545	7,860
10 Latin America and Caribbean	103,254	97,207	81,766	71,111	65,776	78,122	69,299
11 Asia	38,078	33,964	18,007	21,347	21,977	20,839	21,795
12 Africa	1,316	2,211	1,835	1,571	1,543	1,119	1,122
13 All other[3]	5,182	4,188	5,271	6,655	6,094	5,624	6,353
Maturity of more than one year							
14 Europe	6,965	13,240	14,923	16,949	18,863	18,618	20,896
15 Canada	2,645	2,525	3,140	2,766	3,261	3,192	3,112
16 Latin America and Caribbean	24,943	42,049	33,442	33,538	38,193	38,091	38,558
17 Asia	9,392	10,235	10,018	10,972	10,471	10,649	10,888
18 Africa	1,361	1,236	1,232	1,160	1,105	1,087	1,065
19 All other[3]	941	1,484	1,137	1,572	1,843	1,632	1,633

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	1995	1996	1997	1998				1999			
			Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
1 **Total**	**556.4**	**645.8**	**721.8**	**1029.8**	**1017.2**	**1071.9**	**1051.6**	**992.7**	**938.5**	**936.9**	**934.4**
2 G-10 countries and Switzerland	206.0	228.3	242.8	250.9	273.9	240.0	217.7	208.5	222.2	205.5	235.0
3 Belgium and Luxembourg	13.6	11.7	11.0	12.0	14.0	11.7	10.7	15.6	16.1	15.7	14.2
4 France	19.4	16.6	15.4	16.5	21.7	20.3	18.4	21.6	20.4	19.9	29.0
5 Germany	27.3	29.8	28.6	27.0	30.5	31.4	30.9	34.7	32.1	37.4	38.7
6 Italy	11.5	16.0	15.5	20.8	21.1	18.5	11.5	17.8	16.4	15.0	18.1
7 Netherlands	3.7	4.0	6.2	7.7	8.6	8.4	7.8	10.7	13.3	10.6	10.9
8 Sweden	2.7	2.6	3.3	4.8	3.1	2.1	2.3	4.0	2.6	3.6	2.9
9 Switzerland	6.7	5.3	7.2	5.9	7.0	7.6	8.5	7.8	8.2	8.8	10.1
10 United Kingdom	82.4	104.7	113.4	114.6	125.9	100.1	85.4	55.9	73.4	51.1	72.7
11 Canada	10.3	14.0	13.7	14.2	16.7	15.9	16.8	15.9	17.1	17.8	16.2
12 Japan	28.5	23.7	28.6	27.3	25.3	23.9	25.4	24.6	22.6	25.6	22.0
13 Other industrialized countries	51.9	66.1	65.5	78.2	78.7	78.5	69.0	80.1	79.7	71.7	68.1
14 Austria	.9	1.1	1.5	1.7	1.9	2.1	1.4	2.8	2.8	3.0	3.5
15 Denmark	2.6	1.5	2.4	2.1	2.2	3.0	2.2	3.4	2.9	2.1	2.6
16 Finland	.8	.8	1.3	1.5	1.4	1.6	1.4	1.5	.9	.9	.8
17 Greece	5.7	6.7	5.1	6.1	5.8	5.8	5.9	6.5	5.9	6.6	6.0
18 Norway	3.2	8.0	3.6	4.0	3.4	3.2	3.2	3.1	3.0	3.8	3.1
19 Portugal	1.3	.9	.9	.8	1.4	1.1	1.4	1.4	1.2	1.2	1.0
20 Spain	12.5	13.3	12.6	18.1	17.5	19.5	13.7	15.7	16.6	15.1	12.1
21 Turkey	1.9	2.7	4.5	4.9	6.5	5.2	4.8	5.2	4.9	4.7	4.8
22 Other Western Europe	4.8	4.9	8.3	10.2	9.9	10.4	10.4	10.2	10.2	9.2	6.8
23 South Africa	1.2	2.0	2.2	5.5	6.9	5.4	4.4	4.8	4.7	4.0	3.8
24 Australia	16.9	24.0	23.1	23.2	21.8	21.4	20.3	25.4	26.6	21.1	23.5
25 OPEC[2]	22.1	19.8	26.0	26.0	25.5	26.0	27.1	26.2	26.1	30.1	31.4
26 Ecuador	.7	1.1	1.3	1.3	1.2	1.2	1.3	1.2	1.1	.9	.8
27 Venezuela	2.7	2.4	2.5	3.4	3.3	3.1	3.2	3.5	3.2	3.0	2.8
28 Indonesia	4.8	5.2	6.7	5.6	5.1	4.7	4.7	4.5	5.0	4.4	4.2
29 Middle East countries	13.3	10.7	14.4	14.4	15.6	16.1	17.0	16.7	16.5	21.4	23.0
30 African countries	.6	.4	1.2	1.4	.3	.8	1.0	.4	.4	.5	.5
31 Non-OPEC developing countries	112.9	130.3	139.2	149.8	146.1	140.4	143.4	146.7	148.6	142.5	147.2
Latin America											
32 Argentina	12.9	14.3	18.4	20.0	20.9	22.9	23.1	24.3	22.8	22.1	22.4
33 Brazil	13.7	20.7	28.6	33.4	30.3	24.0	24.7	24.2	25.1	22.1	26.4
34 Chile	6.8	7.0	8.7	9.0	9.1	8.5	8.3	8.6	8.2	7.7	7.4
35 Colombia	2.9	4.1	3.4	3.3	3.6	3.4	3.2	3.3	3.1	2.7	2.5
36 Mexico	17.3	16.2	17.4	17.8	18.1	18.7	18.9	19.7	18.5	19.4	18.6
37 Peru	.8	1.6	2.0	2.1	2.2	2.2	2.2	2.2	2.1	1.8	1.7
38 Other	2.8	3.3	4.1	4.0	4.4	4.6	5.4	5.3	5.5	5.5	5.9
Asia											
China											
39 Mainland	1.8	2.5	3.2	4.2	3.9	2.8	3.0	5.0	5.3	3.3	3.6
40 Taiwan	9.4	10.3	9.5	12.1	11.8	12.5	13.3	11.8	12.6	12.3	12.0
41 India	4.4	4.3	4.9	5.0	4.9	5.3	5.5	5.5	6.7	7.0	7.7
42 Israel	.5	.5	.7	.7	.9	.9	1.1	1.1	2.0	1.0	1.8
43 Korea (South)	19.1	21.5	15.6	16.2	14.6	13.1	13.7	13.7	15.3	16.0	15.0
44 Malaysia	4.4	6.0	5.1	4.5	4.7	5.0	5.6	5.9	6.0	6.1	6.1
45 Philippines	4.1	5.8	5.7	5.1	5.4	4.7	5.1	5.4	5.7	5.8	6.2
46 Thailand	5.2	5.7	5.4	5.5	5.0	5.3	4.7	4.5	4.2	4.0	4.1
47 Other Asia	4.5	4.1	4.3	4.2	3.7	3.1	2.9	3.0	2.8	2.8	2.9
Africa											
48 Egypt	.4	.7	.9	1.0	1.5	1.7	1.3	1.4	1.4	1.3	1.4
49 Morocco	.7	.7	.6	.6	.6	.5	.5	.5	.5	5	.4
50 Zaire	.0	.1	0	.0	.0	.0	0	.0	.0	.0	.0
51 Other Africa[3]	.9	.9	8	1.1	8	1.1	1.0	1.2	1.0	1.0	1.0
52 Eastern Europe	4.2	6.9	9.1	12.3	11.3	6.3	5.5	7.1	5.8	5.4	5.2
53 Russia[4]	1.0	3.7	5.1	7.5	6.9	2.8	2.2	2.3	2.1	2.0	1.6
54 Other	3.2	3.2	4.0	4.7	4.4	3.5	3.3	4.8	3.7	3.4	3.6
55 Offshore banking centers	102.2	135.1	140.2	133.1	130.0	121.0	93.9	93.6	75.9	90.3	60.0
56 Bahamas	12.9	20.5	24.2	32.6	28.6	30.7	35.4	32.6	20.4	29.4	13.9
57 Bermuda	6.3	4.5	9.8	9.1	9.4	10.4	4.6	3.9	5.7	8.2	8.0
58 Cayman Islands and other British West Indies	32.4	37.2	43.4	24.9	34.3	27.8	12.8	13.9	7.2	6.3	1.3
59 Netherlands Antilles	10.3	26.1	14.6	14.0	10.5	6.0	2.6	2.7	1.3	9.1	1 7
60 Panama[5]	1.4	2.0	3.1	3.2	3.3	4.0	3.9	3.9	3.9	3.9	3.9
61 Lebanon	.1	.1	1	.1	.1	.2	1	.1	.1	2	1
62 Hong Kong, China	25.0	27.9	32.2	33.9	30.0	30.6	23.3	22.8	22.0	22 4	21.0
63 Singapore	13.7	16.7	12.7	15.0	13.6	11.1	11.1	13.5	15.2	10.6	10.0
64 Other[6]	.1	.1	.1	.1	.2	.2	.2	2	.1	.2	.1
65 Miscellaneous and unallocated[7]	57.6	59.6	99.1	379.7	351.7	459.9	495.1	430.4	380.2	391.2	387.5

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	1996	1997	1998	1998		1999			
				Sept.	Dec.	Mar.	June	Sept.	Dec.^p
1 **Total**	**61,782**	**57,382**	**46,570**	**49,279**	**46,570**	**46,663**	**49,337**	**52,979**	**53,227**
2 Payable in dollars	39,542	41,543	36,668	38,410	36,668	34,030	36,032	36,296	37,812
3 Payable in foreign currencies	22,240	15,839	9,902	10,869	9,902	12,633	13,305	16,683	15,415
By type									
4 Financial liabilities	33,049	26,877	19,255	19,331	19,255	22,458	25,058	27,422	27,980
5 Payable in dollars	11,913	12,630	10,371	9,812	10,371	11,225	13,205	12,231	13,883
6 Payable in foreign currencies	21,136	14,247	8,884	9,519	8,884	11,233	11,853	15,191	14,097
7 Commercial liabilities	28,733	30,505	27,315	29,948	27,315	24,205	24,279	25,557	25,247
8 Trade payables	12,720	10,904	10,978	10,276	10,978	9,999	10,935	12,651	12,864
9 Advance receipts and other liabilities	16,013	19,601	16,337	19,672	16,337	14,206	13,344	12,906	12,383
10 Payable in dollars	27,629	28,913	26,297	28,598	26,297	22,805	22,827	24,065	23,929
11 Payable in foreign currencies	1,104	1,592	1,018	1,350	1,018	1,400	1,452	1,492	1,318
By area or country									
Financial liabilities									
12 Europe	23,179	18,027	12,589	12,905	12,589	16,098	19,578	21,695	23,241
13 Belgium and Luxembourg	632	186	79	150	79	50	70	50	31
14 France	1,091	1,425	1,097	1,457	1,097	1,178	1,287	1,675	1,659
15 Germany	1,834	1,958	2,063	2,167	2,063	1,906	1,959	1,712	1,974
16 Netherlands	556	494	1,406	417	1,406	1,337	2,104	2,066	1,996
17 Switzerland	699	561	155	179	155	141	143	133	147
18 United Kingdom	17,161	11,667	5,980	6,610	5,980	9,729	13,097	15,096	16,521
19 Canada	1,401	2,374	693	389	693	781	320	344	284
20 Latin America and Caribbean	1,668	1,386	1,495	1,351	1,495	1,528	1,369	1,180	892
21 Bahamas	236	141	7	1	7	1	1	1	1
22 Bermuda	50	229	101	73	101	78	52	26	5
23 Brazil	78	143	152	154	152	137	131	122	126
24 British West Indies	1,030	604	957	834	957	1,064	944	786	492
25 Mexico	17	26	59	23	59	22	19	28	25
26 Venezuela	1	1	2	1	2	2	1	0	0
27 Asia	6,423	4,387	3,785	4,005	3,785	3,475	3,217	3,622	3,437
28 Japan	5,869	4,102	3,612	3,754	3,612	3,337	3,035	3,384	3,142
29 Middle Eastern oil-exporting countries[1]	25	27	0	0	0	1	2	3	3
30 Africa	38	60	28	31	28	31	29	31	28
31 Oil-exporting countries[2]	0	0	0	0	0	2	0	0	0
32 All other[3]	340	643	665	650	665	545	545	550	98
Commercial liabilities									
33 Europe	9,767	10,228	10,030	11,010	10,030	8,580	8,718	9,265	9,432
34 Belgium and Luxembourg	479	666	278	623	278	229	189	128	140
35 France	680	764	920	740	920	654	656	620	665
36 Germany	1,002	1,274	1,392	1,408	1,392	1,088	1,143	1,201	1,124
37 Netherlands	766	439	429	440	429	361	432	535	506
38 Switzerland	624	375	499	507	499	535	497	593	626
39 United Kingdom	4,303	4,086	3,697	4,286	3,697	3,008	2,959	3,175	3,244
40 Canada	1,090	1,175	1,390	1,504	1,390	1,597	1,670	1,753	1,777
41 Latin America and Caribbean	2,574	2,176	1,618	1,840	1,618	1,612	1,674	1,957	2,323
42 Bahamas	63	16	14	48	14	11	19	24	16
43 Bermuda	297	203	198	168	198	225	180	178	152
44 Brazil	196	220	152	256	152	107	112	120	145
45 British West Indies	14	12	10	5	10	7	5	39	48
46 Mexico	665	565	347	511	347	437	490	704	904
47 Venezuela	328	261	202	230	202	155	149	182	305
48 Asia	13,422	14,966	12,342	13,539	12,342	10,428	10,039	10,428	9,886
49 Japan	4,614	4,500	3,827	3,779	3,827	2,715	2,753	2,689	2,609
50 Middle Eastern oil-exporting countries[1]	2,168	3,111	2,852	3,582	2,852	2,479	2,209	2,618	2,551
51 Africa	1,040	874	794	810	794	727	832	959	950
52 Oil-exporting countries[2]	532	408	393	372	393	377	392	584	499
53 Other[3]	840	1,086	1,141	1,245	1,141	1,261	1,346	1,195	879

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	1996	1997	1998	1998		1999			
					Sept.	Dec.	Mar.	June	Sept.	Dec.[p]
1	**Total**	**65,897**	**68,128**	**77,462**	**67,976**	**77,462**	**69,054**	**63,884**	**67,566**	**76,676**
2	Payable in dollars	59,156	62,173	72,171	62,034	72,171	64,026	57,006	60,456	69,213
3	Payable in foreign currencies	6,741	5,955	5,291	5,942	5,291	5,028	6,878	7,110	7,463
	By type									
4	Financial claims	37,523	36,959	46,260	37,262	46,260	38,217	31,957	33,877	40,272
5	Deposits	21,624	22,909	30,199	15,406	30,199	18,686	13,350	15,192	18,607
6	Payable in dollars	20,852	21,060	28,549	13,374	28,549	17,101	11,636	13,240	16,423
7	Payable in foreign currencies	772	1,849	1,650	2,032	1,650	1,585	1,714	1,952	2,184
8	Other financial claims	15,899	14,050	16,061	21,856	16,061	19,531	18,607	18,685	21,665
9	Payable in dollars	12,374	11,806	14,049	19,867	14,049	17,457	14,800	15,718	18,593
10	Payable in foreign currencies	3,525	2,244	2,012	1,989	2,012	2,074	3,807	2,967	3,072
11	Commercial claims	28,374	31,169	31,202	30,714	31,202	30,837	31,927	33,689	36,404
12	Trade receivables	25,751	27,536	27,202	26,330	27,202	26,724	27,791	29,397	32,595
13	Advance payments and other claims	2,623	3,633	4,000	4,384	4,000	4,113	4,136	4,292	3,809
14	Payable in dollars	25,930	29,307	29,573	28,793	29,573	29,468	30,570	31,498	34,197
15	Payable in foreign currencies	2,444	1,862	1,629	1,921	1,629	1,369	1,357	2,191	2,207
	By area or country									
	Financial claims									
16	Europe	11,085	14,999	12,294	14,473	12,294	12,881	13,978	13,878	13,016
17	Belgium and Luxembourg	185	406	661	496	661	469	457	574	529
18	France	694	1,015	864	1,140	864	913	1,368	1,212	967
19	Germany	276	427	304	359	304	302	367	549	504
20	Netherlands	493	677	875	867	875	993	997	1,067	1,229
21	Switzerland	474	434	414	409	414	530	504	559	643
22	United Kingdom	7,922	10,337	7,766	9,849	7,766	8,400	8,631	8,157	7,554
23	Canada	3,442	3,313	2,503	4,090	2,503	3,111	2,828	3,172	2,552
24	Latin America and Caribbean	20,032	15,543	27,714	15,758	27,714	18,825	11,486	12,749	18,256
25	Bahamas	1,553	2,308	403	2,105	403	666	467	755	1,598
26	Bermuda	140	108	39	63	39	41	39	524	11
27	Brazil	1,468	1,313	835	710	835	1,112	1,102	1,265	1,476
28	British West Indies	15,536	10,462	24,388	10,960	24,388	14,621	7,393	7,263	12,144
29	Mexico	457	537	1,245	1,122	1,245	1,583	1,702	1,791	1,798
30	Venezuela	31	36	55	50	55	72	71	47	48
31	Asia	2,221	2,133	3,027	2,121	3,027	2,648	2,801	3,205	5,457
32	Japan	1,035	823	1,194	928	1,194	942	949	1,250	3,262
33	Middle Eastern oil-exporting countries[1]	22	11	9	13	9	8	5	5	21
34	Africa	174	319	159	157	159	174	228	251	285
35	Oil-exporting countries[2]	14	15	16	16	16	26	5	12	15
36	All other[3]	569	652	563	663	563	578	636	622	706
	Commercial claims									
37	Europe	10,443	12,120	13,246	13,029	13,246	12,782	12,961	14,367	16,372
38	Belgium and Luxembourg	226	328	238	219	238	281	286	289	316
39	France	1,644	1,796	2,171	2,098	2,171	2,173	2,094	2,375	2,232
40	Germany	1,337	1,614	1,822	1,502	1,822	1,599	1,660	1,944	1,955
41	Netherlands	562	597	467	463	467	415	389	617	1,427
42	Switzerland	642	554	483	546	483	367	385	714	610
43	United Kingdom	2,946	3,660	4,769	4,681	4,769	4,529	4,615	4,789	5,822
44	Canada	2,165	2,660	2,617	2,291	2,617	2,983	2,855	2,638	2,741
45	Latin America and Caribbean	5,276	5,750	6,296	5,773	6,296	5,930	6,278	5,879	5,965
46	Bahamas	35	27	24	39	24	10	21	29	20
47	Bermuda	275	244	536	173	536	500	583	549	390
48	Brazil	1,303	1,162	1,024	1,062	1,024	936	887	763	909
49	British West Indies	190	109	104	91	104	117	127	157	184
50	Mexico	1,128	1,392	1,545	1,356	1,545	1,431	1,478	1,613	1,690
51	Venezuela	357	576	401	566	401	361	384	365	439
52	Asia	8,376	8,713	7,192	7,190	7,192	7,080	7,690	8,579	9,158
53	Japan	2,003	1,976	1,681	1,789	1,681	1,486	1,511	1,823	2,074
54	Middle Eastern oil-exporting countries[1]	971	1,107	1,135	967	1,135	1,286	1,465	1,479	1,625
55	Africa	746	680	711	740	711	685	738	682	631
56	Oil-exporting countries[2]	166	119	165	128	165	116	202	221	171
57	Other[3]	1,368	1,246	1,140	1,691	1,140	1,377	1,405	1,544	1,537

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	1998	1999	2000	1999					2000	
			Jan. – Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[p]
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	1,574,192	2,340,659	557,057	178,051	175,193	218,983	240,329	256,414	263,947	293,110
2 Foreign sales	1,524,203	2,233,137	518,730	165,889	171,908	211,213	221,911	247,460	253,365	265,365
3 Net purchases, or sales (–)	**49,989**	**107,522**	**38,327**	**12,162**	**3,285**	**7,770**	**18,418**	**8,954**	**10,582**	**27,745**
4 Foreign countries	**50,369**	**107,578**	**38,166**	**12,179**	**3,282**	**7,796**	**18,393**	**8,983**	**10,540**	**27,626**
5 Europe	68,124	98,060	40,079	9,511	7,196	7,760	10,695	13,283	15,704	24,375
6 France	5,672	3,813	289	254	91	1,020	–369	66	–240	529
7 Germany	9,195	13,410	11,058	1,309	114	1,719	2,467	1,587	5,633	5,425
8 Netherlands	8,249	8,083	235	564	–539	159	1,375	1,640	–281	516
9 Switzerland	5,001	5,650	7,730	814	1,194	–1,418	384	1,495	2,926	4,804
10 United Kingdom	23,952	42,902	8,931	4,560	4,786	3,836	3,966	3,080	2,246	6,685
11 Canada	–4,689	–335	1,556	–7	–931	543	–958	–940	666	890
12 Latin America and Caribbean	757	5,187	–3,201	841	–4,693	–3,162	7,746	–4,735	–5,190	1,989
13 Middle East[1]	–1,449	–1,068	1,859	170	–25	–14	–1,197	465	677	1,182
14 Other Asia	–12,351	4,447	–2,508	1,643	1,438	2,386	2,350	752	–1,645	–863
15 Japan	–1,171	5,723	–2,718	1,269	2,652	1,695	630	211	–1,603	–1,115
16 Africa	639	372	149	–39	61	–23	1	–18	151	–2
17 Other countries	–662	915	232	60	236	306	–244	176	177	55
18 Nonmonetary international and regional organizations	**–380**	**–56**	**161**	**–17**	**3**	**–26**	**25**	**–29**	**42**	**119**
BONDS[2]										
19 Foreign purchases	905,782	856,429	178,088	65,007	76,263	80,926	74,940	56,928	78,481	99,607
20 Foreign sales	727,044	602,109	128,365	46,661	48,902	55,120	50,839	41,321	58,889	69,476
21 Net purchases, or sales (–)	**178,738**	**254,320**	**49,723**	**18,346**	**27,361**	**25,806**	**24,101**	**15,607**	**19,592**	**30,131**
22 Foreign countries	**179,081**	**254,722**	**49,746**	**18,373**	**27,030**	**26,670**	**24,172**	**15,626**	**19,597**	**30,149**
23 Europe	130,057	140,299	26,964	11,105	13,719	14,376	11,639	7,500	9,899	17,065
24 France	3,386	1,870	1,010	160	24	52	53	269	–114	1,124
25 Germany	4,369	7,723	84	31	752	1,203	1,327	–228	–618	702
26 Netherlands	3,443	2,446	–120	144	279	103	133	183	–23	–97
27 Switzerland	4,826	4,553	479	322	496	360	429	462	–47	526
28 United Kingdom	99,637	105,969	23,620	8,643	9,761	10,668	9,241	6,040	10,140	13,480
29 Canada	6,121	6,043	3,457	286	908	271	1,506	961	2,133	1,324
30 Latin America and Caribbean	23,938	60,861	14,317	5,561	5,488	6,396	6,652	4,094	4,658	9,659
31 Middle East[1]	4,997	1,979	–263	–219	257	178	–506	309	–86	–177
32 Other Asia	12,662	42,842	4,788	1,179	6,698	4,847	4,566	2,591	2,243	2,545
33 Japan	8,384	17,541	1,906	827	4,375	2,081	2,297	1,437	733	1,173
34 Africa	190	1,411	547	59	–189	343	146	257	677	–130
35 Other countries	1,116	1,287	–64	402	149	259	169	–86	73	–137
36 Nonmonetary international and regional organizations	**–343**	**–402**	**–23**	**–27**	**331**	**–864**	**–71**	**–19**	**–5**	**–18**
	Foreign securities									
37 Stocks, net purchases, or sales (–)	6,227	15,643	–7,061	598	825	–8,206	3,816	–1,504	1,107	–8,168
38 Foreign purchases	929,923	1,177,306[r]	311,894	91,801	97,384	96,523	129,534	125,956[r]	134,949	176,945
39 Foreign sales	923,696	1,161,663[r]	318,955	91,203	96,559	104,729	125,718	127,460[r]	133,842	185,113
40 Bonds, net purchases, or sales (–)	–17,350	–5,676	–4,790	–6,421	1,132	–1,320	–512	3,872	–3,502	–1,288
41 Foreign purchases	1,328,281	798,267	136,547	70,061	66,661	62,533	59,650	52,227	62,189	74,358
42 Foreign sales	1,345,631	803,943	141,337	76,482	65,529	63,853	60,162	48,355	65,691	75,646
43 Net purchases, or sales (–), of stocks and bonds	**–11,123**	**9,967**	**–11,851**	**–5,823**	**1,957**	**–9,526**	**3,304**	**2,368**	**–2,395**	**–9,456**
44 Foreign countries	**–10,778**	**9,682**	**–12,040**	**–6,006**	**2,027**	**–9,532**	**3,496**	**2,210**	**–2,555**	**–9,485**
45 Europe	12,632	59,247	–4,215	–1,814	2,224	2,202	2,238	5,001	754	–4,969
46 Canada	–1,901	–999	–2,336	528	301	315	–1,671	1,342	–471	–1,865
47 Latin America and Caribbean	–13,798	–4,726	–7,938	–312	581	–1,950	6,403	524	–4,868	–3,070
48 Asia	–3,992	–42,961	1,471	–4,304	–429	–9,603	–4,048	–4,945	1,951	–480
49 Japan	–1,742	–43,637	–35	–4,805	–565	–10,006	–4,453	–3,596	866	–901
50 Africa	–1,225	713	282	4	–116	63	160	535	99	183
51 Other countries	–2,494	–1,592	696	–108	–534	–559	414	–247	–20	716
52 Nonmonetary international and regional organizations	**–345**	**285**	**189**	**183**	**–70**	**6**	**–192**	**158**	**160**	**29**

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions[1]

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

Area or country	1998	1999	2000	1999					2000	
			Jan.–Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb p
1 **Total estimated**	**49,039**	**−9,953**	**15,106**	**19,118**	**90**	**−9,733**	**−3,615**	**4,642**	**9,543r**	**5,563**
2 Foreign countries	46,570	−10,518	15,348	18,847	−1	−9,904	−3,802	4,566	9,578r	5,770
3 Europe	23,797	−38,228	−2,229	1,771	−9,265	−405	8,643	−5,533	214r	−2,443
4 Belgium and Luxembourg	3,805	−81	796	105	12	−351	−357	−798	731	65
5 Germany	144	2,285	840	1,438	−963	78	510	607	1,706	−866
6 Netherlands	−5,533	2,122	3,281	453	−423	130	360	268	806	2,475
7 Sweden	1,486	1,699	399	876	−45	−6	369	317	499	−100
8 Switzerland	5,240	−1,761	−4,789	−714	237	365	144	1,403	−3,407	−1,382
9 United Kingdom	14,384	−20,232	−1,711	1,934	−3,534	−1,854	5,837	−3,481	−450r	−1,261
10 Other Europe and former U.S.S.R.	4,271	−22,260	−1,045	−2,321	−4,549	1,233	1,780	−3,849	329	−1,374
11 Canada	615	7,348	−574	1,339	1,459	−656	−550	218	−582	8
12 Latin America and Caribbean	−3,662	−7,523	4,435	8,695	3,003	−9,911	−5,417	806	−2,409	6,844
13 Venezuela	59	362	67	15	10	25	154	−33	54	13
14 Other Latin America and Caribbean	9,523	1,661	−1,355	1,650	2,982	−1,777	1,362	576	−3,837	2,482
15 Netherlands Antilles	−13,244	−9,546	5,723	7,030	11	−8,159	−6,933	263	1,374	4,349
16 Asia	27,433	29,359	13,467	6,832	5,344	942	−6,630	9,718	12,403r	1,064
17 Japan	13,048	20,102	−577	2,913	5,259	344	−4,378	8,263	1,297r	−1,874
18 Africa	751	−3,021	37	−622	−302	−202	−680	−541	−43	80
19 Other	−2,364	1,547	212	832	−240	328	832	−102	−5	217
20 Nonmonetary international and regional organizations	2,469	565	−242	271	91	171	187	76	−35	−207
21 International	1,502	190	−201	233	98	184	125	75	−7	−194
22 Latin American regional	199	666	0	175	−9	−1	−4	1	0	0
MEMO										
23 Foreign countries	46,570	−10,518	15,348	18,847	−1	−9,904	−3,802	4,566	9,578r	5,770
24 Official institutions	4,123	−9,861	8,540	2,394	−1,714	−1,248	−2,325	4,962	6,763	1,777
25 Other foreign	42,447	−657	6,808	16,453	1,713	−8,656	−1,477	−396	2,815r	3,993
Oil-exporting countries										
26 Middle East[2]	−16,554	2,207	3,083	130	401	201	−2,050	−3,556	2,913	170
27 Africa[3]	2	0	0	1	0	0	0	−1	0	0

1. Official and private transactions in marketable U.S. Treasury securities having an original maturity of more than one year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

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

3. 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	1997	1998	1999	1999 Nov.	1999 Dec.	2000 Jan.	2000 Feb.	2000 Mar.	2000 Apr.
	Exchange Rates								
COUNTRY/CURRENCY UNIT									
1 Australia/dollar[2]	74.37	62.91	64.54	63.88	64.10	65.60	62.78	60.94	59.60
2 Austria/schilling	12.206	12.379	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3 Belgium/franc	35.81	36.31	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4 Brazil/real	1.0779	1.1605	1.8207	1.9314	1.8442	1.8057	1.7765	1.7424	1.7696
5 Canada/dollar	1.3849	1.4836	1.4858	1.4674	1.4722	1.4486	1.4512	1.4608	1.4689
6 China, P.R./yuan	8.3193	8.3008	8.2781	8.2782	8.2794	8.2792	8.2781	8.2786	8.2793
7 Denmark/krone	6.6092	6.7030	6.9900	7.2019	7.3597	7.3492	7.5725	7.7228	7.8872
8 European Monetary Union/euro[3]	n.a.	n.a.	1.0653	1.0328	1.0110	1.0131	0.9834	0.9643	0.9449
9 Finland/markka	5.1956	5.3473	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 France/franc	5.8393	5.8995	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11 Germany/deutsche mark	1.7348	1.7597	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Greece/drachma	273.28	295.70	306.30	318.24	326.19	326.86	338.87	346.33	355.02
13 Hong Kong/dollar	7.7431	7.7467	7.7594	7.7718	7.7728	7.7791	7.7816	7.7848	7.7880
14 India/rupee	36.36	41.36	43.13	43.46	43.52	43.59	43.65	43.64	43.68
15 Ireland/pound[2]	151.63	142.48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
16 Italy/lira	1,703.81	1,736.85	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
17 Japan/yen	121.06	130.99	113.73	104.65	102.58	105.30	109.39	106.31	105.63
18 Malaysia/ringgit	2.8173	3.9254	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
19 Mexico/peso	7.918	9.152	9.553	9.416	9.427	9.494	9.427	9.289	9.394
20 Netherlands/guilder	1.9525	1.9837	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 New Zealand/dollar[2]	66.25	53.61	52.94	51.22	50.87	51.27	49.03	49.02	49.60
22 Norway/krone	7.0857	7.5521	7.8071	7.9367	8.0113	8.0241	8.2374	8.4100	8.6272
23 Portugal/escudo	175.44	180.25	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 Singapore/dollar	1.4857	1.6722	1.6951	1.6699	1.6745	1.6757	1.7028	1.7153	1.7096
25 South Africa/rand	4.6072	5.5417	6.1191	6.1424	6.1503	6.1309	6.3209	6.4675	6.6480
26 South Korea/won	947.65	1,400.40	1,189.84	1,176.98	1,136.80	1,130.99	1,129.75	1,116.39	1,110.32
27 Spain/peseta	146.53	149.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
28 Sri Lanka/rupee	59.026	65.006	70.868	72.040	72.018	73.140	73.552	73.810	74.123
29 Sweden/krona	7.6446	7.9522	8.2740	8.3586	8.4910	8.4918	8.6480	8.6971	8.7486
30 Switzerland/franc	1.4514	1.4506	1.5045	1.5543	1.5841	1.5903	1.6348	1.6636	1.6657
31 Taiwan/dollar	28.775	33.547	32.322	31.794	31.625	30.890	30.806	30.724	30.520
32 Thailand/baht	31.072	41.262	37.887	38.749	38.227	37.380	37.759	37.923	37.993
33 United Kingdom/pound[2]	163.76	165.73	161.72	162.05	161.32	164.04	160.00	157.99	158.23
34 Venezuela/bolivar	488.87[r]	548.39	606.82	634.80	644.28	652.81	659.44	666.82	672.73
	Indexes[4]								
NOMINAL									
35 Broad (January 1997=100)[5]	104.44	116.48	116.87	116.08	116.09	115.95	117.44	117.44	118.10
36 Major currencies (March 1973=100)[6]	91.24	95.79	94.07	92.87	93.23	93.14	95.31	95.64	96.31
37 Other important trading partners (January 1997=100)[7]	104.67	126.03	129.94	129.93	129.34	129.14	129.11	128.54	129.05
REAL									
38 Broad (March 1973=100)[5]	91.33	99.36	98.76[r]	98.20	98.14	98.06[r]	99.36[r]	100.09[r]	101.06
39 Major currencies (March 1973=100)[6]	92.25	97.25	96.75[r]	96.12	96.42	96.64	99.20[r]	99.95[r]	100.78
40 Other important trading partners (March 1973=100)[7]	95.87	108.52	107.74	107.24[r]	106.67[r]	106.18[r]	105.82[r]	106.58	107.81

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. As of January 1999, the euro is reported in place of the individual euro area currencies. By convention, the rate is reported in U.S. dollars per euro. These 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		

4. The December 1999 Bulletin contains revised index values resulting from the annual revision to the trade weights. For more information on the indexes of the foreign exchange value of the dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811–18.

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

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

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

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ANTICIPATED SCHEDULE OF RELEASE DATES FOR PERIODIC RELEASES OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (PAYMENT MUST ACCOMPANY REQUESTS)

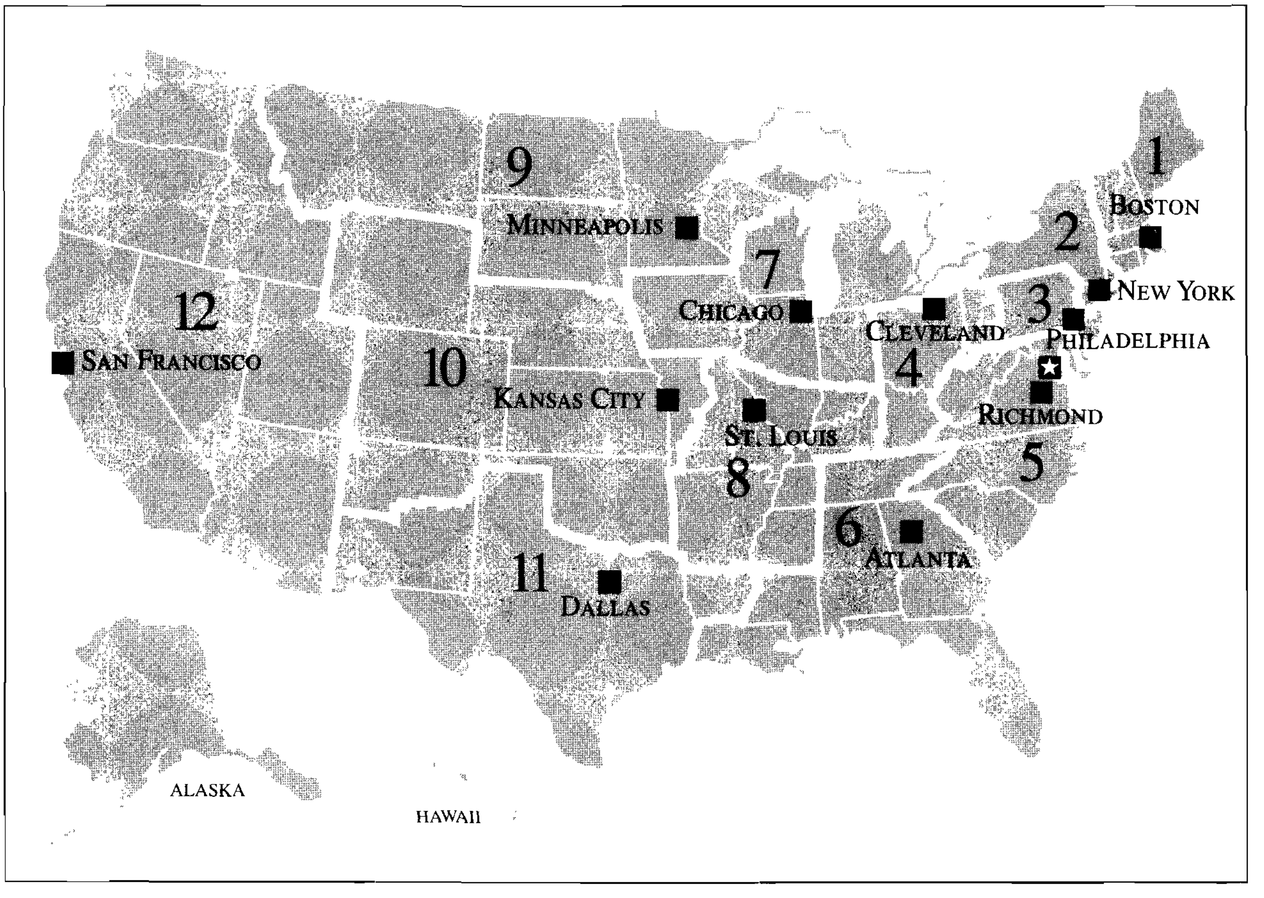
Release number and title	Annual USPS rate	Annual fax rate	Approximate release days[1]	Period or date to which data refer	Corresponding *Bulletin* table numbers[2]
Weekly Releases					
H.2. Actions of the Board: Applications and Reports Received	$55.00	n.a.	Friday	Week ended previous Saturday	. . .
H.3. Aggregate Reserves of Depository Institutions and the Monetary Base[3]	$20.00	n.a.	Thursday	Week ended previous Wednesday	1.20
H.4.1. Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks[3]	$20.00	n.a.	Thursday	Week ended previous Wednesday	1.11, 1.18
H.6. Money Stock and Debt Measures[3]	$35.00	n.a.	Thursday	Week ended Monday of previous week	1.21
H.8. Assets and Liabilities of Commercial Banks in the United States[3]	$30.00	n.a.	Friday	Week ended previous Wednesday	1.26A–E
H.10. Foreign Exchange Rates[3]	$20.00	$20.00	Monday	Week ended previous Friday	3.28
H.15. Selected Interest Rates[3]	$20.00	$20.00	Monday	Week ended previous Friday	1.35
Monthly Releases					
G.5. Foreign Exchange Rates[3]	$ 5.00	$ 5.00	First of month	Previous month	3.28
G.13. Selected Interest Rates	$ 5.00	$ 5.00	First Tuesday of month	Previous month	1.35
G.17. Industrial Production and Capacity Utilization[3]	$15.00	n.a.	Midmonth	Previous month	2.12, 2.13
G.19. Consumer Credit[3]	$ 5.00	$ 5.00	Fifth working day of month	Second month previous	1.55, 1.56
G.20. Finance Companies	$ 5.00	n.a.	End of month	Second month previous	1.51, 1.52

Release number and title	Annual USPS rate	Annual fax rate	Approximate release days[1]	Period or date to which data refer	Corresponding *Bulletin* table numbers[2]
Quarterly Releases					
E.2. Survey of Terms of Business Lending	$ 5.00	n.a.	Midmonth of March, June, September, and December	February, May, August, and November	4.23
E.7. List of Foreign Margin Stocks	No charge	n.a.	March and September	March and September	. . .
E.11. Geographical Distribution of Assets and Liabilities of Major Foreign Branches of U.S. Banks	$ 5.00	n.a.	15th of March, June, September, and December	Previous quarter	. . .
E.15. Agricultural Finance Databook	$ 5.00	n.a.	End of March, June, September, and December	January, April, July, and October	. . .
E.16. Country Exposure Lending Survey	$ 5.00	n.a.	January, April, July, and October	Previous quarter	. . .
Z.1. Flow of Funds Accounts of the United States: Flows and Outstandings[3]	$25.00	n.a.	Second week of March, June, September, and December	Previous quarter	1.57, 1.58, 1.59, 1.60
Annual Release					
C.2. Aggregate Summaries of Annual Surveys of Securities Credit Extension	$ 5.00	n.a.	February	End of previous June	. . .

1. Please note that for some releases there is normally a certain variability in the release date because of reporting or processing procedures. Moreover, for all series unusual circumstances may, from time to time, result in a release date being later than anticipated.
2. The data in some releases are also reported in the *Bulletin* statistical appendix.
3. These releases are also available on the Board's World Wide Web site (http://www.federalreserve.gov) under **Research and Data,** Statistical Releases and Historical Data.

n.a. Not available.

Maps of the Federal Reserve System



LEGEND

Both pages

■ Federal Reserve Bank city

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

Facing page

• Federal Reserve Branch city

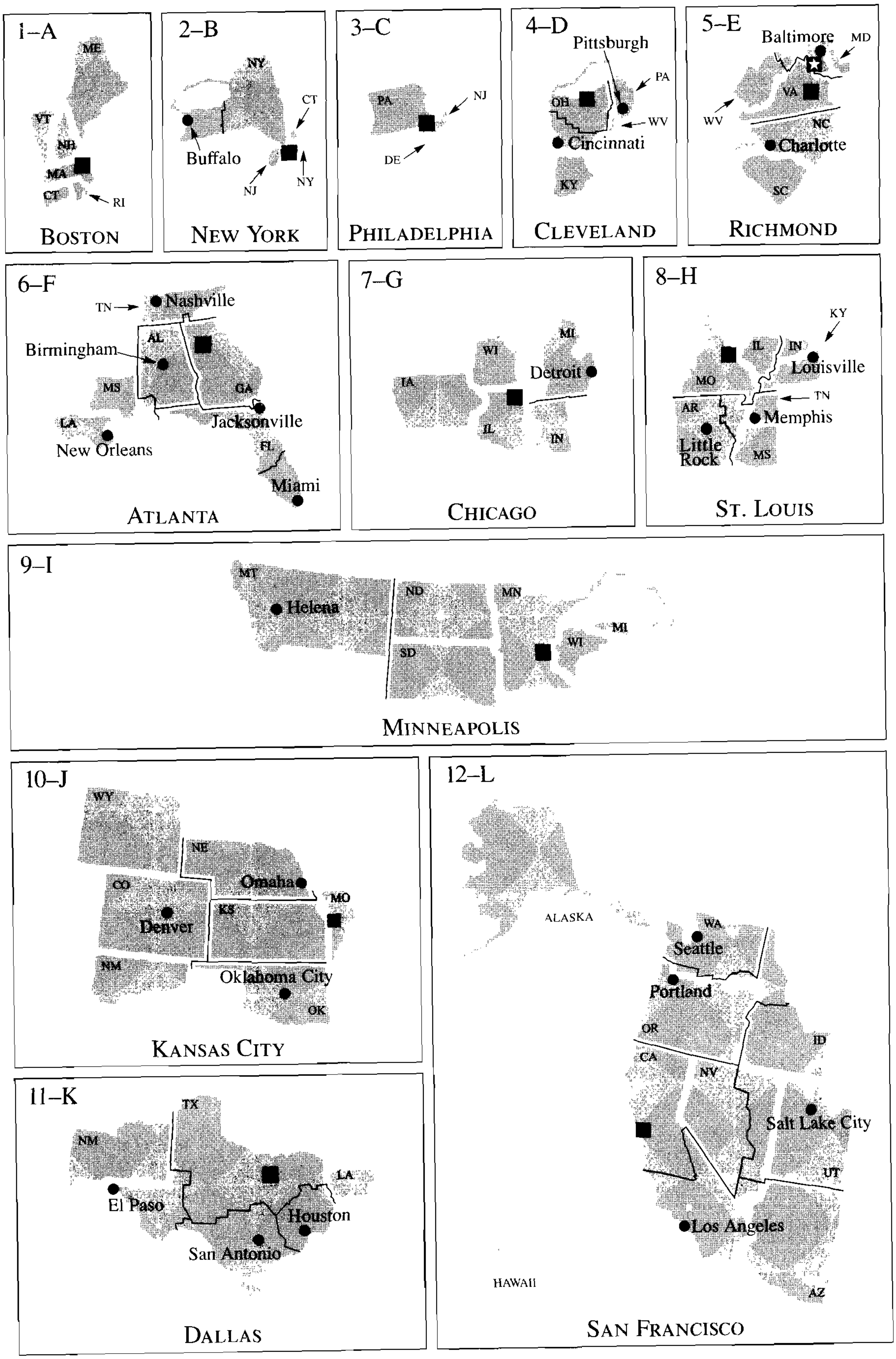
— Branch boundary

NOTE

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

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

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


1–A
ME
VT
NH
MA
CT
RI
BOSTON
2–B
NY
CT
Buffalo
NJ
NY
NEW YORK
3–C
PA
NJ
DE
PHILADELPHIA
4–D
Pittsburgh
PA
OH
WV
Cincinnati
KY
CLEVELAND
5–E
Baltimore
MD
VA
WV
NC
Charlotte
SC
RICHMOND
6–F
TN
Nashville
AL
Birmingham
GA
MS
LA
Jacksonville
New Orleans
FL
Miami
ATLANTA
7–G
MI
WI
Detroit
IA
IL
IN
CHICAGO
8–H
KY
IL
IN
Louisville
MO
TN
AR
Memphis
Little Rock
MS
ST. LOUIS
9–I
MT
Helena
ND
MN
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SD
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KS
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11–K
TX
NM
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HAWAII
AZ
SAN FRANCISCO

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Pittsburgh 15230	John T. Ryan, III		Robert B. Schaub
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Seattle 98124	Richard R. Sonstelie		Gordon R. G. Werkema[2]

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2. Executive Vice President