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Profits and Balance Sheet Developments at U.S. Commercial Banks in 1994

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In 1994, bank profits increased $1½ billion, to a record $44½ billion. Although profitability, as measured by return on assets, dipped because of rapid growth in reported assets, it remained quite high by historical standards (table 1). It was supported by a substantial reduction in loan-loss provisions: Banks were able to lower provisions as loan quality improved because of both their past efforts to tighten credit standards and the continued expansion of the U.S. economy. A decline in net noninterest expense as a share of assets also contributed to the high profitability; in contrast, net interest income, although remaining at a high level, dipped as a share of assets.[1]

Brisker economic growth entailed stronger business and consumer borrowing, which expanded substantially despite higher interest rates. Indeed, the rise in market interest rates, particularly at longer maturities, encouraged businesses to rely more heavily on short-term borrowing, including bank loans. The effect of increased demand on loan growth was augmented by banks' greater willingness to lend. As a result, loans expanded at the fastest pace in more than ten years, and bank loans as a share of private sector debt rose for the second consecutive year (chart 1). Banks financed most of

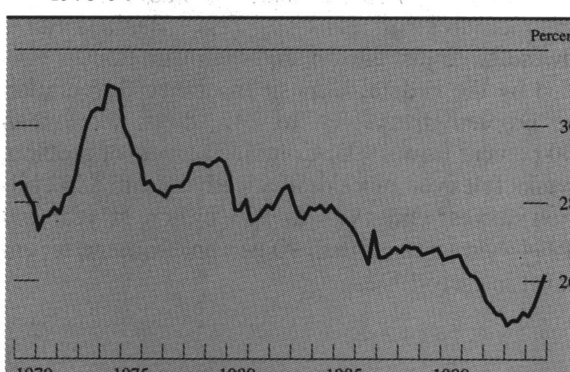
1. Selected income and expense items, 1991–94

Percent

Item	1991	1992	1993	1994
Net interest income	3.60	3.89	3.90	3.78
Net noninterest expense	1.93	1.91	1.81	1.75
Loss provisions	1.02	.78	.47	.28
Realized gains on investment account securities	.09	.12	.09	−.01
Income before taxes and extraordinary items	.75	1.32	1.70	1.73
Taxes and extraordinary items	.22	.41	.50	.58
Net income	.53	.91	1.20	1.15
Dividends	.45	.41	.62	.73
Retained income	.08	.50	.59	.42

NOTE. Percentage of average net consolidated assets.

1. Bank loans as a percentage of private-sector debt, 1970–94

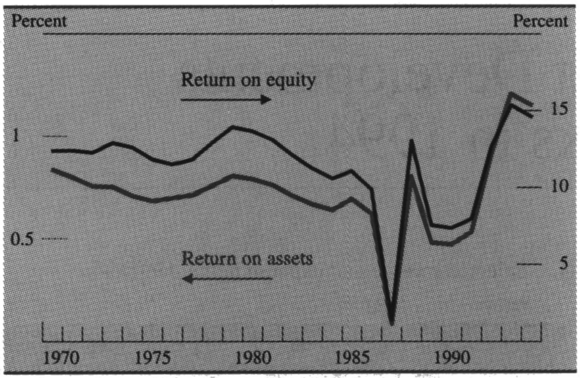


NOTE. The data are quarterly. Loans consist of outstanding business, consumer, and mortgage loans held by domestic banks and branches and agencies of foreign banks located in the United States. Private sector includes households and nonfinancial businesses (farm, corporate, and noncorporate).

SOURCE. Federal Reserve Board, statistical release Z.1.

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. The data, which cover all such institutions that filed Call Reports at least once, consolidate information from foreign and domestic offices and have been adjusted to take account of mergers. Size categories of such institutions (in this article called banks), which are based on assets at the start of each quarter, are as follows: the ten largest banks; large banks, those numbered 11 through 100 by size; medium-sized banks, those numbered 101 through 1,000 by size; and small banks, those not among the largest 1,000 banks. At the start of the fourth quarter of 1994, the ten largest banks had assets of more than $40 billion, large banks had assets between $6.5 billion and $40 billion, medium-sized banks had assets between approximately $300 million and $6.5 billion, and small banks had assets of less than approximately $300 million. Because of report changes, data for the years before 1985 are not strictly comparable to the more recent data. In the tables, components may not sum to totals because of rounding.

2. Measures of profitability, 1970–94



NOTE. The data are annual.

the increase in loans by issuing managed liabilities, but in the second half of the year they also reduced holdings of securities.

Non-interest-earning assets rose sharply last year for technical reasons. For reporting purposes, bank regulators adopted Financial Accounting Standards Board Interpretation No. 39 (FIN 39). By limiting banks' ability to net the value of off-balance-sheet derivative contracts, whose market values are reported on bank balance sheets, FIN 39 boosted reported assets and liabilities. About half of the decline in the average return on assets (ROA), shown in chart 2, was attributable to the effects of FIN 39.

Banks retained about one-third of their profits, and capital–asset ratios remained well above regulatory minimums on average. The industry's improved health was evident not only in stronger balance sheets and sustained profitability but also in measures of bank distress. Bank failures dwindled to just eleven, and the institutions classified by the Federal Deposit Insurance Corporation as problem banks fell to 247, down more than 40 percent from 1993. Combined assets of problem banks fell even more dramatically—from $242 billion at year-end 1993 to $33 billion at year-end 1994—down more than 90 percent from the record level in early 1992.

BALANCE SHEET DEVELOPMENTS

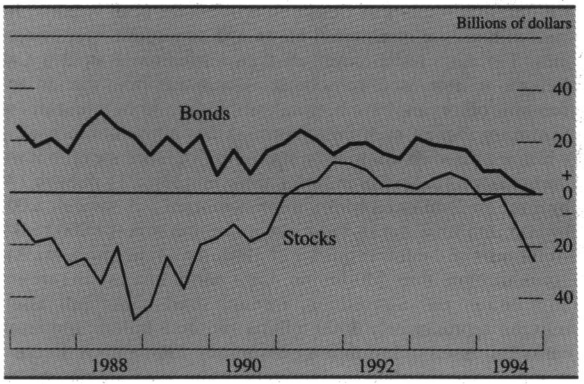
Bank assets grew at the fastest pace since 1985—more than 8 percent from year-end 1993 to year-end 1994 (table 2). About one-third of the increase was attributable to FIN 39, which caused reported noninterest-earning assets and liabilities to expand about $90 billion (see box on pages 548–49). Interest-earning assets grew more slowly than they did in 1993, as banks funded a portion of their loan growth by running off securities.

The runoff ended the shift from loans to securities that began in 1990. Bank holdings of U.S. Treasury securities in investment accounts declined about 8½ percent. While much of this decrease was attributable to sales, about 15 percent was due to the fall in prices of Treasury securities. Before last year's implementation of Statement of Financial Accounting Standards No. 115 (SFAS 115), which resulted in banks' marking to market a larger share of their securities, such changes in the market value of securities would have had little effect on bank balance sheets.

Loans to the Business Sector

Commercial and industrial (C&I) loans expanded almost 9½ percent, the largest increase in more than a decade. The surge partly reflected stepped-up demand for credit by nonfinancial corporations. These firms boosted capital expenditures, including inventory investment, by amounts that outstripped gains in retained earnings and other internal funding sources. Also, their borrowing shifted toward shorter-term instruments, as they cut net bond and equity issuance because of higher long-term interest rates and a lackluster stock market (chart 3).

3. Net offerings of long-term securities by nonfinancial corporations, 1987–94



NOTE. The data are quarterly.
SOURCES. Federal Reserve Board, statistical release Z.1.

Consistent with these funding patterns of nonfinancial corporations, banks included in the Federal Reserve's periodic Senior Loan Officer Opinion Survey on Bank Lending Practices (LPS) reported stronger loan demand from businesses of all sizes.[2] On average, a net of about 30 percent of banks reported increased demand for business loans over the three months preceding the survey dates. Survey respondents attributed the higher demand mainly to their customers' need to finance inventories and investments in plant and equipment. Several banks also noted that the pickup in merger and acquisition activity boosted demand for business loans. A substantial share of this activity, however, was funded with commercial paper, which expanded rapidly during the second half of the year. Banks usually provide backup lines of credit to firms issuing commercial paper; consequently, the pickup in commercial paper issuance last year probably contributed to the 16 percent increase in unused commercial lines of credit.

2. About sixty domestic commercial banks from the twelve Federal Reserve Districts are on the LPS panel. Most of them are large: As of December 31, 1994, the combined assets of the panel banks were $1.7 trillion, about 40 percent of the assets of domestic commercial banks.

2. Annual rates of growth of balance sheet items, 1985–94

Percent

Item	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	Memo: Dec. 1994 levels (billions of dollars)
Assets	8.91	7.65	2.00	4.36	5.32	2.66	1.32	2.18	5.66	8.08	3,989
Interest-earning assets	9.60	7.81	3.08	4.06	5.59	2.24	1.97	2.54	6.54	5.32	3,455
Loans and leases (net)	7.91	7.35	3.00	5.95	6.23	2.38	−2.66	−1.02	6.02	9.87	2292
Commercial and industrial	2.16	3.95	−1.95	1.86	2.95	−.67	−9.10	−4.11	.54	9.33	586
Real estate	13.75	17.46	16.56	12.46	12.66	8.81	2.72	1.94	6.11	7.95	990
Booked in domestic offices	13.50	17.06	17.11	12.02	12.99	8.56	2.88	2.56	6.15	7.69	964
Residential	9.85	12.78	18.03	13.92	15.73	13.49	8.07	7.88	10.94	10.01	597
Nonresidential	17.35	21.28	16.26	10.26	10.36	3.60	−2.84	−3.96	−.46	4.12	367
Booked in foreign offices	22.49	30.20	.84	27.03	3.00	16.65	−2.34	−17.80	4.66	18.41	26
Consumer	15.74	8.32	4.55	7.64	6.18	.37	−2.55	−1.53	8.91	16.04	484
Other loans and leases	4.54	−.96	−5.33	−3.08	−.95	−5.67	−4.92	−4.28	9.94	5.33	289
Loss reserves and unearned income	9.09	9.41	44.36	−4.19	10.29	.34	−3.80	−4.78	−5.93	−2.20	58
Securities	15.95	9.91	4.94	3.30	5.02	8.47	16.23	12.27	12.27	−4.13	911
Investment account	14.05	10.25	7.51	2.97	4.01	8.19	14.42	11.43	8.09	−1.71	814
U.S. Treasury	5.40	1.64	.00	−5.80	−13.79	3.51	32.02	23.92	7.23	−8.44	239
U.S. government agency and corporation obligations	−4.00	53.55	25.46	22.54	33.42	24.01	15.88	12.77	9.61	.88	397
Other	32.98	2.25	4.43	−2.37	−.97	−6.69	−2.56	−5.23	6.05	2.53	178
Trading account	41.40	6.21	−23.88	8.58	20.34	12.13	38.89	21.02	51.95	−20.54	97
Other	9.22	6.89	.24	−5.82	2.50	−11.69	2.81	1.53	−7.88	3.22	252
Non-interest-earning assets	4.61	6.61	−5.08	6.49	3.45	5.62	−3.13	−.38	−.87	30.23	534
Liabilities	8.85	7.65	2.18	4.07	5.41	2.39	1.01	1.35	5.10	8.33	3,678
Transaction and core deposits	10.28	11.78	−.76	5.48	5.75	7.57	5.21	5.12	1.48	−.14	2,205
Transaction deposits	10.82	17.50	−6.04	2.65	.93	2.42	3.38	14.61	5.45	−.29	848
Core deposits	9.94	8.07	2.95	7.29	8.71	10.51	6.19	.23	−.86	−.05	1,357
Managed liabilities[1]	9.17	3.05	6.90	2.31	5.15	−6.12	−6.13	−6.14	12.29	17.63	1,247
Deposits booked in foreign offices	1.34	−2.49	8.86	−7.77	−1.08	−5.88	3.82	−5.85	15.06	30.89	432
Large time	4.29	−1.07	12.16	9.22	5.00	−5.68	−19.54	−26.38	−9.21	8.74	218
Subordinated notes and debentures	43.84	15.77	3.72	−4.26	16.99	23.46	4.03	33.04	10.82	9.21	41
Other managed liabilities	23.11	12.13	.78	5.59	9.97	−8.10	−1.35	7.10	22.19	13.01	557
Other	−8.97	−7.00	3.75	.12	2.53	4.40	−4.29	−1.09	14.95	77.92	226
Equity capital	9.77	7.58	−.67	8.80	4.10	6.79	5.92	13.75	12.59	5.22	311
MEMO											
Commercial real estate loans[2]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	−3.49	−5.20	−1.33	3.68	362

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

n.a. Not available.

1. Measured as the sum of deposits in foreign offices, large time deposits in domestic offices, federal funds purchased and securities sold under agreements to resell, 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; and loans to finance commercial real estate, construction, and land development activities not secured by real estate.

Banks' easing of terms and standards on loans likely boosted business lending as well. Some LPS respondents reported that they had relaxed standards for C&I loans (chart 4). In addition, many banks said that they had cut credit-line costs and spreads over base rates. A number of respondents also cited easing other terms, including loan covenants, maximum sizes of credit lines, and collateralization requirements. A broader sample of banks included in the Federal Reserve's Survey of Terms of Bank Lending to Business reported some further narrowing of spreads of loan rates over market interest rates on small- and medium-sized loans from the peaks reached earlier in the decade (chart 5).

In contrast, only a few banks appear to have relaxed their standards for commercial real estate loans (chart 4). Nonetheless, after three years of decline, commercial real estate loans expanded. The demand for these loans was likely boosted by a pickup in investment in nonresidential structures. The higher investment came in the wake of lower vacancy rates and higher commercial real estate prices in many parts of the country. Indeed, prices for commercial real estate properties increased on a national average basis for the first time in four years (chart 6). The better market for commercial real estate probably also helped reduce assets classified as other real estate owned, which dropped 40 percent and ended the year at the lowest level

The Effect of Accounting Changes on Bank Balance Sheets in 1994

Banks' balance sheets were affected in 1994 by two accounting changes issued by the Financial Accounting Standards Board (FASB) and adopted by bank regulators: Statement of Financial Accounting Standards No. 115 (SFAS 115) and FASB Interpretation No. 39 (FIN 39). Bank regulators generally required banks to implement these accounting changes for the March 1994 Call Report but permitted banks to adopt them for earlier reports. Because a number of balance sheet items were affected and some banks adopted SFAS 115 early, several breaks occur in the data beginning in late 1993. SFAS 115 affected banks of all sizes, but FIN 39 affected principally the ten largest banks.

Statement of Financial Accounting Standards No. 115

Under SFAS 115, all debt and marketable equity securities are assigned one of three designations: held to maturity, available for sale, or held for trading. Securities identified as being held to maturity are reported at amortized cost, whereas those available for sale are marked to market. Previously, debt securities were designated as held for sale, held for investment, or held for trading. Debt securities held for sale were reported at the lower of amortized cost or market value, and those held for investment were reported at amortized cost. SFAS 115 did not affect the reporting of securities designated as held for trading, which continue to be marked to market.

Changes in the market value of securities available for sale, unlike those of securities held in trading accounts, do not affect reported income under SFAS 115, but they are reflected (on an after-tax basis) directly in bank equity. Consequently, ratios of equity capital to assets, reflecting the after-tax adjustments from SFAS 115, increase with unrealized gains and decrease with unrealized losses. Regulatory definitions of capital generally do not recognize the SFAS 115 adjustment, however, and the risk-based capital ratios are unaffected. As before the adoption of SFAS 115, net unrealized losses on marketable equity securities reduce tier 1 capital.

FASB Interpretation No. 39

The market value of off-balance-sheet derivatives can be positive or negative. Before the adoption of FIN 39, banks holding these contracts in their trading portfolios generally posted to their balance sheets the market value of the contracts after netting across various counterparties—a practice termed "grandslam netting." The net value was recorded as an asset if positive and as a liability if negative. The contracts were marked to market over time as their values fluctuated, and unrealized gains or losses flowed through the income statement and were passed to equity by way of retained earnings.

Under FIN 39, the Financial Accounting Standards Board prohibits grandslam netting and limits netting to positions with the same counterparty when certain legal criteria are met. Trading positions remain marked to market, and unrealized gains and losses continue to flow through the income statement to affect the level of equity. Because many of the derivative contracts could no since 1987. Banks generally acquire these assets when they foreclose on nonperforming loans that are collateralized with real estate.

Loans to the Household Sector

Growth in bank holdings of residential real estate loans slowed a bit last year but remained strong. While higher mortgage interest rates damped housing sales, especially late last year, higher rates on fixed rate mortgages encouraged households to shift to adjustable rate mortgages (ARMs). This shift helped to support the growth of residential loans on bank balance sheets; banks are less likely to securitize ARMs because these mortgages expose them to less interest rate risk than do fixed rate mortgages. During the last few months of 1994, more than half of all newly issued conventional home mortgages originated by banks were ARMs.

Consumer loans held on bank balance sheets expanded 16 percent, the fastest rate in more than a decade. The rapid growth of consumer loans was spurred by a rise of 10 percent in consumer expenditures for durable goods. Increased convenience use of credit cards, associated with credit card promotions and expanded acceptance at nontraditional outlets such as grocery stores, probably also accounted for some of the growth. Although the

The Effect of Accounting Changes—Continued

longer be netted, however, banks with large holdings of derivatives in their trading accounts posted substantial increases in assets (and liabilities) in 1994, an action that reduced their tier 1 leverage ratios. By contrast, regulatory risk-based capital ratios were unaffected because a gross, rather than a net, value of off-balance-sheet contracts was already used to compute risk-weighted assets.

Balance Sheet Effects

Following the implementation of SFAS 115, slightly more than one-half of investment account securities were categorized as available for sale, except for the ten largest banks, which reported about two-thirds of theirs as available for sale. The 1994 runup in interest rates pushed security values lower, and unrealized losses on the available-for-sale securities totaled about $16 billion and reduced reported capital about $11 billion. On average over the year, SFAS 115 reduced reported assets about $4 billion.

The adoption of FIN 39 boosted bank assets in 1994 roughly $90 billion, which was about one-third of the change in bank assets. The on-balance-sheet values appear in non-interest-bearing assets and liabilities. As a result of the combined effects of SFAS 115 and FIN 39, all items shown as a percentage of assets are not strictly comparable to items shown for years before 1994. For example, the ROA for all banks fell 5 basis points. Without the change, the ROA would have fallen 2 basis points. Because FIN 39 affected principally derivative dealers, about 90 percent of its total effect was concentrated at the ten largest banks.

Effects of SFAS 115 and FIN 39

Selected income and expense items

Percent

Item	1993	1994	1994 adjusted
Net interest income	3.90	3.78	3.87
Net noninterest expense	1.81	1.75	1.79
Loss provisions	.47	.28	.29
Net income	1.20	1.15	1.18

Return on assets

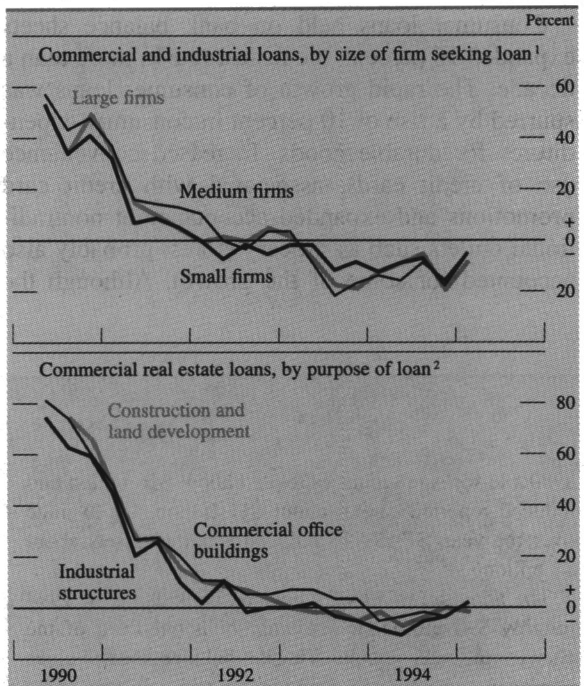
Percent

Class of bank	1993	1994	1994 adjusted
All banks	1.20	1.15	1.18
Small	1.19	1.16	1.15
Medium	1.22	1.29	1.29
Large	1.26	1.22	1.23
Ten largest	1.13	.91	1.00

NOTE. Percentage of average net consolidated assets. Right-hand columns show percentages based on assets adjusted to remove the effects of SFAS 115 and FIN 39.

resulting balances are paid off within the interest-free grace period, they nonetheless boost the average level of consumer debt outstanding.

4. Net percentage of selected large commercial banks that tightened credit standards, 1990:Q2–95:Q1



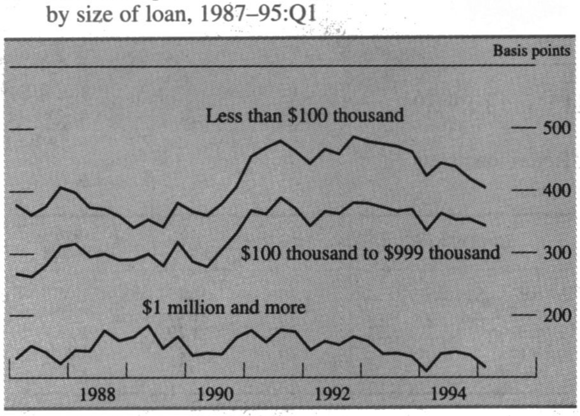
NOTE. The data are quarterly. Net percentage is the percentage of banks reporting tightening less the percentage reporting easing.

1. The data for large firms begin in 1990:Q3. Size definition suggested for, and generally used by, survey respondents is that medium-sized firms are those with annual sales of between $50 million and $250 million.

2. The data for construction and land development loans begin in 1990:Q3.

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

5. Loan rate spread over average federal funds rate, by size of loan, 1987–95:Q1



NOTE. The data are quarterly.

SOURCE. Federal Reserve Board, statistical release E.2.

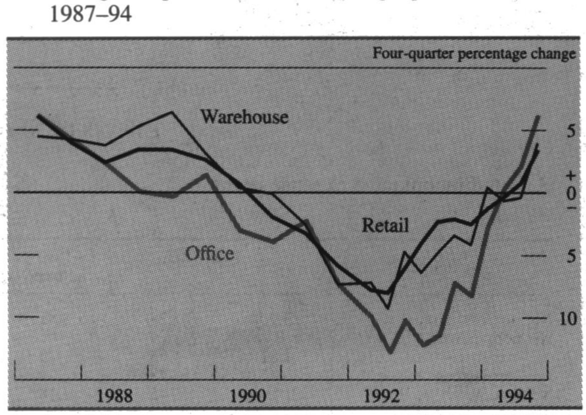
Consumer loan growth was also lifted by a greater willingness of banks to provide credit. On balance, in each survey about 25 percent of the LPS respondents indicated that they were more willing to make consumer loans than they had been three months earlier. This increased willingness to make consumer loans was also evident in unused credit card lines, which rose almost 30 percent, to $860 billion by year-end.

Liabilities

In 1994, banks reduced holdings of securities to fund part of their loan growth, but they financed most of the increase with managed liabilities. A heavier reliance on managed liabilities emerged in 1993. In the previous few years, banks had run off managed liabilities because they had been reducing their loans and were flush with core (transaction, savings, and small time) deposits, some of which they had acquired from failed thrifts. The bulk of the thrift closures had occurred by 1991; as a consequence, when loan growth accelerated in 1993–94, banks relied on managed liabilities to fund the increases. Money markets were receptive to the increased issuance of managed liabilities in part because of healthier bank balance sheets and improved credit ratings.

As in 1993, deposits booked in foreign offices were an important source of funding. Domestic offices of commercial banks increased their net borrowing from their foreign offices by $75 billion

6. Changes in prices for commercial properties, 1987–94



NOTE. The data from 1986 to 1991 are semiannual. The data from 1992 through 1994 are quarterly.

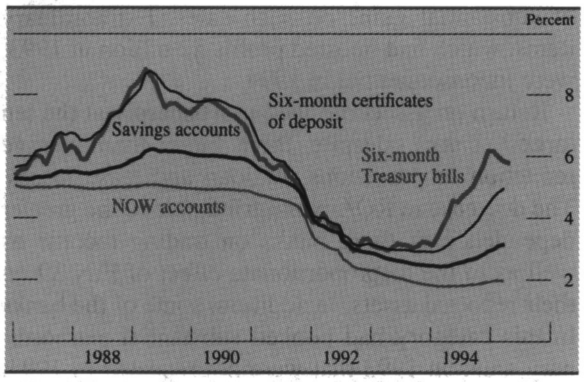
SOURCE. Liquidity Financial Group, National Real Estate Index.

in 1994. To better understand these and other funding developments, the Federal Reserve conducted a survey on bank liability management in December 1994.[3] Banks noted, in particular, the absence of deposit insurance premiums on deposits at foreign branch offices as motivating their decision to borrow in the Eurodollar market. Besides these Eurodollar deposits, a substantial volume of senior bank notes was issued by banks in the domestic market. These instruments have features that make them close substitutes for large certificates of deposit (CDs); but unlike large CDs, they are not subject to deposit insurance premiums.

Core deposits declined last year after increasing slightly in 1993. A substantial rise in money market rates relative to rates on savings and transaction deposits encouraged retail depositors to shift funds to higher-yielding assets, including money market mutual funds (chart 7). Some depositors may also have turned to direct holdings of securities; one sign of such a shift was the $22 billion rise in net noncompetitive tenders for Treasury securities.[4] In contrast, shifts into bond mutual funds slowed substantially last year, perhaps as households reacted to reports of low or negative returns that appeared as bond prices fell.

A drop in mortgage refinancings contributed to the decline in demand deposits and, to a lesser extent, savings deposits. Record levels of mortgage refinancings had temporarily increased the level of these deposits in 1993 because mortgage servicers hold prepayments of mortgages securitized by some government-sponsored agencies in transaction and savings accounts before distributing the funds to the holders of the securities.

7. Selected interest rates, 1987–95:Q1



NOTE. The data are monthly. Rates are at commercial banks. Savings accounts include money market deposit accounts.

SOURCE. Federal Reserve Board, statistical releases H.6 and H.15.

Trends in Profitability

Net income at U.S. commercial banks increased $1½ billion in 1994, reaching a record of $44½ billion. Despite the higher profits, the industry's ROA fell slightly from its record level in 1993 because of rapid growth in measured total assets. Some of that growth—enough to account for more than half the decline in ROA—reflected the introduction of FIN 39. The average return on equity (ROE) also fell last year, as the ratio of annual average equity to assets changed little.

Profits last year were supported by a substantial decline in provisions for loan and lease losses and a small reduction in net noninterest expense as a share of assets (table 3). Loss provisions fell to their lowest level in more than a decade because of improvements in asset quality resulting from tighter lending standards in the early 1990s and the rapid growth of the U.S. economy last year, which boosted borrowers' incomes. Net noninterest expense declined as a share of assets despite a sharp drop in trading income from its record level in 1993. The improvement came, in part, from industry efforts to control costs.

The positive contributions from reduced provisioning and lower net noninterest expense, however, were more than offset by lower income from other sources. Although remaining high by historical standards, net interest income declined somewhat as a share of assets, in large part because of the increase in reported assets caused by FIN 39. Higher market interest rates led to losses on sales

3. The banks on the survey panel included many of the banks on the LPS panel, but there were some differences. As of December 31, 1994, the combined assets of the panel banks were $1.6 trillion, about 40 percent of domestic commercial bank assets.

4. The Treasury permits noncompetitive bids at its auctions to make participation easier for smaller bidders. Bidders submitting noncompetitive tenders are assured of receiving the security, and the yield on the security they obtain is the average issue rate established at the auction. The level of net noncompetitive tenders during a period is the dollar volume of securities purchased under noncompetitive tenders less the volume of repayments of maturing securities that had been purchased under noncompetitive tenders.

of investment account securities, after three years of substantial gains on such sales. Extraordinary items, which had boosted profits $2 billion in 1993, were inconsequential in 1994.

Return on assets dropped most sharply at the ten largest banks, despite their larger-than-average reduction in provisions for loan and lease losses. The decrease in ROA was attributable to the greater dependence of these banks on trading income as well as to the disproportionate effect of FIN 39 on their reported assets. In addition, some of the banks in this category had booked substantial extraordinary gains in 1993 that were not repeated in 1994. Changes in ROA were mixed for the other size categories of banks, with small and large banks posting somewhat lower ROAs and medium-sized banks showing a moderate increase.

On balance, share prices for publicly traded bank holding companies underperformed the broader market last year (chart 8). Early in the year, continued profitability and strong loan growth boosted prices of bank stocks, especially those of regional banks. Despite strong profits, however, fears that higher interest rates would squeeze interest margins and erode trading profits and increased concerns about bank derivative positions caused bank equity prices over the second half of the year to more than reverse earlier gains.

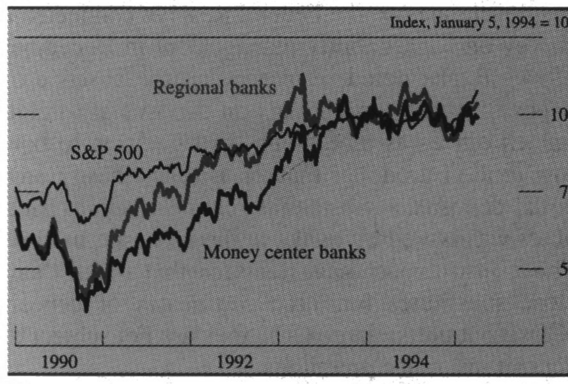
3. Selected income and expense items, by size of bank, 1991–94

Percent

Year and size of bank	Net income	Net interest income	Net noninterest expense	Loss provisions
1994				
All banks	1.15	3.78	1.75	.28
Small	1.16	4.36	2.48	.19
Medium	1.29	4.26	1.92	.32
Large	1.22	3.77	1.60	.32
Ten largest	.91	2.86	1.23	.26
1993				
All banks	1.20	3.90	1.81	.47
Small	1.19	4.33	2.48	.27
Medium	1.22	4.26	2.07	.47
Large	1.26	3.85	1.66	.47
Ten largest	1.13	3.16	1.14	.64
1992				
All banks	.91	3.89	1.91	.78
Small	1.04	4.34	2.51	.42
Medium	.92	4.20	2.18	.77
Large	1.04	3.86	1.73	.78
Ten largest	.61	3.15	1.27	1.12
1991				
All banks	.53	3.60	1.93	1.02
Small	.78	4.09	2.52	.51
Medium	.61	3.95	2.11	1.06
Large	.51	3.40	1.69	1.19
Ten largest	.22	2.95	1.43	1.21

NOTE. Percentage of average net consolidated assets.

8. Stock price indexes, 1990–95:Q1



NOTE. The data are weekly; the bank indexes run through March 29, 1995, and the S&P 500 runs through March 31, 1995. The bank indexes are for eight money center banks and twenty-one regional banks as defined by Salomon Brothers.

SOURCES. Salomon Brothers and Standard and Poor's Corp.

Loss Provisions and Asset Quality

In 1994, bank asset quality improved substantially. Delinquent loans and leases (those that are more than thirty days past due or that are on nonaccrual status) fell below 3 percent of outstanding loans and leases, less than half the peak rate in 1991 (table 4). Similarly, charge-off rates fell sharply, reaching their lowest levels in more than a decade. Delinquency and charge-off rates fell the most at the ten largest banks, but these banks continued to have higher rates than banks in the other size categories. Delinquency rates at medium-sized and at large banks also improved substantially and were below the rate at small banks for the first time in seven years.

Delinquency and charge-off rates fell the most for business and real estate loans and less for consumer loans (chart 9). In part, these decreases resulted from the substantial growth in loans last year, since newly extended loans are unlikely to be delinquent. The substantial drops in real estate delinquencies and charge-offs presumably also reflected the improved commercial real estate markets noted above and banks' efforts to sell troubled real estate loans.

Another factor that contributed to the improved quality of business and real estate loan portfolios

4. Measures of loan quality, by size of bank, 1991–94

Percent

Year and size of bank	Net charge-offs	Delinquency rate[1]	Loss provisions
1994			
All banks	.51	2.88	.49
Small	.28	2.72	.34
Medium	.50	2.67	.53
Large	.56	2.67	.53
Ten largest	.61	3.58	.50
1993			
All banks	.85	4.14	.81
Small	.41	3.23	.49
Medium	.75	3.56	.79
Large	.93	4.01	.79
Ten largest	1.20	5.76	1.12
1992			
All banks	1.29	5.35	1.32
Small	.61	3.90	.78
Medium	1.19	4.55	1.28
Large	1.37	5.23	1.29
Ten largest	1.87	7.68	1.85
1991			
All banks	1.59	6.03	1.66
Small	.77	4.41	.93
Medium	1.43	5.28	1.70
Large	1.67	6.13	1.92
Ten largest	2.38	8.21	1.87

NOTE. Percentage of outstanding loans.

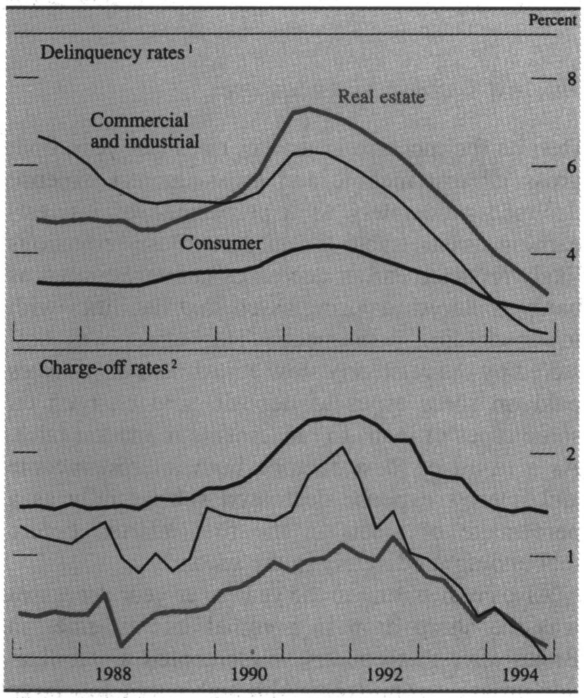
1. Delinquent loans are nonaccrual loans and those that are accruing interest but are more than thirty days past due.

was the tightening of bank lending standards in the early 1990s. With the increased willingness of banks to make loans in recent years, however, delinquency and charge-off rates may not fall much further. Indeed, according to fourth-quarter data, the delinquency rate for consumer loans may be leveling out. A slowing of the economic expansion from its rapid 1994 pace would also make additional improvements in asset quality difficult to achieve.

With delinquency and charge-off rates down substantially from their elevated levels of recent years, provisions for loan and lease losses dropped sharply last year and reached their lowest level in more than a decade. The ten largest banks posted the biggest decline in provisioning as a fraction of loans and leases. Provisioning by the largest banks was below the rates at medium-sized and large banks for the first time in three years.

For the industry as a whole, provisioning was less than charge-offs last year, causing a small decline in reserves. With growth in loans and leases picking up, the ratio of reserves to loans and leases outstanding fell to less than 2.5 percent (chart 10). Nonetheless, reserves as a fraction of delinquent loans and leases increased substantially, and by the end of the year, this ratio reached almost 90 percent, double its level four years earlier. Given substantial improvement in asset quality and ample

9. Delinquency and charge-off rates, by type of loan, 1987–94

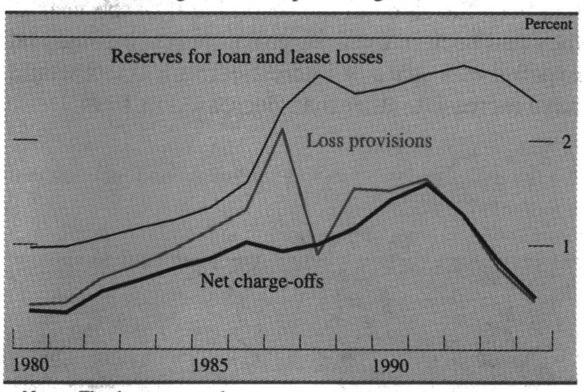


NOTE. The data are quarterly and seasonally adjusted.

1. Delinquent loans are nonaccrual loans and those accruing interest but more than thirty days past due. The delinquency rate for a category of loans is the category's average level of delinquent loans for the period divided by the category's average level of outstanding loans for the period. The first period plotted is 1987:Q2.

2. The charge-off rate for a category of loans is the category's annualized charge-offs for the period, net of recoveries, divided by the category's average level of outstanding loans for the period.

10. Reserves for loan and lease losses, loss provisions, and net charge-offs as a percentage of loans, 1980–94



NOTE. The data are annual.

reserves, more than 750 banks actually posted negative provisions for the year. Doing so directly reduced reserves at these banks and boosted their reported profits nearly $600 million; negative provisions had accounted for about $375 million of profits in 1993.

Interest Income and Expense

Despite the increase in market rates last year, both gross interest income and gross interest expense declined moderately as a percentage of interest-earning assets (table 5). In part, these reductions likely reflected earlier decreases in interest rates, as banks replaced maturing assets and liabilities with lower-yielding instruments. This effect was bolstered by the relatively slow adjustment of the rates paid on some types of deposits and charged on some types of loans to movements in market rates. As a result of these factors, both interest income and interest expense decreased substantially as a percentage of assets in the first quarter, before rebounding moderately in the second.

Also contributing to the year-over-year decreases was the sharp drop in nominal interest rates in Brazil after that country implemented a stabilization program at midyear. Although only a few large banks with significant operations in Brazil were affected by the stabilization, the effects were surprisingly large, cutting quarterly gross interest income and expense by roughly $3 billion between the second and third quarters. As a result, in the third quarter gross interest income for all commercial banks was about unchanged, and gross interest expense actually fell. Indeed, if the levels of interest income and expense from Brazilian operations had been the same in the second half of the year as they had been in the first, gross interest income and expense as a share of interest-earning assets would have increased rather than decreased in 1994.

5. Interest income, interest expense, and net interest income, 1991–94
Percent

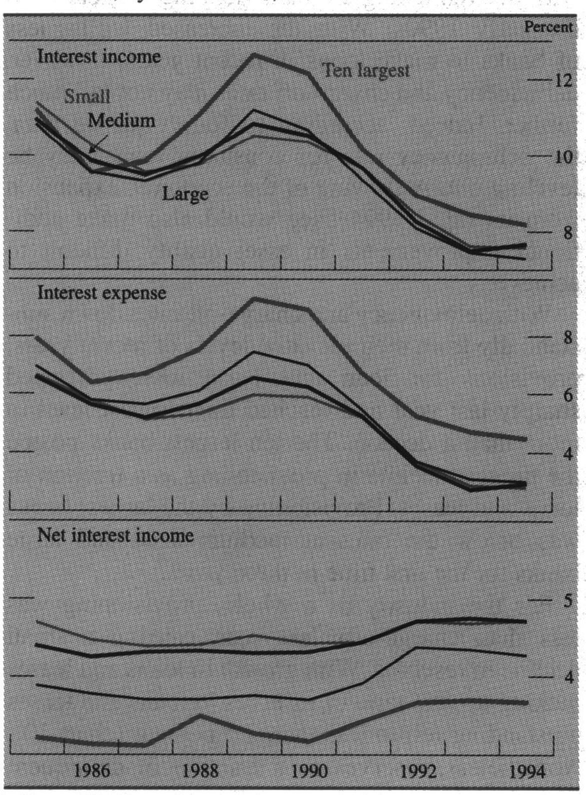
Item	1991	1992	1993	1994
Interest income	9.73	8.43	7.74	7.68
Interest expense	5.64	4.03	3.34	3.31
Net interest income	4.09	4.41	4.40	4.37

NOTE. Percentage of average net consolidated interest-earning assets.

Net interest income as a share of average interest-earning assets, or the net interest margin, fell slightly from its 1993 level, but it remained close to 4.4 percent last year, a high level by historical standards. On a quarterly basis, the net interest margin rebounded in the final three quarters of the year after declining from its peak of just more than 4.5 percent at an annual rate in the fourth quarter of 1992 to less than 4.3 percent in the first quarter of 1994. Interest margins appear not to have been significantly affected by the stabilization in Brazil.

Net margins, which had been expected to narrow as interest rates increased, remained wide because of two factors. First, banks increased loans, which generally earn higher interest rates than securities do, as a share of interest-earning assets. Because of the strength in loan demand last year, banks were able to achieve this shift in asset competition without sharp declines in spreads of loan interest

11. Interest income, interest expense, and net interest income, as a percentage of average interest-earning assets, by size of bank, 1985–94



NOTE. The data are annual.

rates over market rates. Second, rates on small time deposits lagged increases in market rates by somewhat more than they generally had in the past. The effect of this relatively unaggressive pricing of small time deposits on net interest margins was damped to some degree, however, by the resulting need to increase funding from other sources, including relatively expensive managed liabilities.

The pattern of interest income, expense, and net interest margin across size categories of banks changed little last year (chart 11). Among the four size groups, the ten largest banks had the highest level of interest income relative to interest-earning assets. However, because of their relative lack of core deposits and their greater reliance on managed liabilities, the largest banks also had the highest interest expense relative to interest-earning assets. On balance, the largest banks had the lowest average net interest margin. The levels of average interest expense were quite similar among the other size groups. Because of their higher returns on loans, small and medium-sized banks earned somewhat higher interest income as a fraction of interest-earning assets. Thus, their average net interest margins were higher than the average margin of the large banks.

Noninterest Income and Expense

Net noninterest expense increased to $68 billion in 1994 from $65 billion a year earlier. The primary cause of the increase was a substantial decline in trading income, which dropped $3 billion following a record year in 1993. The decrease reflected weaker proprietary trading results at several banks with large trading operations. In addition, earnings from foreign exchange trading, a large part of which are derived from market-making activities, fell because of a narrowing of bid–ask spreads in foreign exchange markets.

Trading income was reportedly also hurt by a decline in demand for more complex derivatives contracts, which carry higher fees than simpler contracts do. Nonetheless, overall activity in derivatives continued to expand rapidly last year. The notional principal value of banks' interest rate contracts (including the value of interest rate swaps, futures contracts, forward contracts, and option contracts) expanded more than one-third after rising almost a half in 1993.[5] The notional principal value of foreign-exchange contracts (including the value of exchange rate swaps, commitments to buy foreign exchange, and option contracts) increased a quarter in 1994 following an 18 percent rise the previous year. The bulk of the increase in derivatives activity last year came in the first half. In the second half, growth in interest rate contracts slowed considerably, and foreign exchange contracts actually declined.

6. Noninterest income, noninterest expense, and net noninterest expense, 1991–94

Percent

Item	1991	1992	1993	1994
Noninterest income	1.80	1.95	2.12	1.99
Noninterest expense	3.73	3.86	3.93	3.74
Net noninterest expense	1.93	1.91	1.81	1.75

NOTE. Percentage of average net consolidated assets.

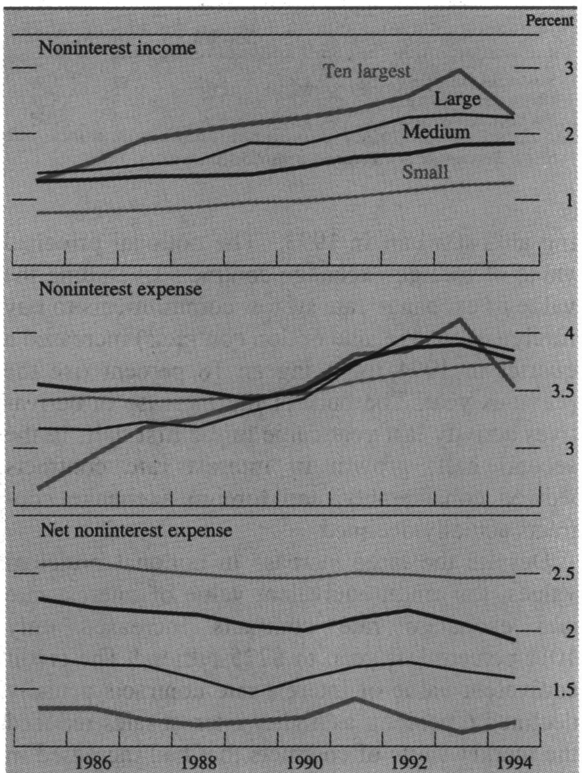
Despite the large increase in notional principal values, the credit-equivalent value of interest rate and exchange rate contracts increased only 10½ percent last year, to $225 billion.[6] The credit equivalent value of interest rate contracts actually declined 6 percent, as higher interest rates reduced the market value of contracts that had increased in value as rates fell in 1993. By contrast, the credit equivalent value of foreign exchange contracts increased 23 percent, as a sharp rise in the second quarter, likely reflecting the decline in the value of the dollar, was only partially reversed later in the year.

Although commercial banks' net noninterest expense increased last year, rapid growth in assets led to a decline in net noninterest expense as a share of assets from 1.81 percent to 1.75 percent (table 6). Much of this improvement, however, was the arithmetic result of the boost in measured assets caused by FIN 39. In addition, the industry bene-

5. The notional principal value of a contract is a value used in the calculation of the payments owed. It does not represent the amount subject to credit risk, nor does it reflect the extent to which contracts are offsetting.

6. The credit equivalent value of an off-balance-sheet derivative contract is an estimate of the credit exposure of the contract that is intended to be comparable to the on-balance-sheet credit exposure created by a loan. The estimate is the sum of the current exposure (the replacement cost if positive, otherwise zero) and an estimate of the potential future increase in credit exposure (a small fraction of the notional principal value of the contract).

12. Noninterest income, noninterest expense, and net noninterest expense as a percentage of average assets, by size of bank, 1985–94



NOTE. The data are annual.

fited from successful efforts to contain expenses. These efforts led to a decline in employment and the first decrease in salaries, wages, and employee benefits as a share of assets since 1988. Other noninterest expenses also fell, partly because of lower costs associated with foreclosed properties, owing to earlier reductions in such holdings, as well as the improvement in commercial real estate markets.

Changes in net noninterest expense as a share of assets were mixed across size categories last year (chart 12). The ratio was higher at the ten largest banks because of their greater dependence on trading and foreign-exchange-related activities, both of which fared badly. Results for these banks were greatly affected by FIN 39, without which their net noninterest expense as a share of assets would have increased more than twice as much. Medium-sized and large banks showed improvements in net noninterest expense last year because of declines in other noninterest expenses as a share of assets. By contrast, small banks reported slightly higher noninterest expenses, and their net noninterest expense was little changed as a share of assets.

Changes in Capital

Despite the record level of net income last year, bank capital increased less than half as much as it had in each of the previous two years (table 7). A substantial increase in dividends pared retained earnings by nearly a quarter; and SFAS 115, which implemented mark-to-market rules on available-for-sale securities last year, reduced equity capital nearly $11 billion as securities prices fell. In addition, sales of shares (both to the market and to parent holding companies) and increases in capital resulting from other transactions with parent companies declined last year. Indeed, some bank holding companies, finding that they had more capital than they considered to be optimal, undertook share repurchase programs.

7. Retained income and change in total equity capital, by size of bank, 1991–94
Billions of dollars except as noted

Item and size of bank	1991	1992	1993	1994
Retained income				
All banks	2.8	17.1	20.9	16.4
Small	2.1	3.7	4.4	3.9
Medium	.3	4.3	4.2	5.0
Large	.4	5.9	5.3	4.4
Ten largest	.1	3.3	7.0	3.1
Net change in equity capital[1]				
All banks	12.9	31.7	33.0	15.4
Small	4.2	5.5	7.0	3.1
Medium	4.0	7.6	8.4	5.4
Large	4.5	8.6	8.0	3.6
Ten largest	.2	10.1	9.6	3.3
Net percentage change in equity capital[1]				
All banks	5.92	13.75	12.59	5.22
Small	7.18	9.20	11.56	4.83
Medium	6.07	10.97	11.22	6.45
Large	7.72	13.43	10.39	4.12
Ten largest	.58	25.94	19.13	5.51
Percentage change in equity capital attributable to retained income[1]				
All banks	21.95	53.98	63.35	106.34
Small	50.41	67.21	62.57	128.69
Medium	6.50	56.49	50.00	92.41
Large	9.04	68.21	67.06	119.59
Ten largest	32.52	32.91	72.49	93.86

1. Data are from year-end to year-end and are calculated from quarterly merger-adjusted changes.

With assets growing rapidly (in part as a result of FIN 39), the ratio of equity capital to total assets decreased 21 basis points, to 7.79 percent, between the end of 1993 and the end of 1994. Equity capital as a fraction of assets declined for the larger banks and was little changed at the smaller banks. The decline at the ten largest banks was entirely the result of the effect of FIN 39 on reported assets, without which the ratio would have increased. By contrast, the large bank category, which was far less influenced by FIN 39, showed a decline in capital relative to assets because assets increased by a relatively large amount over the year. For the medium-sized and small bank groups, capital–asset ratios were about unchanged. Evidently, increases due to retained earnings, share issuance, and capital infusions were nearly offset by decreases reflecting asset growth and the mark-to-market provisions of SFAS 115.

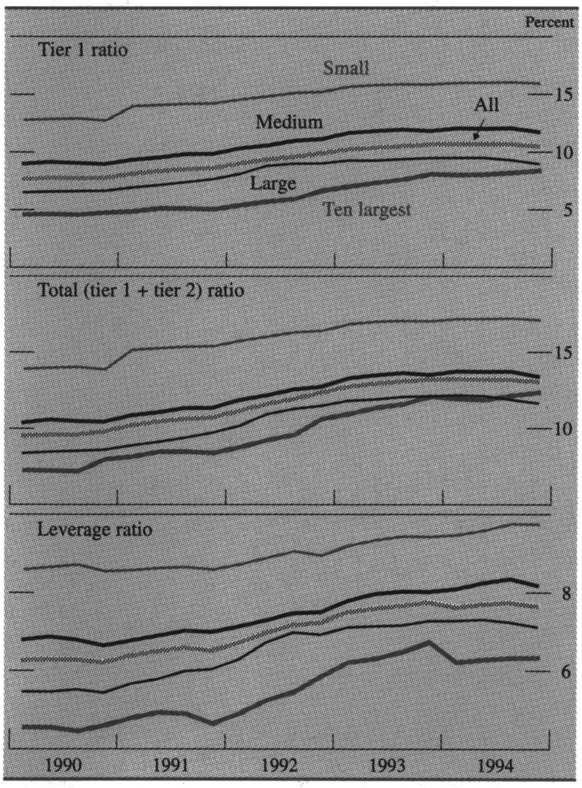
Regulatory capital ratios declined slightly last year after increasing steadily over the previous four years (chart 13).[7] As noted in the box, the risk-based ratios were unaffected by SFAS 115 and FIN 39. Their small decrease was the result of relatively rapid growth in risk-weighted assets. In part, this growth reflected the change in the distribution of bank assets last year, as securities declined and loans, which generally carry higher risk weights, grew rapidly. By contrast, leverage ratios, which are calculated based on average assets, were depressed by the adoption of FIN 39 in the first quarter, especially at the largest banks. Despite the decline in regulatory capital ratios, the fraction of industry assets at well-capitalized banks—adjusted for bank examiners' ratings—rose to 90 percent by year-end, up from 82 percent a year earlier and just 30 percent at the end of 1990.

Developments in 1995

Data available in the first several months of 1995 suggested that the pace of the economic expansion was likely slowing. The slowdown reduced, if not eliminated, market expectations of near-term interest rate hikes. As fears that higher market interest rates would squeeze bank net interest margins abated, bank stock prices rose strongly. Late in the first quarter, however, the equity prices of banks with large operations in Mexico or other Latin American countries declined for a time, reportedly because of investor concerns about the implications for these banks of the financial crisis in Mexico.

Bank balance sheet trends in the first quarter appeared to be broadly similar to those in the second half of 1994. Loans at the domestic offices

13. Regulatory capital ratios, by size of bank, 1990–94



NOTE. The data are quarterly. For definitions of tier 1 and tier 2 capital and leverage capital, see text note 7.

7. The agencies' risk-based capital guidelines are based on the Basle Accord and were modified by the Federal Deposit Insurance Corporation Improvement Act of 1991. Tier 1 capital includes mainly common equity and certain perpetual preferred stock. Tier 2 capital consists primarily of subordinated debt, non-tier-1 preferred stock, 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 in each risk-weight category by a factor accounting for the credit risk of that category. U.S. regulators also consider the leverage ratio, which is defined to be tier 1 capital as a percentage of average total consolidated assets, when deciding on various supervisory and regulatory issues affecting a bank.

For a summary of the evolution of risk-based capital standards, see Allan D. Brunner and William B. English, "Profits and Balance Sheet Developments at U.S. Commercial Banks in 1992," *Federal Reserve Bulletin,* vol. 79 (July 1993), pp. 661–62.

of U.S. commercial banks continued to expand, while security holdings declined. In contrast to 1994, the most rapidly growing loan component in the first quarter was commercial and industrial loans. The LPS conducted in February showed some additional easing of terms and standards for such loans, and a further pickup in demand to finance inventories, equipment purchases, and mergers and aquisitions. By contrast, consumer loan growth slowed relative to its pace in 1994, a development that likely reflected a slowdown in purchases of consumer durables. On the liability side, core deposit growth remained sluggish, as banks continued to fund much of their loan growth with sales of securities and managed liabilities.

Bank profitability likely remained near last year's elevated level in the first quarter. While net interest margins reportedly narrowed in many cases, profits were buoyed by rapid loan growth and continued low levels of provisioning. Trading results were mixed and likely remained fairly weak on balance.

A.1. Report of income, all insured domestic commercial banks and nondeposit trust companies, 1985–94

Millions of dollars

Item	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Gross interest income	247,848	238,051	244,801	272,372	316,363	320,004	289,469	256,394	244,438	256,809
Taxable equivalent	258,970	250,579	250,932	278,101	320,732	323,814	292,809	259,516	247,453	259,710
Loans	183,483	175,933	180,421	201,565	237,289	238,543	214,033	185,936	178,183	189,566
Securities	37,703	38,401	39,440	42,005	46,637	50,949	52,571	51,807	48,622	48,239
Gross federal funds sold and reverse repurchase agreements	9,554	9,122	9,021	10,377	12,997	12,542	9,126	5,912	4,789	6,411
Other	17,108	14,597	15,919	18,425	19,438	17,969	13,740	12,740	12,843	12,591
Gross interest expense	157,126	143,096	144,987	165,014	204,576	204,703	167,704	122,457	105,485	110,745
Deposits	130,651	117,740	115,639	129,481	157,037	161,251	138,764	98,726	79,383	79,009
Gross federal funds purchased and repurchase agreements	16,585	15,904	15,917	18,621	24,826	22,755	14,374	9,262	8,437	12,477
Other	9,892	9,452	13,430	16,913	22,710	20,697	14,566	14,469	17,665	19,261
Net interest income	90,722	94,955	99,814	107,358	111,787	115,301	121,765	133,937	138,953	146,064
Taxable equivalent	101,844	107,483	105,945	113,087	116,156	119,111	125,105	137,059	141,968	148,965
Loss provisions[1]	17,823	22,203	37,716	17,497	31,035	32,225	34,357	26,790	16,735	10,922
Noninterest income	31,265	36,256	41,873	45,541	51,555	55,694	60,887	67,045	75,765	76,976
Service charges on deposits	7,368	7,977	8,737	9,457	10,235	11,419	12,818	14,120	14,870	15,267
Income from fiduciary activities	5,478	6,299	7,144	7,455	8,297	8,879	9,466	10,446	11,164	12,057
Foreign-exchange gains and fees	1,504	1,654	2,496	2,179	2,231	2,816	2,623	3,347	3,231	2,072
Trading income	892	1,294	1,064	1,510	1,817	2,038	3,326	2,927	6,017	4,178
Other	16,022	19,031	22,431	24,943	28,974	30,542	32,654	36,203	40,483	43,403
Noninterest expense	82,480	90,659	97,682	102,017	108,546	116,415	125,972	132,754	140,265	144,590
Salaries, wages, and employee benefits	40,051	43,116	45,339	46,882	49,290	52,029	53,538	55,477	58,427	60,756
Expenses of premises and fixed assets	13,328	14,575	15,314	15,912	16,646	17,517	17,885	18,147	18,546	18,931
Other	29,102	32,967	37,027	39,221	42,609	46,869	54,549	59,128	63,291	64,903
Net noninterest expense	51,215	54,403	55,809	56,476	56,991	60,721	65,085	65,709	64,500	67,614
Realized gains on investment account securities	1,552	3,938	1,442	276	794	476	2,896	3,959	3,041	–569
Income before taxes and extraordinary items	23,235	22,287	7,731	33,660	24,555	22,831	25,222	45,397	60,760	66,959
Taxes	5,619	5,277	5,406	10,015	9,544	7,740	8,278	14,461	19,866	22,421
Extraordinary items	228	273	199	809	311	649	995	402	2,073	–19
Net income	**17,844**	**17,285**	**2,527**	**24,456**	**15,312**	**15,735**	**17,933**	**31,331**	**42,966**	**44,521**
Cash dividends declared	8,521	9,219	10,652	13,267	14,151	13,973	15,101	14,208	22,045	28,126
Retained income	9,321	8,065	–8,125	11,191	1,161	1,761	2,831	17,123	20,921	16,395

1. Includes provision for allocated transfer risk.

A.2. Portfolio composition, interest rates, and income and expense, all insured domestic commercial banks and nondeposit trust companies, 1985–94

A. All banks

Item	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
	Balance sheet items as a percentage of average net consolidated assets									
Interest-earning assets	86.68	87.11	87.48	88.00	87.93	87.81	88.03	88.33	88.50	86.60
Loans and leases, net	59.59	59.09	59.12	59.80	60.64	60.52	59.54	57.30	56.25	56.07
Commercial and industrial	22.16	20.87	19.98	19.50	19.09	18.50	17.33	15.78	14.88	14.51
U.S. addressees	17.41	16.84	16.57	16.55	16.54	15.99	15.00	13.54	12.72	12.36
Foreign addressees	4.75	4.02	3.41	2.95	2.55	2.51	2.33	2.24	2.16	2.16
Consumer	11.04	11.38	11.42	11.71	11.89	11.77	11.45	11.02	11.00	11.43
Credit card	2.63	2.98	3.17	3.47	3.69	3.78	3.88	3.82	3.89	4.21
Installment and other	8.41	8.40	8.26	8.25	8.20	7.99	7.57	7.20	7.11	7.22
Real estate	15.88	16.90	19.00	20.86	22.50	23.86	24.86	24.87	24.81	24.43
In domestic offices	15.42	16.35	18.40	20.18	21.78	23.10	24.10	24.18	24.19	23.80
Construction and land development	3.22	3.51	3.90	4.06	4.16	4.00	3.41	2.64	1.99	1.65
Farmland	.41	.44	.47	.49	.51	.51	.53	.56	.57	.56
One- to four-family residential	7.31	7.45	8.22	9.21	10.15	11.20	12.27	12.91	13.49	13.74
Home equity	n.a.	n.a.	n.a.	1.14	1.42	1.67	1.95	2.09	2.07	1.91
Other	n.a.	n.a.	n.a.	8.07	8.73	9.54	10.32	10.82	11.42	11.84
Multifamily residential	.45	.50	.57	.59	.60	.63	.66	.75	.79	.79
Nonfarm nonresidential	4.03	4.45	5.25	5.83	6.36	6.76	7.23	7.32	7.33	7.06
In foreign offices	.46	.55	.60	.68	.72	.76	.76	.69	.62	.63
Depository institutions	2.66	2.38	2.28	2.04	1.76	1.60	1.42	1.24	1.07	1.42
Foreign governments	1.56	1.43	1.35	1.22	1.03	.78	.75	.73	.67	.41
Agricultural production	1.53	1.23	1.04	.98	.96	.95	1.01	1.02	.99	1.00
Other loans	5.43	5.51	4.98	4.52	4.31	3.93	3.60	3.50	3.56	3.34
Lease-financing receivables	.84	.91	.98	1.06	1.10	1.12	1.09	1.03	.99	1.03
LESS: Unearned income on loans	.71	.60	.52	.50	.48	.42	.36	.28	.21	.16
LESS: Loss reserves[1]	.81	.94	1.40	1.61	1.52	1.57	1.62	1.60	1.51	1.36
Securities	16.84	17.85	18.34	18.45	18.38	19.09	20.69	23.52	25.37	24.31
Investment account	15.62	16.28	17.00	17.17	17.13	17.63	18.93	21.18	22.50	21.60
Debt	15.62	16.28	17.00	17.17	16.84	17.36	18.62	20.82	22.12	21.21
U.S. Treasury	6.84	6.24	6.02	5.60	4.98	4.57	5.06	6.49	7.07	6.77
U.S. government agency and corporation obligations	2.80	3.07	4.14	4.88	6.03	7.56	8.74	9.86	10.73	10.24
Mortgage pass-through securities	.96	1.13	2.10	2.59	3.27	4.08	4.51	4.52	4.74	4.67
Collateralized mortgage obligations	n.a.	n.a.	n.a.	n.a.	n.a.	1.28	2.07	3.12	3.72	3.24
Other	1.84	1.94	2.04	2.29	2.77	2.20	2.16	2.21	2.27	2.33
State and local government	4.87	5.37	4.40	3.69	3.14	2.64	2.28	2.08	2.06	2.01
Other	1.10	1.62	2.44	2.99	2.69	2.59	2.53	2.40	2.25	2.18
Equity[2]	n.a.	n.a.	n.a.	n.a.	.29	.27	.31	.37	.38	.39
Trading account	1.22	1.56	1.34	1.28	1.25	1.46	1.77	2.34	2.87	2.71
Gross federal funds sold and reverse RPs	4.48	4.82	4.57	4.55	4.33	4.46	4.58	4.54	4.27	3.82
Interest-bearing balances at depositories	5.77	5.35	5.45	5.21	4.58	3.74	3.21	2.97	2.62	2.40
Non-interest-earning assets	13.32	12.89	12.52	12.00	12.07	12.19	11.97	11.67	11.50	13.40
Liabilities	93.74	93.69	93.83	93.84	93.63	93.59	93.33	92.82	92.15	92.12
Interest-bearing liabilities	72.85	73.13	74.03	75.40	76.02	76.53	76.58	75.32	73.93	71.86
Deposits	61.52	60.63	61.26	62.06	62.56	63.42	64.44	62.93	60.26	57.35
In foreign offices	12.28	11.27	11.02	10.41	9.68	9.25	8.55	8.37	8.32	9.39
In domestic offices	49.24	49.36	50.24	51.65	52.88	54.17	55.89	54.56	51.94	47.96
Other checkable deposits	4.58	5.19	6.04	6.25	6.12	6.19	6.72	7.65	8.24	7.80
Savings (including MMDAs)	16.45	17.46	18.28	17.60	16.27	16.58	17.98	20.27	20.90	19.60
Small denomination time deposits	16.78	15.85	15.06	16.25	18.37	19.96	21.29	19.21	16.98	15.33
Large denomination time deposits	11.43	10.86	10.86	11.55	12.12	11.43	9.90	7.42	5.81	5.23
Gross federal funds purchased and RPs	7.72	8.31	8.13	8.02	8.22	8.03	7.09	7.02	7.47	7.60
Other	3.61	4.19	4.64	5.31	5.24	5.08	5.04	5.37	6.19	6.91
Non-interest-bearing liabilities	20.88	20.56	19.80	18.44	17.61	17.06	16.75	17.50	18.22	20.26
Demand deposits in domestic offices	15.51	15.89	15.34	14.25	13.48	12.79	12.58	13.24	13.86	13.49
Other	5.37	4.67	4.46	4.20	4.13	4.27	4.17	4.27	4.37	6.77
Capital account	6.27	6.31	6.17	6.16	6.37	6.41	6.67	7.18	7.85	7.88
MEMO										
Commercial real estate loans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11.37	10.60	9.84	9.15
Other real estate owned	.26	.30	.35	.39	.40	.51	.76	.82	.63	.36
Managed liabilities	35.49	35.07	35.13	35.74	35.71	34.25	31.01	28.65	28.23	29.57
Average net consolidated assets (billions of dollars)	2,573	2,775	2,922	3,048	3,188	3,339	3,380	3,442	3,566	3,863

A.2.—Continued

A. All banks

Item	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
	Effective interest rate (percent)[3]									
Rates earned										
Interest-earning assets	11.12	9.90	9.42	9.99	11.11	10.66	9.53	8.27	7.60	7.60
Taxable equivalent	11.63	10.43	9.66	10.20	11.27	10.79	9.65	8.38	7.71	7.69
Loans and leases, gross	11.98	10.80	10.22	10.79	11.99	11.47	10.36	9.19	8.67	8.61
Net of loss provisions	10.82	9.43	8.08	9.86	10.43	9.92	8.69	7.87	7.86	8.12
Securities	9.44	8.44	8.09	8.35	8.71	8.78	8.16	7.03	6.07	5.96
Taxable equivalent	11.04	10.09	8.96	9.05	9.26	9.21	8.54	7.35	6.36	6.21
Investment account	9.39	8.50	7.94	8.03	8.54	8.66	8.22	7.11	6.06	5.78
U.S. government and other debt	10.45	9.14	8.18	8.21	8.78	8.91	8.39	7.17	6.06	5.79
State and local	7.03	7.19	7.26	7.37	7.44	7.37	7.25	6.81	6.26	5.87
Equity[2]	n.a.	n.a.	n.a.	n.a.	7.73	7.32	6.19	5.31	4.77	4.79
Trading account	10.11	7.83	10.01	12.63	11.11	10.15	7.52	6.40	6.16	7.41
Gross federal funds sold and reverse RPs	8.12	6.69	6.56	7.33	9.12	8.06	5.67	3.58	3.03	4.24
Interest-bearing balances at depositories	9.47	7.86	7.55	8.69	10.58	9.96	8.43	7.31	6.61	5.71
Rates paid										
Interest-bearing liabilities	8.49	7.17	6.75	7.22	8.50	8.03	6.51	4.75	4.01	4.01
Interest-bearing deposits	8.18	6.93	6.38	6.81	7.85	7.56	6.31	4.50	3.64	3.53
In foreign offices	9.48	7.79	7.90	8.90	10.87	10.71	8.54	7.32	6.82	5.59
In domestic offices	7.87	6.75	6.04	6.39	7.30	7.00	5.97	4.07	3.14	3.14
Other checkable deposits	n.a.	n.a.	4.54	4.74	4.82	4.78	4.32	2.69	1.98	1.85
Savings (including MMDAs)	n.a.	n.a.	5.28	5.52	6.17	5.98	5.08	3.25	2.49	2.57
Large denomination CDs	8.73	7.34	6.86	7.37	8.62	8.02	6.66	4.89	3.98	4.09
Other time deposits	n.a.	n.a.	6.97	7.28	8.27	7.96	6.88	5.14	4.18	4.17
Gross federal funds purchased and RPs	7.97	6.78	6.51	7.30	9.18	7.96	5.73	3.64	3.07	4.19
	Income and expenses as a percentage of average net consolidated assets									
Gross interest income	9.63	8.58	8.38	8.94	9.92	9.58	8.56	7.45	6.85	6.65
Taxable equivalent	10.07	9.03	8.59	9.12	10.06	9.70	8.66	7.54	6.94	6.72
Loans	7.13	6.34	6.17	6.61	7.44	7.14	6.33	5.40	5.00	4.91
Securities	1.47	1.38	1.35	1.38	1.46	1.53	1.56	1.51	1.36	1.25
Gross federal funds sold and reverse RPs	.37	.33	.31	.34	.41	.38	.27	.17	.13	.17
Other	.67	.53	.54	.60	.61	.54	.41	.37	.36	.33
Gross interest expense	6.11	5.16	4.96	5.41	6.42	6.13	4.96	3.56	2.96	2.87
Deposits	5.08	4.24	3.96	4.25	4.93	4.83	4.11	2.87	2.23	2.05
Gross federal funds purchased and RPs	.64	.57	.54	.61	.78	.68	.43	.27	.24	.32
Other	.38	.34	.46	.55	.71	.62	.43	.42	.50	.50
Net interest income	3.53	3.42	3.42	3.52	3.51	3.45	3.60	3.89	3.90	3.78
Taxable equivalent	3.96	3.87	3.63	3.71	3.64	3.57	3.70	3.98	3.98	3.86
Loss provisions[4]	.69	.80	1.29	.57	.97	.97	1.02	.78	.47	.28
Noninterest income	1.22	1.31	1.43	1.49	1.62	1.67	1.80	1.95	2.12	1.99
Service charges on deposits	.29	.29	.30	.31	.32	.34	.38	.41	.42	.40
Income from fiduciary activities	.21	.23	.24	.24	.26	.27	.28	.30	.31	.31
Foreign-exchange gains and fees	.06	.06	.09	.07	.07	.08	.08	.10	.09	.05
Trading income	.03	.05	.04	.05	.06	.06	.10	.09	.17	.11
Other	.62	.69	.77	.82	.91	.91	.97	1.05	1.14	1.12
Noninterest expense	3.21	3.27	3.34	3.35	3.41	3.49	3.73	3.86	3.93	3.74
Salaries, wages, and employee benefits	1.56	1.55	1.55	1.54	1.55	1.56	1.58	1.61	1.64	1.57
Expenses of premises and fixed assets	.52	.53	.52	.52	.52	.52	.53	.53	.52	.49
Other	1.13	1.19	1.27	1.29	1.34	1.40	1.61	1.72	1.77	1.68
Net noninterest expense	1.99	1.96	1.91	1.85	1.79	1.82	1.93	1.91	1.81	1.75
Realized gains on investment account securities	.06	.14	.05	.01	.02	.01	.09	.12	.09	−.01
Income before taxes and extraordinary items	.90	.80	.26	1.10	.77	.68	.75	1.32	1.70	1.73
Taxes	.22	.19	.19	.33	.30	.23	.24	.42	.56	.58
Extraordinary items	.01	.01	.01	.03	.01	.02	.03	.01	.06	*
Net income	.69	.62	.09	.80	.48	.47	.53	.91	1.20	1.15
Cash dividends declared	.33	.33	.36	.44	.44	.42	.45	.41	.62	.73
Retained income	.36	.29	−.28	.37	.04	.05	.08	.50	.59	.42
MEMO: Return on equity	11.08	9.87	1.40	13.04	7.55	7.36	7.95	12.68	15.35	14.63

* In absolute value, less than 0.005 percent.

NOTE. For definitions of managed liabilities and commercial real estate loans, see text table 2, notes 1 and 2.

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

1. Includes allocated transfer risk reserve.
2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.
3. Where possible, based on an average of quarterly average balance sheet data reported on schedule RC-K of the quarterly Call Report.
4. Includes provision for allocated transfer risk.

A.2. Portfolio composition, interest rates, and income and expense, all insured domestic commercial banks and nondeposit trust companies, 1985–94

B. Ten largest banks by assets

Item	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
	Balance sheet items as a percentage of average net consolidated assets									
Interest-earning assets	84.33	85.08	85.14	85.22	85.16	84.85	85.41	85.16	84.79	77.16
Loans and leases, net	63.11	61.45	59.36	58.69	59.66	61.69	62.14	58.34	55.57	49.91
Commercial and industrial	30.68	26.68	24.53	23.36	22.61	22.91	22.42	20.32	18.65	16.43
U.S. addressees	15.33	13.74	13.31	13.01	13.18	13.39	13.44	12.00	10.75	9.16
Foreign addressees	15.35	12.95	11.22	10.36	9.43	9.53	8.97	8.32	7.90	7.27
Consumer	5.62	6.50	6.41	6.19	6.21	6.87	7.20	7.31	7.33	6.59
Credit card	2.14	2.46	2.34	2.08	1.99	2.20	2.53	2.61	2.50	2.28
Installment and other	3.49	4.03	4.07	4.10	4.22	4.67	4.67	4.70	4.83	4.31
Real estate	10.37	12.30	13.97	15.46	18.02	20.56	21.68	19.93	18.54	16.21
In domestic offices	8.67	10.22	11.69	12.80	15.05	17.36	18.37	17.07	15.99	13.80
Construction and land development	2.24	2.67	3.21	3.48	3.60	3.79	3.42	2.48	1.59	.84
Farmland	.07	.07	.06	.06	.08	.08	.08	.07	.07	.06
One- to four-family residential	4.10	4.76	5.17	5.83	7.45	9.31	10.34	10.08	10.29	9.69
Home equity	n.a.	n.a.	n.a.	.76	1.04	1.31	1.63	1.63	1.60	1.40
Other	n.a.	n.a.	n.a.	5.07	6.41	8.00	8.71	8.46	8.68	8.29
Multifamily residential	.41	.48	.61	.65	.68	.68	.57	.58	.53	.41
Nonfarm nonresidential	1.85	2.24	2.63	2.78	3.23	3.51	3.95	3.86	3.51	2.79
In foreign offices	1.71	2.07	2.28	2.66	2.97	3.20	3.32	2.85	2.55	2.41
Depository institutions	5.29	5.01	5.18	5.21	4.56	3.64	3.05	2.56	2.35	3.37
Foreign governments	3.94	3.77	3.64	3.63	3.34	2.76	2.88	2.75	2.46	1.27
Agricultural production	.48	.42	.36	.33	.31	.31	.31	.28	.27	.25
Other loans	6.67	6.85	6.51	6.23	6.36	6.05	5.61	6.05	6.82	6.44
Lease-financing receivables	1.29	1.37	1.38	1.44	1.49	1.60	1.68	1.51	1.30	1.14
LESS: Unearned income on loans	.36	.39	.41	.43	.45	.39	.35	.27	.21	.16
LESS: Loss reserves[1]	.87	1.06	2.22	2.74	2.77	2.63	2.34	2.08	1.94	1.63
Securities	9.29	11.71	12.59	12.96	13.13	14.03	15.58	19.13	22.74	20.61
Investment account	5.75	6.91	8.19	8.67	9.05	9.22	9.38	10.70	12.45	11.68
Debt	5.75	6.91	8.19	8.67	8.83	8.98	9.08	10.36	12.08	11.30
U.S. Treasury	1.89	1.60	1.47	1.41	1.29	1.09	1.35	2.30	2.39	2.17
U.S. government agency and corporation obligations	.55	.68	1.54	1.94	2.29	2.91	3.46	4.45	6.14	5.16
Mortgage pass-through securities	.46	.59	1.47	1.84	2.07	2.24	2.26	2.43	3.30	2.79
Collateralized mortgage obligations	n.a.	n.a.	n.a.	n.a.	n.a.	.55	1.12	1.97	2.76	2.31
Other	.09	.09	.07	.10	.22	.13	.08	.05	.08	.06
State and local government	1.53	1.99	1.93	1.80	1.58	1.08	.77	.66	.59	.60
Other	1.78	2.64	3.25	3.52	3.68	3.90	3.50	2.95	2.97	3.37
Equity[2]	n.a.	n.a.	n.a.	n.a.	.22	.24	.30	.33	.36	.38
Trading account	3.55	4.80	4.40	4.29	4.08	4.81	6.19	8.43	10.30	8.93
Gross federal funds sold and reverse RPs	3.53	3.57	3.91	4.61	4.12	2.88	2.96	3.23	2.71	2.68
Interest-bearing balances at depositories	8.39	8.35	9.28	8.97	8.26	6.25	4.74	4.45	3.76	3.95
Non-interest-earning assets	15.67	14.92	14.86	14.78	14.84	15.15	14.59	14.84	15.21	22.84
Liabilities	95.18	95.13	95.58	95.41	95.11	95.29	94.97	94.44	93.24	93.42
Interest-bearing liabilities	72.45	72.61	73.08	73.76	74.17	73.97	74.62	73.08	71.56	64.33
Deposits	57.44	56.56	57.46	57.67	57.56	57.95	57.67	55.73	52.91	48.20
In foreign offices	34.60	32.43	32.60	31.49	30.08	29.66	28.47	27.16	25.51	26.10
In domestic offices	22.85	24.14	24.86	26.18	27.49	28.28	29.19	28.56	27.41	22.10
Other checkable deposits	1.27	1.89	2.45	2.68	2.70	2.74	3.00	3.38	3.45	2.91
Savings (including MMDAs)	8.81	10.32	11.04	11.42	11.32	12.05	13.50	14.91	15.33	12.70
Small denomination time deposits	4.65	4.59	4.55	5.03	5.64	6.16	6.55	5.72	5.09	3.98
Large denomination time deposits	8.12	7.34	6.82	7.05	7.82	7.33	6.14	4.56	3.53	2.51
Gross federal funds purchased and RPs	7.95	8.08	6.89	6.40	6.72	6.90	6.80	6.19	6.70	5.83
Other	7.06	7.96	8.74	9.69	9.89	9.13	10.15	11.16	11.94	10.29
Non-interest-bearing liabilities	22.72	22.52	22.50	21.65	20.94	21.32	20.35	21.36	21.68	29.09
Demand deposits in domestic offices	11.34	12.55	12.64	11.93	11.60	10.93	10.36	11.05	11.27	10.15
Other	11.38	9.97	9.86	9.71	9.34	10.39	9.99	10.30	10.41	18.95
Capital account	4.82	4.87	4.42	4.59	4.89	4.71	5.03	5.56	6.76	6.58
MEMO										
Commercial real estate loans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8.48	7.43	5.92	4.24
Other real estate owned	.14	.18	.21	.22	.23	.42	.78	1.13	1.02	.58
Managed liabilities	59.32	57.37	56.79	56.34	56.24	54.74	53.18	50.76	49.17	46.16
Average net consolidated assets (billions of dollars)	646	681	691	685	693	725	717	775	818	949

A.2.—Continued

B. Ten largest banks by assets

Item	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
	Effective interest rate (percent)[3]									
Rates earned										
Interest-earning assets	11.27	9.69	9.56	10.74	12.31	11.65	9.91	8.67	8.16	8.15
Taxable equivalent	11.60	10.04	9.59	10.87	12.31	11.70	9.95	8.72	8.20	8.18
Loans and leases, gross	11.91	10.39	10.13	11.33	13.18	12.28	10.45	9.36	9.07	8.89
Net of loss provisions	10.74	9.09	6.63	10.68	10.86	11.10	8.59	7.50	7.95	8.38
Securities	9.95	8.58	9.49	10.52	10.11	9.84	8.52	7.38	6.69	7.09
Taxable equivalent	10.89	9.56	9.66	11.06	10.09	10.01	8.64	7.54	6.77	7.19
Investment account	9.69	8.85	8.70	8.67	9.20	9.33	8.99	7.96	6.90	6.57
U.S. government and other debt	10.70	9.49	9.07	8.91	9.56	9.68	9.28	8.13	6.99	6.70
State and local	6.90	7.28	7.52	7.74	7.69	7.53	7.67	7.40	6.99	6.35
Equity[0]	n.a.	n.a.	n.a.	n.a.	6.81	5.82	4.22	4.04	3.72	3.27
Trading account	10.35	8.18	10.96	14.33	12.13	10.75	7.84	6.69	6.45	7.79
Gross federal funds sold and reverse RPs	7.72	6.24	6.13	7.31	8.97	8.01	5.60	3.65	3.02	4.52
Interest-bearing balances at depositories	9.61	7.90	7.68	9.13	10.88	11.06	10.05	9.29	8.34	7.27
Rates paid										
Interest-bearing liabilities	9.38	7.65	7.83	8.74	10.74	10.18	7.70	6.17	5.60	5.43
Interest-bearing deposits	8.68	7.11	6.97	7.76	9.19	9.03	7.09	5.33	4.50	4.32
In foreign offices	9.58	7.88	8.00	9.00	10.96	11.11	8.76	7.55	6.87	6.04
In domestic offices	7.52	6.22	5.63	6.26	7.27	6.81	5.46	3.24	2.36	2.35
Other checkable deposits	n.a.	n.a.	3.26	4.41	4.39	4.35	3.92	1.96	1.28	1.10
Savings (including MMDAs)	n.a.	n.a.	5.13	5.53	6.48	6.21	5.08	2.95	2.14	2.35
Large denomination CDs	9.03	7.23	7.29	7.73	8.87	7.95	6.49	4.66	3.55	3.12
Other time deposits	n.a.	n.a.	6.38	7.08	8.25	7.75	6.07	3.81	3.01	2.80
Gross federal funds purchased and RPs	7.99	6.87	6.52	7.41	9.27	7.75	5.98	4.04	3.26	4.05
	Income and expenses as a percentage of average net consolidated assets									
Gross interest income	9.49	8.19	8.45	9.51	10.82	10.37	8.77	7.68	7.22	6.37
Taxable equivalent	9.76	8.49	8.48	9.62	10.83	10.43	8.80	7.72	7.26	6.40
Loans	7.45	6.28	6.23	6.92	8.22	7.96	6.77	5.65	5.22	4.49
Securities	.56	.61	.71	.75	.83	.86	.84	.85	.86	.77
Gross federal funds sold and reverse RPs	.29	.26	.29	.40	.37	.25	.17	.14	.11	.15
Other	1.19	1.04	1.22	1.44	1.39	1.30	.98	1.05	1.04	.97
Gross interest expense	6.75	5.50	5.77	6.50	8.01	7.65	5.81	4.54	4.06	3.52
Deposits	5.15	4.15	4.18	4.55	5.37	5.41	4.23	3.09	2.48	2.15
Gross federal funds purchased and RPs	.74	.60	.52	.58	.72	.64	.43	.28	.24	.24
Other	.86	.75	1.07	1.37	1.92	1.60	1.15	1.17	1.35	1.13
Net interest income	2.74	2.70	2.68	3.01	2.81	2.72	2.95	3.15	3.16	2.86
Taxable equivalent	3.01	2.99	2.71	3.12	2.82	2.78	2.99	3.18	3.19	2.88
Loss provisions[4]	.73	.79	2.15	.40	1.45	.77	1.21	1.12	.64	.26
Noninterest income	1.33	1.59	1.94	2.07	2.19	2.27	2.40	2.59	2.99	2.33
Service charges on deposits	.11	.13	.16	.19	.21	.23	.26	.30	.30	.26
Income from fiduciary activities	.18	.21	.23	.23	.27	.31	.33	.37	.39	.36
Foreign-exchange gains and fees	.19	.20	.29	.26	.25	.30	.28	.36	.31	.15
Trading income	.05	.09	.10	.15	.17	.21	.36	.30	.60	.39
Other	.80	.97	1.16	1.24	1.29	1.21	1.16	1.27	1.38	1.18
Noninterest expense	2.68	2.95	3.20	3.28	3.43	3.55	3.83	3.86	4.13	3.56
Salaries, wages, and employee benefits	1.36	1.50	1.60	1.63	1.66	1.74	1.79	1.78	1.88	1.65
Expenses of premises and fixed assets	.48	.54	.58	.60	.62	.65	.66	.65	.66	.55
Other	.84	.91	1.03	1.05	1.15	1.16	1.38	1.43	1.59	1.36
Net noninterest expense	1.35	1.36	1.26	1.21	1.24	1.28	1.43	1.27	1.14	1.23
Realized gains on investment account securities	.06	.12	.07	.03	.03	.02	.04	.11	.13	.02
Income before taxes and extraordinary items	.71	.68	−.66	1.43	.16	.69	.35	.87	1.50	1.39
Taxes	.25	.22	.14	.44	.38	.27	.17	.26	.53	.48
Extraordinary items	*	*	*	.08	.03	.06	.03	*	.16	*
Net income	.46	.46	−.80	1.07	−.19	.48	.22	.61	1.13	.91
Cash dividends declared	.24	.21	.28	.38	.37	.26	.21	.18	.28	.58
Retained income	.22	.25	−1.08	.69	−.57	.22	.01	.43	.85	.33
MEMO: Return on equity	9.59	9.46	−18.11	23.28	−3.92	10.13	4.35	10.91	16.75	13.86

* In absolute value, less than 0.005 percent.

NOTE. For definitions of managed liabilities and commercial real estate loans, see text table 2, notes 1 and 2.

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

1. Includes allocated transfer risk reserve.
2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.
3. Where possible, based on an average of quarterly average balance sheet data reported on schedule RC-K of the quarterly Call Report.
4. Includes provision for allocated transfer risk.

A.2. Portfolio composition, interest rates, and income and expense, all insured domestic commercial banks and nondeposit trust companies, 1985–94

C. Banks ranked 11th through 100th by assets

Item	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
	Balance sheet items as a percentage of average net consolidated assets									
Interest-earning assets	84.91	85.64	86.20	87.23	86.91	86.81	86.87	87.97	88.36	88.16
Loans and leases, net	61.88	61.77	61.70	61.99	62.61	61.22	60.08	58.30	57.33	58.56
Commercial and industrial	24.20	24.13	23.72	23.45	22.75	21.76	20.53	18.83	18.03	18.03
U.S. addressees	21.09	21.21	21.22	21.43	21.23	20.44	19.30	17.78	17.05	17.00
Foreign addressees	3.11	2.92	2.50	2.02	1.53	1.33	1.24	1.05	.98	1.03
Consumer	11.19	11.80	11.73	12.20	12.97	12.25	11.66	11.72	11.47	12.62
Credit card	4.16	4.50	4.40	4.85	5.82	5.49	5.04	5.16	5.23	5.99
Installment and other	7.04	7.30	7.33	7.35	7.16	6.76	6.62	6.56	6.24	6.63
Real estate	13.76	13.94	16.05	17.94	19.09	20.21	21.51	21.89	22.12	22.26
In domestic offices	13.65	13.77	15.83	17.65	18.85	20.03	21.37	21.78	22.02	22.17
Construction and land development	4.46	4.79	5.24	5.27	5.25	4.91	4.00	3.02	2.08	1.63
Farmland	.08	.09	.10	.11	.12	.12	.12	.14	.13	.14
One- to four-family residential	5.71	5.27	5.88	6.85	7.54	8.53	10.17	11.36	12.30	12.98
Home equity	n.a.	n.a.	n.a.	1.17	1.41	1.66	2.07	2.50	2.54	2.33
Other	n.a.	n.a.	n.a.	5.68	6.13	6.86	8.10	8.85	9.76	10.64
Multifamily residential	.31	.32	.39	.43	.45	.46	.54	.66	.71	.71
Nonfarm nonresidential	3.09	3.30	4.22	4.99	5.49	6.01	6.53	6.61	6.79	6.72
In foreign offices	.12	.17	.22	.29	.24	.18	.14	.11	.10	.09
Depository institutions	3.37	2.83	2.51	1.84	1.55	1.57	1.58	1.43	1.30	1.49
Foreign governments	1.91	1.65	1.53	1.22	.88	.52	.39	.33	.30	.28
Agricultural production	.51	.36	.30	.29	.29	.28	.31	.31	.29	.29
Other loans	7.18	7.26	6.25	5.54	5.17	4.82	4.55	4.28	4.05	3.47
Lease-financing receivables	1.20	1.33	1.52	1.69	1.73	1.67	1.53	1.49	1.47	1.60
LESS: Unearned income on loans	.56	.49	.40	.37	.34	.26	.22	.17	.11	.07
LESS: Loss reserves[1]	.90	1.03	1.51	1.80	1.48	1.60	1.76	1.79	1.60	1.41
Securities	11.55	14.11	15.26	15.54	15.21	16.20	17.38	20.38	21.97	21.19
Investment account	10.54	13.02	14.45	14.73	14.38	15.32	16.24	19.24	20.59	19.82
Debt	10.54	13.02	14.45	14.73	14.16	15.14	16.02	18.99	20.34	19.50
U.S. Treasury	4.54	4.69	5.06	4.89	4.10	3.42	3.78	5.88	7.05	6.85
U.S. government agency and corporation obligations	1.32	2.05	3.13	3.58	5.01	7.42	8.43	9.26	9.54	9.28
Mortgage pass-through securities	.81	1.40	2.36	2.96	4.03	5.32	5.38	5.22	5.21	5.31
Collateralized mortgage obligations	n.a.	n.a.	n.a.	n.a.	n.a.	1.58	2.48	3.54	3.71	3.07
Other	.52	.65	.77	.61	.98	.53	.57	.50	.63	.91
State and local government	3.93	5.08	4.07	3.32	2.70	2.03	1.63	1.46	1.32	1.21
Other	.75	1.20	2.18	2.94	2.35	2.27	2.19	2.39	2.43	2.15
Equity[2]	n.a.	n.a.	n.a.	n.a.	.22	.18	.22	.25	.26	.32
Trading account	1.01	1.09	.81	.82	.83	.88	1.13	1.14	1.37	1.38
Gross federal funds sold and reverse RPs	3.69	3.17	3.07	3.68	3.71	4.41	4.90	4.78	4.98	5.11
Interest-bearing balances at depositories	7.79	6.58	6.16	6.01	5.38	4.98	4.51	4.52	4.08	3.30
Non-interest-earning assets	15.09	14.36	13.80	12.77	13.09	13.19	13.13	12.03	11.64	11.84
Liabilities	94.50	94.36	94.56	94.77	94.45	94.35	93.93	93.13	92.56	92.47
Interest-bearing liabilities	71.28	71.54	73.01	75.34	76.23	77.02	76.06	74.66	73.38	72.86
Deposits	53.99	51.42	52.61	55.02	56.45	57.46	59.23	56.99	54.22	53.04
In foreign offices	11.85	10.45	10.14	9.68	8.63	7.84	6.69	6.20	6.78	8.05
In domestic offices	42.14	40.97	42.48	45.34	47.82	49.62	52.54	50.79	47.44	44.98
Other checkable deposits	3.57	3.84	4.42	4.68	4.67	4.75	5.36	6.26	7.21	6.91
Savings (including MMDAs)	14.73	15.17	16.02	15.67	14.58	15.50	17.62	20.21	20.60	20.13
Small denomination time deposits	11.40	10.31	9.63	11.05	13.49	15.59	17.99	15.98	14.19	13.26
Large denomination time deposits	12.44	11.65	12.40	13.95	15.08	13.79	11.56	8.34	5.44	4.68
Gross federal funds purchased and RPs	13.13	14.80	14.52	13.72	13.22	13.03	10.94	11.45	11.93	11.49
Other	4.15	5.31	5.87	6.59	6.57	6.53	5.89	6.22	7.23	8.34
Non-interest-bearing liabilities	23.22	22.82	21.55	19.44	18.22	17.33	17.87	18.47	19.18	19.62
Demand deposits in domestic offices	17.13	17.61	16.62	15.04	13.86	13.23	13.76	14.52	15.38	15.27
Other	6.09	5.21	4.93	4.40	4.36	4.10	4.11	3.95	3.80	4.34
Capital account	5.50	5.64	5.44	5.23	5.55	5.65	6.07	6.87	7.44	7.53
MEMO:										
Commercial real estate loans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11.28	10.43	9.58	8.98
Other real estate owned	.19	.17	.22	.31	.30	.46	.76	.70	.47	.25
Managed liabilities	41.85	42.56	43.29	44.27	43.81	41.50	35.41	32.53	31.69	32.83
Average net consolidated assets (billions of dollars)	668	735	802	870	940	995	1,006	1,003	1,083	1,204

A.2.—Continued

C. Banks ranked 11th through 100th by assets

Item	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
	Effective interest rate (percent)[3]									
Rates earned										
Interest-earning assets	10.92	9.73	9.19	9.68	11.06	10.42	9.19	7.97	7.36	7.26
Taxable equivalent	11.48	10.35	9.41	9.89	11.23	10.51	9.29	8.07	7.45	7.34
Loans and leases, gross	11.61	10.47	9.77	10.29	11.70	11.06	9.84	8.74	8.25	8.19
Net of loss provisions	10.58	9.17	7.33	9.40	9.85	9.05	7.91	7.45	7.46	7.66
Securities	9.06	8.05	7.87	8.10	8.73	8.82	8.14	6.99	6.06	5.68
Taxable equivalent	10.94	10.10	8.69	8.83	9.34	9.14	8.49	7.30	6.33	5.91
Investment account	9.01	8.18	7.92	8.12	8.73	8.87	8.27	7.12	6.15	5.67
U.S. government and other debt	10.46	8.96	8.25	8.37	9.03	9.14	8.40	7.15	6.15	5.66
State and local	6.56	6.95	7.09	7.24	7.37	7.24	7.23	6.78	6.40	6.04
Equity[2]	n.a.	n.a.	n.a.	n.a.	9.19	8.09	7.32	6.71	5.23	5.00
Trading account	9.56	6.55	6.99	7.67	8.66	8.01	6.45	4.73	4.74	5.75
Gross federal funds sold and reverse RPs	8.16	6.58	6.58	6.73	9.29	8.10	5.77	3.70	3.11	4.27
Interest-bearing balances at depositories	9.40	7.88	7.68	8.83	11.33	9.72	8.13	6.76	6.50	4.69
Rates paid										
Interest-bearing liabilities	8.45	7.12	6.75	7.16	8.63	7.93	6.33	4.42	3.76	3.70
Interest-bearing deposits	8.14	6.91	6.42	6.86	8.10	7.52	6.19	4.30	3.51	3.24
In foreign offices	9.31	7.66	7.78	8.87	11.07	10.08	8.37	7.26	7.37	4.60
In domestic offices	7.84	6.72	6.10	6.43	7.57	7.11	5.91	3.95	2.99	3.01
Other checkable deposits	n.a.	n.a.	4.43	4.41	4.54	4.63	4.14	2.43	1.70	1.61
Savings (including MMDAs)	n.a.	n.a.	5.27	5.56	6.40	6.04	4.96	3.07	2.33	2.44
Large denomination CDs	8.74	7.43	7.01	7.41	8.68	8.08	6.71	5.09	4.30	4.20
Other time deposits	n.a.	n.a.	7.06	7.33	8.67	8.05	6.83	5.06	4.06	4.15
Gross federal funds purchased and RPs	8.03	6.85	6.63	7.23	9.33	8.11	5.70	3.57	3.04	4.28
	Income and expenses as a percent of average net consolidated assets									
Gross interest income	9.19	8.19	8.04	8.55	9.74	9.27	8.14	7.12	6.58	6.43
Taxable equivalent	9.64	8.70	8.23	8.74	9.87	9.36	8.22	7.19	6.65	6.49
Loans	7.15	6.36	6.19	6.57	7.48	6.98	6.07	5.23	4.85	4.89
Securities	.95	1.06	1.14	1.20	1.26	1.36	1.34	1.37	1.27	1.12
Gross federal funds sold and reverse RPs	.28	.20	.20	.22	.36	.37	.28	.19	.15	.21
Other	.81	.56	.51	.56	.65	.56	.45	.34	.32	.21
Gross interest expense	5.89	4.95	4.85	5.32	6.47	6.06	4.74	3.26	2.74	2.66
Deposits	4.42	3.58	3.40	3.78	4.57	4.34	3.70	2.48	1.93	1.72
Gross federal funds purchased and RPs	1.06	1.01	.96	1.00	1.24	1.12	.67	.43	.38	.51
Other	.40	.37	.48	.54	.66	.60	.38	.35	.43	.43
Net interest income	3.30	3.24	3.19	3.23	3.27	3.21	3.40	3.86	3.85	3.77
Taxable equivalent	3.75	3.75	3.38	3.42	3.40	3.30	3.47	3.93	3.91	3.83
Loss provisions[4]	.63	.79	1.55	.57	1.18	1.27	1.19	.78	.47	.32
Noninterest income	1.40	1.45	1.53	1.60	1.86	1.84	2.03	2.25	2.29	2.25
Service charges on deposits	.27	.27	.29	.30	.30	.34	.40	.44	.46	.45
Income from fiduciary activities	.31	.34	.36	.34	.35	.33	.36	.38	.38	.39
Foreign-exchange gains and fees	.04	.03	.05	.04	.05	.06	.05	.05	.05	.04
Trading income	.05	.05	.02	.03	.04	.03	.05	.04	.08	.04
Other	.74	.75	.81	.88	1.12	1.09	1.18	1.33	1.32	1.33
Noninterest expense	3.17	3.16	3.23	3.18	3.32	3.43	3.72	3.98	3.95	3.85
Salaries, wages, and employee benefits	1.55	1.50	1.48	1.46	1.47	1.46	1.50	1.53	1.52	1.49
Expenses of premises and fixed assets	.51	.50	.49	.49	.50	.49	.50	.49	.48	.47
Other	1.11	1.17	1.26	1.24	1.35	1.48	1.72	1.95	1.95	1.88
Net noninterest expense	1.77	1.71	1.70	1.59	1.46	1.59	1.69	1.73	1.66	1.60
Realized gains on investment account securities	.05	.17	.05	*	.04	.03	.14	.15	.09	−.01
Income before taxes and extraordinary items	.95	.91	*	1.08	.67	.38	.66	1.50	1.82	1.84
Taxes	.21	.20	.09	.28	.18	.15	.19	.48	.56	.62
Extraordinary items	.01	.01	*	.02	*	.01	.03	.03	*	*
Net income	.74	.72	−.09	.81	.49	.24	.51	1.04	1.26	1.22
Cash dividends declared	.26	.32	.34	.41	.40	.37	.47	.46	.76	.86
Retained income	.48	.39	−.43	.40	.09	−.13	.04	.58	.49	.36
MEMO: Return on equity	13.48	12.73	−1.69	15.52	8.81	4.26	8.34	15.18	16.88	16.21

* In absolute value, less than 0.005 percent.

NOTE. For definitions of managed liabilities and commercial real estate loans, see text table 2, notes 1 and 2.

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

1. Includes allocated transfer risk reserve.
2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.
3. Where possible, based on an average of quarterly average balance sheet data reported on schedule RC-K of the quarterly Call Report.
4. Includes provision for allocated transfer risk.

A.2. Portfolio composition, interest rates, and income and expense, all insured domestic commercial banks and nondeposit trust companies, 1985–94

D. Banks ranked 101st through 1,000th by assets

Item	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
	Balance sheet items as a percentage of average net consolidated assets									
Interest-earning assets	87.82	87.92	88.34	88.88	88.96	88.82	88.88	89.02	89.53	90.09
Loans and leases, net	59.27	59.77	61.60	63.03	63.61	63.08	61.01	58.51	57.92	59.74
Commercial and industrial	19.02	18.47	18.12	17.83	17.68	16.69	15.05	13.33	12.19	12.07
U.S. addressees	18.69	18.22	17.87	17.67	17.53	16.56	14.89	13.15	12.03	11.90
Foreign addressees	.33	.25	.24	.16	.15	.13	.16	.18	.16	.16
Consumer	14.46	14.69	15.34	15.91	15.48	15.47	15.10	14.22	14.82	15.85
Credit card	3.50	4.01	4.65	5.21	4.82	5.22	5.71	5.42	5.65	6.06
Installment and other	10.96	10.68	10.69	10.70	10.65	10.25	9.39	8.80	9.18	9.79
Real estate	18.86	19.79	22.25	24.28	25.97	27.01	27.52	28.10	28.61	29.42
In domestic offices	18.86	19.78	22.25	24.27	25.95	26.99	27.47	28.06	28.58	29.40
Construction and land development	3.94	4.18	4.57	4.73	4.82	4.37	3.66	2.86	2.26	2.08
Farmland	.23	.25	.26	.27	.27	.28	.28	.32	.34	.36
One- to four-family residential	8.42	8.49	9.48	10.64	11.55	12.48	13.22	14.25	15.16	16.25
Home equity	n.a.	n.a.	n.a.	1.73	2.08	2.31	2.53	2.56	2.50	2.33
Other	n.a.	n.a.	n.a.	8.91	9.47	10.18	10.68	11.69	12.66	13.92
Multifamily residential	.59	.66	.68	.67	.70	.74	.80	.95	1.07	1.13
Nonfarm nonresidential	5.68	6.21	7.26	7.97	8.61	9.12	9.51	9.68	9.75	9.57
In foreign offices	*	.01	.01	.01	.01	.03	.05	.04	.02	.03
Depository institutions	1.58	1.36	1.13	1.01	.92	1.05	.93	.80	.43	.38
Foreign governments	.30	.26	.25	.20	.16	.09	.07	.05	.03	.02
Agricultural production	.75	.62	.48	.47	.45	.47	.49	.54	.56	.62
Other loans	5.30	5.44	4.94	4.23	3.77	3.17	2.81	2.47	2.16	2.01
Lease-financing receivables	.64	.71	.72	.78	.82	.83	.85	.78	.76	.82
LESS: Unearned income on loans	.88	.71	.61	.60	.56	.50	.40	.30	.21	.15
LESS: Loss reserves[1]	.77	.87	1.01	1.07	1.07	1.20	1.42	1.49	1.44	1.30
Securities	19.60	19.28	18.72	18.52	18.75	19.33	21.28	24.12	25.91	25.71
Investment account	19.36	18.95	18.50	18.25	18.37	18.86	20.91	23.77	25.62	25.39
Debt	19.36	18.95	18.50	18.25	18.02	18.53	20.55	23.31	25.15	24.95
U.S. Treasury	8.63	7.58	7.14	6.52	5.90	5.44	6.16	7.75	8.63	8.26
U.S. government agency and corporation obligations	3.37	3.32	4.06	4.81	6.06	7.74	9.35	11.07	12.33	12.67
Mortgage pass-through securities	1.06	1.13	1.89	2.33	3.03	3.83	4.51	4.74	4.97	5.57
Collateralized mortgage obligations	n.a.	n.a.	n.a.	n.a.	n.a.	1.74	2.73	3.95	4.82	4.39
Other	2.31	2.19	2.17	2.48	3.03	2.17	2.11	2.38	2.53	2.71
State and local government	6.18	6.48	5.03	4.10	3.49	3.11	2.65	2.27	2.26	2.29
Other	1.19	1.57	2.26	2.82	2.56	2.25	2.38	2.22	1.94	1.74
Equity[1]	n.a.	n.a.	n.a.	n.a.	.35	.32	.37	.46	.47	.44
Trading account	.24	.33	.22	.28	.38	.48	.37	.35	.29	.31
Gross federal funds sold and reverse RPs	5.15	5.66	4.94	4.45	4.11	4.51	4.70	4.92	4.50	3.64
Interest-bearing balances at depositories	3.80	3.22	3.08	2.87	2.49	1.90	1.90	1.47	1.20	1.00
Non-interest-earning assets	12.18	12.08	11.66	11.12	11.04	11.18	11.12	10.98	10.47	9.91
Liabilities	93.44	93.33	93.28	93.34	93.26	93.07	92.89	92.47	91.86	91.62
Interest-bearing liabilities	72.90	73.01	73.92	75.59	76.42	77.05	77.26	75.98	74.44	74.78
Deposits	62.62	62.17	62.43	63.00	63.68	65.02	66.30	65.63	63.06	60.39
In foreign offices	2.00	2.07	1.96	2.04	2.09	1.65	1.76	1.56	1.43	1.69
In domestic offices	60.62	60.10	60.47	60.97	61.59	63.37	64.55	64.07	61.63	58.69
Other checkable deposits	5.55	6.25	7.27	7.39	7.14	7.30	7.83	9.14	9.94	9.71
Savings (including MMDAs)	21.50	22.37	22.83	21.27	19.50	19.68	20.72	23.32	24.05	22.92
Small denomination time deposits	19.92	18.66	17.75	19.34	22.06	24.08	25.21	23.55	20.80	19.29
Large denomination time deposits	13.65	12.83	12.62	12.96	12.90	12.30	10.79	8.07	6.84	6.78
Gross federal funds purchased and RPs	7.90	8.21	8.46	8.63	9.20	8.42	7.46	7.17	7.43	8.45
Other	2.38	2.63	3.03	3.96	3.54	3.60	3.50	3.19	3.95	5.94
Non-interest-bearing liabilities	20.53	20.32	19.36	17.74	16.84	16.03	15.63	16.48	17.42	16.85
Demand deposits in domestic offices	18.29	18.25	17.35	15.84	14.85	14.07	13.56	14.38	15.06	14.58
Other	2.24	2.08	2.00	1.90	1.99	1.96	2.07	2.10	2.36	2.27
Capital account	6.56	6.67	6.72	6.66	6.74	6.93	7.11	7.53	8.14	8.38
MEMO										
Commercial real estate loans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	13.84	12.95	12.31	11.92
Other real estate owned	.28	.30	.37	.42	.46	.55	.79	.80	.57	.28
Managed liabilities	25.88	25.67	26.00	27.51	27.67	25.96	23.49	19.97	19.65	22.86
Average net consolidated assets (billions of dollars)	638	710	771	839	892	938	961	968	978	1,032

A.2.—Continued

D. Banks ranked 101st through 1,000th by assets

Item	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
	Effective interest rate (percent)[3]									
Rates earned										
Interest-earning assets	10.95	9.91	9.44	9.90	10.71	10.41	9.53	8.14	7.40	7.58
Taxable equivalent	11.57	10.52	9.80	10.15	10.93	10.57	9.68	8.26	7.53	7.68
Loans and leases, gross	11.89	10.83	10.30	10.75	11.57	11.20	10.40	9.12	8.54	8.64
Net of loss provisions	10.89	9.60	9.05	9.60	10.42	9.47	8.70	7.84	7.74	8.11
Securities	9.15	8.29	7.67	7.83	8.33	8.52	8.09	6.88	5.75	5.69
Taxable equivalent	10.89	10.09	8.77	8.59	8.98	9.02	8.54	7.20	6.09	5.95
Investment account	9.15	8.30	7.69	7.84	8.34	8.49	8.11	6.90	5.76	5.69
U.S. government and other debt	10.24	8.98	7.94	8.04	8.61	8.75	8.28	6.95	5.73	5.68
State and local	6.82	7.01	7.01	7.15	7.26	7.32	7.26	6.84	6.26	5.90
Equity[2]	n.a.	n.a.	n.a.	n.a.	6.90	6.97	6.00	5.06	4.91	5.28
Trading account	8.88	7.42	5.80	6.96	7.61	9.92	6.86	5.62	4.83	5.29
Gross federal funds sold and reverse RPs	8.22	6.84	6.62	7.47	8.95	7.98	5.63	3.47	3.00	4.03
Interest-bearing balances at depositories	9.15	7.53	7.03	7.82	9.18	8.51	6.81	4.61	3.50	4.28
Rates paid										
Interest-bearing liabilities	8.02	6.92	6.29	6.70	7.69	7.25	6.08	4.19	3.31	3.57
Interest-bearing deposits	7.85	6.75	6.08	6.49	7.33	7.05	6.04	4.16	3.24	3.31
In foreign offices	8.65	6.94	6.77	7.65	8.98	8.12	6.38	4.25	3.35	4.31
In domestic offices	7.82	6.76	6.06	6.45	7.28	7.02	6.03	4.16	3.24	3.28
Other checkable deposits	n.a.	n.a.	4.64	4.77	4.86	4.75	4.28	2.67	2.01	1.86
Savings (including MMDAs)	n.a.	n.a.	5.28	5.53	6.11	5.98	5.12	3.33	2.57	2.65
Large denomination CDs	8.61	7.30	6.79	7.39	8.64	8.03	6.61	4.75	3.86	4.22
Other time deposits	n.a.	n.a.	7.14	7.45	8.28	8.03	7.05	5.34	4.38	4.40
Gross federal funds purchased and RPs	7.87	6.60	6.34	7.39	8.96	7.86	5.60	3.46	2.95	4.12
	Income and expenses as a percentage of average net consolidated assets									
Gross interest income	9.61	8.67	8.38	8.86	9.64	9.37	8.61	7.36	6.71	6.91
Taxable equivalent	10.15	9.21	8.70	9.09	9.83	9.51	8.74	7.47	6.81	7.00
Loans	7.06	6.48	6.43	6.88	7.49	7.21	6.49	5.46	5.04	5.26
Securities	1.77	1.57	1.42	1.43	1.53	1.60	1.70	1.64	1.48	1.45
Gross federal funds sold and reverse RPs	.43	.37	.31	.32	.37	.36	.27	.17	.13	.14
Other	.36	.25	.22	.24	.25	.19	.15	.08	.06	.06
Gross interest expense	5.75	4.94	4.57	5.02	5.82	5.53	4.66	3.16	2.45	2.65
Deposits	4.92	4.21	3.81	4.09	4.67	4.58	4.01	2.74	2.06	2.01
Gross federal funds purchased and RPs	.63	.55	.53	.64	.83	.67	.42	.25	.22	.35
Other	.20	.19	.23	.29	.32	.29	.23	.17	.17	.29
Net interest income	3.86	3.73	3.81	3.85	3.82	3.83	3.95	4.20	4.26	4.26
Taxable equivalent	4.39	4.27	4.12	4.07	4.01	3.97	4.08	4.31	4.36	4.35
Loss provisions[4]	.59	.74	.78	.74	.74	1.11	1.06	.77	.47	.32
Noninterest income	1.28	1.30	1.35	1.36	1.38	1.49	1.64	1.69	1.83	1.85
Service charges on deposits	.35	.34	.34	.34	.35	.37	.40	.44	.44	.42
Income from fiduciary activities	.26	.25	.25	.25	.25	.26	.27	.28	.29	.28
Foreign-exchange gains and fees	.01	.01	.01	*	.01	*	.01	*	.01	.01
Trading income	.04	.04	.03	.03	.03	.02	.03	.02	.02	.01
Other	.63	.67	.72	.74	.74	.84	.94	.95	1.07	1.13
Noninterest expense	3.55	3.50	3.52	3.50	3.43	3.50	3.75	3.87	3.90	3.78
Salaries, wages, and employee benefits	1.67	1.59	1.54	1.49	1.47	1.47	1.47	1.51	1.51	1.49
Expenses of premises and fixed assets	.55	.53	.52	.50	.49	.49	.49	.49	.48	.46
Other	1.34	1.38	1.47	1.51	1.47	1.54	1.79	1.87	1.91	1.83
Net noninterest expense	2.28	2.20	2.17	2.14	2.04	2.00	2.11	2.18	2.07	1.92
Realized gains on investment account securities	.05	.12	.04	*	.01	.01	.09	.10	.06	-.05
Income before taxes and extraordinary items	1.05	.91	.89	.97	1.05	.73	.87	1.36	1.78	1.96
Taxes	.21	.18	.27	.32	.32	.21	.29	.44	.61	.67
Extraordinary items	.02	.01	.02	.01	*	*	.03	*	.04	*
Net income	.85	.74	.64	.67	.73	.52	.61	.92	1.22	1.29
Cash dividends declared	.40	.40	.44	.48	.48	.53	.58	.48	.79	.81
Retained income	.45	.34	.20	.18	.25	-.01	.03	.44	.43	.48
MEMO: Return on equity	12.99	11.10	9.53	10.00	10.94	7.45	8.60	12.25	14.93	15.42

* In absolute value, less than 0.005 percent.

NOTE. For definitions of managed liabilities and commercial real estate loans, see text table 2, notes 1 and 2.

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

1. Includes allocated transfer risk reserve.
2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.
3. Where possible, based on an average of quarterly average balance sheet data reported on schedule RC-K of the quarterly Call Report.
4. Includes provision for allocated transfer risk.

A.2. Portfolio composition, interest rates, and income and expense, all insured domestic commercial banks and nondeposit trust companies, 1985–94

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

Item	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
	Balance sheet items as a percentage of average net consolidated assets									
Interest-earning assets	89.87	90.00	90.50	90.81	90.88	91.04	91.23	91.39	91.66	91.72
Loans and leases, net	53.80	52.82	52.82	53.88	54.85	54.73	54.06	53.03	52.96	54.65
Commercial and industrial	14.33	13.68	12.84	12.34	12.10	11.53	10.59	9.74	9.25	9.32
U.S. addressees	14.29	13.65	12.81	12.32	12.07	11.49	10.55	9.70	9.21	9.27
Foreign addressees	.03	.03	.03	.02	.03	.04	.04	.04	.04	.05
Consumer	13.01	12.41	11.74	11.48	11.46	11.19	10.49	9.68	9.17	9.38
Credit card	.61	.68	.80	.86	.93	1.00	1.08	1.00	.91	.96
Installment and other	12.40	11.74	10.94	10.62	10.53	10.19	9.41	8.68	8.26	8.41
Real estate	20.83	21.94	24.07	26.03	27.36	28.35	29.32	30.16	31.11	32.19
In domestic offices	20.83	21.94	24.07	26.03	27.36	28.35	29.32	30.15	31.10	32.18
Construction and land development	2.16	2.21	2.19	2.22	2.29	2.37	2.18	1.98	1.93	2.14
Farmland	1.32	1.42	1.59	1.74	1.82	1.86	1.93	2.06	2.20	2.34
One- to four-family residential	11.23	11.62	12.80	14.06	14.80	15.37	15.99	16.44	16.82	16.95
Home equity	n.a.	n.a.	n.a.	.73	.95	1.16	1.29	1.34	1.27	1.21
Other	n.a.	n.a.	n.a.	13.32	13.86	14.21	14.70	15.10	15.55	15.74
Multifamily residential	.50	.54	.60	.61	.62	.66	.71	.77	.84	.93
Nonfarm nonresidential	5.62	6.15	6.90	7.40	7.82	8.09	8.50	8.91	9.30	9.83
In foreign offices	*	*	*	*	*	*	*	*	*	*
Depository institutions	.27	.25	.30	.31	.26	.23	.20	.13	.12	.13
Foreign governments	.01	.01	.01	.02	.01	.01	.01	.01	.02	.01
Agricultural production	4.52	3.76	3.30	3.25	3.27	3.29	3.47	3.54	3.58	3.89
Other loans	2.40	2.20	1.90	1.75	1.67	1.41	1.24	.99	.87	.81
Lease-financing receivables	.19	.19	.19	.19	.19	.18	.18	.17	.18	.19
LESS: Unearned income on loans	1.07	.83	.67	.61	.60	.58	.51	.43	.36	.31
LESS: Loss reserves[1]	.69	.78	.86	.88	.88	.89	.93	.96	.97	.95
Securities	27.55	26.96	27.67	27.98	27.90	28.37	29.97	32.10	33.07	32.90
Investment account	27.51	26.91	27.59	27.92	27.83	28.27	29.91	32.04	33.01	32.86
Debt	27.51	26.91	27.59	27.92	27.44	27.91	29.53	31.60	32.56	32.42
U.S. Treasury	12.63	11.39	10.64	9.75	8.83	8.77	9.24	10.25	10.50	10.81
U.S. government agency and corporation obligations	6.17	6.45	8.18	9.80	11.37	12.43	13.80	15.03	15.80	15.35
Mortgage pass-through securities	1.55	1.38	2.66	3.22	3.76	4.58	5.59	5.52	5.38	4.82
Collateralized mortgage obligations	n.a.	n.a.	n.a.	n.a.	n.a.	.92	1.55	2.66	3.33	3.11
Other	4.62	5.07	5.52	6.58	7.61	6.93	6.66	6.85	7.09	7.42
State and local government	8.02	8.01	6.63	5.65	4.94	4.56	4.26	4.29	4.69	5.00
Other	.69	1.06	2.13	2.73	2.30	2.16	2.23	2.03	1.58	1.25
Equity[2]	n.a.	n.a.	n.a.	n.a.	.40	.36	.38	.44	.45	.44
Trading account	.04	.05	.08	.05	.07	.10	.06	.06	.07	.04
Gross federal funds sold and reverse RPs	5.61	7.09	6.66	5.76	5.74	6.13	5.64	5.10	4.67	3.41
Interest-bearing balances at depositories	2.90	3.13	3.36	3.19	2.39	1.81	1.57	1.16	.96	.76
Non-interest-earning assets	10.13	10.00	9.50	9.19	9.12	8.96	8.77	8.61	8.34	8.28
Liabilities	91.72	91.80	91.74	91.61	91.43	91.38	91.36	91.07	90.64	90.45
Interest-bearing liabilities	74.90	75.62	76.39	76.94	77.13	77.81	78.39	77.83	76.90	76.20
Deposits	72.73	73.66	74.39	74.83	74.97	75.76	76.40	75.74	74.56	73.16
In foreign offices	.07	.06	.04	.04	.06	.07	.08	.07	.08	.09
In domestic offices	72.66	73.60	74.34	74.80	74.90	75.69	76.32	75.67	74.48	73.07
Other checkable deposits	8.10	9.03	10.33	10.63	10.38	10.44	10.98	12.33	13.16	13.32
Savings (including MMDAs)	21.06	22.19	23.30	21.92	19.51	18.73	19.35	22.10	23.55	23.24
Small denomination time deposits	31.98	30.89	29.56	30.97	33.64	35.35	35.85	32.84	30.11	28.84
Large denomination time deposits	11.52	11.49	11.16	11.27	11.37	11.17	10.15	8.40	7.66	7.68
Gross federal funds purchased and RPs	1.48	1.29	1.27	1.35	1.35	1.36	1.31	1.36	1.44	1.89
Other	.70	.66	.73	.76	.81	.69	.67	.73	.90	1.15
Non-interest-bearing liabilities	16.81	16.19	15.35	14.67	14.31	13.57	12.97	13.24	13.74	14.25
Demand deposits in domestic offices	15.24	14.87	14.24	13.58	13.09	12.36	11.83	12.23	12.82	13.35
Other	1.57	1.32	1.11	1.09	1.22	1.21	1.15	1.01	.92	.90
Capital account	8.28	8.20	8.26	8.39	8.57	8.62	8.64	8.93	9.36	9.55
MEMO										
Commercial real estate loans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11.04	11.08	11.38	12.09
Other real estate owned	.44	.55	.63	.65	.65	.63	.67	.66	.52	.35
Managed liabilities	13.70	13.43	13.14	13.36	13.55	13.25	12.17	10.53	10.06	10.80
Average net consolidated assets (billions of dollars)	621	649	659	654	662	681	695	697	687	679

A.2.—Continued

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

Item	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
	Effective interest rate (percent)[3]									
Rates earned										
Interest-earning assets	11.33	10.28	9.53	9.75	10.48	10.30	9.63	8.43	7.60	7.58
Taxable equivalent	11.86	10.79	9.86	10.00	10.72	10.52	9.82	8.59	7.77	7.74
Loans and leases, gross	12.61	11.66	10.85	11.01	11.74	11.59	11.01	9.82	9.11	9.01
Net of loss provisions	11.11	9.98	9.59	9.98	10.85	10.64	10.08	9.04	8.61	8.67
Securities	9.64	8.72	7.92	7.93	8.37	8.42	8.03	6.99	5.92	5.61
Taxable equivalent	11.26	10.31	8.94	8.65	9.03	9.01	8.55	7.42	6.35	6.02
Investment account	9.64	8.72	7.91	7.91	8.35	8.40	8.03	6.99	5.92	5.61
U.S. government and other debt	10.54	9.24	8.04	8.00	8.51	8.59	8.19	7.06	5.91	5.60
State and local	7.47	7.52	7.52	7.56	7.56	7.46	7.17	6.71	6.09	5.69
Equity[2]	n.a.	n.a.	n.a.	n.a.	8.19	8.34	7.12	5.63	5.13	5.53
Trading account	10.26	8.44	9.04	14.88	14.86	12.13	8.75	7.34	4.79	6.86
Gross federal funds sold and reverse RPs	8.26	6.91	6.81	7.67	9.24	8.11	5.65	3.50	2.95	4.08
Interest-bearing balances at depositories	9.64	8.07	7.37	8.06	9.11	8.54	7.35	5.60	4.54	4.68
Rates paid										
Interest-bearing liabilities	8.09	7.01	6.19	6.41	7.15	7.01	6.17	4.44	3.53	3.49
Interest-bearing deposits	8.06	6.96	6.12	6.36	7.09	6.96	6.15	4.44	3.52	3.44
In foreign offices	8.34	7.06	7.29	7.62	9.35	7.57	5.95	3.97	2.91	3.92
In domestic offices	8.06	6.96	6.12	6.36	7.09	6.96	6.15	4.44	3.52	3.44
Other checkable deposits	n.a.	n.a.	4.93	4.99	5.08	5.02	4.61	3.13	2.42	2.29
Savings (including MMDAs)	n.a.	n.a.	5.37	5.47	5.81	5.73	5.17	3.62	2.90	2.83
Large denomination CDs	8.69	7.35	6.56	7.12	8.35	7.91	6.73	4.89	3.95	4.12
Other time deposits	n.a.	n.a.	6.96	7.16	8.02	7.88	6.97	5.36	4.37	4.28
Gross federal funds purchased and RPs	7.79	6.59	6.25	6.79	8.51	8.02	5.71	3.73	3.17	4.12
	Income and expenses as a percentage of average net consolidated assets									
Gross interest income	10.29	9.32	8.71	8.94	9.64	9.50	8.91	7.79	7.04	7.02
Taxable equivalent	10.76	9.77	9.01	9.17	9.84	9.68	9.07	7.94	7.19	7.16
Loans	6.87	6.22	5.81	6.01	6.52	6.43	6.04	5.29	4.90	4.99
Securities	2.65	2.35	2.18	2.21	2.32	2.38	2.40	2.24	1.96	1.84
Gross federal funds sold and reverse RPs	.50	.50	.47	.46	.57	.53	.34	.18	.14	.15
Other	.28	.25	.25	.26	.23	.17	.12	.07	.05	.04
Gross interest expense	6.04	5.27	4.71	4.91	5.49	5.43	4.82	3.45	2.71	2.65
Deposits	5.87	5.13	4.57	4.76	5.31	5.27	4.70	3.36	2.63	2.52
Gross federal funds purchased and RPs	.12	.09	.08	.10	.12	.11	.07	.05	.04	.07
Other	.06	.05	.06	.06	.06	.05	.05	.04	.04	.06
Net interest income	4.25	4.05	4.00	4.03	4.15	4.07	4.09	4.34	4.33	4.36
Taxable equivalent	4.72	4.50	4.30	4.26	4.35	4.25	4.25	4.49	4.48	4.51
Loss provisions[4]	.82	.90	.67	.56	.49	.53	.51	.42	.27	.19
Noninterest income	.84	.85	.88	.92	.99	1.01	1.07	1.16	1.25	1.28
Service charges on deposits	.43	.41	.41	.41	.41	.42	.44	.45	.45	.44
Income from fiduciary activities	.10	.10	.11	.12	.14	.14	.14	.16	.15	.16
Foreign-exchange gains and fees	*	*	*	*	*	*	*	*	*	*
Trading income	*	*	*	*	.01	.01	*	*	*	*
Other	.30	.33	.35	.39	.44	.44	.49	.55	.64	.68
Noninterest expense	3.43	3.46	3.43	3.44	3.48	3.49	3.60	3.66	3.72	3.76
Salaries, wages, and employee benefits	1.66	1.63	1.61	1.62	1.65	1.64	1.64	1.69	1.72	1.74
Expenses of premises and fixed assets	.53	.53	.52	.51	.50	.49	.49	.49	.48	.48
Other	1.24	1.30	1.30	1.31	1.33	1.36	1.46	1.49	1.52	1.54
Net noninterest expense	2.60	2.61	2.55	2.52	2.48	2.48	2.52	2.51	2.48	2.48
Realized gains on investment account securities	.08	.15	.03	.01	.01	*	.06	.09	.07	−.03
Income before taxes and extraordinary items	.91	.70	.82	.96	1.18	1.06	1.11	1.50	1.65	1.66
Taxes	.20	.15	.25	.29	.36	.34	.35	.47	.51	.51
Extraordinary items	.01	.01	.02	.02	.02	.02	.01	.02	.05	*
Net income	.72	.56	.59	.69	.83	.74	.78	1.04	1.19	1.16
Cash dividends declared	.43	.40	.40	.46	.53	.50	.47	.51	.55	.57
Retained income	.30	.16	.19	.22	.30	.24	.30	.53	.64	.58
MEMO: Return on equity	8.70	6.81	7.09	8.19	9.67	8.61	8.98	11.64	12.76	12.10

* In absolute value, less than 0.005 percent.

NOTE. For definitions of managed liabilities and commercial real estate loans, see text table 2, notes 1 and 2.

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

1. Includes allocated transfer risk reserve.
2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.
3. Where possible, based on an average of quarterly average balance sheet data reported on schedule RC-K of the quarterly Call Report.
4. Includes provision for allocated transfer risk.

Monetary Policy and Open Market Operations during 1994

This article is adapted from a report to the Federal Open Market Committee by Peter R. Fisher, Executive Vice President of the Federal Reserve Bank of New York and Manager of the System Open Market Account. Ann-Marie Meulendyke, Adviser, Open Market Function, and Spence Hilton, Manager, Open Market Trading and Analysis Staff, were primarily responsible for the preparation of this report. Other members of the Open Market Function assisting in the preparation of the report were Robert Van Wicklen, Theodore Tulpan, Eileen Steigleder, and Steve Zannetos. William May, Economist, Financial Markets and Institutions Department, also assisted.

In 1994 the operating techniques for implementing monetary policy remained similar to those of recent years; however, the Trading Desk at the Federal Reserve Bank of New York gained slightly more flexibility in its execution of open market operations after the Federal Open Market Committee began announcing its policy actions in February. As a consequence of the change in procedures, open market operations were no longer used to communicate policy shifts. Nearly all the Desk's operations added reserves because cumulative reserve shortages were substantial for the fourth consecutive year. These deficiencies reflected the continued rapid expansion of currency, which stemmed in part from heavy currency shipments abroad. Working in the other direction were declines in the demand for reserve balances arising from monetary policy tightening. Higher interest rates reined in the growth of transactions deposits and reduced the balances that banks were required to hold at the Federal Reserve. As these balances fell, banks lost some flexibility in managing their reserve positions, and by year-end the potential for operating difficulties associated with low balances had reemerged.

The next section of the report briefly reviews the course of monetary policy in 1994 and describes the responses of the fixed-income securities markets to economic and policy developments. Monetary policy moved away from the accommodative stance that had been in place for some time as the robust pace of economic growth cut into remaining excess productive capacity. With the economy expanding rapidly and the Federal Reserve acting to restrain inflationary pressures, interest rates moved sharply higher and the yield curve flattened. The extent of the rise in yields took many market participants by surprise, contributing to losses and a few bankruptcies, particularly by highly leveraged accounts.

The final section of this report discusses the Open Market Trading Desk's implementation of the objectives established by the Federal Open Market Committee (FOMC). It reviews policy techniques and factors affecting reserve supplies and demands over the year. In 1994 the Desk added a net $32 billion to its securities portfolio, the second largest annual increase. Repurchase agreements with relatively short maturities were used extensively by the Desk to manage reserves within two-week reserve maintenance periods; such transactions are well adapted to handle short-term variations in reserve levels and the frequent revisions to estimated reserve needs. In addition, pricing of daylight overdrafts, which began in April, had the potential to complicate policy implementation, but the actual effects on operations proved to be minimal.

Monetary Policy and Financial Market Response

The Course of Monetary Policy

Monetary policy in 1994 was formulated against a background of rapid economic growth and rising resource utilization but generally modest aggregate price increases. The FOMC increased reserve pressures at five of eight meetings and once between meetings, resulting in a cumulative increase of 2½ percentage points in the federal funds rate (table 1). Asymmetric directives indicating a greater likelihood that future changes in policy would be toward restraint were adopted at the three meetings at which no change was made to existing

1. Specifications from directives of the Federal Open Market Committee and related information, December 21, 1993–December 20, 1994

Date of meeting	Specified short-term growth for M2 and M3	Discount rate (percent)	Borrowing assumption for deriving nonborrowed reserve path (millions of dollars)	Associated federal funds rate[1] (percent)	Effect on degree of reserve pressure	Guidelines for modifying reserve pressure between meetings[2]
12/21/93	Moderate growth over coming months	3	50	3	Maintain	Slightly greater reserve restraint or slightly lesser reserve restraint *might* be acceptable.
2/3 to 2/4/94 ...	Moderate growth over the first half of the year	3	50 75 on 2/4[3]	3¼	Increase slightly	"
3/22/94	Moderate growth over the first half of the year	3	75 100 on 3/23[3] 125 on 4/18[3] 150 on 5/5[4] 175 on 5/12[4]	3½ 3¾ on 4/18	Increase slightly	"
5/17/94	Modest growth over coming months	3½	175[5] 200 on 5/19[4] 225 on 5/26[4] 325 on 6/23[4]	4¼	Increase somewhat	"
7/5 to 7/6/94 ...	Modest growth over coming months	3½	325 375 on 7/7[4] 425 on 7/21[4] 450 on 7/28[4]	4¾	Maintain	Slightly greater reserve restraint *would* be acceptable; slightly lesser reserve restraint *might* be acceptable.
8/16/94	Modest growth over coming months	4	450[5] 475 on 8/18[4] 500 on 8/25[4] 475 on 9/1[4]	4¾	Increase somewhat	Slightly greater reserve restraint or slightly lesser reserve restraint *would* be acceptable.
9/27/94	Modest growth over the balance of the year	4	475 450 on 10/6[4] 425 on 10/13[4] 375 on 10/20[4] 325 on 10/27[4] 275 on 11/3[4] 225 on 11/10[4]	4¾	Maintain	Somewhat greater reserve restraint *would* be acceptable; slightly lesser reserve restraint *might* be acceptable.
11/15/94	Modest growth over coming months	4¾	225[5] 175 on 11/24[4] 125 on 12/8[4]	5½	Increase significantly	Somewhat greater reserve restraint or somewhat lesser reserve restraint *would* be acceptable.
12/20/94	Modest growth over coming months	4¾	125	5½	Maintain	Somewhat greater reserve restraint *would* be acceptable; slightly lesser reserve restraint *might* be acceptable.

1. The trading area for the federal funds rate that is expected to be consistent with the borrowing assumption.

2. Modifications to reserve pressures are evaluated "in the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments."

3. Change in borrowing assumption reflects adjustment to reserve pressures.

4. Change in borrowing assumption reflects technical adjustment to account for actual or prospective behavior of seasonal borrowing.

5. The assumption was unchanged because the full effect of the discount rate increase was allowed to show through to the market.

pressures. Meanwhile, the Board of Governors approved three increases in the discount rate totaling 1¾ percentage points. When determining the stance of policy, the FOMC continued to monitor a broad range of economic and financial indicators. Annual targets were still set for the broader monetary aggregates, but the FOMC placed limited weight on the aggregates because of the considerable uncertainty that persisted about the behavior of their velocities.[1]

Economic Background

The economic expansion remained on solid footing throughout 1994, with personal consumption, business investment, and inventory accumulation the mainstays of growth (table 2). Consumer outlays for durable goods were particularly robust, and producers' durable equipment purchases remained strong for the third consecutive year. The rate of inventory investment picked up over the first two quarters and remained at relatively high levels for the rest of the year. The pace of expansion was moderated by developments in other sectors: Residential construction activity cooled off as the year progressed, government expenditures trended lower, and the trade balance remained a modest drag. Despite these offsetting factors, by year-end the rapid pace of output expansion had brought resource utilization rates up to levels associated historically with rising inflationary pressures. The unemployment rate fell to 5.4 percent in December, and the industry operating rate stood at 85.4 percent.

1. The behavior of the monetary aggregates and the Committee's targets for them are discussed in appendix A.

2. Output and prices, 1993:Q4–1994:Q4

Seasonally adjusted annual rates of change, except as noted

Item	1993 Q4	1994				1992:Q4 to 1993:Q4	1993:Q4 to 1994:Q4
		Q1	Q2	Q3	Q4		
OUTPUT							
Real GDP	6.3	3.3	4.1	4.0	5.1	3.1	4.1
Change in inventory accumulation[1]	−2.2	14.6	33.8	−2.1	−7.7	4.2	38.6
Final sales	6.4	2.2	1.5	4.3	5.7	3.0	3.4
Consumption	4.0	4.7	1.3	3.1	5.1	3.0	3.5
Durables	15.5	8.8	.4	5.8	20.4	9.0	8.6
Nondurables	2.4	3.8	2.2	3.3	3.1	1.3	3.1
Services	2.0	4.0	1.1	2.2	2.3	2.5	2.4
Producers' durable equipment	27.5	18.6	6.1	18.1	19.6	21.3	15.5
Nonresidential structures	3.3	−11.8	20.6	1.6	11.0	1.6	4.6
Residential fixed investment	28.2	10.0	7.0	−6.0	2.3	8.1	3.1
Change in net exports[1]	4.1	−21.8	−7.8	−5.2	9.9	−43.7	−24.9
Government purchases	−.1	−4.9	−1.2	6.7	−4.1	−1.0	−1.0
Addenda							
Savings rate (percent of disposable income)	4.0	3.6	4.1	4.1	4.6	−2.2[2]	.6[2]
Industrial production	5.3	7.0	6.2	4.9	6.0	3.6	6.0
Capacity utilization rate (level)	82.3	83.2	83.8	84.3	84.9	1.2[2]	2.6[2]
Civilian unemployment rate (level)	6.5	6.6	6.2	6.0	5.6	−.8[2]	−1.0[2]
Change in nonfarm payroll employment (thousands)	608	613	1,019	913	873	2,235	3,418
Change in manufacturing payrolls (thousands)	−9	31	47	59	105	−119	242
PRICES							
Consumer price index							
Total	3.3	2.1	2.6	3.6	2.2	2.7	2.6
Excluding food and energy	2.8	2.9	3.0	3.0	2.3	3.1	2.8
Producer price index							
Finished goods	−.1	2.7	.2	2.1	.3	.2	1.3
Excluding food and energy	−.6	2.9	1.9	1.9	.0	.2	1.7
Intermediate goods	.8	2.2	1.6	5.0	6.5	1.1	3.8
Implicit GDP deflator	1.3	2.9	2.9	1.9	1.3	1.8	2.3
Fixed-weight GDP index	2.6	2.9	3.2	2.8	2.8	2.8	2.9
Employment cost index	3.4	3.0	3.3	3.3	2.6	3.4	3.1

NOTE. Data are as of April 12, 1995.

1. Billions of 1987 dollars.

2. Change in rate.

Although the slack in the economy steadily diminished, aggregate price increases for final goods and services remained modest. Inflation, as measured by the fixed-weight GDP deflator and the consumer price index, showed no deterioration; increases in producer prices for finished goods remained low; and labor cost increases were restrained. Nonetheless, evidence accumulated that price pressures could be intensifying. Producer price increases at the intermediate stage of production accelerated, and manufacturers increasingly reported paying higher prices for their inputs.

Policy Initiatives

The initial monetary policy move came at the February FOMC meeting; it represented the first change in reserve conditions since September 1992 and the first move toward tightening since early 1989. The Committee adopted a limited measure, associated with a ¼-percentage-point rise in the federal funds rate, because of the likelihood that this first step toward firming policy in some years might be magnified in the financial markets. At the same time, it was felt that this action would effectively signal the Committee's anti-inflation intentions.

In a departure from past practice, the Chairman of the FOMC issued a brief public statement announcing this policy decision to avoid misinterpretation of the Committee's actions by market participants. Similar brief statements were issued on a case-by-case basis to announce the other FOMC policy changes during 1994.[2]

The Committee raised reserve pressures slightly further at its March meeting, with the federal funds rate expected to rise another ¼ percentage point. The Committee again limited the size of the move to avoid any overreaction in the financial markets. A third slight upward adjustment in reserve pressures was made between meetings in mid-April. At the May meeting, with the economy evidently expanding on a solid and self-sustaining basis, the FOMC voted to have the full ½-percentage-point increase in the discount rate that had been approved that day by the Board of Governors show through to reserve conditions. The Committee felt that financial markets could absorb this more aggressive policy adjustment. The Federal Reserve press release announcing these moves stated that "these actions, combined with the three adjustments initiated earlier this year by the FOMC, substantially remove the degree of monetary accommodation that prevailed throughout 1993."

At the conclusion of the July FOMC meeting, at which no policy change was initiated, a Federal Reserve press spokesperson indicated that the meeting had adjourned and that no further announcement would be made. The Committee authorized this step to avoid uncertainty about its intentions. Similar statements were authorized following the other two Committee meetings at which no rate actions were taken.

The FOMC next raised reserve pressures at its August meeting, when the full amount of a ½-percentage-point hike in the discount rate approved by the Board that same day was passed through to reserve markets. A Federal Reserve press statement indicated that "these measures were taken against the background of evidence of continuing strength in the economic expansion and high levels of resource utilization," and went on to add that "these actions are expected to be sufficient, at least for a time, to meet the objective of sustained, noninflationary growth."

The economy continued to display considerable forward momentum over the autumn, and there was some sense that past policy actions might be having less effect than expected, even in sectors believed to be especially sensitive to interest rate increases. At its November meeting, the Committee agreed that a substantial firming in policy was appropriate. In its final policy move of the year, the Committee voted to pass through to reserve conditions the full effect of a ¾-percentage-point hike in the discount rate approved that day by the Board of Governors.

2. Most announcements of policy changes were made early in the afternoon, shortly after the FOMC had completed its meeting. However, at the two-day meeting in February 1994, the announcement was made in the morning on the second day, soon after the Committee made its decision. In that instance, the Committee preferred to make the information available before the weekend and ahead of the Desk's regular 11:30 a.m. operating time. The one policy action taken between meetings was also announced in the morning.

In February 1995, the Committee formally adopted new procedures for conveying information to the public. The procedures include the announcement of all changes in the stance of monetary policy on the day the changes are made.

Financial Market Developments

Interest rates across the maturity spectrum rose sharply in 1994. Yields on Treasury coupon securities ended the year 150 to nearly 350 basis points higher than they were a year earlier, while the coupon yield curve flattened substantially.

Yields rose dramatically in the first few months after the Federal Reserve began to tighten policy in early February. By mid-May, the yield on two-year Treasury notes had risen about 180 basis points, and the thirty-year bond yield was up more than 110 basis points. Market analysts sensed that the economy retained significant forward momentum and anticipated that the Federal Reserve would respond forcefully to ward off inflationary pressures. Consequently, rates on many short- and intermediate-term securities rose, and a wide spread emerged between these yields and the federal funds rate.

Longer-term yields also rose as investors grew anxious over whether the gains made in reducing inflation in recent years might begin to erode. Market participants focused on the inflation risks posed by the shrinking degree of economic slack, and they were disturbed by information appearing in manufacturers' surveys, as well as evidence from commodity price movements, that suggested an intensification of price pressures. Rising interest rates in European countries and weakness in the dollar spilled back and reinforced the upward momentum in domestic yields. Hedging activity in the mortgage-backed-debt market, a sector particularly hard hit by the sharp rise in yields, lifted rates on intermediate-term Treasury securities.[3]

From mid-May through August, yields moved in a broad trading range. Large rate movements were often followed by abrupt reversals, a pattern that resulted in generally small net changes. Investors responded to economic data that presented a mixed picture. Episodes of dollar weakness continued to weigh on sentiment, as they did intermittently throughout the year. Meanwhile, the monetary policy adjustments in May and August were believed to have brought policy to a more neutral position, and they encouraged brief rallies in debt markets.

Driven largely by a spate of strong economic statistics, interest rates across most maturities resumed their climb from September to early November, rising 65 to 85 basis points. Measures of resource utilization notched higher, and a string of reports showing a resilient housing sector raised questions about the impact of previous interest rate hikes. Survey results of input price pressures faced by manufacturers continued to flash warning signals. By late autumn, it was widely felt that the economy was bumping up against its long-run capacity limits, and many traders began to fear that the Federal Reserve was falling behind in its efforts to rein in inflationary pressures. In late October, the yield on the most recently auctioned thirty-year Treasury bond exceeded 8 percent for the first time in more than two years.

From just before the November FOMC meeting until year-end, the Treasury coupon yield curve flattened further. Short-term Treasury coupon yields rose another 65 basis points, while long-term yields edged down about 20 basis points. The Committee's action in November, viewed by market participants as aggressive, and continued strong economic statistics convinced most analysts that further policy tightening moves were in store and put upward pressure on shorter-term rates. Selling in the front end of the yield curve was exacerbated by liquidations and hedging of portfolios made unprofitable by higher interest rates. Adding to the pressure was the disposal of the securities held by the Orange County, California, Investment Pool after its steep financial losses became known.[4] Meanwhile, the November policy action and continued favorable aggregate price statistics instilled confidence that the Federal Reserve would succeed in preventing a significant increase in inflation pressure. This expectation helped to bring down longer-term yields.

The sharp increases in interest rates in 1994 also had profound effects on investor returns, financial flows, and issuance in the fixed-income markets

3. Higher interest rates extended the expected durations of mortgage-backed securities, thereby compounding the downward pressure on prices for this debt. Holders of mortgage-backed securities often hedge their exposures by selling intermediate-term Treasury debt.

4. Roughly $20 billion of securities held by the highly leveraged Orange County fund were sold. Most of these securities were government agency notes, many of them derivative instruments that paid interest according to formulas based on movements in market yields.

(table 3). Investors holding portfolios consisting of longer maturity securities sustained particularly heavy losses. The Lehman Brothers Long Treasury Bond Index fell 7½ percent, the first yearly decline in this measure since 1987 and the steepest decline in the twenty-two years spanned by the index. Net returns for most categories of bond mutual funds were negative in 1994, in many cases after the funds posted strong earnings the previous year. Throughout 1994 there were reports of institutions suffering steep financial losses in domestic securities markets. In some cases, the losses were linked to exposures to derivative instruments that magnified the effect of yield movements on interest payments.

Efforts to reduce exposure to rising interest rates spurred huge reinvestment flows in financial markets. Redemptions from bond mutual funds soared following a year of heavy inflows, and withdrawals frequently outpaced inflows as investors reacted to reports of poor performance. The growth in noncompetitive awards at Treasury auctions suggested that many participants began to redirect their investments into securities markets. A heightened sense of uncertainty in financial markets accompanied these elevated flows. Implied price volatility in longer-term Treasury issues was substantially higher in 1994 than in 1993. Meanwhile, new issuance in major sectors dropped significantly, in part reflecting higher borrowing costs.

3. Measures of performance and activity in domestic securities markets

Item	1994	1993
Portfolio returns (percent)		
Longer-run Treasury issues	−7.6	17.3
Mutual funds		
Intermediate-term Treasury debt	−3.3	9.8
Short-term Treasury debt	.0	5.8
Intermediate-term corporate debt	−3.4	9.5
High-yield corporate debt	−3.9	19.0
General municipal debt	−6.5	12.4
Gross debt issuance (billions of dollars)		
Investment-grade corporate debt	206	266
Below-investment-grade corporate debt	27	56
Municipal securities	154	280
Financial flows (billions of dollars)		
Net bond mutual fund inflows	−44	114

SOURCES. Returns on longer-run Treasury issues are based on the Lehman Brothers Long Treasury Bond Index and reflect changes in principal value and coupon income. Returns for the various categories of mutual funds are from Lipper Analytical Services, Inc. Debt issuance data are from Securities Data Company. Mutual fund flow data are from the Investment Company Institute.

Implementation of Policy

Operating Procedures

In 1994, the FOMC continued to express its policy directives in terms of a desired degree of reserve pressure. Reserve pressure effectively refers to the costs and other conditions under which the Federal Reserve makes reserves available to the banking system. The FOMC has informally used the federal funds rate as a guide for evaluating conditions of reserve availability since the late 1980s.

In addition, the FOMC has continued to express reserve pressures in terms of borrowed reserves, an approach that involves using nonborrowed reserves to satisfy most, but not all, of the demand for reserves, while forcing banks to meet remaining needs at the discount window, where access is rationed. When the FOMC has increased (or reduced) reserve pressures without a change in the discount rate, expected borrowing has been adjusted upward (or downward) accordingly. The adjustments have been based on the premise that the more the banks are forced to borrow at the discount window to meet their demand for reserves, the more they will bid up the federal funds rate relative to the discount rate.

In the late 1980s, however, the relationship weakened appreciably, in part because a series of banking crises had encouraged observers to associate discount window borrowing with financial difficulties. As a result, banks became extremely reluctant to borrow. Although the banking crises have passed and the association of discount window borrowing with financial problems presumably has faded somewhat, banks apparently still have a reluctance to utilize their borrowing privileges. Consequently, if borrowing were forced to higher levels, the federal funds rate probably would rise substantially more than it had in the past. Against this background, the Desk has continued to develop objectives for nonborrowed reserves calculated as estimated demands for total reserves less the allowance for adjustment and seasonal borrowing. Whenever actual discount window borrowing has differed significantly from the allowance, however, the Trading Desk has accepted the deviation and informally modified the nonborrowed reserve objective accordingly, rather than force unwanted changes in the federal funds rate.[5]

Between February and April, the FOMC's reserve tightening actions lifted the anticipated spread between the federal funds and discount rates from zero, where it had been since September 1992, to 75 basis points. The spread remained at 75 basis points for the balance of the year because the last three policy steps involved equal changes in both rates.

With this widening of the spread, borrowing could have been expected to increase significantly. However, adjustment borrowing actually decreased slightly in 1994, averaging $65 million a day compared with $75 million a day in 1993. Although the decrease is outwardly surprising, closer examination of the data shows some indications of the expected association between borrowing and the funds rate. Adjustment borrowing did pick up on reserve-period settlement days, and it rose for most size classes of banks. Settlement-day adjustment borrowing averaged $336 million in 1994, almost double the $180 million average in 1993. Adjustment borrowing on nonsettlement days by small- and medium-sized banks also increased in 1994, although by less than would have been expected on the basis of historical relationships from the early 1980s. Some of the shortfall in borrowing likely reflected a continuing reluctance to utilize the discount window, but the strong liquidity positions of many of these banks also may have played a role. Small- and medium-sized banks usually account for a considerable portion of nonsettlement-day borrowing.

The decline in average borrowing resulted entirely from a reduction in nonsettlement-day borrowing by large money center banks. These banks have traditionally concentrated their borrowing on settlement days, and in 1994 all of their borrowing occurred on those days. By contrast, members of this group borrowed seven times on nonsettlement days in 1993, either because of operational difficulties or temporarily elevated funds rates.

In the case of seasonal borrowing, the rate incentive for stepped-up borrowing in 1994 was small because the rate charged on seasonal borrowing closely tracked federal funds and certificate of deposit rates. Nonetheless, seasonal borrowing was persistently higher than in recent years; it averaged $193 million in 1994, compared with $109 million the year before. It still followed the typical seasonal pattern, which reflected demands for agricultural loans. As a result, the Desk made ten upward technical adjustments to the formal borrowing allowance between May and August 1994 and nine downward adjustments over the remainder of the year. The increased use of the program was related in part to a marked rise in demand for farm credit at small banks. In addition, strong loan demand at midwestern correspondent banks might have constrained the correspondents' ability to provide seasonal funding to their respondent banks.[6]

The Desk's Approach to Reserve Management[7]

Reserve Patterns over the Year

The behavior of narrowly defined money, M1, had an important influence on reserve supplies and demands over the year.[8] Currency registered another year of strong growth, and the resulting record $37 billion increase in currency in circulation was the primary factor behind the substantial need to provide reserves in 1994.[9] A decline in the deposit component, however, limited the overall growth of M1 and contributed to a fall in the demand for reserves. Consequently, required reserves, the primary source of demand, slipped about $2 billion, reducing the need to add reserves over the year.

Several other factors also modestly reduced the Desk's need to provide reserves. Applied vault cash, a source of supply, increased about $3 billion, in part mirroring the currency expansion. Rising interest rates led banks to cut their required clearing balances about $2 billion as the rate at which

5. The borrowing relationship has been discussed more extensively in previous annual reports of the Open Market Function.

6. Only small banks are eligible for the seasonal credit program.

7. Many of the statistics cited in this section appear in tables in appendix C.

8. Changes in the components of M1 and the reasons for the components' behavior are described in appendix A.

9. Currency in circulation, which is the factor that affects reserve balances, includes cash held by depository institutions; for money supply calculations, however, this vault cash is subtracted.

they accumulated earned income credits rose.[10] Because the declines were not offset by higher excess reserves, the lower clearing balances lessened the overall need to provide reserves. These balances had been increased sharply in 1991 and 1992, when banks were adapting to lower required reserve levels, and had been lifted modestly in 1993.[11] On balance, cumulative changes in other supply and demand factors had smaller effects on total reserve needs over the year.[12]

Outright Transactions and Changes in the System Portfolio

The Trading Desk met the ongoing need to add reserves by increasing the Federal Reserve System's portfolio of U.S. government securities. Altogether, the Desk purchased about $25 billion through six operations conducted in the market, four of them involving Treasury coupon issues.[13] As in the past, the market entries were arranged when available forecasts suggested that large reserve shortages would persist for at least several maintenance periods. The market purchases were supplemented by nearly $11 billion of acquisitions from foreign accounts, almost entirely Treasury bills. These purchases, typically modest in size, were arranged when orders were compatible with estimated reserve needs.

For a second consecutive year, the Desk did not sell securities, although it did redeem some. Because the Treasury no longer sells seven-year notes, the System's holdings of these notes must be redeemed early in each quarter as they mature; more than $2 billion came due in 1994. The Desk also redeemed agency securities when no suitable replacement securities were offered and when issues were called. Holdings of these issues fell for the fourteenth year in a row, declining almost $1 billion, to $3.6 billion.

As a result of the Desk's outright activity, total holdings in 1994 grew $32 billion, to $376 billion. Although somewhat less than the record rise of 1993, this increase was still the second highest ever. Slightly more than half of the increase occurred in Treasury bills, while growth in coupon holdings was strongest in the one-to-five-year sector. Consequently, the weighted-average maturity of the System's holdings was virtually unchanged in 1994.[14]

Temporary Operations

The Desk used self-reversing operations to meet the reserve shortages that developed between its outright operations and to address reserve imbalances created by short-lived movements in other factors affecting reserves. Almost all of the temporary operations in 1994 added reserves because of the underlying growth in reserve shortages and the Desk's preference for letting deficiencies build to a sizable level before arranging outright purchases. In fact, the Desk entered only one maintenance period facing an estimated need to drain more than a very small amount of reserves, and even that surplus was subsequently erased by revisions to forecasts of operating factors. Consequently, only five matched sale–purchase agreements were arranged all year, and none exceeded one business day.

All told, the Desk arranged $362 billion of repurchase agreements (RPs) for the System and $113 billion that were customer-related. The number and average size of multiday System RPs both fell in 1994. Several factors contributed to these

10. Earned income credits accumulate at a rate linked to the federal funds rate. The credits may be used only to pay for certain priced services provided by the Federal Reserve, and many large banks hold clearing balances sufficient to generate credits to pay for all the services they use. As the rate at which the credits are earned increases, the maximum useful level of a bank's clearing balance decreases.

11. Technically, clearing balances are treated as a factor reducing the supply of reserves, although they are actually a source of demand for reserves.

12. The various foreign-exchange-related activities on the System's balance sheet drained less than $0.5 billion. The historical value of the foreign currency sold was $3.0 billion, about $0.7 billion below the market value. The value of the System's foreign exchange holdings was increased $2.4 billion as a result of upward revaluations, while interest earnings totaled $0.9 billion. In the reserve factor categories, interest earnings and the historical value of foreign currency transactions appear under "foreign currency," while revaluations and the profit or loss on foreign currency transactions appear in the "other items" category.

13. The Desk bought, in par values, $3.3 billion of Treasury coupon securities on March 15, $5.0 billion of coupons on April 12 (a record volume), $3.8 billion of bills on June 1, $4.5 billion of coupons on August 30, $3.9 billion of bills on November 9, and $4.2 billion of coupons on November 29.

14. The average maturity of the portfolio is also affected by the reinvestment choices made for maturing securities at auctions.

declines. A greater share of the year's reserve needs was met with outright operations: The Desk typically made outright purchases that left a remaining estimated need to be met with RPs, but on several occasions actual needs fell below the estimated needs. In addition, the Desk further increased its use of fixed-term operations in 1994 (discussed below), reducing the need for replacement RPs to offset early withdrawals.

Managing Reserves within a Maintenance Period

When developing strategies for each maintenance period, the Desk took into account the estimated day-to-day distribution of reserve shortages or excesses, the potential for revisions to reserve estimates, and bank reserve management strategies.[15] The Desk generally met each period's reserve needs gradually in order to accommodate sometimes uneven reserve distributions and possible revisions. It often arranged a series of multiday RPs, many of which matured in three or four days. The Desk also continued to be guided by the federal funds market. When faced with conflicting information between the funds rate and forecasts of reserve supply and demand, the Desk had to evaluate which indicator was likely to provide the more reliable information about reserve availability.

Banks' reserve management strategies can affect the funds rate because they influence reserve demands within a maintenance period. As several previous reports have explained, the cuts in reserve requirement ratios made between 1990 and 1992 reduced the level of required operating balances at the Federal Reserve.[16] These lower levels increased the likelihood that depository institutions would be unable to eliminate unwanted excess positions without running an overnight overdraft. Consequently, in the early 1990s, depositories tended to concentrate their reserve holdings late in a period, showing particular caution about holding excess reserves over the weekend, when reserves count for three days. This reluctance to hold reserves over a weekend was the main contributor to soft funds rates on Fridays.

In 1994, banks used these reserve management practices less aggressively. By the end of 1993, rapid growth in required reserves and clearing balances had restored required operating balances to the levels prevailing right before the initial round of cuts in reserve requirement ratios in late 1990. Perhaps as a result, the distribution of demands for excess reserves within a maintenance period appeared less skewed in 1994 than it had been in the preceding three years.[17] Moreover, the degree of softness on Fridays was typically slight. Nonetheless, banks were still reluctant to accumulate large excess reserve holdings early in a maintenance period. By the end of 1994, the level of required operating balances had once again fallen back to the lower levels seen in late 1991 and in 1992, thus reducing banks' reserve management flexibility. This decline reflected the drops in required reserves and clearing balances and the expansion in applied vault cash noted earlier.

The Desk further increased its use of fixed-term RPs on Thursdays to run through the weekend, a strategy that avoided the risk of large early withdrawals on Fridays if the federal funds rate traded to the soft side while a large reserve need remained. The Desk believed that if withdrawable RPs had been arranged on a Thursday, dealers probably would have opted to refinance at lower rates the next day, forcing the Desk to find another opportunity to add back the reserves. The Desk also expanded the use of fixed-term RPs on the first Monday through Wednesday of each period, again to avoid unwanted withdrawals and to reduce the number of operations.[18] Withdrawable RPs were still useful at times, particularly when the Desk felt that operating factors or required reserves might

15. The accuracy of the staff forecasts for reserve supply and demand is reviewed in appendix B.

16. Required operating balances are defined as required reserves plus required clearing balances less applied vault cash; they represent the working balances held by depository institutions at the Federal Reserve for supporting payment transactions.

17. The average levels of excess reserves in the first and second weeks of a maintenance period in 1994 were $725 million and $1,375 million respectively. During 1993, the corresponding figures were $170 million and $1,980 million, and a similar distribution characterized 1992 after the round of reserve requirement cuts made in April of that year. Before December 1990, the distribution of excess reserves within the maintenance period was, on average, fairly even. Of course, Desk reserve provision strategies, which may not match ex ante demands, also contribute to the actual pattern of excess reserves.

18. A total of forty-four fixed-term RPs were arranged in 1994 (thirty of which were in place on Fridays), compared with thirty-one in the previous year (twenty-three covering Fridays). By contrast, just nine fixed-term operations had been arranged in 1992.

turn out to be sufficiently different from estimates to sharply reduce or eliminate the estimated reserve need. Thus, withdrawable RPs continued to be used over the final few days of many maintenance periods.

Market speculation during the year that monetary policy might be tightened sometimes put upward pressure on the federal funds rate that did not seem justified by estimates of reserve imbalances. The Desk remained sensitive to these situations when formulating its operations strategy to avoid any misunderstanding by market participants, who continued to view open market operations as a possible indicator of policy shifts.[19] Consequently, on several occasions when the funds rate was very high, the Desk arranged overnight System RPs, in part to prevent any perception that it was either paving the way for a firming in policy or hinting at a Committee inclination to change policy.[20] As the year progressed and market analysts began to assume that the FOMC would indicate its policy actions through a public announcement, market participants came to feel that the Desk's open market activities were less likely to be used to communicate policy shifts. This perception gave the Desk more flexibility in selecting its operations to meet its reserve objectives.

Trading Room Automated Processing System

In 1994, the Desk began arranging its open market operations using the Trading Room Automated Processing System (TRAPS). Under TRAPS, the Desk announces reserve operations and dealers respond with their propositions through Fedline terminals. The system is also used to process operations and to notify dealers of the results. The Desk started using TRAPS for its temporary operations in July, followed in August by the first outright market purchase using the system.

Daylight Overdraft Pricing

On April 14, the Federal Reserve began charging banks a fee of 10 basis points on overdrafts incurred in their reserve accounts during the day.[21] Previously, daylight overdrafts had been subject to size limitations related to a bank's capital, but they were not subject to charges. For a few banks, such daylight overdrafts were substantial. The Trading Desk anticipated that the charges might affect its own operations by encouraging changes in the functioning of the federal funds and RP markets and in some banks' reserve management techniques. In preparation for pricing daylight overdrafts, Federal Reserve personnel had conversations with market participants and undertook some contingency planning. As it turned out, however, Desk operations were minimally affected in 1994.

Before charges were assessed for daylight overdrafts, reserve management was focused on end-of-day reserve balances rather than on intraday balances. End-of-day balances are important because they meet reserve requirements. Furthermore, banks need reserve balances at the end of the day to avoid overnight overdrafts and their associated stiff charges. In fact, total reserve balances vary considerably during the day, rising whenever the Federal Reserve or any entity maintaining an account at the Federal Reserve—the federal government, federally sponsored agencies, or foreign official institutions—makes payments and falling whenever it receives payments.[22] The most dramatic movements in intraday balances, however, have been in the distribution of reserves, with large

19. Misinterpretations did in fact arise. On February 3, with fed funds trading just 1/16 of a percentage point above the level associated with the desired degree of reserve pressures, the Desk took no market action to affect reserves because a shortage was not seen. With an FOMC meeting scheduled to start later that day and with expectations of a policy shift running high, some participants interpreted the Desk's inaction as indicating such a shift. In fact, this was not the case, although the FOMC did decide to firm pressures the following day. This episode occurred before the FOMC began to announce policy changes.

20. With expectations of an easing in policy almost entirely absent in 1994, the Desk felt freer to add reserves when called for by its reserve projections, even when the funds rate was slightly soft. It did so on numerous occasions.

21. The fee reflects an annual rate of 24 basis points using a standard ten-hour day for Fedwire operations. The charge is made on all end-of-minute overdrafts in excess of a deductible based on 10 percent of the bank's capital. The "Overview of the Federal Reserve's Payments System Risk Policy," published by the Federal Reserve System in October 1993, describes the calculations in detail.

22. Differences in posting times for check credits and debits also influence aggregate intraday reserve levels.

intraday balances occurring at some banks and huge overdrafts at others during part of the day.[23]

The previous absence of fees had encouraged practices that resulted in large daylight overdrafts. For example, many financial market transactions, such as interbank federal funds and RP contracts, did not specify transaction settlement times. Yet receipt and return times do influence the intraday distribution of reserves. In federal funds transactions, the sending bank controls the timing of the reserve transfer. Under daylight overdraft pricing, it was thought that banks facing intraday reserve charges might delay sending federal funds in order to increase their intraday balances. If Fedwire traffic became concentrated near the end of the day, the funds market could lose liquidity, thus making the rate a less reliable indicator of reserve availability.

In practice, however, after daylight overdraft pricing began, the average time for sending funds transfers over Fedwire moved only slightly to later in the day. Apparently, many banks did not change their practices because they did not face large enough daylight overdrafts from their funds transactions to justify the cost of making changes. Federal funds brokers did report that some requests for transactions specified sending or returning funds during specific time periods and noted that some potential trades were rejected because the counterparty was reputed to be a "late sender." But these restrictions affected only a small portion of trades and therefore did not impede market liquidity.

For securities transactions, the sender of the securities controls the transaction time. Consequently, banks lose reserve balances when they receive securities, but they cannot control the time at which that happens.[24] Dealers, who rely heavily on RPs to finance inventories, traditionally had their clearing banks send the securities to their counterparties' custody banks between late morning and early afternoon. Then, on the maturity date, the counterparties' banks typically returned the securities at the opening of business. The prevalence of this timing pattern caused both the dealers' and their banks' accounts to be overdrawn during the morning because the dealers began the day with small working balances. In anticipation of daylight overdraft pricing, the clearing banks informed their customers that they would pass on the overdraft charges.

Dealers indicated in conversations with the Federal Reserve that they planned to speed up their negotiation and processing of RPs in the morning so that any securities being returned and then refinanced would leave their accounts more quickly. Some participants predicted that this speedup in RP operations would cause the market to be liquid only briefly early in the morning. Such a development was of particular concern to the Federal Reserve because the Desk's temporary open market operations are routinely executed around 11:30 a.m. The Federal Reserve had chosen that time because information about reserve levels is received and analyzed gradually over the morning. Only part of the data flow could be accelerated. If the Desk were forced to arrange its open market operations a couple of hours earlier, it would have to base its decisions on less reliable data.

To address these concerns, the Desk did make one change in its procedures: It delayed the return time for the collateral on its own maturing RPs from the opening of business until 11 a.m., thereby leaving reserves in the banking system for a larger part of the day. It was hoped that the later return time would encourage the dealers to participate in the late morning operations.

Once pricing began, the RP market did experience a shift toward somewhat more morning activity, but a number of customers continued to seek RP investments during the late morning and early afternoon, so market liquidity was retained. More rapid processing of trades has accounted for most of the reduction in peak and average overdrafts.[25] In addition, the volume of afternoon trades for next day delivery has increased.

The Desk saw essentially no change in participation rates in its RP operations after April. Dealers reported somewhat smaller inventories of securities left to be financed at midmorning, but on most days, they were nonetheless able to submit proposi-

23. In the six months before daylight overdraft charges took effect, peak overdraft levels averaged $124 billion. From mid-April through year-end, they averaged $70 billion. To put the overdraft figures in perspective, total end-of-day reserve balances averaged $34.5 billion and $31 billion respectively, over those two periods.

24. Under the delivery-versus-payment system used for the transfer of government securities, reserve balances are automatically moved from the account of the bank receiving the securities to that of the bank sending them when the transfer is processed.

25. Average daylight overdrafts fell from $70 billion in the six months before pricing to $43 billion over the balance of 1994.

tions of sufficient size for the Desk to accomplish its planned operations. Furthermore, dealers' customers increased their participation in Trading Desk operations.

APPENDIX A: THE MONETARY AGGREGATES

Growth of the broader monetary aggregates remained subdued in 1994. The FOMC voted in February to retain the growth ranges for M2 and M3 adopted on a preliminary basis the previous summer. These ranges were consistent with the expected slowing of nominal income and the anticipated continuation of the substantial velocity increases experienced in recent years. The FOMC reaffirmed these ranges in July. For the entire year, M2 advanced a mere 1.0 percent, at the lower end of its annual growth cone, while M3 rose only 1.2 percent, within the lower half of its annual growth cone.[26] Growth in the broader aggregates was held down in 1994 by weakness in the liquid components, including savings and interest-bearing checkable deposits.[27] These deposits were relatively unattractive because depositories raised rates at a much slower pace than market rates rose.[28] The preference for market investments and the resultant increase in velocity were factors in the Committee's decisions to accept the weak aggregates.

Some components of the broader aggregates, however, did show strength. Depositories sharply increased their issuance of both overnight Eurodollars and RPs, thus lifting M2. In addition, during the second half of the year, issuance of consumer time deposits picked up, as did growth in retail money market mutual funds. M3 received some support from large time deposits and term RPs and Eurodollars, while institutional money funds were very weak early in the year but showed more robust growth later. The strength in some of these components reflected expanded bank funding needs. Total bank credit rose 6.8 percent in 1994, after having grown 5.0 percent the previous year. The increase was concentrated in bank lending; aggregate holdings of securities fell modestly on balance over the year.[29]

After three consecutive years of rapid growth, M1 rose only 2.4 percent in 1994. The slowdown in part reflected substantial increases in opportunity costs, which depressed deposits. Reduced mortgage refinancing activity also weakened demand deposits, and sweep programs initiated by several banks lowered other checkable deposits.[30] But currency, buoyed by heavy shipments overseas, registered another year of strong growth, expanding about 10 percent over the four quarters.

Finally, domestic nonfinancial debt grew 5.3 percent in 1994. The improved balance sheet condition of many borrowers supported growth of nonfederal debt. Total debt ended the year toward the lower end of its monitoring range.

APPENDIX B: RESERVE FORECAST ACCURACY

This appendix reviews the accuracy of staff forecasts of the factors affecting reserve supply and demand. For the year, the accuracy of the forecasts for required reserves was similar to that for 1993 at each stage of the maintenance period (table B.1). The Desk maintained a formal allowance of $1 bil-

26. The data on all the monetary aggregates are as of January 26, 1995, and do not reflect the annual seasonal factor and benchmark revisions of February 2. The earlier data are used because they more closely approximate the information the Committee had when it made its policy decisions. The revisions generally had a minimal effect on total growth over the year. On balance, the revisions redistributed a little more of the net increases in M1 and M2 into the first half of the year and shifted more of the growth in M3 into the second half of the year. The annual changes of the monetary aggregates are measured from the fourth quarter of 1993 to the fourth quarter of 1994. Data on nonfinancial debt reported in this section are as of March 3, 1995.

27. The behavior of the monetary aggregates is described in more detail in the "Monetary Policy Report to the Congress Pursuant to the Full Employment and Balanced Growth Act of 1978" (Board of Governors of the Federal Reserve System), July 20, 1994, and February 21, 1995.

28. Investors moving out of mutual funds favored instruments not included in the aggregates, such as the direct purchase of Treasury debt. For this reason, and because of capital losses suffered by many funds, M2 plus bond and stock mutual funds rose less than 1 percent in 1994, an increase similar to that for M2 and well below the nearly 7 percent gain of the previous year.

29. Credit expansion was partially funded by bank borrowings from abroad, which nearly doubled over the year.

30. In January, one large regional bank initiated a sweep program that transferred funds from other checkable deposits into money market deposit accounts. Another large regional bank phased in a similar program during September and October. Altogether, these programs lowered M1 growth about 1 percentage point in 1994. The sweep programs shifted funds between accounts included in M2 and therefore had no effect on the broader aggregates.

lion for excess reserves during each of the twenty-six maintenance periods in 1994, but it often made informal allowances when demand for excess reserves was expected to be above or below the path allowance.[31]

On average, the estimates available at the beginning of the period of the factors affecting the supply of nonborrowed reserves improved. The smaller forecast errors largely resulted from better estimates of the Treasury balance and less distortion from the treatment of premiums on RPs, while currency projections showed some deterioration.

There was a marked improvement in the first-day estimates of the Treasury's balance at the Federal Reserve in 1994, particularly around the important September and December tax payment dates. A surge in tax receipts can cause the Treasury's total cash holdings to exceed the capacities of the Treasury Tax & Loan (TT&L) note accounts at depository institutions, with any excess flowing into the Treasury's balance at the Federal Reserve. Forecasting the balance in the Federal Reserve account, therefore, can be particularly difficult around these times. In 1994, Treasury cash levels were above the capacity of the TT&L accounts on fourteen days, much less frequently than in 1993, when capacity was exceeded on thirty-two days. Two developments accounted for much of the difference: In September 1994, the capacity was about $8 billion to $10 billion higher than it was a year earlier, making room for more tax receipts. In December, approximately $35 billion of Treasury cash management bills matured without replacement, compared with $14 billion in December 1993. The enlarged maturities limited the size of the Treasury's total cash holdings.

Another factor reducing measured forecast errors was a decline in average premiums on RPs and on coupon securities purchased, elements in the "other items" category. The measured impact of any reserve transaction is based on the par value of the securities, although the actual impact depends on the market value of the securities. In practice, the Desk allows for possible net premiums (premiums less discounts) when they are expected to be large, so that the premiums do not constitute actual forecast misses. Average net premiums in 1993 had grown to 8 percent on all RPs and to 15 percent on market purchases of coupons as a result of falling interest rates. Because of rising interest rates in 1994, however, the average net premiums on securities held under RP fell back to about 2 percent of the par value, with discounts outweighing premiums on some operations. Average net premiums fell to 8 percent on coupons purchased in the market.

Currency projections at the beginning of maintenance periods deteriorated in 1994. Currency often behaved in a manner at odds with past seasonal patterns, which are used for forecasting purposes. In the first and last maintenance periods of 1994, typically times of large seasonal swings, currency drained fewer reserves than initially anticipated.

31. Excess reserves are estimated from a combination of models and observed behavior during maintenance periods. Any analysis of the accuracy of these estimates would be misleading because it would not take account of the informal revisions.

B.1. Approximate mean absolute errors for various forecasts of reserves and operating factors
Millions of dollars

Item	1994			1993		
	First day	Midperiod	Final day	First day	Midperiod	Final day
Required reserves	285–340	160–170	40–65	290–335	160–180	55–65
Factors	710–750	425–465	65–75	785–885	420–465	55–70
Treasury	610	285–305	45–50	750–760	365–485	40–45
Currency	500–515	180–205	15–25	330–400	160–210	10–20
Float	220–250	140–160	25–45	245	150	35–65
Pool	240	90	10	270	110	15
Other items	190	90	35	250	135	20

NOTE. A range indicates varying degrees of accuracy for the staff forecasts of the Federal Reserve Bank of New York and the Board of Governors. Values are rounded to the nearest $5 million.

APPENDIX C: TABLES SUMMARIZING 1994 DESK ACTIVITY

The tables in this appendix support the text discussion of the Trading Desk's approach to reserve management in 1994. The operating factors affecting bank reserves appear in table C.1. The Desk's outright operations are summarized in table C.2, and the operations' effects on the System portfolio are presented in tables C.3 through C.5. Temporary operations are reported in table C.6.

C.1. Reserve measures and factors affecting reserves

Item	Maintenance period ended January 4, 1995	Change	
		1994[1]	1993[2]
Bank reserves (millions of dollars, not seasonally adjusted)			
Nonborrowed reserves	61,372	−2,133	6,100
Borrowed reserves			
Adjustment plus seasonal	246	404	−127
Adjustment	151	25	−131
Seasonal	95	79	4
Required reserves[3]	60,451	−1,954	6,116
Excess reserves	1,167	−74	−144
System portfolio and operating factors (billions of dollars)[4]			
System portfolio and repurchase agreements outstanding[5]	385.3	31.5	36.2
Operating factors			
Foreign currency[6]	17.3	−2.1	.7
U.S. currency	403.0	−37.2	−31.5
Treasury balance	7.1	1.4	−1.1
Float	.7	−.5	−1.2
Special drawing rights	8.0	.0	.0
Gold deposits	11.1	.0	.0
Foreign deposits	.2	−.1	.1
Applied vault cash	36.4	3.1	2.2
Other items	20.8	2.1	1.3
Foreign repurchase agreement pool[7]	8.1	−.4	−.2

NOTE. Figures may not add to totals because of rounding.

1. Change from maintenance period ended January 5, 1994, to that ended January 4, 1995.

2. Change from maintenance period ended January 6, 1993, to that ended January 5, 1994.

3. Not adjusted for changes in required reserve ratios.

4. Indicates impact of changes in operating factors on bank reserves. All items are biweekly averages.

5. Matched sale-purchase agreements with foreign accounts are added back in.

6. Acquisition value plus interest. Revaluations of foreign currency holdings are included in "other items."

7. Includes customer-related repurchase agreements.

C.2. System outright operations by type of transaction and counterparty

Billions of dollars

Item	1994	1993
Total outright	38.5	38.6
By type of transaction		
Purchases	35.3	36.9
Bills	17.5	17.7
Coupons	17.8	19.2
Sales	.0	.0
Bills	.0	.0
Coupons	.0	.0
Redemptions	3.2	1.7
Bills	.0	.0
Coupons	2.3	.8
Agency issues	.9	.9
By counterparty		
Total outright in market	24.7	25.4
Purchases	24.7	25.4
Bills	7.7	8.6
Coupons	17.0	16.8
Sales	.0	.0
Bills	.0	.0
Coupons	.0	.0
Agency issues	.0	.0
Total outright with foreign accounts	10.6	11.5
Purchases	10.6	11.5
Bills	9.8	9.1
Coupons	.8	2.4
Sales	.0	.0
Bills	.0	.0
Coupons	.0	.0

NOTE. Values are on a commitment basis.

C.3. System portfolio: summary of holdings

Billions of dollars

Item	Year-end 1994	Change	
		1994	1993
Total holdings	376.2	32.1	35.3
Bills	185.4	17.5	17.7
Coupons	187.1	15.5	18.4
Agency issues	3.6	−.9	−.9

NOTE. Values are on a commitment basis. Changes in holdings are from year-end to year-end. Figures may not add to totals because of rounding.

(Tables C.4–C.6 appear on page 584.)

C.4. System portfolio of Treasury and federal agency securities, selected years, 1960–94

Year-end	Total portfolio	Treasury bills		Treasury coupon issues								Federal agency securities	
				Less than one year		One to five years		Five to ten years		More than ten years			
	Millions of dollars	Millions of dollars	Percent[1]	Millions of dollars	Percent[1]	Millions of dollars	Percent[1]	Millions of dollars	Percent[1]	Millions of dollars	Percent[1]	Millions of dollars	Percent[1]
1960	26,984	2,900	10.7	11,955	44.3	10,680	39.6	1,178	4.4	271	1.0	0	.0
1965	40,478	9,101	22.5	15,478	38.2	14,066	34.7	1,448	3.6	385	1.0	0	.0
1970	62,142	25,965	41.8	10,373	16.7	19,089	30.7	6,046	9.7	669	1.1	0	.0
1975	93,290	37,708	40.4	8,730	9.4	30,273	32.5	6,425	6.9	4,082	4.4	6,072	6.5
1980	131,344	46,994	35.8	12,749	9.7	34,505	26.3	13,354	10.2	15,002	11.4	8,739	6.7
1985	190,072	89,471	47.1	20,179	10.6	35,650	18.8	14,785	7.8	21,759	11.4	8,227	4.3
1986	210,249	108,571	51.6	18,863	9.0	36,469	17.3	15,451	7.3	23,066	11.0	7,829	3.7
1987	231,243	112,475	48.6	22,966	9.9	47,512	20.5	15,313	6.6	25,424	11.0	7,553	3.3
1988	245,756	117,910	48.0	26,123	10.6	55,279	22.5	12,568	5.1	26,909	10.9	6,966	2.8
1989	235,566	106,847	45.4	28,883	12.3	54,076	23.0	12,529	5.3	26,706	11.3	6,525	2.8
1990	247,586	118,675	47.9	25,963	10.5	58,749	23.7	13,121	5.3	24,736	10.0	6,342	2.6
1991	278,628	138,732	49.8	30,542	11.0	64,299	23.1	14,469	5.2	24,540	8.8	6,045	2.2
1992	308,848	150,219	48.6	37,758	12.2	68,750	22.3	18,903	6.1	27,805	9.0	5,413	1.8
1993	344,105	167,936	48.8	35,423	10.3	79,826	23.2	24,659	7.2	31,739	9.2	4,522	1.3
1994	376,197	185,419	49.3	35,841	9.5	88,401	23.5	28,053	7.5	34,845	9.3	3,637	1.0

NOTE. Figures may not add to totals because of rounding. Values are on a commitment basis.

1. As percent of total System Account portfolio.

C.5. Weighted-average maturity of marketable Treasury debt, selected years, 1960–94

Months

Year-end	Federal Reserve holdings[1]	Holdings outside Federal Reserve	Total outstanding
1960	19	61	55
1965	16	70	60
1970	24	45	40
1975	31	34	33
1980	55	46	48
1985	49	61	59
1986	46	64	62
1987	44	69	66
1988	42	71	67
1989	43	73	69
1990	41	71	68
1991	38	72	68
1992	36	71	67
1993	38	68	65
1994	38	66	63

1. The effects of all outstanding temporary transactions, including repurchase agreements and matched sale–purchase agreements with foreign accounts, are excluded from the calculation of the average maturity of the portfolio.

C.6. System temporary transactions

Percent

Item	1994		1993	
	Number[1]	Volume (billions of dollars)	Number[1]	Volume (billions of dollars)
Repurchase agreements				
System	92	362.0	109	510.5
Maturing next business day	26	104.9	29	149.5
Term	66	257.1	80	361.0
Fixed-term	44	175.3	31	127.2
Withdrawable	22	81.8	49	233.8
Customer-related	54	112.7	54	117.1
Matched sale–purchase agreements				
In market	5	13.1	5	10.9
Maturing next business day	5	13.1	3	7.2
Term	0	.0	2	3.8
With foreign accounts[2] ..	251	1,688.2	252	1,464.1
Total temporary transactions	402	2,176.1	420	2,102.7
In market	151	487.8	168	638.6

NOTE. Figures may not add to totals because of rounding.

1. Number of rounds. If the Desk arranged repurchase agreements with two different maturities on the same day, the agreements are treated as one round. The Desk arranged such multiple repurchase agreements on two days in 1993; none were arranged in 1994.

2. Volumes exclude amounts arranged as customer-related repurchase agreements.

Treasury and Federal Reserve Foreign Exchange Operations

This quarterly report describes Treasury and System foreign exchange operations for the period from January through March 1995. It was prepared by Peter R. Fisher, Executive Vice President, Federal Reserve Bank of New York, and Manager for Foreign Operations, System Open Market Account. Claudia Corra was primarily responsible for preparation of the report.[1]

During the first quarter of 1995, the dollar declined 11.3 percent against the German mark, 13.1 percent against the Japanese yen, 0.2 percent against the Canadian dollar, and 7.8 percent on a trade-weighted basis.[2] On March 2, the U.S. monetary authorities intervened in the foreign exchange markets, purchasing $300 million against the Japanese yen and an equal amount against the German mark. The U.S. monetary authorities entered the market again on March 3, purchasing $450 million against the German mark and $370 million against the Japanese yen as part of a concerted operation to support the dollar. In other operations, Mexico drew a net $1 billion on its swap facility with the Federal Reserve and a net $4 billion on the Treasury Department's Exchange Stabilization Fund (ESF), of which a net $1 billion represented drawings from short-term facilities and $3 billion from the ESF's medium-term facility. These drawings were part of the $20 billion financial aid package to Mexico, which the Clinton Administration announced on January 31 and signed on February 21.

1. The charts for the report are available on request from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551.

2. The dollar's movements on a trade-weighted basis in terms of other Group of Ten (G-10) currencies are measured using an index developed by staff at the Board of Governors of the Federal Reserve System.

Shifting Expectations Take the Dollar to New Lows

At the end of 1994 many market participants expected that the dollar would continue to appreciate into 1995. These expectations were based on a belief that short-term U.S. interest rates would continue to rise and, as a result, interest rate differentials would widen in the dollar's favor. German monetary policy was expected to remain steady through the first part of 1995, in turn, suggesting that exchange rate movements within Europe would remain subdued. At the same time, market participants anticipated that Japan's current account surplus would contract as Japan's economic recovery took hold in 1995, while the U.S. current account deficit would stabilize. During the first quarter of 1995, however, the expectations that had supported the dollar in late 1994 started to unwind, and the dollar declined to historical lows against the mark and the yen.

U.S. Interest Rate Expectations Subside While the Mark Strengthens Within Europe

Having closed the previous quarter at DM 1.5490 and ¥99.55, the dollar declined in a steady but orderly fashion through mid-February, falling 4.4 percent against the mark to DM 1.4810 and 2.3 percent against the yen to ¥97.27. The decline reflected various factors operating in the economies of the major currencies. In the United States, lower-than-expected housing, retail sales, and nonfarm payroll data provided initial signs that economic growth was slowing to more sustainable levels. Expectations for additional U.S. interest rate increases faded further after the January 31–February 1 Federal Open Market Committee (FOMC) meeting, at which the Federal Reserve decided to raise both the discount and federal funds rates 50 basis points to 5.25 percent and 6.00 percent respectively. After this hike, market participants came to expect that monetary policy would remain on hold through the March FOMC meeting and possibly through the May meeting as well. This downward revision in expected U.S. interest rates contributed to the dollar's decline. In Europe the German mark began to appreciate sharply against other European currencies. The prospect of higher-than-expected wage settlements in Germany and upward-trending German producer price data led many market participants to expect an end to the Bundesbank's easing cycle or perhaps even a near-term tightening. Perceived political and fiscal problems in Italy, Sweden, and Spain led to some flight to the German mark from the Italian lira, Swedish krona, and Spanish peseta.

In Japan analysts began to revise down their near-term forecasts for Japanese growth after the country's severe earthquake on January 17. Moreover, Japanese economic data provided continuing evidence of weak domestic demand. As concerns over another postponement in Japan's economic recovery spread, Japanese stocks came under selling pressure and the Japanese bond market began a sustained rally. The announcement that Barings PLC was being placed in administration, together with the subsequent liquidation of the firm's long positions in Nikkei stock index futures, placed additional short-term pressure on Japanese stocks.

Throughout the early part of the quarter the Mexican financial crisis also hurt dollar sentiment in at least two ways. First, the U.S. trade deficit was expected to increase as a result of a protracted economic crisis in Mexico, adding pressure to the dollar. Second, the Mexico crisis, coupled with weaker Canadian financial markets, caused many overseas investors to develop an aversion to all North American assets, including dollar-denominated assets. Moreover, that aversion grew as the availability and viability of the first U.S. financial assistance package, which was initially reported on January 11, appeared to be losing congressional support. Sentiment turned more positive with the January 31 announcement of a second package that also included funds from the International Monetary Fund (IMF) and the Bank for

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

Item	Balance Dec. 31, 1994	Quarterly changes in balances by source				Balance Mar. 31, 1995
		Net purchases and sales[1]	Impact of sales[2]	Investment income	Currency valuation adjustments[3]	
FEDERAL RESERVE						
Deutsche marks	13,405.2	–375.0	3.4	188.7	1,655.0	14,877.3
Japanese yen	8,510.0	–335.2	5.3	23.1	1,213.7	9,416.9
Mexican pesos[4]	.0	995.1	.0	4.9	–134.9[5]	865.1
Interest receivables[6]	116.3	...	...	...	...	127.3
Total	22,031.5	...	...	...	...	25,286.5
U.S. TREASURY EXCHANGE STABILIZATION FUND						
Deutsche marks	7,500.6	–375.0	3.4	103.2	916.6	8,148.8
Japanese yen	11,801.0	–335.2	5.3	29.1	1,696.1	13,196.3
Mexican pesos[4]	.0	3,983.6	.0	16.4	.0[5]	4,000.0
Interest receivables[6]	64.9	...	...	...	...	88.0
Total	19,366.5	...	...	...	...	25,433.2

NOTE. Figures may not sum to totals because of rounding.
1. Purchases and sales include foreign currency sales and purchases related to official activity, swap drawings and repayments, and warehousing.
2. Calculated using marked-to-market exchange rates; 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 historic cost-of-acquisition exchange rate and the sale exchange rate, are shown in table 2.
3. Foreign currency balances are marked to market monthly at month-end exchange rates.
4. See table 4 for a breakdown of Mexican swap activities. Note that the investment income on Mexican swaps is sold back to the Bank of Mexico.
5. Valuation adjustments on peso balances do not affect profit and loss because the impact is offset by the unwinding of the forward contract at the repayment date. Note that the ESF does not mark to market its peso holdings, but the Federal Reserve System does.
6. Interest receivables for the ESF are revalued at month-end exchange rates. Interest receivables for the Federal Reserve System are carried at cost and are not marked-to-market until interest is paid.

International Settlements (BIS). Nonetheless, continued political debate within the United States over the existence and size of the assistance package continued to weigh on market sentiment during much of February.

By February 17 the dollar traded to DM 1.4810, a level last reached in October 1992, and declined to ¥97.27, a level last reached on November 9, 1994.

THE DOLLAR'S DECLINE ACCELERATES IN LATE FEBRUARY

Starting in late February, the pace of the dollar's decline accelerated. First, comments by Federal Reserve officials reinforced the perception among market participants that the central bank might be nearing, or might even have reached, the end of its tightening cycle. In particular, market participants interpreted comments by Federal Reserve Chairman, Alan Greenspan, during his semiannual Humphrey–Hawkins testimony on February 22, as suggesting a significant change in tone. Attention focused almost exclusively on the Chairman's comment that "there may come a time when we hold our policy stance unchanged, or even ease, despite adverse price data, should we see signs that underlying forces are acting ultimately to reduce inflationary pressures." Second, pressure within Europe's Exchange Rate Mechanism (ERM) continued to build, spurring demand for marks and taking the German currency to an all-time high on a trade-weighted basis. Besides the persistent strains on the Italian lira, the Swedish krona, and the Spanish peseta, the French franc came under pressure amid increased uncertainty ahead of the two-round presidential election in April and May, while sterling declined because of the perceived weakness of Prime Minister John Major's government. Third, expectations that dollar sales by Japanese corporations and financial institutions would accelerate up to the March 31 Japanese fiscal year-end also weighed on the dollar.

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

Millions of dollars

Period and item	Federal Reserve	U.S. Treasury Exchange Stabilization Fund
Valuation profits and losses on outstanding assets and liabilities as of Dec. 31, 1994		
Deutsche marks	2,170.4	708.1
Japanese yen	2,407.2	3,344.4
Total	**4,577.6**	**4,052.4**
Realized profits and losses from foreign currency sales[1] Dec. 31, 1994–Mar. 31, 1995		
Deutsche marks	81.6	58.2
Japanese yen	105.6	105.9
Total	**187.2**	**164.1**
Valuation profits and losses on outstanding assets and liabilities as of Mar. 31, 1995[2]		
Deutsche marks	3,747.2	1,569.8
Japanese yen	3,520.5	4,939.9
Total	**7,267.7**	**6,509.8**

1. As indicated in table 1, foreign currency sales totaled $750 million against German marks and $670.4 million against Japanese yen.

2. Valuation profits or losses are not affected by peso holdings, which are canceled by forward contracts.

Several discrete factors contributed to negative dollar sentiment in late February. First, comments by several Federal Reserve officials between February 28 and March 2 were perceived by market participants as suggesting a lack of official concern over the value of the dollar. Second, the defeat of the Balanced Budget Amendment created the perception—particularly among overseas investors—that the United States lacked the political will to reduce its chronic fiscal deficit. Third, press reports suggesting that the United States would adopt a tougher stance toward Japan in ongoing trade talks also contributed to the dollar's weakness.

U.S. MONETARY AUTHORITIES BUY DOLLARS AGAINST THE MARK AND YEN

As the dollar's decline accelerated in late February and early March, portfolio managers began to liquidate substantial long-dollar positions. Against a backdrop of reduced liquidity and limited risk appetite, these flows added considerable momentum to the dollar's decline. Moreover, as the dollar breached certain levels, some market participants were knocked out of their options positions, forcing them to sell dollars quickly to reestablish protection against an even weaker dollar.

On the morning of Thursday, March 2, in nervous and illiquid market conditions, the dollar fell precipitously—first against the yen and then against the mark. By midday, the dollar had reached lows of ¥94.93 and DM 1.4348, declines of almost two yen and three pfennigs respectively from the previous day's closing levels. That afternoon the Federal Reserve Bank of New York's Foreign Exchange Desk entered the market on behalf of the U.S. monetary authorities, purchasing $300 million against the German mark and $300 million against the Japanese yen in an effort to help stabilize the currency. The purchases were divided evenly between the Federal Reserve and the Department of the Treasury's ESF. The dollar reached highs of DM 1.4463 and ¥95.49 after the Desk entered the market but closed the day at DM 1.4410 and ¥95.15.

On Friday, March 3, in early European trading, several European central banks intervened in concert to support the dollar. At about 9:10 a.m., with the dollar trading at DM 1.4490 and ¥94.80, the Desk entered the market to purchase dollars against marks and yen on behalf of the U.S. monetary authorities. The Desk was joined by thirteen other central banks in a concerted effort to support the dollar. Also on March 3, Treasury Secretary Rubin confirmed the U.S. intervention and highlighted official concern over the dollar's recent decline by stating, "A strong dollar is in our national interest. That is why we have acted in the markets in concert with others. The administration is continuing its work on strengthening economic fundamentals including bringing down the budget deficit further."

During the day the Desk purchased $450 million against the German mark and $370 million against the Japanese yen. All the dollar purchases were divided equally between the Federal Reserve and the ESF. Throughout the day the dollar met aggressive selling interest by market participants and proceeded to trade progressively lower, closing at DM 1.4250 and ¥94.08.

The Dollar Eventually Stabilizes against the Mark but Remains under Pressure against the Yen

In the week immediately after the intervention, the dollar continued to decline rapidly against the mark and the yen. Demand for marks increased after the March 5 realignment of the ERM, in which the central parity of the Spanish peseta was effectively devalued by 7 percent and that of the Portuguese escudo by 3.5 percent. On Wednesday, March 8, during Asian trading hours, the dollar reached new historical lows of DM 1.3438 and ¥88.72.

The dollar started to stabilize later that day, after official interest rate increases in several European countries and dollar-supportive statements by senior monetary officials. On March 8, France, Belgium, Denmark, and Portugal increased official short-term interest rates in an attempt to alleviate pressure on their currencies. Soon thereafter, Bundesbank President Tietmeyer stated that the Bundesbank would see if there was "room for a small interest rate cut" but added that the Bundesbank would also consider the possibility of raising

3. Currency arrangements
Millions of dollars

Institution	Amount of facility	Outstanding as of Mar. 31, 1995
FEDERAL RESERVE RECIPROCAL ARRANGEMENTS		
Austrian National Bank	250	0
National Bank of Belgium	1,000	
Bank of Canada	2,000	
National Bank of Denmark	250	
Bank of England	3,000	
Bank of France	2,000	
Deutsche Bundesbank	6,000	
Bank of Italy	3,000	
Bank of Japan	5,000	0
Bank of Mexico[1]		
Regular swaps	3,000	1,000
Temporary swaps	3,000	0
Netherlands Bank	500	
Bank of Norway	250	
Bank of Sweden	300	
Swiss National Bank	4,000	
Bank for International Settlements		
Dollars against Swiss francs	600	
Dollars against other authorized European currencies	1,250	
Total	35,400	
U.S. TREASURY EXCHANGE STABILIZATION FUND		
Deutsche Bundesbank	1,000	0
Bank of Mexico[1]		
Regular swaps	3,000	1,000
Temporary swaps	1,500	0
United Mexican States medium-term swaps[1]	...	3,000
Total[1]	...	4,000

1. Facilities available to Mexico comprise regular and temporary short-term swaps between the Bank of Mexico and both the Federal Reserve and the ESF, as well as medium-term swaps and government guarantees between the government of Mexico and the ESF. The total amount available from both medium-term swaps and government guarantees is $20 billion, less any outstanding drawings on the short-term facilities.

interest rates. Market participants noted that this was the first time in several months that President Tietmeyer had mentioned the possibility of another interest rate cut in Germany. Tietmeyer later added, "In my view, the dollar was, and still is, undervalued. The deutsche mark is valued too high." That same day, speaking before the House Budget Committee, Chairman Greenspan said, "The weakness of the dollar against other major currencies is both unwelcome and troublesome. Dollar weakness, while very likely overdone, is unwelcome because it adds to potential inflation pressures in our economy." Market participants reacted positively to Chairman Greenspan's comments, as well as to additional dollar-supportive comments by Treasury Secretary Rubin, because these statements helped assuage concerns that U.S. officials were unconcerned about the dollar. Over the rest of the period the dollar traded in a range of DM 1.3730 to DM 1.4225 against the mark.

Despite its modest rebound against the mark, the dollar remained under pressure against the yen throughout March. Sentiment toward the dollar continued to be negative, as market participants focused on reports of capital repatriation by Japanese financial institutions and of dollar sales by Asian central banks looking to rebalance reserves or cover yen-denominated liabilities. In addition, continued concerns about the Japanese current account surplus caused the yen to appreciate sharply against the dollar. This upward pressure on the yen continued despite rising speculation of an imminent cut in the Bank of Japan's official discount rate (ODR).

After the March 28 FOMC meeting, at which no monetary policy announcement was made, the dollar continued to drift lower. Although market participants expected that monetary policy would remain steady, weak data on durable goods and home sales provided additional evidence of slower growth, further solidifying market participants' views that the United States was approaching the end of its tightening cycle.

On March 30 the Bundesbank surprised the markets with a cut of 50 basis points in its discount rate, to 4 percent, and a cut of 35 basis points in its repurchase rate for government securities, which had been fixed at 4.85 percent since July 1994. The announcement supported the dollar for a time, but the rally was short-lived as the dollar failed to break out of its March trading range, prompting fresh dollar sales. The following day, March 31, the Bank of Japan allowed its overnight call rate to fall to a historical low of 1.75 percent. Upward pressure on the yen continued, however, with market participants expressing disappointment that the ODR had not been reduced. The dollar proceeded to fall to a new postwar low of ¥86.30 on March 31 in somewhat illiquid trading conditions. The dollar closed the quarter at DM 1.3735 and ¥86.50.

Mexican Financial Markets Remain Volatile

Over the period, the dollar rose 39.4 percent against the peso. The new peso reached a record low of NP 7.65 on March 9 before recovering somewhat during the latter part of the period. As the period opened, uncertainty over the course of Mexican macroeconomic policy and concerns over the impact of the devaluation on Mexico's banking sector led market participants to attach a substantial risk premium to Mexican financial assets, exacerbating already difficult trading conditions in Mexican money and foreign exchange markets.

During the ensuing weeks, Mexican financial markets remained under pressure amid growing doubts about the prospects for passage by the U.S. Congress of the $40 billion loan guarantee package. On January 31, President Clinton

4. Drawings and repayments (–) by Mexican monetary authorities

Millions of dollars

Item	Outstanding Dec. 31, 1994	Jan.	Feb.	Mar.	Outstanding Mar. 31, 1995
Reciprocal currency arrangements with the Federal Reserve					
Bank of Mexico (regular)	0	500	1,000	–500	1,000
Currency arrangements with the U.S. Treasury Exchange Stabilization Fund					
Bank of Mexico (regular)	0	500	1,000	–500	1,000
Medium-term	0	0	0	3,000	3,000

NOTE. Data are on a value-date basis.

announced a new $47.8 billion aid package that included participation by the IMF and the BIS. Mexican markets initially rallied on the announcement but remained volatile amid worries that the second package might be subject to congressional challenge.

Mexican financial markets started to recover in early March after the signing, on February 21, of the $20 billion U.S. portion of the package. Other factors also provided support, including Finance Minister Ortiz's announcement of a strict new economic program, which was well received by the financial community, and the Bank of Mexico's announcement of its intention to follow a tight and more transparent monetary policy. For the rest of the quarter, Mexican markets remained nervous but traded with a somewhat firmer tone. The peso closed the period at NP 6.76 per dollar.

MEXICAN SWAP LINE ACTIVITY

During the period, the U.S. monetary authorities substantially increased their swap lines with Mexico, which had stood at $6 billion at the start of the period. Temporary short-term swap lines were established on January 2, as the Federal Reserve agreed to a $1.5 billion facility with the Bank of Mexico and the ESF agreed to a facility of the same amount with the Mexican central bank and government. The Federal Reserve's temporary facility was later increased to $3 billion on February 1.

In addition, as part of the U.S. financial package signed on February 21, the ESF established a medium-term swap facility with the Mexican government. The facility allows Mexico to draw up to $20 billion, less the amounts outstanding from short-term swaps and securities guarantees.

The Mexican authorities drew on both short- and medium-term facilities during the period. On two separate occasions, January 11 and 13, Mexico drew $250 million from each of its regular short-term facilities with the Federal Reserve and the ESF. Then, for value on February 2, Mexico drew $1 billion from each regular short-term facility. Mexico drew $3 billion from the medium-term facility on March 14 and on the same date repaid in full the January drawings.

CANADIAN FINANCIAL MARKETS REMAIN UNDER PRESSURE

During the period, the Canadian dollar reached a nine-year low of Can$1.4272 against the U.S. dollar before recovering late in the quarter to close relatively unchanged at Can$1.3990. Canadian financial markets remained under pressure because of ongoing fiscal concerns, fears of Quebec separatism, and spillover from developments in Mexico and the United States. Moody's announcement that it was reviewing Canada's foreign and domestic debt rating for a possible downgrade heightened the negative sentiment.

Canada's fiscal year 1995–96 budget, released on February 27, was well received by the market because it met the planned 1996 target of 3 percent of GDP and focused on increased spending cuts. The post-budget rally was short-lived, however, as market participants increasingly began to hold the view that the budget did not adequately address Canada's underlying fiscal trends. During the latter part of the period, Canadian financial markets started to recover once market participants had discounted the possibility of a Moody's downgrade. Canadian markets also benefited toward the end of the period as concerns about Quebec separatism receded.

TREASURY AND FEDERAL RESERVE FOREIGN EXCHANGE RESERVES

The U.S. monetary authorities intervened twice during the period, buying a total of $1.42 billion against the Japanese yen and the German mark. On both occasions, intervention operations were financed equally by the Federal Reserve and the Treasury Department's ESF. The Federal Reserve and the ESF realized total profits of $187.2 million and $164.1 million respectively on their intervention operations. Realized profits and losses on sales of foreign currencies are computed as the difference between historic cost-of-acquisition exchange rates and sale exchange rates.

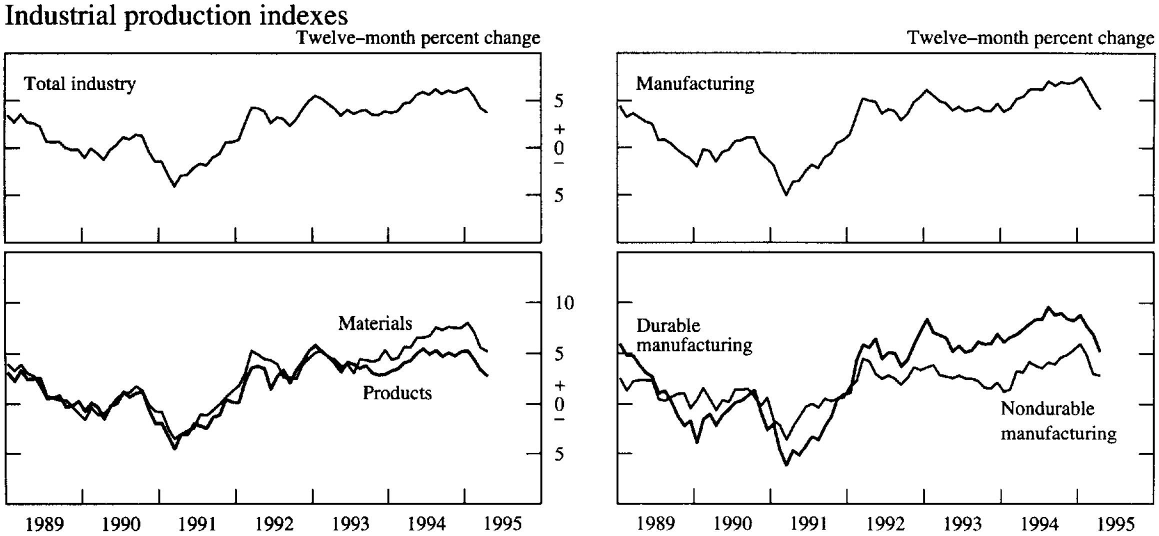
At the end of the period the current values of the foreign exchange reserve holdings of the Federal Reserve and the ESF were $25.3 billion and $25.4 billion respectively. The U.S. monetary authorities regularly invest their foreign currency balances in a variety of instruments that yield market-related rates of return and have a high degree of liquidity and credit quality. A portion of the balances is invested in foreign government-issued securities. As of March 31, the Federal Reserve and the ESF held, either directly or under repurchase agreement, \$9.7 billion and \$13.8 billion respectively in foreign government securities. □

Industrial Production and Capacity Utilization for April 1995

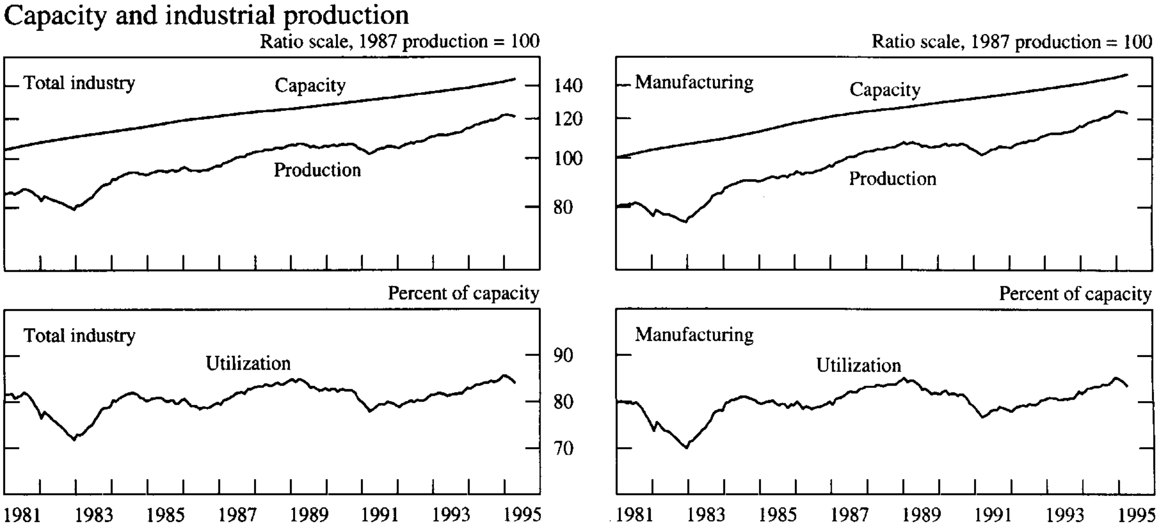
Released for publication May 16

Industrial production declined 0.4 percent in April after a decrease of 0.3 percent in March. More than half of the April decline was due to a 4.4 percent drop in the production of motor vehicles and parts. Manufacturing output fell 0.5 percent, while production advanced 0.2 percent at mines and 1.6 percent at utilities. At 121.1 percent of its 1987 average, industrial production in April was 3.8 percent

Industrial production indexes



Capacity and industrial production



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

Industrial production and capacity utilization, April 1995

Category	Industrial production, index, 1987 = 100								
	1995				Percentage change				
					1995[1]				Apr. 1994 to Apr. 1995
	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[p]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[p]	
Total	**122.0**	**122.0**	**121.6**	**121.1**	**.3**	**.0**	**–.3**	**–.4**	**3.8**
Previous estimate	122.2	122.3	121.9	...	.4	.1	–.3	...	...
Major market groups									
Products, total[2]	119.1	119.0	118.6	118.0	.3	–.1	–.4	–.5	2.8
Consumer goods	115.7	115.7	114.7	114.1	.1	.0	–.9	–.5	1.6
Business equipment	153.7	154.1	154.7	154.1	.7	.3	.4	–.4	7.4
Construction supplies	112.2	111.3	111.4	109.7	.5	–.7	.0	–1.5	4.8
Materials	126.5	126.5	126.2	126.0	.2	.0	–.2	–.2	5.2
Major industry groups									
Manufacturing	124.5	124.2	124.0	123.3	.2	–.2	–.1	–.5	4.2
Durable	131.6	131.5	131.4	130.3	.3	–.1	–.1	–.8	5.3
Nondurable	116.5	116.1	115.8	115.6	.1	–.3	–.2	–.2	2.9
Mining	100.0	100.6	100.0	100.2	–.2	.7	–.6	.2	–.5
Utilities	116.5	118.3	115.5	117.3	1.1	1.6	–2.4	1.6	2.2
	Capacity utilization, percent								MEMO Capacity, percentage change, Apr. 1994 to Apr. 1995
	Average, 1967–94	Low, 1982	High, 1988–89	1994	1995				
				Apr.	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[p]	
Total	**82.0**	**71.8**	**84.9**	**83.6**	**85.5**	**85.2**	**84.7**	**84.1**	**3.1**
Previous estimate	...	...	...	...	85.6	85.4	84.9	...	...
Manufacturing	81.3	70.0	85.2	83.0	85.2	84.7	84.3	83.5	3.5
Advanced processing	80.7	71.4	83.5	81.3	83.2	82.8	82.4	81.6	3.9
Primary processing	82.5	66.8	89.0	87.2	90.2	89.4	89.2	88.3	2.4
Mining	87.4	80.6	86.5	90.3	89.7	90.3	89.8	90.0	–.1
Utilities	86.7	76.2	92.6	85.1	85.6	86.8	84.7	85.9	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.

higher than it was twelve months earlier. Capacity utilization declined 0.6 percentage point in April after falling 0.5 percentage point in March. At 84.1 percent, the rate of capacity utilization in April was below the 85.5 percent high attained this past December and January and the 84.9 percent high reached during the 1988–89 period.

When analyzed by market group, the data show that the overall output of consumer goods decreased 0.5 percent. The output of the durable goods component declined 2.8 percent, however, largely because of a 9.1 percent drop in the production of consumer autos and further sizable cutbacks in the production of household furniture and various household appliances. The output of the nondurable goods component edged up 0.1 percent; a rebound in residential sales of energy by electric and gas utilities and increases in the production of consumer chemical and paper products more than offset further decreases in the output of food and clothing and a drop in the production of gasoline and distillate fuel oil.

The production of business equipment fell 0.4 percent, its first decrease in nearly three years. The decline was led by a large reduction in the production of business autos, but output was also significantly down for medium and heavy trucks, farm equipment, service industry equipment, and office furniture and fixtures. The production of information processing equipment, led by a 2.0 percent increase in computers and office equipment, advanced 0.7 percent.

The overall output of intermediate products declined 0.7 percent, with the production of construction supplies falling 1.5 percent and the output of business supplies slipping 0.2 percent.

The production index for materials dipped 0.2 percent, as a decline of 0.6 percent in the output of durable goods materials more than offset an increase of 0.7 percent in the output of energy materials. The production of nondurable goods materials was unchanged. Declines in the production of original equipment parts for motor vehicles and in the output of a variety of steel and other metal products account for much of the decrease in the output of durable goods materials. Increases in crude oil and natural gas production and in electricity generation account for the growth in the output of energy materials.

When analyzed by industry group, the data show that factory output decreased 0.5 percent in April after declines of 0.2 percent in February and 0.1 percent in March. In April, the output of durables manufacturers dropped 0.8 percent, while that of nondurables manufacturers fell 0.2 percent. Among durables manufacturers, output declined noticeably in all major industry groups except three: industrial machinery and computer equipment, electrical machinery, and instruments. The rates of growth in these three industries softened from their March pace, however. Within nondurables manufacturing, significant declines in food, apparel products, rubber and plastics products, and leather were largely offset by growth in tobacco, paper and products, and printing and publishing.

Reflecting the continuing weakness in output, the factory operating rate declined further in April, to 83.5 percent of capacity, compared with the most recent peaks of 85.2 percent in January 1995, December 1994, and January 1989. The utilization rate in the primary-processing industries retreated 0.9 percentage point, to 88.3 percent; the most recent peaks were 90.8 percent in December 1994 and 89.0 percent in January 1989. The utilization rate for advanced-processing industries fell back 0.8 percentage point; at 81.6 percent, the April rate was 1.6 percentage points below its January 1995 peak and 1.9 percentage points below its January 1989 peak.

The output of utilities, which had contracted sharply in March, rebounded somewhat in April. As a result, the operating rate at utilities rose from 84.7 percent in March to 85.9 percent. Operating rates at mines increased slightly, to 90 percent, largely because of gains in metal mining and in oil and gas well drilling. □

Announcements

REVISIONS OF THE BOARD'S COMMUNITY REINVESTMENT ACT REGULATIONS

The Federal Reserve Board on April 24, 1995, issued a completely revised Community Reinvestment Act (CRA) regulation (Regulation BB) and related conforming amendments to its Regulation C (Home Mortgage Disclosure Act). Parallel regulations are being issued by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision for institutions they supervise.

The revisions provide guidance to financial institutions on the assessment of their CRA-related activities. The final procedures emphasize performance rather than process, promote consistency in assessments, and reduce unnecessary compliance burden while encouraging improved performance.

Provisions of the final rule become effective on January 1, 1996, for small financial institutions and institutions electing to be evaluated under a strategic plan. In addition, wholesale and limited-purpose institutions that have collected community development lending data may elect to be evaluated under a separate test after January 1. Large retail financial institutions will be subject to the final rule after July 1, 1997, unless they have elected to be evaluated under the new provisions and have collected the required data before that date.

Data collection requirements become effective January 1, 1996, and data reporting requirements become effective January 1, 1997.

Revisions to the CRA regulation were proposed for public comment on December 21, 1993, and October 7, 1994. Compared with the 1994 proposal, the final rule deletes the collection of data on race and gender for small business and small farm loan customers, raises the holding company asset threshold from $250 million to $1 billion for institutions to qualify as small financial institutions, retains separate evaluation standards for different types of institutions (large retail and small financial institutions, wholesale and limited-purpose institutions, and institutions electing strategic plans), and reduces data collection and reporting requirements for covered institutions. The final rule also reflects comments received on the 1994 proposal, takes into account the agencies' further internal considerations, and makes other modifications and clarifications.

ISSUANCE OF INTERPRETATION OF REGULATION H

The Federal Reserve Board on April 6, 1995, issued an interpretation of its Regulation H (Membership of State Banking Institutions in the Federal Reserve System) relating to the establishment of loan production offices and "back office" facilities of state member banks.

The interpretation provides that a "back office" facility established by a state member bank is not considered a branch of the bank. Also, the interpretation states that loans originated by a loan production office of a bank may be approved at a back office location—and not considered a branch—if the proceeds of the loan are received by the customer at a location other than a loan production office or a back office facility.

This interpretation provides parity between state member banks and national banks in this respect.

ADOPTION OF REGULATORY "SAFE HARBOR" IN RELATION TO ANTI-TYING RESTRICTIONS IN REGULATION Y

The Federal Reserve Board announced on April 20, 1995, the adoption of a regulatory "safe harbor" from the anti-tying restrictions of section 106 of the Bank Holding Company Act Amendments of 1970 and the Board's Regulation Y (Bank Holding Companies and Change in Bank Control). The regulation became effective May 26, 1995.

The safe harbor permits any bank or nonbank subsidiary of a bank holding company to offer a "combined-balance discount"—that is, a discount based on a customer maintaining a combined minimum balance in products specified by the company offering the discount.

Proposed Actions

The Federal Reserve Board on April 14, 1995, requested comment on a proposed amendment to Regulation O (Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks) to conform the definition of unimpaired capital and unimpaired surplus in the regulation's definition of lending limit to the definition of capital and surplus recently adopted by the Office of the Comptroller of the Currency in calculating the limit on loans by a national bank to a single borrower. Comment is requested by May 22, 1995.

The Board also issued for public comment on April 21, 1995, a proposal to permit, but not require, banks and other creditors to request information on the race, color, sex, religion, and national origin of applicants for credit. The proposal would amend the Board's Regulation B (Equal Credit Opportunity). Comments should be received by the Board by June 27.

Publication of the Revised List of OTC Stocks Subject to Margin Regulations and of the Revised Foreign List

The Federal Reserve Board on April 24, 1995, published a revised list of over-the-counter (OTC) stocks that are subject to its margin regulations (OTC list). Also published was a revised list of foreign equity securities (foreign list) that meet the margin criteria in Regulation T (Credit by Brokers and Dealers). These lists are published for the information of lenders and the general public.

The lists became effective May 8, 1995, and supersede the previous lists that were effective February 13, 1995. The next revision of the lists is scheduled to be effective August 1995.

The changes that were made to the revised OTC list, which now contains 4,081 OTC stocks, are as follows:

- One hundred twenty-three stocks have been included for the first time, 102 under National Market System (NMS) designation
- Forty-two stocks previously on the list have been removed for substantially failing to meet the requirements for continued listing
- Seventy-six stocks have been removed for reasons such as listing on a national securities exchange or involvement in an acquisition.

The OTC list is composed of OTC stocks that have been determined by the Board to be subject to margin requirements in Regulations G (Securities Credit by Persons other than Banks, Brokers, or Dealers), T, and U (Credit by Banks for Purchasing or Carrying Margin Stocks). It includes OTC stocks qualifying under Board criteria and also includes all OTC stocks designated as NMS securities. Additional NMS securities may be added in the interim between quarterly Board publications; these securities are immediately marginable upon designation as NMS securities.

The foreign list specifies those foreign equity securities that are eligible for margin treatment at broker–dealers. There are fifteen additions to and one deletion from the foreign list; it now contains 701 foreign equity securities.

Issuance of Report on the Processing of Applications during 1994

The Federal Reserve Board issued on April 17, 1995, a report on its processing of applications during 1994. In 1994 the System acted on 3,574 applications and notices filed by bank holding companies and state-chartered member banks. The total number of applications for 1994 increased 28 percent compared with the number for 1993, with notices to establish branches accounting for almost two-thirds of the increase.

A breakdown of applications processed showed the following percentages:

- To expand banking operations (other than branching), almost 15 percent
- For nonbanking expansion, almost 22 percent
- Bank branch notices, about 36 percent
- Bank holding company formations and change of control notices for state member banks and bank holding companies, 13 percent

• International activities of U.S. banking organizations, about 3 percent

• Various other applications, such as those from banks to become members of the Federal Reserve System or to invest in bank premises or bank holding companies seeking relief from commitments or to redeem stock, 12 percent.

The Federal Reserve maintains target dates and procedures for the processing of applications filed under the Bank Holding Company Act, the Bank Merger Act, and the Change in Bank Control Act. The time allowed for a decision is sixty days after acceptance of an application. In 1994, action was taken on 94 percent of all applications within the established time frame. Delays in completing background checks and extra time required to investigate questions raised about compliance and performance with regard to relevant laws and regulations accounted for a majority of the applications that were not processed within the target time frame.

On average, the 3,574 applications and notices were processed in 33 calendar days from the date of acceptance and 58 days from the date of filing, an improvement over the results for 1993: 41 days and 66 days respectively. The average total processing time for international applications improved from 186 days in 1993 to 149 days in 1994, and the average total processing time for domestic applications improved from 63 days in 1993 to 55 days in 1994.

PUBLICATION OF NEW REPORT: *DESCRIPTIVE STATISTICS FROM THE 1987 NATIONAL SURVEY OF SMALL BUSINESS FINANCES*

A new Federal Reserve Board publication provides general descriptive statistics from the 1987 National Survey of Small Business Finances. The survey, based on a nationally representative sample of about 3,200 small businesses, covers the firms' use of financial services and institutions, plus their assets and liabilities, ownership, and other financial and demographic characteristics.

A unique feature of the survey is that it identifies specific financial services the firms obtained from each of the financial institutions they used; these data permit investigation of "clustering," or bundling, of financial services. Such investigations using the 1987 survey have been published in the *Federal Reserve Bulletin* (October 1990, pp. 801–17) and in the Board's Staff Studies 160 (September 1990), which also contain additional information on methods for the survey. A preliminary examination of some data from the 1993 survey is scheduled for the July 1995 *Bulletin.* The 200-page publication can be purchased, for $5, from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551.

ANNUAL REPORT: PUBLICATION

The *81st Annual Report, 1994,* of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1994, is available for distribution. Copies may be obtained on request to Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551. A separately printed companion document, entitled *Annual Report: Budget Review, 1994–95,* describes the budgeted expenses of the Federal Reserve System for 1995 and compares them with expenses for 1993 and 1994; it is also available from Publications Services. □

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION Y

The Board of Governors is amending 12 C.F.R. Part 225, its Regulation Y (Bank Holding Companies and Change in Bank Control). The Board is adopting a regulatory "safe harbor" from the anti-tying restrictions of section 106 of the Bank Holding Company Act Amendments of 1970 and the Board's Regulation Y. The safe harbor permits any bank or nonbank subsidiary of a bank holding company to offer a "combined-balance discount"—that is, a discount based on a customer maintaining a combined minimum balance in products specified by the company offering the discount.

Effective May 26, 1995, 12 C.F.R. Part 225 is amended as follows:

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

1. The authority citation for 12 C.F.R. Part 225 continues to read as follows:

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

2. In section 225.7, a new paragraph (b)(4) is added to read as follows:

Section 225.7—Tying restrictions.

* * * * *

(b) * * *

(4) *Safe harbor for combined-balance discounts.* A bank holding company or any bank or nonbank subsidiary thereof may vary the consideration for any product or package of products based on a customer's maintaining a combined minimum balance in certain products specified by the company varying the consideration (eligible products), if:

(i) That company (if it is a bank) or a bank affiliate of that company (if it is not a bank) offers deposits, and all such deposits are eligible products; and

(ii) Balances in deposits count at least as much as non-deposit products toward the minimum balance.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Corporación Bancaria de España
Madrid, Spain

Order Approving the Formation of a Bank Holding Company

Corporación Bancaria de España, Madrid, Spain ("CBE"), has applied 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 within the meaning of the BHC Act by retaining 73.2 percent of the voting shares of Banco Exterior de España, Madrid, Spain ("BEX"), a foreign bank registered as a bank holding company through its ownership of all the voting shares of Extebank, Stony Brook, New York.

Notice of the application, affording interested persons an opportunity to submit comments, has been published (57 *Federal Register* 46,971 (1993)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

CBE, with approximately $88.6 billion in total consolidated assets,[1] is the third largest commercial banking organization in Spain. CBE was created by the Spanish government as a "governmental company" with bank status to serve as a holding company for BEX and several other financial institutions controlled by the government. The Spanish government currently owns 50.9 percent of the voting shares of CBE. Extebank is the 38th largest commercial banking organization in New York, controlling deposits of approximately $409.8 million, representing less than one percent of all deposits in commercial banks in the state.[2] BEX, which also

1. Asset data are as of December 31, 1994.
2. Deposit data are as of December 31, 1994.

operates an agency in Miami and a representative office in New York, is the only subsidiary of CBE that engages in commercial banking activities in the United States.

Under section 3 of the BHC Act, as amended by the Foreign Bank Supervision Enhancement Act of 1991,[3] 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 previously determined, in applications under the International Banking Act (12 U.S.C. § 3101 *et seq.*) ("IBA"), that other Spanish credit institutions are subject to comprehensive consolidated supervision by their home country supervisor, the Bank of Spain.[5] CBE and BEX have provided information demonstrating that they are subject to the same regulatory scheme applicable to these other institutions. In addition, the Bank of Spain has stated that, in performing its supervisory functions, it makes no distinction between private and government-owned banks. Based on all the facts of record, including the information described above, the Board has concluded that CBE and BEX are subject to comprehensive supervision and regulation on a consolidated basis by their home country supervisor.

In addition, CBE and BEX have committed that they will make available to the Board such information on the operations of CBE and BEX and 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. To the extent that the provisions of such information to the Board may be prohibited or impeded by law, CBE and BEX have committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary in order to enable CBE and BEX to make any such information available to the Board. In light of these commitments and other facts of record,[6] the Board has concluded that CBE and BEX have provided adequate assurances of access to any appropriate information the Board may request.

3. Pub. L. No. 102–242, § 201 *et seq.*, 105 Stat. 2286 (1991).

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. 12 C.F.R. 225.13(b)(5). 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 relationship of the bank to its affiliates, to assess the foreign bank's overall financial condition and compliance with law and regulation. 12 C.F.R. 211.24(c)(1)(ii).

5. *See Banco de Sabadell, S.A.*, 79 *Federal Reserve Bulletin* 366 (1993); *Banco Santander, S.A.*, 79 *Federal Reserve Bulletin* 622 (1993).

6. The Board notes that it previously has reviewed relevant provisions of Spanish confidentiality, secrecy, and other laws. *See Banco de Sabadell, S.A.*, 79 *Federal Reserve Bulletin* 366 (1993).

The financial and managerial resources and future prospects of CBE, BEX, and Extebank are consistentwith approval. Considerations relating to the effects of this proposal on competition and the convenience and needs of the communities to be served are also consistent with approval.

Based on the foregoing and other facts of record, and subject to the commitments made by CBE and BEX in this case, the Board has determined that the application should be, and hereby is, approved. This approval is specifically conditioned on compliance by CBE and BEX with all the commitments made in connection with this application and with the conditions contained in this order. For purposes of this action, all of these commitments and conditions are considered conditions imposed in writing and, as such, may be enforced in proceedings under applicable law.

By order of the Board of Governors, effective April 5, 1995.

Voting for this action: Chairman Greenspan, and Governors LaWare, Lindsey, Phillips, and Yellen. Absent and not voting: Vice Chairman Blinder and Governor Kelley.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

Huntington Bancshares Incorporated
Columbus, Ohio

Huntington Bancshares Florida, Inc.
Columbus, Ohio

Order Approving Acquisition of a Bank Holding Company

Huntington Bancshares Incorporated ("Huntington") and its wholly owned subsidiary, Huntington Bancshares Florida, Inc. ("Huntington Florida"), Columbus, Ohio, bank holding companies within the meaning of the Bank Holding Company Act ("BHC Act"), have applied under section 3 of the BHC Act (12 U.S.C. § 1842) to merge with Security National Corporation ("Security") and thereby indirectly acquire its wholly owned subsidiary, Security National Bank ("Security Bank"), Maitland, Florida.[1]

Notice of these applications, affording interested persons an opportunity to submit comments, has been pub-

1. Upon the acquisition of Security and receipt of approval by the Office of the Comptroller of the Currency ("OCC"), Huntington's existing subsidiary Huntington Federal Savings Bank, Sebring, Florida, would be merged with and into Security Bank. Huntington also has requested Board approval under section 3 of the BHC Act to acquire an option to purchase up to 24.9 percent of the voting shares of Security, which would become moot upon consummation of Huntington's application to merge with Security.

lished (60 *Federal Register* 2751 (1995)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Huntington, with total consolidated assets of $17 billion, controls ten depository institutions in eight states.[2] Huntington, which controls three depository institutions in Florida, is the 53d largest depository organization in the state, controlling $225.2 million in deposits, representing less than 1 percent of the total deposits in depository institutions in the state. Security is the 76th largest depository organization in Florida, controlling $166.3 million in deposits, also representing less than 1 percent of the total deposits in depository institutions in the state. Upon consummation of this proposal, Huntington would become the 41st largest depository organization in Florida, controlling deposits of $391.4 million, representing less than 1 percent of the total deposits in depository institutions in the state.

Huntington and Security do not compete directly in any banking market. Therefore, consummation of this proposal would not have a significantly adverse effect on competition or the concentration of banking resources in any relevant banking market.

Douglas Amendment Analysis

Section 3(d) of the BHC Act, the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire control of any bank located outside the bank holding company's home state unless the acquisition is "specifically authorized by the statute laws of the state in which such bank is located, by language to that effect and not merely by implication."[3] For purposes of the Douglas Amendment, Huntington's home state is Ohio, and the home state of Security and Security Bank is Florida.[4]

Ohio and Florida banking statutes permit out-of-state bank holding companies to acquire banks in their respective states, provided that the home state of the acquiring bank holding company permits the acquisition of banks in that state on a reciprocal basis.[5] The Florida State Comptroller concluded that Huntington's proposal is authorized under Florida law and approved the transaction. In light of the foregoing and based on an analysis of the banking statutes involved, the Board has determined that its approval of this proposal is not prohibited by the Douglas Amendment.

Convenience and Needs Considerations

In considering an application to acquire a depository institution under the BHC Act, the Board must consider the convenience and needs of the communities to be served, and take into account the records of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The Board notes that, with one exception,[6] all of Huntington's subsidiary banks and savings associations that have been examined for CRA performance received an "outstanding" or "satisfactory" rating from their primary regulator in their most recent examinations for CRA performance.[7] Based on these and all other facts of record, the Board concludes that considerations relating to the record of performance under the CRA are consistent with approval of these applications.

Other Considerations

The Board also concludes that the financial and managerial resources and future prospects of Huntington, Security, and their respective subsidiary banks, and the other supervisory factors that the Board must consider under section 3 of the BHC Act, are consistent with approval of this proposal.

Based on the foregoing and all other facts of record, the Board has determined that these applications should be, and hereby are, approved. The Board's approval is expressly conditioned on Huntington's compliance with all the commitments made in connection with these applications. The commitments and conditions relied on

2. Asset and state deposit data are as of June 30, 1994.

3. 12 U.S.C. § 1842(d). A bank holding company's home state is that state in which the operations of the bank holding company's banking subsidiaries were principally conducted on July 1, 1966, or the date on which the company became a bank holding company, whichever is later.

4. Upon the acquisition of Security, Huntington Florida's home state would be Florida.

5. FLA. STAT. § 658.295(3) (eff. May 1, 1995); OHIO REV. CODE ANN. § 1101.05 (1985).

6. First Trust Savings Bank, F.S.B., Jacksonville, Florida ("First Trust"), received a "needs to improve" rating in its October 1994 CRA examination by the Office of Thrift Supervision ("OTS"). First Trust, with assets totalling $25 million, comprises less than 1 percent of Huntington's total assets and is one of two thrift subsidiaries acquired by Huntington in conjunction with its May 1993 acquisition of Charter Oak Financial Corporation, Cincinnati, Ohio. Since this acquisition, Huntington has sought to divest First Trust and on March 31, 1995, the OTS approved a sale of First Trust. The Board notes that Huntington has taken numerous steps to improve the CRA performance record of First Trust during the brief period that it has controlled First Trust. In particular, Huntington analyzed First Trust's HMDA data and performed a geoanalysis of its loans for CRA purposes and expanded its marketing efforts in publications owned by African Americans. In addition, First Trust has provided over $400,000 to the City of Jacksonville's housing assistance programs.

7. In its most recent examination for CRA performance, Huntington's lead bank, The Huntington National Bank, Columbus, Ohio ("Ohio Bank"), received a "satisfactory" rating from its primary regulator, the OCC. The examination identified certain areas of concern that Ohio Bank agreed to address, and the Board notes that Huntington and Ohio Bank have implemented corrective actions to address these areas of concern. The Board will continue to monitor Huntington's progress in correcting these areas in future applications to acquire depository facilities.

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.

The acquisition of Security shall not be consummated before the fifteenth calendar day following 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 Cleveland, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 12, 1995.

Voting for this action: Governors LaWare, Lindsey, Phillips, and Yellen. Absent and not voting: Chairman Greenspan, Vice Chairman Blinder, and Governor Kelley.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

Westamerica Bancorporation
San Rafael, California

Order Approving Acquisition of a Bank

Westamerica Bancorporation, San Rafael, California ("Westamerica"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire all the voting shares of CapitolBank Sacramento, Sacramento, California ("Bank").[1]

Notice of the application, affording interested persons an opportunity to submit comments, has been published (60 *Federal Register* 4628 (1995)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Westamerica is the 11th largest commercial banking organization in California, controlling deposits of approximately $1.7 billion, representing less than 1 percent of total deposits in commercial banks in the state.[2] Bank is the 123d largest commercial banking organization in California, controlling deposits of approximately $127.9 million, representing less than 1 percent of total deposits in commercial banks in the state. Upon consummation of this proposal, Westamerica would remain the 11th largest commercial banking organization in California, controlling approximately $1.8 billion in deposits, representing less than 1 percent of total deposits in commercial banking organizations in the state.

Westamerica and Bank compete in the Sacramento RMA banking market.[3] Upon consummation of this proposal, the market would remain moderately concentrated, as measured by the Herfindahl–Hirschman Index ("HHI"), and this proposal would not exceed the Department of Justice merger guidelines.[4] In addition, numerous competitors would remain in the market. After considering the competition offered by the commercial banking institutions that would remain in the market, the relatively small increase in concentration as measured by the HHI, and all other facts of record, the Board concludes that consummation of this proposal is not likely to result in significantly adverse effects on competition or the concentration of banking resources in the Sacramento RMA banking market or any other relevant banking market.

Convenience and Needs Considerations

In acting on an application to acquire a depository institution, the Board must consider the convenience and needs of the communities to be served and take into account the records of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate, consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of

1. Westamerica also has applied to obtain and exercise an option to acquire 9.9 percent of Bank's common stock if a competing offer is made for Bank. The option would terminate upon consummation of this proposal.

2. State banking data are as of December 31, 1994.

3. All market data are as of June 30, 1993. Market share 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 WM Bancorp*, 76 *Federal Reserve Bulletin* 788 (1990); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984).

4. 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 between 1000 and 1800 is considered moderately concentrated. The Justice Department 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 Justice Department 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 non-depository financial entities. The HHI for the Sacramento RMA banking market would increase from 1371 to 1372 as a result of this transaction.

such institutions," and to take that record into account in its evaluation of these applications.[5]

Comments on the application were submitted by an individual ("Protestant") criticizing the record of Bank under the CRA and alleging that Bank has not fully complied with CRA because Bank's reports filed pursuant to the Home Mortgage Disclosure Act ("HMDA") disclosed that Bank had not made any residential mortgage loans to minorities or women. The Board has carefully reviewed the entire CRA performance record of Westamerica's subsidiary banks and Bank, all comments received on this application, Westamerica's response to these comments, and all other relevant facts of record, in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").[6]

A. Record of CRA Performance

The Agency CRA Statement provides that a CRA examination is an important and often controlling factor in the consideration of an institution's CRA record and that reports of these examinations will be given great weight in the applications process.[7] The Board notes that Westamerica's lead bank, Westamerica Bank, San Rafael, California ("Westam Bank"), received a "satisfactory" rating in its most recent examination for CRA performance from the Federal Reserve Bank of San Francisco ("Federal Reserve Bank") in October 1994, and that Bank also received a "satisfactory" rating at its most recent examination for CRA performance from the Federal Deposit Insurance Corporation ("FDIC"). Westamerica's other subsidiary banks also received "satisfactory" ratings in their most recent examination for CRA performance from the FDIC.

B. Lending Activities

The record indicates that Bank's primary focus is on serving the credit needs of small- and medium-sized businesses, and that Bank makes residential mortgage loans only as an accommodation to its business customers. Data provided by Bank demonstrate that Bank has made loans to women, minorities, and borrowers in low- and moderate-income areas. For example, Bank has originated approximately 65 loans, totalling $18 million to borrowers or projects located in low- to moderate-income areas, representing 20 percent of Bank's outstanding loan portfolio. In addition, Bank has participated in programs that benefit low- and moderate-income neighborhoods and small businesses. These programs include extensions of credit for rehabilitation of commercial buildings and the construction of low-income housing units, as well as loans to charitable organizations to help them meet their operating expenses.

After consummation of this proposal, Westamerica plans to merge Bank into Westam Bank and to expand Bank's CRA efforts through participation in Westam Bank's Community Access Loan Program ("CAL Program"). The CAL Program includes home equity loans, automobile loans and home improvement loans with lower-than-usual monthly payment terms and flexible qualifications. These products are designed to meet the credit needs of consumers who do not qualify for standard loans because of their income level. Westam Bank's CAL-PAL program provides real estate mortgages with flexible eligibility standards and lower down payment requirements. As of October 1994, Westam Bank had extended approximately $2.2 million CAL-PAL loans. Westam Bank also has participated in a "silent second" program with local governments, which provides subsidized down payments for low-income borrowers. As of October 1994, Westam Bank had participated in six "silent second" transactions totalling more than $823,000. Westam Bank also has instituted the "CAL Business" loan program, which offers business loans to women and minorities in cooperation with local agencies that provide technical support to start-up businesses. Under the CAL Business program, a borrower can borrow as little as $500 without payment of loan origination fees. As of October 1994, 31 loans totalling $395,000 had been made under the CAL Business program. Westam Bank currently is a participant in several Small Business Administration loan programs. As of June 1994, Westam Bank had 81 SBA guaranteed loans outstanding totalling $16.6 million.[8]

C. Conclusion

The Board has carefully considered all the facts of record, including Protestant's comments, in reviewing the CRA records of performance of Bank and of Westamerica's subsidiary banks. Based on a review of the entire record, including relevant reports of examination, the Board concludes that convenience and needs considerations, including the banks' CRA records, are consistent with approval of this application.

5. 12 U.S.C. § 2903.
6. 54 *Federal Register* 13,742 (1989).
7. *Id.* at 13,745.

8. The Federal Reserve Bank, in its most recent CRA examination of Westam Bank, found no evidence of prohibited discriminatory credit practices, and the bank has taken additional steps to increase lending to low- and moderate-income areas, such as improved marketing and a review of its lending programs.

Other Considerations

The financial and managerial resources and future prospects of Westamerica, its subsidiary banks, and Bank, and the other supervisory factors that the Board must consider under section 3 of the BHC Act, are consistent with approval of this proposal.

Based on the foregoing and all the facts of record, the Board has determined that the application should be, and hereby is, approved. The Board's approval is expressly conditioned on Westamerica's compliance with all the commitments made in connection with this application. The 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.

The acquisition shall not be consummated before the fifteenth calendar day following 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 San Francisco, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 17, 1995.

Voting for this action: Chairman Greenspan, Vice Chairman Blinder, and Governors Kelley, LaWare, Lindsey, Phillips, and Yellen.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

Orders Issued Under Section 4 of the Bank Holding Company Act

Fifth Third Bancorp
Cincinnati, Ohio

Fifth Third Bank of Northeastern Ohio
Cleveland, Ohio

Order Approving the Acquisition and Merger of a Savings Association and the Establishment of Branches

Fifth Third Bancorp, Cincinnati, Ohio ("Bancorp"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has filed notice under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23) of its intention to acquire Falls Financial Inc., Cuyahoga Falls, Ohio ("Falls Financial"), and thereby indirectly acquire its wholly owned subsidiary, Falls Savings Bank, F.S.B., Cuyahoga Falls, Ohio ("Savings Bank"). The Fifth Third Bank of Northeastern Ohio, Cleveland, Ohio ("Fifth Third Bank"), a wholly owned subsidiary of Bancorp, has also applied under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) ("Bank Merger Act") and section 5(d)(3) of the Federal Deposit Insurance Act (12 U.S.C. § 1815(d)(3)), as amended by the Federal Deposit Insurance Corporation Improvement Act of 1991 (Pub. L. No. 102–242, § 501, 105 Stat. 2236, 2388-2392 (1991)), to acquire certain assets and assume certain liabilities of Savings Bank;[1] and incident thereto, to establish branch offices pursuant to section 9 of the Federal Reserve Act (12 U.S.C. § 321).[2]

Notice of this proposal, affording interested persons an opportunity to submit comments, has been published (60 *Federal Register* 10,084 (1995)). As required by the Bank Merger Act, reports on the competitive effects of the merger were requested from the United States Attorney General, the Office of Thrift Supervision, and the Federal Deposit Insurance Corporation. The time for filing comments has expired, and the Board has considered the applications and all of the facts of record in light of the factors set forth in the BHC Act, the Bank Merger Act, and the Federal Reserve Act.

The Board has determined 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. 12 C.F.R. 225.25(b)(9). The Board requires savings associations acquired by bank holding companies to conform their direct and indirect activities to those permissible for bank holding companies under section 4 of the BHC Act and Regulation Y. Bancorp has committed to conform all activities of Savings Bank to the requirements of section 4 of the BHC Act and Regulation Y.[3]

In considering a notice under section 4(c)(8) of the BHC Act, the Board is required to determine that the applicant's ownership and operation of the acquired

1. Because Fifth Third Bank, a state member bank, is a member of the Bank Insurance Fund and is acquiring deposits of Savings Bank, a member of the Savings Association Insurance Fund, prior Board approval is required for this proposal under section 5(d)(3) of the Federal Deposit Insurance Act. Section 5(d)(3) requires the Board to follow the procedures and consider the factors set forth in the Bank Merger Act.

2. The locations of the branches that Fifth Third Bank proposes to establish are listed in the Appendix.

3. Savings Bank engages in real estate activities that are not permissible for bank holding companies under the BHC Act. Bancorp has committed that all impermissible real estate activities will be divested or terminated within two years of consummation of the proposal, that no new impermissible projects or investments will be undertaken during this period, and that capital adequacy guidelines will be met, excluding specified real estate investments. Bancorp also has committed that any impermissible securities and insurance activities conducted by Savings Bank or its subsidiaries will cease on or before consummation of this proposal. Savings Bank may continue to service any impermissible insurance policies for two years after the consummation of this proposal, but may not renew policies.

company "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 competition, conflicts of interests, or unsound banking practices."[4]

Bancorp, with consolidated assets of $15 billion, controls 12 depository institutions in Ohio, Kentucky, Indiana, and Florida.[5] Bancorp is the fourth largest depository institution in Ohio, controlling total deposits of $11.5 billion, representing approximately 6.5 percent of total deposits in depository institutions in the state.[6] Falls Financial is the 27th largest depository institution in Ohio, controlling deposits of $555.6 million, representing less than 1 percent of total deposits in depository institutions in the state. Upon consummation of this proposal, Bancorp would remain the fourth largest depository institution in Ohio, controlling deposits of $12 billion, representing approximately 6.8 percent of total deposits in depository institutions in the state.

Bancorp and Falls Financial do not compete directly in any banking market. Accordingly, consummation of this proposal would not have a significantly adverse effect on competition or the concentration of banking resources in any relevant banking market.

Convenience and Needs Considerations

In acting on the notice and applications under the relevant banking statutes, the Board must consider the convenience and needs of the communities to be served and take into account the records of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The Board notes that all of Bancorp's subsidiary banks and savings banks that have been examined for CRA performance received an "outstanding" or "satisfactory" rating from their primary supervisor in their most recent CRA performance examinations. In addition, Savings Bank received a "satisfactory" rating in its most recent CRA performance examination by the Office of Thrift Supervision as of June 1994. Based on these and all other facts of record, the Board concludes that considerations relating to the record of CRA performance are consistent with approval of this proposal.

Other Considerations

The Board also concludes that the financial and managerial resources and future prospects of Bancorp, Falls Financial, and their respective subsidiaries, are consistent with approval, as are the other supervisory factors the Board must consider under the Bank Merger Act and the Federal Reserve Act. In addition, the record does not indicate that consummation of this proposal is likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices, that are not likely to be outweighed by the public benefits of this proposal. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of this notice.

Moreover, the Board also has considered the specific factors it must review under section 5(d)(3) of the Federal Deposit Insurance Act, and the record in this case shows that:

(1) The transaction will not result in the transfer of any federally insured depository institution's federal deposit insurance from one federal deposit insurance fund to the other;

(2) Bancorp and Fifth Third Bank currently meet, and upon consummation of the proposed transaction will continue to meet, all applicable capital standards; and

(3) The proposed transaction would comply with the interstate banking provision of the Bank Holding Company Act (12 U.S.C. § 1842(d)) if Savings Bank were a state bank that Bancorp was applying to acquire directly. *See* 12 U.S.C. § 1815(d)(3).

Based on the foregoing and 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 Fifth Third Bank and Bancorp with the commitments made in connection with the applications and notice. The Board's determination also is subject to all the conditions set forth in Regulation Y, including those in sections 225.7 and 225.23(b) of Regulation Y, and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder. Approval of the proposal is further subject to Bancorp's obtaining any approvals required under applicable federal or state laws. For purposes of this action, the commitments and conditions relied on in reaching this decision are both conditions imposed in writing by the Board and, as such, may be enforced in proceedings under applicable law.

The acquisition of Falls Financial and the merger of Fifth Third Bank and Savings Bank may not be consummated before the fifteenth calendar day after the effective date of this order, or later than three months after the

4. 12 U.S.C. § 1843(c)(8).

5. Asset data are as of December 31, 1994.

6. Deposit data are as of June 30, 1994. In this context, depository institutions include commercial banks, savings banks, and savings associations.

effective date of this order, unless such period is extended by the Board or by the Federal Reserve Bank of Cleveland, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 19, 1995.

Voting for this action: Chairman Greenspan, Vice Chairman Blinder, and Governors Kelley, LaWare, Lindsey, Phillips, and Yellen.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

Appendix

Branch offices of Falls Savings Bank, F.S.B., to be established by Fifth Third Bank of Northeastern Ohio:

1. 2335 Second Street, Cuyahoga Falls, Ohio
2. 4301 Kent Road, Stow, Ohio
3. 40 North Avenue, Tallmadge, Ohio
4. 1597 S. Water Street, Kent, Ohio
5. 3150 S. Arlington Road, Akron, Ohio
6. 122 W. Streetsboro Street, Hudson, Ohio
7. 911 Graham Road, Unit 96, Cuyahoga Falls, Ohio
8. 576 Canton Road, Akron, Ohio
9. 1900 West Market Street, Akron, Ohio
10. 230 Howe Avenue, Cuyahoga, Ohio
11. 360 E. Waterloo Road, Akron, Ohio
12. 4602 Fishcreed Road, Stow, Ohio
13. 3750-Q West Market Street, Akron, Ohio

Mellon Bank Corporation
Pittsburgh, Pennsylvania

Order Approving a Notice to Engage in Underwriting and Dealing in Certain Bank-Ineligible Securities on a Limited Basis, and Other Nonbanking Activities

Mellon Bank Corporation, Pittsburgh, Pennsylvania ("Applicant"), has provided notice under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) ("BHC Act") and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23) of its intention to establish a section 20 subsidiary, Mellon Financial Markets, Inc., Pittsburgh, Pennsylvania ("Company"), which would engage in the following activities:[1]

(1) Underwriting and dealing, to a limited extent, in certain municipal revenue bonds (including certain unrated municipal revenue bonds), 1–4 family mortgage-related securities, consumer receivable-related securities, and commercial paper (hereinafter "bank-ineligible securities");

(2) Acting as agent in the private placement of all types of securities, including providing related advisory services, and buying and selling securities on the order of investors as a "riskless principal";

(3) Underwriting and dealing in bank-eligible instruments pursuant to 12 C.F.R. 225.25(b)(16);

(4) Providing securities brokerage services pursuant to 12 C.F.R. 225.25(b)(15), including providing such services with respect to bank-ineligible securities that Company holds as principal in connection with its underwriting and dealing activities;

(5) Providing investment advisory services pursuant to 12 C.F.R. 225.25(b)(4); and

(6) Providing foreign exchange advisory and transactional services pursuant to 12 C.F.R. 225.25(b)(17).

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (60 *Federal Register* 13,436 (1995)). The time for filing comments has expired, and the Board has considered the notice and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

Applicant, with total consolidated assets of $39 billion, is the 24th largest commercial banking organization in the United States.[2] Applicant operates banking subsidiaries in Pennsylvania, Delaware, Maryland, New York, and New Jersey, and engages in various nonbanking activities through a number of subsidiaries. Company would register with the Securities and Exchange Commission ("SEC") as a broker-dealer under the Securities Exchange Act of 1934 (15 U.S.C. § 78a *et seq.*) and become a member of the National Association of Securities Dealers, Inc. ("NASD"). Therefore, Company would be subject to the recordkeeping, reporting, fiduciary standards, and other requirements of the Securities Exchange Act of 1934, the SEC, and the NASD.

All the proposed activities, except underwriting and dealing in bank-ineligible securities and conducting private placement and "riskless principal" activities, have been determined by regulation to be closely related to banking for purposes of section 4(c)(8) of the BHC Act.[3] Applicant has committed that Company will conduct these activities in accordance with the limitations set forth in Regulation Y and the Board's orders relating to these activities.[4]

1. Mellon would implement its proposal through a corporate reorganization. In order to effect this reorganization, Mellon Bank, N.A., Pittsburgh, Pennsylvania, would transfer 100 percent of the outstanding stock of Company to Applicant through a dividend. Company currently engages in securities brokerage activities.

2. Asset data are as of December 31, 1994.

3. *See* 12 C.F.R. 225.25(b)(4), (b)(15), (b)(16) and (b)(17).

4. The Board notes that in order to address potential conflicts of interests arising from Company's conduct of full-service brokerage activities together with underwriting and dealing in bank-ineligible

Underwriting and Dealing in Bank-Ineligible Securities

Applicant proposes to underwrite and deal in municipal revenue bonds, residential mortgage-related securities, consumer receivable-related securities, and commercial paper. The Board previously has determined that, subject to the prudential framework of limitations established in previous decisions to address potential conflicts of interest, unsound banking practices, or other adverse effects, the proposed underwriting and dealing activities are so closely related to banking as to be proper incidents thereto within the meaning of section 4(c)(8) of the BHC Act.[5] The Board also has determined that the conduct of these securities underwriting and dealing activities is consistent with section 20 of the Glass–Steagall Act, provided that the underwriting and dealing subsidiary derives no more than 10 percent of its total gross revenue over any two-year period from underwriting and dealing in securities that a bank may not underwrite or deal in directly.[6] Applicant has committed that Company will conduct its underwriting and dealing activities with respect to bank-ineligible securities subject to the 10 percent revenue test established by the Board in previous orders.[7] Applicant also has committed that, with one exception, Company will conduct the proposed underwriting and dealing activities using the same methods and procedures, and subject to the same prudential limitations, as were established by the Board in its previous orders.[8]

Applicant has requested that the Board permit up to two directors of its subsidiary banks to serve on Company's board of directors, as long as those directors do not constitute a majority of Company's board. These directors would not be officers of any affiliated bank; nor would they have the authority to conduct the day-to-day business of the bank or handle individual bank transactions. No officers or employees of Company would be employed by the banks.

The Board previously has permitted interlocks between a banking organization and its affiliated section 20 company.[9] In addition, the Board has requested comment on modifying the section 20 prudential framework to permit interlocks with affiliated banks as long as a majority of the board is not comprised of bank officers or directors. Accordingly, the Board finds that these limited interlocks should be permitted, since it appears that Company would be operationally distinct from its affiliated banks. The Board expects that Applicant will ensure that the framework established pursuant to the Section 20 Order will be maintained in all other respects.

Private Placement and "Riskless Principal" Activities

Private placement involves the placement of new issues of securities with a limited number of sophisticated purchasers in a nonpublic offering. A financial intermediary in a private placement transaction acts solely as an agent of the issuer in soliciting purchasers, and does not purchase the securities and attempt to resell them. Securities that are privately placed are not subject to the registration requirements of the Securities Act of 1933, and are offered only to financially sophisticated institutions and individuals and not to the public. Applicant will not privately place registered securities and will only place securities with customers who qualify as accredited investors.

"Riskless principal" is the term used in the securities business to refer to a transaction in which a broker-dealer, after receiving an order to buy (or sell) a security from a customer, purchases (or sells) the security for its

securities, Applicant has committed that Company will inform its customers at the commencement of the relationship that, as a general matter, Company may be a principal or may be engaged in underwriting with respect to, or may purchase from an affiliate, those securities for which brokerage and advisory services are provided. In addition, at the time any brokerage order is taken, the customer will be informed (usually orally) whether Company is acting as agent or principal with respect to a security. Confirmations sent to customers also will state whether Company is acting as agent or principal. *See PNC Financial Corp.*, 75 *Federal Reserve Bulletin* 396 (1989).

5. *See Citicorp, J.P. Morgan & Company Incorporated, and Bankers Trust New York Corporation*, 73 *Federal Reserve Bulletin* 473 (1987), *aff'd sub nom. Securities Industry Association v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir. 1988), *cert. denied*, 486 U.S. 1059 (1988) ("Section 20 Order").

6. Compliance with the 10-percent revenue limitation shall be calculated in accordance with the method stated in *J.P. Morgan & Co. Incorporated, et al.*, 75 *Federal Reserve Bulletin* 192, 196–197 (1989), as modified by the *Order Approving Modifications to the Section 20 Orders*, 75 *Federal Reserve Bulletin* 751 (1989), the *Order Approving Modifications to the Section 20 Orders*, 79 *Federal Reserve Bulletin* 226 (1993), and the *Supplement to Order Approving Modifications to Section 20 Orders*, 79 *Federal Reserve Bulletin* 360 (1993) (collectively, "Modification Orders"). The Board notes that Applicant has not adopted the Board's alternative indexed-revenue test to measure compliance with the 10-percent revenue limitation on bank-ineligible securities activities, and, absent such election, Applicant will continue to employ the Board's original 10-percent revenue standard.

7. The Board notes that Company may provide services that are necessary incidents to approved underwriting and dealing activities, provided that any activities conducted as a necessary incident to bank-ineligible securities activities must be treated as part of the bank-ineligible securities activities unless Company has received specific approval under section 4(c)(8) of the BHC Act to conduct the activities independently. Until such approval is obtained, any revenues from the incidental activities must be counted as ineligible revenues subject to the 10-percent revenue limitations set forth in the Section 20 Order, as modified by the Modification Orders.

8. In connection with the proposal that Company underwrite and deal in unrated municipal revenue bonds, Applicant has committed that Company will comply with the limitations and conditions previously relied on by the Board. *See Letter Interpreting Section 20 Orders*, 81 *Federal Reserve Bulletin* 198 (1995).

9. *See e.g., Synovus Financial Corporation*, 77 *Federal Reserve Bulletin* 954, 955 (1991); *Banc One Corporation*, 76 *Federal Reserve Bulletin* 756, 758 (1990); *Canadian Imperial Bank of Commerce, The Royal Bank of Canada, Barclays PLC and Barclays Bank PLC*, 76 *Federal Reserve Bulletin* 158 (1990).

own account to offset a contemporaneous sale to (or purchase from) the customer.[10] Riskless principal transactions are understood in the industry to include only transactions in the secondary market. Thus, Applicant proposes that Company would not act as a riskless principal in selling securities at the order of a customer that is the issuer of the securities to be sold, or in any transaction where Company has a contractual agreement to place the securities as agent of the issuer. Company also would not act as a riskless principal in any transaction involving a security for which it makes a market.

The Board has determined by order that, subject to prudential limitations that address the potential for conflicts of interests, unsound banking practices, or other adverse effects, the proposed private placement and riskless principal activities are so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act.[11]

The Board also has determined that acting as agent in the private placement of securities, and purchasing and selling securities on the order of investors as a riskless principal, do not constitute underwriting and dealing in securities for purposes of section 20 of the Glass–Steagall Act, and that revenue derived from these activities is not subject to the 10-percent revenue limitation on bank-ineligible securities underwriting and dealing.[12]

Applicant has committed that Company will conduct its private placement and riskless principal activities using the same methods and procedures, and subject to the same prudential limitations established by the Board in *Bankers Trust* and *J.P. Morgan*,[13] including the comprehensive framework of restrictions designed to avoid potential conflicts of interests, unsound banking practices, and other adverse effects imposed by the Board in connection with underwriting and dealing in securities.[14]

Financial Factors, Managerial Resources, and Other Considerations

In every notice under section 4 of the BHC Act, the Board considers the financial condition and resources of the applicant and its subsidiaries and the effect of the transaction on these resources.[15] Based on the facts of this case, the Board concludes that financial considerations are consistent with approval of this notice. The managerial resources of Applicant also are consistent with approval.

In order to approve this notice, the Board is required to determine that the performance of the proposed activities by Applicant can reasonably be expected to produce public benefits that outweigh adverse effects under the proper incident to banking standard of section (4)(c)(8) of the BHC Act. Under the framework established in this order and prior decisions, consummation of this proposal is not likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices, that are not outweighed by public benefits. The Board expects that the entry of Applicant into the market for the proposed activities would provide added convenience to Applicant's customers, and would increase the level of competition among existing providers of these services. Accordingly, the Board has determined that the performance of the proposed activities by Applicant can reasonably be expected to produce public benefits that would outweigh possible adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

Based on all the facts of record, and subject to the commitments made by Applicant, as well as all the terms and conditions set forth in this order and in the above-

10. *See* Securities and Exchange Commission Rule 10b-10. 17 C.F.R. 240.10b-10(a)(8)(i).

11. *See J.P. Morgan & Company Incorporated*, 76 *Federal Reserve Bulletin* 26 (1990) ("*J.P. Morgan*"); *Bankers Trust New York Corporation*, 75 *Federal Reserve Bulletin* 829 (1989) ("*Bankers Trust*").

12. *See Bankers Trust* at 831–833.

13. Among the prudential limitations detailed more fully in *Bankers Trust* and *J.P. Morgan* are that Company will maintain specific records that will clearly identify all riskless principal transactions, and that Company will not engage in any riskless principal transactions for any securities carried in its inventory. When acting as a riskless principal, Company will not hold itself out as making a market in the securities that it buys and sells as a riskless principal. Moreover, Company will not engage in riskless principal transactions on behalf of any foreign affiliate that engages in securities dealing activities outside the United States and will not act as riskless principal for registered investment company securities. In addition, Company will not act as a riskless principal with respect to any securities of investment companies that are advised by Applicant or any of its affiliates. With regard to private placement activities, Applicant has committed that Company will not privately place registered investment company securities or securities of investment companies that are advised by Applicant or any of its affiliates.

14. In previous orders approving riskless principal activities, the Board has relied on commitments by bank holding companies to refrain from entering quotes for specific securities in the NASDAQ or any other dealer quotation system in connection with riskless principal transactions. *Bankers Trust* at 832. Applicant proposes that Company, in acting as a riskless principal, be permitted to enter bid or ask quotations, or publish "offering wanted" or "bid wanted" notices, on trading systems other than an exchange or the NASDAQ.

In order to ensure that Company would not hold itself out as a market maker with respect to securities for which it acted as riskless principal, Applicant has committed that Company will not enter price quotations on different sides of the market for a particular security for two business days. In other words, Company would not enter an "ask" quote for two business days after entering a "bid" quote with respect to the same security, and vice versa. The Board previously has determined that these activities are permissible and do not constitute underwriting and dealing in securities for purposes of the Glass–Steagall Act. *See BankAmerica Corporation*, 79 *Federal Reserve Bulletin* 1163, 1165 n. 10 (1993); *Dauphin Deposit Corporation*, 77 *Federal Reserve Bulletin* 672 (1991).

15. *See* 12 C.F.R. 225.24.

noted Board orders, the Board has determined that the notice should be, and hereby is, approved. Approval of this proposal is specifically conditioned on compliance by Applicant and Company with the commitments made in connection with its notice and with the conditions referenced in this order and the other referenced orders. The Board's determination also is subject to all of the conditions set forth in Regulation Y, including those in sections 225.7 and 225.23(b), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder. In approving this notice, the Board has relied on all the facts of record, and all the representations and commitments made by Applicant. For the purpose of this action, these commitments and conditions shall be deemed conditions imposed in writing and, as such, may be enforced in proceedings under applicable law.

This transaction 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 Cleveland pursuant to delegated authority.

By order of the Board of Governors, effective April 17, 1995.

Voting for this action: Chairman Greenspan, Vice Chairman Blinder, and Governors Kelley, LaWare, Lindsey, Phillips, and Yellen.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

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

Mercantile Bancorporation, Inc.
St. Louis, Missouri

Ameribanc, Inc.
St. Louis, Missouri

Order Approving the Acquisition of a Bank Holding Company

Mercantile Bancorporation, Inc., and its wholly owned subsidiary, Ameribanc, Inc., both of St. Louis, Missouri (together, "Mercantile"), bank holding companies within the meaning of the Bank Holding Company Act ("BHC Act"), have applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire Central Mortgage Bancshares, Inc., Warrensburg, Missouri ("Central Mortgage"),[1] and thereby indirectly acquire the subsidiary banks of Central Mortgage.[2] Mercantile also has provided notice under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) of its intention to acquire the mortgage banking activities of Central Mortgage and a nonbanking subsidiary of Central Mortgage, Cenco Insurance Company, Inc., Phoenix, Arizona, and thereby engage in making, acquiring or servicing loans or other extensions of credit and reinsuring credit life, accident and health insurance, pursuant to sections 225.25(b)(1) and 225.25(b)(8) of the Board's Regulation Y.

Notice of this proposal, affording interested persons an opportunity to submit comments, has been published (59 *Federal Register* 59,618 (1994)). 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.

Mercantile, with total consolidated assets of approximately $12.2 billion, operates banks in Missouri, Iowa, Illinois, and Kansas.[3] Mercantile is the second largest commercial banking organization in Missouri, controlling approximately $7.2 billion in deposits, representing approximately 12.6 percent of the total deposits in commercial banks in the state. Central Mortgage, with total consolidated assets of $1.3 billion, is the 13th largest commercial banking organization in Missouri, controlling $567 million in deposits, representing approximately 1 percent of the total deposits in commercial banks in the state. Upon consummation of the proposal, Mercantile would remain the second largest commercial banking organization in Missouri, controlling approximately $7.7 billion in deposits, representing approximately 13.6 percent of the total deposits in commercial banks in the state.

Competitive Considerations

Mercantile and Central Mortgage compete directly in the Johnson County, Kansas City, and Morgan County banking markets, all in Missouri. Mercantile is the seventh largest of nine depository institutions[4] in the Johnson

1. Mercantile also has acquired an option to purchase up to 19.9 percent of the voting shares of Central Mortgage, which option would expire upon consummation of this proposal.

2. Central Mortgage has three subsidiary banks: Citizens Bank of Southwest Missouri, Nevada; Citizens-Jackson County Bank, Warrensburg; and Farmers Bank of Stover, Stover, all in Missouri.

3. Asset data and state deposit data are as of December 31, 1994.

4. When used in this context, depository institution includes commercial banks, savings banks and savings associations. Market share 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, major competitors of commercial banks. *See Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984).

County banking market,[5] controlling deposits of $19.3 million, representing approximately 6.1 percent of total deposits in depository institutions in this market ("market deposits").[6] Central Mortgage is the largest depository institution in the Johnson County banking market, with deposits of $98.2 million, representing approximately 31 percent of market deposits. Upon consummation of this proposal, Mercantile would become the largest depository institution in the Johnson County banking market, controlling deposits of approximately $117.5 million, representing approximately 37.1 percent of market deposits. The Herfindahl–Hirschman Index ("HHI") for the market would increase by 379 points to 2278.[7]

In order to mitigate the adverse competitive effects in the Johnson County banking market that otherwise might result from this proposal, Mercantile has committed to divest Central Mortgage's Chilhowee, Missouri, branch ("Branch"). Mercantile has committed that Branch will be divested to an organization that does not currently operate in the Johnson County banking market.[8] With this divestiture, upon consummation of the proposed transaction the HHI would increase by 247 points to 2146.

In addition, the number of depository institutions competing in the market would remain unchanged and several remaining competitors would have significant market shares. The record in this case also indicates that this market, which borders the Kansas City MSA, appears to be attractive to entry.[9] There also are numerous potential entrants into the Johnson County banking market, because Missouri permits statewide branching and acquisitions by out-of-state bank holding companies located in states adjoining Missouri.[10] Based on all the facts of record, including Mercantile's divestiture commitments and the number of competitors that would remain in the market, the Board concludes that consummation of this proposal would not result in significantly adverse effects on competition in the Johnson County banking market.

In the Morgan County banking market,[11] the increase in concentration of market deposits resulting from consummation of this acquisition, as measured by the HHI, indicates that the proposal could result in significantly adverse competitive effects.[12] In order to mitigate any potential adverse competitive effects in this market, Mercantile has committed that it will divest Farmers Bank of Stover, the only depository institution controlled by Central Mortgage that currently competes in the Morgan County banking market. Based on all the facts of record, including Mercantile's commitment to divest Farmers Bank of Stover, the Board concludes that consummation of this proposal would not result in significantly adverse effects on competition in the Morgan County banking market.[13]

In the Kansas City banking market, which is approximated by the Kansas City Ranally Metropolitan Area, consummation of this proposal would not exceed the thresholds set forth in the Department of Justice Merger Guidelines.[14] In addition, numerous competitors would remain in the Kansas City banking market after consummation of this proposal.

The Board sought comments from the United States Attorney General on the competitive effects of this proposal. The Attorney General did not object to the proposed acquisition and agreed, based on the proposed divestitures, to shorten the post-approval waiting period. Based on all the facts of record, including the facts discussed above and the divestitures proposed by Mercantile,[15] the Board concludes that consummation of this

5. The Johnson County banking market is approximated by Johnson County, Missouri.

6. Market deposit data are as of June 30, 1994, unless otherwise noted.

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 above 1800 is considered to be highly concentrated. The Justice Department has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anti-competitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank mergers for anti-competitive effects implicitly recognize the competitive effects of limited-purpose lenders and other non-depository financial entities.

8. The Board has received comments from the Farmers Produce Exchange stating that Chilhowee, Missouri, is located in a rural area and that closure of Branch would inconvenience the community. Because the divestiture of Branch to an out-of-market competitor would result in Branch's continuing to operate, the Board does not believe that consummation of this proposal would adversely affect the Chilhowee community.

9. The population of Johnson County, a non-MSA county, increased by 4 percent from 1990 to 1994, compared with average increases of 2.7 percent for Missouri as a whole and 3.1 percent for MSA counties in Missouri over the same time period.

10. *See* Mo. ANN. STAT §§ 362.107 and 362.925.

11. The Morgan County banking market is approximated by Morgan County, Missouri.

12. Upon consummation of this proposal, the HHI in the market would increase by 639 points to 4918.

13. Mercantile has committed to sell Farmers Bank of Stover either to an out-of-market organization or to a current market competitor whose acquisition of this bank would not cause the HHI to increase by more than 200 points.

14. The HHI in the Kansas City banking market would increase by 11 points to 742. Market deposit data for the Kansas City banking market are as of June 30, 1993.

15. As part of its commitment to divest Branch and Farmers Bank of Stover, Mercantile has committed to execute sales agreements for each of the proposed divestitures prior to consummation of this proposal, and to complete these divestitures within 180 days of consummation. Mercantile also has committed that in the event it is unsuccessful in completing these divestitures within 180 days of consummation, it will transfer Branch and Farmers Bank of Stover to an independent trustee that is acceptable to the Board and that will be instructed to sell Branch and Farmers Bank of Stover promptly. In addition, Mercantile has committed to submit to the Board, before consummation of the acquisition of Central Mortgage, an executed trust agreement acceptable to the

proposal would not have a significantly adverse effect on competition or the concentration of banking resources in any relevant banking market.

Convenience and Needs Considerations

In acting on an application to acquire a depository institution under the BHC Act, the Board must consider the convenience and needs of the communities to be served, and take into account the records of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate, consistent with their safe and sound operation. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution," and to take that record into account in its evaluation of applications.[16]

The Board has received comments from the Concerned Clergy Coalition ("Protestant") alleging that Mercantile's subsidiary bank, Mercantile Bank of Kansas City, Kansas City, Missouri ("MBKC"), has failed to meet the credit needs of its local community, especially the Eastside neighborhoods of Kansas City ("Eastside").[17] In particular, Protestant maintains that data submitted by MBKC under the Home Mortgage Disclosure Act ("HMDA") indicate disparities in the denial rates for loan applications submitted by minorities compared with those for white applicants, particularly for home improvement loans.[18] Protestant also asserts that MBKC engages in a low level of lending to small businesses, minorities and low- and moderate-income residents, and has inadequate marketing, outreach, credit needs assessment, product development, and community development programs. Protestant attributes some of MBKC's CRA-related shortcomings to the failure of MBKC's management to adequately monitor, coordinate and implement its CRA program and to turnover of CRA staff.[19]

In its consideration of the convenience and needs factor, the Board has carefully reviewed the entire CRA performance record of Mercantile, Central Mortgage, and their subsidiaries; all comments received on this proposal, including Mercantile's response to these comments; and all other relevant facts of record, in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").[20]

Record of CRA Performance

A. Evaluation of CRA Performance

The Agency CRA Statement provides that a CRA examination is an important and often controlling factor in the consideration of an institution's CRA record and that reports of these examinations will be given great weight in the applications process.[21] In this case, the Board notes that all 41 of Mercantile's subsidiary banks received "outstanding" or "satisfactory" ratings in the most recent examinations of their CRA performance. MBKC received a "satisfactory" rating from the Federal Reserve Bank of Kansas City at its most recent examination of CRA performance, as of July 1993. In addition, MBSL received an "outstanding" CRA performance rating from its primary federal supervisor, the Office of the Comptroller of the Currency, as of January 1993, and MBK received a "satisfactory" CRA performance rating from its primary federal supervisor, the Federal Deposit Insurance Corporation ("FDIC"), as of March 1994. Central Mortgage's subsidiary banks received "satisfactory" ratings at their most recent CRA examinations.

B. HMDA and Lending Practices

The Board has carefully reviewed the 1992 and 1993 HMDA data reported by MBKC for the Kansas City MSA and the Eastside, in light of Protestant's comments. The 1993 HMDA data, including data on home improvement loans, indicate a decrease in the percentage of loan applications from African Americans that were denied.[22] The 1993 HMDA data also indicate a decrease in the percentage of home improvement loan applica-

Board stating the terms of the divestitures. The Board's action is expressly conditioned on compliance with these commitments.

16. 12 U.S.C. § 2903.

17. Protestant defines the Eastside as the area bounded by Troost Avenue, Elmwood Avenue, Independence Avenue, and 85th Street.

18. Protestant also claims that MBKC discourages or prescreens potential loan applicants and has inadequate policies, procedures and training programs to ensure that there is no discrimination in its lending activities.

19. Protestant states that additional evidence of Mercantile's inadequate efforts to lend to minorities is provided by the records of two of Mercantile's other subsidiary banks, Mercantile Bank of St. Louis, N.A., St. Louis, Missouri ("MBSL"), and Mercantile Bank of Kansas, Shawnee Mission, Kansas ("MBK"). In particular, Protestant states that MBSL's HMDA data indicate that MBSL's racial disparity ratio for loan application denials is much higher than that of other lenders, and that the most recent CRA evaluation of MBK found violations of the Equal Credit Opportunity Act ("ECOA"), Fair Housing Act ("FHA"), and HMDA.

20. 54 *Federal Register* 13,742 (1989).

21. *Id.* at 13,745.

22. Although the number of home mortgage loans reported by MBKC under HMDA for the Kansas City MSA decreased by approximately

tions from low- and moderate-income applicants that were denied.

The HMDA data also reflect, however, disparities in denial and origination rates by racial group. The Board is concerned when the record of an institution indicates disparities in lending to minority applicants, and believes that all banks are obligated to ensure that their lending practices are based on criteria that assure not only safe and sound lending, but also assure equal access to credit by creditworthy applicants, regardless of race. The Board also recognizes that HMDA data alone have limitations that make the data an inadequate basis, absent other information, for conclusively determining whether an institution has engaged in illegal discrimination in making lending decisions.

The Board notes that the most recent CRA examinations of MBKC, MBK, and MBSL, found no evidence of any pattern or practice of discriminatory credit practices, or other practices designed to discourage credit applications.[23] Examiners found that the banks' delineations of their local communities were reasonable and did not arbitrarily exclude low- and moderate-income communities.

MBKC has taken steps to ensure that all loan applicants are treated equally in the lending process. For example, in June 1994, MBKC employees who participate in the loan application process were given formal training to increase their sensitivity to fair lending issues. In addition, MBKC recently established a second review program to help ensure equal treatment of borrowers in the lending process by requiring the appropriate department manager to review declined residential mortgage and certain consumer loan applications.

MBKC has taken a number of steps to meet housing-related and other credit needs within its community. For example, MBKC participates in the Insured Credit Services Loan Program ("ICSLP"), which offers unsecured privately-insured home improvement and all purpose loans using flexible underwriting criteria. In 1994, MBKC made 251 ICSLP loans, totalling $1.7 million, including 29 loans, totalling $124,000, to Eastside residents. In addition, MBKC offers home improvement loans guaranteed by the state of Missouri through the Missouri Housing Development Corporation Home Improvement Loan Program. In 1994, MBKC made nine home improvement loans, totalling $65,456, through this program, including three loans, totalling $17,271, to Eastside residents.

40 percent from 1992 to 1993, MBKC sustained its level of lending to minorities and Eastside residents over the same time period.

23. While FDIC examiners of MBK found some violations of the ECOA, FHA, and HMDA, the examiners did not conclude that MBK was engaged in discriminatory lending practices.

MBKC also offers housing-related loans to low- and moderate-income borrowers through its Community Partnership Program ("CPP"), which features flexible underwriting guidelines,[24] and the Rehabilitation Loan Corporation's ("RLC") "70/30" program and the Missouri Housing Development Corporation's ("MHDC") "80/20" program, which offer low- and moderate-income home buyers partially subsidized mortgages. In 1993, MBKC originated eight loans, totalling $325,800, through the CPP, RLC, and MHDC programs, and in 1994, MBKC originated SP loans, totalling $357,870, under these programs.[25]

MBKC also assists in meeting the affordable housing and other needs of low- and moderate-income residents throughout its delineated community by participating in community development programs. In the Eastside community, MBKC has committed to provide $2.1 million to the Mount Cleveland project to assist in the construction of 84 low- and moderate-income housing units and $500,000 to the Twelfth Street Heritage Development Corporation to fund mortgage loans for low- and moderate-income borrowers.[26] In addition, MBKC has provided $1.3 million for the construction of the Swope Parkway Health Center, a health facility to be located in the Eastside. MBKC also has provided $5.9 million to help finance the Glover Plan, a project intended to redevelop downtown Kansas City.

MBKC provides funding to meet the credit needs of small businesses in low- and moderate-income communities. In 1994, MBKC made 308 loans, totalling $9.6 million, to small businesses, including 19 loans, totalling $570,000, to small businesses located in the Eastside.[27]

C. Other Elements of CRA Performance

MBKC uses various methods to ascertain community credit needs, including direct contacts with community groups, religious groups, and local government.[28] In

24. Under the CPP program, low- and moderate-income applicants may qualify for long-term financing for up to 95 percent of the home purchase price. No fees are assessed under this program.

25. In 1994, MBKC made four loans, totalling $135,000, to Eastside residents through the CPP, RLC, and MHDC programs, compared to one $15,200 loan to an Eastside resident under these programs in 1993.

26. MBKC's commitment to the Twelfth Street Heritage Development Corporation was made in January 1995. Protestant contends that the Board should not rely on commitments made for future lending or new programs developed by MBKC because MBKC previously has failed to implement CRA-related programs that it announced. In reviewing the record of performance of MBKC under the CRA, the Board has relied on MBKC's established record of meeting the credit needs of its local community.

27. MBKC's 1994 small-business lending reflected a significant increase over 1993, when it made 184 small business loans, totalling approximately $5.7 million. MBKC defines small business loans as business loans of less than $100,000.

28. For example, MBKC is a member of the Community Lenders Luncheon, a forum for lenders and community development agencies in

addition, MBKC co-sponsors and participates in educational programs for minorities and low- and moderate-income residents on consumer and commercial lending programs available through MBKC.

The 1993 CRA performance examination of MBKC found that MBKC's marketing program was generally designed to reach its entire delineated community, including low- and moderate-income areas. MBKC markets its products and services through print media, direct mail and radio. These activities include marketing efforts specifically for minorities. For example, MBKC advertises in newspapers circulated in primarily minority communities and on a radio station that focuses on African-American audiences.

The 1993 CRA performance examination also found that MBKC's directors play an active role in the CRA process and regularly monitor the bank's compliance with the CRA. MBKC's CRA Committee consisting of senior managers and three bank directors, oversees all bank CRA initiatives and reviews the geographic distribution of MBKC's lending activities. The CRA Committee makes quarterly reports of MBKC's CRA activities to MBKC's board of directors.

Protestant has expressed concern that this proposal would result in the closing of a branch that serves Eastside residents ("Prospect Branch"). The 1993 CRA performance examination of MBKC noted that MBKC operates branches throughout the Kansas City MSA, and reported that the bank had adequate written policies and procedures to mitigate the effects of branch closings in its community. These policies and procedures provide that MBKC will consider the impact of a branch closing on the community and provide notice of a proposed branch closing to customers of the branch at least 90 days prior to the proposed closing.

Conclusion on Convenience and Needs Factors

The Board has carefully considered all the facts of record in this case, including the comments received, in reviewing the convenience and needs factor under the BHC Act. Based on a review of the entire record, including the programs and record of performance discussed above, information provided by Mercantile, and relevant reports of examination, the Board concludes that convenience and needs considerations, including the CRA performance records of Mercantile, Central Mortgage, and their subsidiary depository institutions, are consistent with approval of these applications.[29]

Other Considerations

The Board also concludes that the financial and managerial resources and future prospects of Mercantile and Central Mortgage, and their respective subsidiaries, are consistent with approval. Factors relating to the other supervisory factors the Board must consider under section 3 of the BHC Act also are consistent with approval.

Mercantile also proposes to engage in making, acquiring, and servicing loans or other extensions of credit and reinsuring credit life, accident and health insurance. The Board previously has determined that these activities are closely related to banking and permissible for bank holding companies under section 4(c)(8) of the BHC Act and Regulation Y.[30] Mercantile has committed to conduct these activities in accordance with the Board's regulations. The record in this case indicates that there are numerous providers of these services and that this proposal should provide added convenience to the customers of Mercantile and Central Mortgage. There is no evidence in the record to indicate that consummation of this proposal is likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices, that would not be outweighed by the likely public benefits of this proposal. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of this proposal.

Kansas City that gives lenders the opportunity to learn more about development activities in Kansas City in which lenders can participate, and the Single Family Working Committee, in which lenders and governmental agencies explore ways to provide affordable single-family housing to low- and moderate-income areas.

29. Protestant has asked the Board to hold a public hearing or public meeting to consider Mercantile's record in meeting its responsibilities under the CRA. Section 3(b) of the BHC Act does not require the Board to hold a hearing or meeting on an application unless the appropriate supervisory authority of the bank to be acquired makes a timely written recommendation of denial of the application. In this case, the Board has not received such a recommendation. Generally, under the Board's Rules of Procedure, 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 the Board's view, Protestant has had an opportunity to present written submissions, and Protestant has submitted substantial written comments that have been considered by the Board. In light of all the facts of record, the Board has determined that a public hearing or meeting is not necessary to clarify the factual record in this proposal, and is not otherwise warranted in this case. Accordingly, the request for a public hearing or meeting on these applications is denied.

Protestant also has stated that a thorough investigation of Mercantile's monitoring systems or internal testing of its affiliates for fair housing compliance should be made before approval of this proposal. These areas are reviewed in CRA performance and compliance examinations. As noted above, examiners of MBKC, MBK, and MBSL, did not find any evidence of discriminatory lending practices.

30. *See* 12 C.F.R. 225.25(b)(1) and (b)(8)

Based on the foregoing and other facts of record, the Board has determined that the applications and notice should be, and hereby are, approved. The Board's approval is expressly conditioned on Mercantile's compliance with all the commitments made in connection with the applications and notice. The determination on the nonbanking activities is subject to all the conditions in Regulation Y, including those in sections 225.7 and 225.23(b)(3), and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. The commitments and conditions relied on by the Board in reaching this 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 Central Mortgage's subsidiary banks shall not be consummated before the fifteenth calendar day following the effective date of this order, and the banking and nonbanking transactions 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 St. Louis, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 6, 1995.

Voting for this action: Chairman Greenspan and Governors LaWare, Lindsey, Phillips, and Yellen. Absent and not voting: Vice Chairman Blinder and Governor Kelley.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

ORDERS ISSUED UNDER BANK MERGER ACT

Premier Bank
Wytheville, Virginia

Order Approving the Merger of Banks and Establishment of Bank Branches

Premier Bank, Wytheville, Virginia ("Premier"), a state member bank, has applied under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) (the "Bank Merger Act") to acquire certain assets and assume certain liabilities of four branches of NationsBank of Virginia, N.A., Richmond, Virginia ("NationsBank of Virginia"). Premier also has applied under section 9 of the Federal Reserve Act (12 U.S.C. § 321) to establish branches at the current locations of the four NationsBank of Virginia branches.[1]

Notice of the applications, affording interested persons an opportunity to submit comments, has been given in accordance with the Bank Merger Act and the Board's Rules of Procedure (12 C.F.R. 262.3(b)). As required by the Bank Merger Act, reports on the competitive effects of the merger were requested from the United States Attorney General, the Office of the Comptroller of the Currency ("OCC"), and the Federal Deposit Insurance Corporation ("FDIC"). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in the Bank Merger Act and section 9 of the Federal Reserve Act.

Premier is a subsidiary of Premier Bankshares, Wytheville, Virginia, which is the 12th largest commercial banking organization in Virginia, controlling $495.9 million of deposits, representing 1 percent of total deposits in commercial banking organizations in the state.[2] NationsBank of Virginia, a subsidiary of NationsBank Corporation, Charlotte, North Carolina, is the largest commercial banking organization in Virginia, with deposits of $9.2 billion and a 15.9 percent share of deposits in commercial banks. The four branches of NationsBank of Virginia control deposits of $63.4 million, representing less than 1 percent of its share of deposits in the state. Upon consummation of the proposed transaction, Premier would become the 11th largest commercial bank in Virginia, controlling $559.3 million of deposits in the state.

Definition of Relevant Banking Market

Under the Bank Merger Act, the Board may not approve a proposal that would result in a monopoly or substantially lessen competition in any relevant market, unless the Board finds that "the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served." 12 U.S.C. § 1828(c)(5). In evaluating the competitive factors in this case, the Board has carefully considered the comments of a number of individuals ("Protestants") who maintain that the proposal would substantially lessen competition for banking services in Rural Retreat, Virginia. At the time of the announcement of the proposed transaction, Premier and NationsBank of Virginia were the only two banking organizations in Rural Retreat. However, on March 1, 1995, the Federal Reserve Bank of Richmond granted the Bank of Marion,

1. The locations of the branches that Premier proposes to establish are listed in the Appendix.
2. Market deposit data are as of September 30, 1994.

Marion, Virginia, permission to open a branch in Rural Retreat.

The Board and the courts have found that the relevant banking market for analyzing the competitive effects of a proposal must reflect commercial and banking realities and must consist of the local area where local customers can practicably turn for alternatives.[3] The Board has considered all the facts in this case, including comments from Protestants, and concludes that the relevant geographic market in which to evaluate the competitive effects of this proposal is Wythe County, Virginia (hereinafter referred to as the "Wythe County banking market").

Rural Retreat, a town of approximately 972 residents, is located in Wythe County. Wytheville, with a population of more than 8,000, is the county seat and largest town in Wythe County and it is attractive to residents throughout the county for employment and shopping.[4] Rural Retreat is 11 miles southwest of Wytheville. Travel time to Wytheville from Rural Retreat is approximately 10 minutes, and both Interstate Highway 81 and U.S. Highway 11 connect the two towns.

After review of the data discussed above and the other facts in this case, including comments from the Protestants, the Board concludes that the record indicates that customers in Rural Retreat reasonably can turn to providers of banking services throughout the Wythe County banking market. Based on all the facts of record, the Board finds that the relevant geographic market in this case is the Wythe County banking market.

Effects in the Relevant Banking Markets

Premier is the largest of six depository institutions in the Wythe County banking market, controlling deposits of $102.3 million, representing 34.2 percent of the total deposits in depository institutions in the market ("market deposits").[5] NationsBank is the second largest depository institution in the market, controlling $89.1 million of deposits, representing 29.8 percent of market deposits. Upon consummation of this proposal, Premier would control $165.7 million in deposits, representing 40 percent of total market deposits, and NationsBank of Virginia would continue to control 23.9 percent of the market deposits. The Herfindahl–Hirschman Index ("HHI") for the market would increase by 121 points to 2650.[6]

A number of factors indicate that the proposed acquisition would not have a significantly adverse effect on competition in the Wythe county market. For example, the number of competitors in the market would remain unchanged. In addition to NationsBank of Virginia, these competitors include a subsidiary of another large interstate banking organization with a market share of 19.2 percent.

As noted above, competitive factor reports were sought from the Attorney General, the OCC, and the FDIC, none of which objected to the consummation of this proposal or indicated that it would have any significantly adverse competitive effects. Accordingly, in light of the moderate increase in concentration, the number of competitors that would remain in the market, and other facts of record, the Board concludes that consummation of this proposal is not likely to result in any significantly adverse effect on competition in the Wythe County banking market.

In addition to the branch in the Wythe County market, Premier also proposes to acquire three branches of NationsBank of Virginia, located in the Galax, Virginia, banking market.[7] Premier and NationsBank of Virginia do not currently compete in this market. Based on the facts of record, the Board concludes that consummation of this proposal is not likely to result in any significantly adverse effect on competition in the Galax banking market.

Convenience and Needs Considerations

In acting on an application to acquire a depository institution, the Board must consider the convenience and needs of the communities to be served and take into account the records of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the

3. *See St. Joseph Valley Bank*, 68 *Federal Reserve Bulletin* 673, 674 (1982).

4. Population data are based on 1990 Census Bureau information.

5. Market data are as of June 30, 1994. In this context, depository institutions include commercial banks, savings banks, and savings associations. Market share data before consummation 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 WM Bancorp*, 76 *Federal Reserve Bulletin* 788 (1990); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984).

6. 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 above 1800 is considered to be highly concentrated. In such markets, the Justice Department is likely to challenge a merger that increases the HHI by more than 50 points. The Justice Department 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 Justice Department 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 non-depository financial entities.

7. The Galax banking market consists of the City of Galax, Grayson County, and most of Carrol County, Virginia.

local communities in which they operate. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institutions," and to take that record into account in its evaluation of applications.[8]

The Board received comments from a resident of Rural Retreat ("Protestant") alleging, in general, that Premier has failed to comply with the CRA, and, in particular, that Premier has failed to adequately ascertain and meet the need for small business lending in its community.

The Board has carefully reviewed the CRA performance record of Premier, Protestant's comments, and Premier's response to these comments, as well as all other relevant facts of record, in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").[9]

A. Record of CRA Performance

The Agency CRA Statement provides that a CRA examination is an important and often controlling factor in the consideration of an institution's CRA record and that these reports will be given great weight in the applications process.[10] The Board notes that on August 1, 1994, Premier received a "satisfactory" rating in its most recent examination for CRA performance by the Federal Reserve Bank of Richmond ("1994 CRA Examination").

B. Other Aspects of CRA Performance

The 1994 CRA Examination stated that Premier has adequate policies and procedures supporting nondiscrimination in all lending and credit activities. Furthermore, applications are solicited from all segments of the delineated community, including low- and moderate-income neighborhoods. Moreover, examiners noted that Premier is in compliance with the substantive provisions of antidiscrimination laws and regulations.[11]

Examiners noted that Premier is primarily a retail lender, although it regularly extends business loans that contribute to the economic growth of the community. The bank reports that it extended 165 small business loans in 1993, totalling $3.4 million, and 270 small business loans in 1994, totalling $6.1 million. During the first quarter of 1995, Premier approved 14 small business loans, totalling $2.4 million. Examiners also indicated that the bank participates, with five other local institutions, in a $300,000 loan pool for facade improvements for downtown businesses.

The 1994 CRA Examination also indicated that Premier originated 450 mortgage loans in 1993 primarily for the purpose of home purchase, home refinance, or home improvements. In addition, Premier made several loans to local developers for the construction, purchase, or renovation of low- to moderate-income rental housing, including a loan to build two duplexes in Rural Retreat and a loan to build a duplex in Bland County and to refinance a four-unit apartment complex. In addition, in 1993, Premier made 2,998 loans of amounts less than $5,000.

In the 1994 CRA Examination, the examiners noted that Premier's primary ascertainment activities were director and officer involvement in community organizations, supplemented by business and social relationships.[12] Examiners also concluded that Premier's marketing efforts were adequate and found that the bank routinely advertised loan and deposit products in local newspapers, radio and cable television stations that reached all segments of its delineated community.

C. Conclusion Regarding Convenience and Needs Factors

The Board has carefully considered all the facts of record, including the comments received, in reviewing the convenience and needs factors under the BHC Act.[13] Based on a review of the entire record of this proposal, including the most recent CRA performance examina-

8. *See* 12 U.S.C. § 2903.

9. 54 *Federal Register* 13,742 (1989).

10. *Id.* at 13,745.

11. Examiners noted certain technical reporting deficiencies under the Home Mortgage Disclosure Act and technical violations of the Equal Credit Opportunity Act. Management has taken corrective action to remedy these violations.

12. For example, Premier's directors and officers are involved with the Wythe Industrial Development Authority, Peaks of Virginia Industrial Development Authority, and Wytheville-Wythe-Bland Chamber of Commerce. In addition, an officer is vice mayor of Wytheville, and a director serves on the Pulaski County Board of Supervisors.

13. The Board also considered a number of comments from Rural Retreat residents objecting to this proposal and alleging that local financial institutions were not given the opportunity to acquire the NationsBank branches, that local lending decisions would no longer be made by lending officers who understand the credit needs of Rural Retreat residents, that the proposal would create delays in decisions on loan applications, and that elderly residents would be adversely affected. The record in this case indicates that NationsBank solicited bids from other financial institutions for the purchase of its Rural Retreat office. With regard to the other allegations raised, Premier has stated that all credit decisions for its customers are made promptly in nearby Wytheville by bank personnel familiar with the financial and economic conditions in Wythe County. In addition, the record indicates that Premier offers a variety of banking services to elderly customers, including a no-fee checking account and a waiver of the monthly maintenance fee on any non-interest bearing account. In light of all the facts of record, the Board concludes that these comments do not present adverse considerations under the convenience and needs factor.

tion of Premier, the Board concludes that convenience and needs considerations, including Premier's efforts to ascertain and meet the small business credit needs of its community are consistent with approval of these applications.

Other Considerations

The Board also concludes that the financial and managerial resources and future prospects of Premier are consistent with approval of these applications.

Based on the foregoing and all the facts of record, the Board has determined that these applications should be, and hereby are, approved. The Board's approval of this proposal is conditioned on compliance by Premier with the commitments made in connection with these applications. For purposes of this action, the commitments and conditions relied on in reaching this decision are both conditions imposed in writing by the Board and, as such, may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective April 24, 1995.

Voting for this action: Chairman Greenspan, Vice Chairman Blinder, and Governors Kelley, LaWare, Phillips, and Yellen. Absent and not voting: Governor Lindsey.

JENNIFER J. JOHNSON
Deputy Secretary of Board

Appendix

Branch offices of NationsBank of Virginia to be established by Premier:

1. 300 North Main Street, Galax, Virginia
2. Main Street, Fries, Virginia
3. 300 East Main Street, Independence, Virginia
4. Main & Buck Streets, Rural Retreat, Virginia

ORDERS ISSUED UNDER INTERNATIONAL BANKING ACT

Banco Exterior de España, S.A. Madrid, Spain

Order Approving Establishment of a Branch

Banco Exterior de España, S.A. ("Bank"), Madrid, Spain, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 7(d) of the IBA (12 U.S.C. § 3105(d)) to establish a state-licensed branch in New York, New York. A foreign bank must obtain the approval of the Board to establish a branch, agency, commercial lending company, or representative office in the United States under the Foreign Bank Supervision Enhancement Act of 1991 ("FBSEA"), which amended the IBA.

Notice of the application, affording interested persons an opportunity to submit comments, has been published in a newspaper of general circulation in New York, New York (*The New York Times*, June 30, 1994). The time for filing comments has expired and the Board has considered the application and all comments received.

Bank was the sixth largest bank in Spain in terms of assets as of December 31, 1993. Bank offers a wide range of banking and financial services through numerous offices and subsidiaries, primarily in Europe and North and South America. In the United States, Bank owns a subsidiary bank, Extebank, Stony Brook, New York, and maintains an agency in Miami, Florida, and a representative office in New York, New York. Upon establishment of the proposed branch, the New York representative office would be dissolved and its operations taken over by the branch. Bank is a qualifying foreign banking organization as defined in Regulation K. 12 C.F.R. 211.23(b).

Bank's majority shareholder, Corporación Bancaria de España ("CBE"), also known as "Argentaria," is one of the largest financial groups in Spain.[1] CBE was created in 1991 by the Spanish government as a "governmental company" with bank status to serve as a holding company for Bank and several other financial institutions controlled by the government. The Spanish government currently owns 50.9 percent of the voting shares of CBE. CBE is a qualifying foreign banking organization as defined in Regulation K. 12 C.F.R. 211.23(b).

In order to approve an application by a foreign bank to establish a branch in the United States, the IBA and Regulation K require the Board to determine that the foreign bank engages directly in the business of banking outside of the United States and has furnished to the Board the information it needs to assess adequately the application. The Board also must determine that the foreign bank applicant and any foreign bank parent are subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor. 12 U.S.C. § 3105(d)(2), 12 C.F.R. 211.24(c)(1). The IBA and Regulation K also permit the Board to take into account additional standards. 12 U.S.C. § 3105(d)(3)-(4)), 12 C.F.R. 211.24(c)(2).

1. As of December 31, 1994, CBE owned 73.2 percent of the shares of Bank and 6.7 percent of Bank's shares were held by Spanish state entities; the remainder were publicly held. CBE also has four other principal bank subsidiaries in Spain.

Bank engages directly in the business of banking outside of the United States through its branches in Europe, South America and elsewhere. Bank also has provided the Board with the information necessary to assess the application through submissions that address the relevant issues.

Regulation K provides that a foreign bank and any parent foreign bank will be considered to be subject to comprehensive supervision or regulation on a consolidated basis if the Board determines that the bank is supervised and regulated in such a manner that its home country supervisor receives sufficient information on the bank's worldwide operations, including its relationship to any affiliate, to assess the bank's overall financial condition and its compliance with law and regulation.[2] 12 C.F.R. 211.24(c)(1). The Board has previously determined that other Spanish credit institutions are subject to comprehensive supervision on a consolidated basis by their home country supervisor, the Bank of Spain.[3] Bank and CBE have provided information demonstrating that Bank and CBE are subject to the same regulatory scheme applicable to these other institutions.[4] In addition, the Bank of Spain has stated that in performing its supervisory functions, it makes no distinction between private and government-owned banks. Based on all the facts of record, the Board concludes that Bank and CBE are subject to comprehensive supervision on a consolidated basis by their home country supervisor.

In considering these applications, the Board also has taken into account the additional standards set forth in section 7 of the IBA. 12 U.S.C. § 3105(d)(3)-(4). Bank's home country supervisor, the Bank of Spain, has authorized the establishment of the proposed branch in New York.

Managerial and financial resources of Bank are also considered consistent with approval. Bank, which has numerous branches and subsidiaries outside Spain, appears to have the experience and capacity to conduct banking operations in the United States through the proposed branch. In addition, Bank has established controls and procedures for its U.S. offices to ensure compliance with U.S. law.

Spanish risk-based capital standards conform to European Union capital standards which are consistent with those established under the Basle Accord. CBE's and Bank's capital ratios are in excess of the minimum levels that would be required by the Basle Accord and are considered equivalent to capital that would be required of a U.S. banking organization.

Finally, with respect to access to information regarding Bank's operations, the Board has reviewed relevant provisions of Spanish law and has communicated with the appropriate government authorities. Bank and CBE have committed that they will make available to the Board such information on the operations of Bank and any affiliate of Bank that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act of 1956, as amended, and other applicable federal law. To the extent that the provision of such information to the Board may be prohibited or impeded by law, Bank and CBE have committed to cooperate with the Board in obtaining any necessary consents or waivers that might be required from third parties in connection with disclosure of certain necessary information. In addition, subject to certain conditions, the Bank of Spain has agreed to cooperate in providing the Board with information on Bank's and CBE's operations. 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 and CBE, as well as the terms and conditions set forth in this order, the Board has determined that Bank's application to establish a branch should be, and hereby is, approved. Should any restrictions on access to information on the operations or activities of Bank and any of its affiliates subsequently interfere with the Board's ability to determine the safety and soundness of Bank's U.S. operations or the 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 is also specifically conditioned on compliance by Bank and CBE with the commitments made in connection with this application, and with the conditions contained in this order.[5] The commit-

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

(i) Ensures that the bank has adequate procedures for monitoring and controlling its activities worldwide;

(ii) Obtains information on the condition of the bank and its subsidiaries and offices outside the home country through regular examination reports, audit reports, or otherwise;

(iii) Obtains information on the dealings with and relationship between the bank and its affiliates, both foreign and domestic;

(iv) Receives 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; and

(v) Evaluates prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis.

These are indicia of comprehensive, consolidated supervision. No single factor is essential, and other elements may inform the Board's determination.

3. *See, Banco de Sabadell, S.A.*, 79 *Federal Reserve Bulletin* 366 (1993); and *Banco Santander, S.A.*, 79 *Federal Reserve Bulletin* 622 (1993).

4. CBE qualifies as a bank under Spanish law and is subject to regulation and supervision as such by the Bank of Spain.

5. The Board's authority to approve the establishment of the proposed branch parallels the continuing authority of the New York State Bank-

ments 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 12 U.S.C. § 1818 or 12 U.S.C. § 1847 against Bank and its affiliates.

By order of the Board of Governors, effective April 5, 1995.

Voting for this action: Chairman Greenspan and Governors LaWare, Lindsey, Phillips, and Yellen. Absent and not voting: Vice Chairman Blinder and Governor Kelley.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

Banco Francés del Río de la Plata S.A.
Buenos Aires, Argentina

Order Approving Establishment of a Representative Office

Banco Francés del Río de la Plata S.A. ("Bank"), Buenos Aires, Argentina, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 10(a) of the IBA (12 U.S.C. § 3107(a)) to establish a representative office in New York, New York. The Foreign Bank Supervision Enhancement Act of 1991 ("FBSEA"), which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish a representative office in the United States.

Notice of the application, affording interested persons an opportunity to submit comments, has been published in a newspaper of general circulation in New York, New York (*New York Newsday*, July 11, 1994). The time for filing comments has expired and the Board has considered the application and all comments received.

Bank is the third largest private commercial bank in Argentina and has total consolidated assets of approximately $2.3 billion.[1] An Argentinian holding company owns approximately 30.9 percent of Bank's shares, and is the only entity that holds more than 10 percent of Bank's shares. The remainder of the stock of Bank is widely held. Bank operates through 65 branches in Argentina, and has four domestic nonbank subsidiaries engaged in stock brokerage, venture capital, insurance brokerage and pension fund administration. Bank's only overseas operation is a bank subsidiary in the Cayman Islands.

The proposed representative office would engage in traditional representative functions, including marketing Bank's services in relation to all types of banking business. The proposed representative office would not accept any deposits or make any loans, make any business decision for the account of Bank, or otherwise transact any banking business.

In acting on an application to establish a representative office, the IBA and Regulation K provide that the Board shall take into account whether the foreign bank engages directly in the business of banking outside of the United States and has furnished the Board the information it needs to assess adequately the application. The Board also shall take into account whether the foreign bank and any foreign bank parent is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor (12 U.S.C. § 3105(d)(2); 12 C.F.R. 211.24). The Board may also take into account additional standards as set forth in the IBA (12 U.S.C. § 3105(d)(3)-(4)) and Regulation K (12 C.F.R. 211.24(c)).

The Board has stated previously that the standards that apply to the establishment of a branch or agency need not in every case apply to the establishment of a representative office because representative offices do not engage in a banking business and cannot take deposits or make loans.[2] In evaluating an application to establish a representative office under the IBA and Regulation K, the Board will take into account the standards that apply to establishment of branches and agencies, subject to the following considerations. With respect to supervision by home country authorities, a foreign bank that proposes to establish a representative office must be subject to a significant degree of supervision by its home country supervisor.[3] A foreign bank's financial and managerial resources will be reviewed to determine whether its financial condition and performance demonstrate that it is capable of complying with applicable laws and has an operating record that would be consistent with the establishment of a representative office in the United States. Finally, all foreign banks, whether operating through branches, agencies or representative offices, will be required to provide adequate assurances of access to information on the operations of bank and its affiliates necessary to determine compliance with U.S. laws.

In this case, with respect to the issue of supervision by home country authorities, the Board has considered the following information. The Central Bank of the Republic of Argentina ("Central Bank") is the bank supervi-

ing Department to license offices of a foreign bank. The Board's approval of this application does not supplant the authority of the State of New York, and its agent, the New York State Banking Department, to license the proposed branch of Bank in accordance with any terms or conditions that the New York State Banking Department may impose.

1. Data are as of December 31, 1994, unless otherwise noted.

2. *See* 58 *Federal Register* 6348, 6351 (1993).

3. *See Citizens National Bank*, 79 *Federal Reserve Bulletin* 805 (1993).

sory authority in Argentina and, as such, is the home country supervisor of Bank. The Central Bank has authorized Bank to establish the proposed representative office. The Central Bank performs its supervisory function through the Superintendency of Financial Entities. The Central Bank is authorized to approve and revoke bank licenses, set capital and liquidity requirements, approve the establishment of domestic or overseas offices or subsidiaries, and approve new banking activities. The Central Bank is also responsible for enforcement of laws regulating banking activities.

In approving an application by another Argentine bank, the Board noted that the Central Bank currently is in the process of making significant changes and enhancements to its system of bank supervision.[4] Under the enhanced system, the Central Bank monitors the operations and financial condition of Bank through on-site inspections and the review of required regulatory reports and external audit reports. Bank is subject to comprehensive annual inspections. Comprehensive inspections include a review of internal controls, credit policy, portfolio risk, capital and reserve requirements, transactions with related institutions, and foreign exchange operations and foreign currency transactions. Comprehensive inspections also include an evaluation of management's ability to operate the bank in a safe and sound manner.

Off-site monitoring of Bank by the Central Bank is carried out through the review of required financial reports and external audit reports that provide information on Bank's financial condition and compliance with law and regulation. Bank files with the Central Bank monthly, quarterly, and annual reports that are prepared on a consolidated basis and that address, among other things, asset balances, earnings performance, asset and liability structure, credit risk of large borrowers, and financial transactions with affiliates. The Central Bank also imposes certain investment and lending limits on Bank in its dealings with affiliates, senior management and directors. Bank is also required by the Central Bank to establish adequate internal control procedures in order to effectively monitor and control its worldwide activities. Bank conducts periodic internal audits of its domestic and foreign operations and has implemented policies and procedures to safeguard against money laundering and other illicit activities.

Based on all the facts of record, which include the information described above, the Board concludes that factors relating to the supervision of Bank by its home country supervisors are consistent with approval of the proposed representative office.

4. *See Banco de Galicia y Buenos Aires*, 80 *Federal Reserve Bulletin* 846 (1994).

The Board has also found that Bank engages directly in the business of banking outside of the United States through its commercial banking operations in Argentina. Bank has provided the Board with the information necessary to assess the application through submissions that address the relevant issues.

The Board has also taken into account the additional standards set forth in section 7 of the IBA and Regulation K (*see* 12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)(2)). As noted above, the Central Bank has authorized Bank to establish the proposed representative office. In addition, the Central Bank may share information on Bank's operations with other supervisors, including the Board.

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

Finally, with respect to access to information about Bank's operations, the Board has reviewed the relevant provisions of law in Argentina and has communicated with appropriate governmental authorities regarding access to information. Bank and its ultimate parent have each committed to make available to the Board such information on the operations of Bank and its affiliates that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act of 1956, as amended, and other applicable Federal law. To the extent that the provision of such information may be prohibited by law, Bank and its ultimate parent have committed to cooperate with the Board in obtaining any necessary consents or waivers that might be required from third parties in connection with the disclosure of certain necessary information. 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 and its ultimate parent, as well as the terms and conditions set forth in this order, the Board has determined that Bank's application to establish a representative office should be, and hereby is, approved. If any restrictions on access to information on the operations or activities of Bank and any of its affiliates subsequently interfere with the Board's ability to determine the 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 is also specifically conditioned on compliance by Bank and its ultimate parent with the commitments made in connection with this application, and with the conditions in this order.[5] The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with its decision, and may be enforced in proceedings under 12 U.S.C. § 1818 against Bank and its affiliates.

By order of the Board of Governors, effective April 24, 1995.

Voting for this action: Chairman Greenspan, Vice Chairman Blinder, and Governors Kelley, LaWare, Phillips, and Yellen. Absent and not voting: Governor Lindsey.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

The Farmers Bank of China
Taipei, Taiwan

Order Approving Establishment of a Branch

The Farmers Bank of China ("Bank"), Taipei, Taiwan, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 7(d) of the IBA (12 U.S.C. § 3105(d)) to establish a state-licensed limited branch in Los Angeles, California. The Foreign Bank Supervision Enhancement Act of 1991 ("FBSEA"), which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish a branch in the United States.

Notice of the application, affording interested persons an opportunity to submit comments, has been published in a newspaper of general circulation in Los Angeles, California (*Los Angeles Times*, January 8, 1995). The time for filing comments has expired and all comments have been considered.

Bank, with assets of $13.7 billion on December 31, 1994, is the 11th largest bank in Taiwan. The Taiwanese central government through its agency, the Ministry of Finance ("Ministry"), owns almost 60 percent of Bank's shares. The remaining shares of Bank are widely held by the general public.

Bank operates 56 branches throughout Taiwan, and one subsidiary, Datum Real Estate Management Company, Ltd. ("Datum"), Taipei, Taiwan.[1] Bank's existing branch in Seattle, Washington, was established in April 1991. In addition, Bank operates an offshore banking unit in Taiwan.

Bank's primary purpose for establishing the branch is to obtain better access to the California banking market, and to facilitate trade between the United States and Taiwan. As a limited branch, the proposed branch would be prohibited from accepting deposits from sources other than those permitted pursuant to section 5 of the IBA and section 25A of the Federal Reserve Act.[2] The activities of the proposed branch also would include making loans, issuing and confirming letters of credit, foreign exchange trading, international trade finance and wire transfers. Bank does not engage directly or indirectly in any nonbanking activities in the United States, and would be a qualifying foreign banking organization within the meaning of Regulation K after establishing the proposed branch. 12 C.F.R. 211.23(b).

Bank has received approval to establish the proposed branch from the Ministry, conditioned upon approval of the proposed branch by the relevant authorities in the United States. Bank has applied to the California State Banking Department for approval to establish the proposed branch.

In order to approve an application by a foreign bank to establish a branch in the United States, the IBA and Regulation K require the Board to determine that the foreign bank applicant engages directly in the business of banking outside of the United States, and has furnished to the Board the information it needs to adequately assess the application. The Board must also determine that the foreign bank is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor (12 U.S.C. § 3105(d)(2)). The Board may also take into account additional standards as set forth in the IBA (12 U.S.C. § 3105(d)(3)-(4)) and Regulation K (12 C.F.R. 211.24(c)).

Bank engages directly in the business of banking outside of the United States through its extensive commercial banking operations in Taiwan. Bank also has provided the Board with the 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 comprehensive supervision

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

1. Datum, with assets of $199 million, provides construction management and oversight services.

2. Bank is proposing to open a limited branch under section 5 of the IBA because it already operates a full-service branch in Seattle, Washington, and has designated Washington as its home state. 12 U.S.C. § 3103.

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 foreign bank's worldwide operations, including the relationship of the foreign bank to any affiliate, to assess the overall financial condition of the foreign bank and its compliance with law and regulation (12 C.F.R. 211.24(c)(1)).[3] In making its determination under this standard, the Board has considered the following information.

Bank is supervised and regulated by the Ministry and the Taiwanese Central Bank ("Central Bank"), which share responsibility for the supervision of Taiwanese banks. The Banking Law of Taiwan grants the Ministry overall authority for the regulation and supervision of Taiwanese banks, including commercial banks, such as Bank.[4] The Ministry has delegated the authority to the Central Bank to act as the primary examiner of banks in Taiwan, in which capacity the Central Bank conducts mandatory annual examinations.[5]

The Board has previously determined, in connection with applications involving other Taiwanese banks, including Chiao Tung Bank, Taipei, Taiwan, that these banks were subject to home country supervision on a consolidated basis.[6] In this case, Bank is supervised by the Ministry and the Central Bank on the same terms and conditions as Chiao Tung Bank. Based on all the facts of record, the Board has determined that Bank is subject to comprehensive supervision and regulation on a consolidated basis by its home country supervisors.

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

4. This authority permits the Ministry to, among other things, issue licenses, limit activities and expansion, conduct examinations, set minimum capital and liquidity ratios, limit credit extensions, restrict director interlocks, define qualifications for management, and take enforcement actions.

5. Bank receives additional oversight by the Ministry of Audit, an auditor of government agencies and government-owned enterprises. This oversight is secondary to supervision by the Ministry and the Central Bank.

6. *See Chiao Tung Bank*, 79 *Federal Reserve Bulletin* 543 (1993). *See also Taipei Bank*, 79 *Federal Reserve Bulletin* 143 (1993); *Bank of Taiwan*, 79 *Federal Reserve Bulletin* 541 (1993); and *United World Chinese Commercial Bank*, 79 *Federal Reserve Bulletin* 146 (1993).

The Board has also taken into account the additional standards set forth in section 7 of the IBA (*see* 12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)(2)). Bank has provided the Board with the information necessary to assess the application through submissions that address the relevant issues. As noted above, Bank has received the consent of its home country authorities to establish the proposed state-licensed branch. In addition, the Ministry may share information on Bank's operations with other supervisors, including the Board.

Bank must comply with the minimum capital standards of the Basle Accord, as implemented by Taiwan. Bank's capital exceeds these minimum standards and can be considered equivalent to capital that would be required of a U.S. banking organization. Managerial and other financial resources of Bank are also considered consistent with approval, and Bank appears to have the experience and capacity to support the proposed branch. Bank has established controls and procedures for the proposed branch in order to ensure compliance with U.S. law, as well as controls and procedures for its worldwide operations generally.

Bank has committed that it will make available to the Board such information on the operations of Bank and any affiliate of Bank that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act of 1956, as amended, and other applicable federal law. To the extent that the provision of such information is prohibited or impeded by law, 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 Ministry and the Central Bank 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 a state-licensed limited branch should be, and hereby is, approved. Should any restrictions on access to information on the operations or activities of Bank and its affiliates subsequently interfere with the Board's ability to determine the safety and soundness of Bank's U.S. operations or the compliance by Bank or its affiliates with applicable federal statutes, the Board may require termination of any of the Bank's direct or indirect activities in the United States. Approval of this application is also 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 12 U.S.C. § 1818 or 12 U.S.C. § 1847 against Bank, its office and its affiliates.

By order of the Board of Governors, effective April 24, 1995.

Voting for this action: Chairman Greenspan, Vice Chairman Blinder, and Governors Kelley, LaWare, Phillips, and Yellen. Absent and not voting: Governor Lindsey.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

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

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT
By Federal Reserve Banks

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

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Brill Bancshares, Inc., Brill, Wisconsin	Brill State Bank, Brill, Wisconsin	Minneapolis	April 12, 1995
CFX Corporation, Keene, New Hampshire	Orange Savings Bank, Orange, Massachusetts CFX Interim Trust Company, Orange, Massachusetts	Boston	April 4, 1995
Chambers Bancshares, Inc., Danville, Arkansas	Bank of Atkins, Atkins, Arkansas	St. Louis	April 4, 1995
Commerce Bancshares, Inc., Kansas City, Missouri CBI-Illinois, Inc., Kansas City, Missouri	Chillicothe State Bancorp, Inc., Chillicothe, Illinois	Kansas City	April 12, 1995
Community Bancshares, Inc. Employee Stock Ownership Plan, Neosho, Missouri	Seneca Management Company, Neosho, Missouri	Kansas City	April 14, 1995
Community Group, Inc., Chattanooga, Tennessee	Etowah Bancing Company, Etowah, Tennessee	Atlanta	March 30, 1995
CRB Financial Corp., San Antonio, Texas	Camino Real Bancshares, Inc., San Antonio, Texas Camino Real Delaware, Inc., Wilmington, Delaware Camino Real Bank, N.A., Eagle Pass, Texas	Dallas	March 31, 1995
Danny Management, Inc., Muleshoe, Texas	DG Partnership, Ltd., Muleshoe, Texas Muleshoe Bancshares, Inc., Muleshoe, Texas First Bank of Muleshoe, Muleshoe, Texas	Dallas	April 19, 1995

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
ESB Bancorp, Inc., Enfield, North Carolina	Enfield Savings Bank, Inc., SSB, Enfield, North Carolina	Richmond	April 10, 1995
FBD Holding Company, Dalton, Georgia	First Bank of Dalton, Dalton, Georgia	Atlanta	April 18, 1995
FCFT, Inc., Princeton, West Virginia	Bank of Mount Hope, Inc. Mount Hope, West Virginia	Richmond	March 29, 1995
First Community Bank Group, Inc., Hopkins, Minnesota Todd County Agency, Inc., Hopkins, Minnesota	Citizens State Bank of Barrett, Barrett, Minnesota	Minneapolis	April 19, 1995
First Interstate BancSystem of Montana, Inc., Billings, Montana	First Park County Bancshares, Inc., Livingston, Montana	Minneapolis	April 11, 1995
Golden Bancshares, Inc., Golden, Illinois	Maurice L. Quinn Properties, Inc., Northbrook, Illinois	St. Louis	April 5, 1995
Greater Rome Bancshares, Inc., Rome, Georgia	Greater Rome Bank, Rome, Georgia	Atlanta	March 29, 1995
Habersham Bancorp Cornelia, Georgia	Security Bancorp, Inc., Canton, Georgia	Atlanta	April 19, 1995
Hibernia Corporation, New Orleans, Louisiana	Progressive Bancorporation, Inc., Houma, Louisiana	Atlanta	March 31, 1995
Hibernia Corporation, New Orleans, Louisiana	STABA Bancshares, Inc., Donaldsonville, Louisiana	Atlanta	April 6, 1995
Jacksonville Bancorp, M.H.C., Jacksonville, Illinois	Jacksonville Savings Bank, Jacksonville, Illinois	St. Louis	March 31, 1995
Lima Bancshares, Inc., Lima, Illinois	Wemple State Bank, Waverly, Illinois	St. Louis	March 29, 1995
Mercantile Bancorporation Inc., St. Louis, Missouri Mercantile Bancorporation Inc. of Arkansas, St. Louis, Missouri	TC Bankshares, Inc., North Little Rock, Arkansas	St. Louis	April 10, 1995
Norwest Corporation, Minneapolis, Minnesota	Norwest Bank Grand Forks, N.A., Grand Forks, North Dakota	Minneapolis	April 12, 1995
Old Second Bancorp, Inc., Aurora, Illinois	Bank of Sugar Grove, Sugar Grove, Illinois	Chicago	April 13, 1995
Overland Bancorp., Inc., Belton, Missouri	Bank of Belton, Belton, Missouri	Kansas City	March 20, 1995
Stine Family Partnership, Grand Island, Nebraska	United Nebraska Financial Company, Grand Island, Nebraska	Kansas City	April 11, 1995
Turner Bancshares, Inc., Belgrade, Missouri	HDJ Turner Company, d/b/a Potosi Abstract Co., Potosi, Missouri	St. Louis	April 3, 1995
Valrico Bancorp, Inc., Valrico, Florida	Valrico State Bank, Valrico, Florida	Atlanta	April 14, 1995
Westamerica Bancorporation, San Rafael, California	North Bay Bancorp, Novato, California	San Francisco	April 18, 1995

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Barnett Banks, Inc., Jacksonville, Florida	Barnett Dealer Financial Services, Inc., Jacksonville, Florida	Atlanta	April 10, 1995
Capital Bancorporation, Inc., Cape Girardeau, Missouri	Home Federal Savings and Loan Association, Jonesboro, Arkansas	St. Louis	April 14, 1995
Cass Commercial Corporation, St. Louis, Missouri	To engage *de novo* in acquiring and holding credit card receivables	St. Louis	March 31, 1995
Chemical Banking Corporation, New York, New York	Chemical Mellon Shareholder Services, Ridgefield Park, New Jersey	New York	April 18, 1995
Deutsche Bank AG, Frankfurt, Federal Republic of Germany	ITT Business Services Corporation, Clayton, Missouri, ITT Commercial Finance Corporation, Hato Rey, Puerto Rico	New York	April 18, 1995
First Maryland Bancorp, Baltimore, Maryland Allied Irish Banks, p.l.c., Dublin, Ireland	To engage *de novo* in the activity of community development, by making investments in limited partnerships which would acquire, construct, or rehabilitate low- and moderate-income housing	Richmond	April 17, 1995
Mellon Bank Corporation, Pittsburgh, Pennsylvania	Chemical Mellon Shareholder Services, Ridgefield Park, New Jersey	Cleveland	April 18, 1995
Mercantile Bancorporation Inc., St. Louis, Missouri	St. Louis Business Development Fund, St. Louis, Missouri	St. Louis	April 7, 1995
National City Bancshares, Inc., Evansville, Indiana	United Financial Bancorp, Inc., Vincennes, Indiana	St. Louis	April 13, 1995
NBD Bancorp, Inc., Detroit, Michigan NBD Illinois, Inc., Mount Prospect, Illinois	Deerbank Corporation, Deerfield, Illinois Deerfield Federal Savings and Loan Association, Deerfield, Illinois Northern Illinois Financial Service Corporation, Deerfield, Illinois	Chicago	April 5, 1995
Norwest Corporation, Minneapolis, Minnesota	First National Bank of Parker, Parker, Colorado	Minneapolis	March 31, 1995
Professional Bancorp, Santa Monica, California	To engage *de novo* in the making, acquiring or servicing of loans or other extensions of credit	San Francisco	April 18, 1995
Regions Financial Corporation, Birmingham, Alabama	Fidelity Federal Savings Bank, Dalton, Georgia	Atlanta	March 17, 1995
Sidell Bancorp, Inc., Sidell, Illinois	To engage *de novo* in the nonbanking activity of making and servicing loans	Chicago	March 29, 1995
Swiss Bank Corporation, Basel, Switzerland	Brinson Holdings, Inc., Chicago, Illinois	New York	March 28, 1995
Union Bancorporation, Defiance, Iowa	To engage *de novo* in making and servicing loans	Chicago	April 7, 1995

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
First National Bancorp, Gainesville, Georgia	FF Bancorp, Inc., New Smyrna Beach, Florida Key Bancshares, Inc., Tampa, Florida The Key Bank of Florida, Tampa, Florida First Federal Savings Bank of New Smyrna, New Smyrna Beach, Florida First Federal Savings Bank of Citrus County, Inverness, Florida	Atlanta	April 13, 1995
First State Bancorp of Monticello, Inc. Employee Stock Option Plan, Monticello, Illinois	First State Bancorp of Monticello, Monticello, Illinois	Chicago	March 27, 1995

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
Community Bank and Trust, Neosho, Missouri	State Bank of Seneca, Seneca, Missouri	Kansas City	April 14, 1995
Fifth Third Bank of Central Indiana, Indianapolis, Indiana	Fifth Third Bank of Southeastern Indiana, Greensburg, Indiana	Chicago	March 30, 1995
Merchants Bank, Vicksburg, Mississippi	Bank of Edwards, Edwards, Mississippi	Atlanta	March 31, 1995

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.

Money Station, Inc. v. Board of Governors, No. 95–1182 (D.C. Cir., filed March 30, 1995). Petition for review of a Board order dated March 1, 1995, approving notices by Bank One Corporation, Columbus, Ohio; CoreStates Financial Corp., Philadelphia, Pennsylvania; PNC Bank Corp., Pittsburgh, Pennsylvania; and KeyCorp, Cleveland, Ohio, to acquire certain data processing assets of National City Corporation, Cleveland, Ohio, through a joint venture subsidiary.

Jones v. Board of Governors, No. 95–1142 (D.C. Cir., filed March 3, 1995). Petition for review of a Board order dated February 2, 1995, approving the applications by First Commerce Corporation, New Orleans, Louisiana, to merge with City Bancorp, Inc., New Iberia, Louisiana, and First Bankshares, Inc., Slidell, Louisiana. Petitioner filed a motion for injunctive relief on April 3, 1995. On April 17, 1995, the Board filed its opposition to the motion.

In re Subpoena Duces Tecum, No. 95–5034 (D.C. Cir., filed January 26, 1995). Appeal of partial denial of plaintiff's motion to compel production of examination and other supervisory material in connection with a shareholder derivative action against a bank holding company.

Kuntz v. Board of Governors, No. 95–3044 (6th Cir., filed January 12, 1995). Petition for review of a Board order dated December 19, 1994, approving an application by KeyCorp, Cleveland, Ohio, to acquire BANKVERMONT Corp., Burlington, Vermont. On February 10, 1995, the Board filed its motion to dismiss.

Zemel v. Board of Governors, No. 95–5007 (D.C. Cir., filed December 30, 1994). Appeal of district court's dismissal of Age Discrimination in Employment Act case.

In re Subpoena Duces Tecum, Misc. No. 95–06 (D.D.C., filed January 6, 1995). Action to enforce subpoena seeking pre-decisional supervisory documents sought in connection with an action by Bank of New England Corporation's trustee in bankruptcy against the Federal Deposit Insurance Corporation. The Board filed its opposition on January 20, 1995.

Cavallari v. Board of Governors, No. 94–4183 (2d Cir., filed October 17, 1994). Petition for review of Board order of prohibition against a former outside counsel to a national bank (80 *Federal Reserve Bulletin* 1046 (1994)). The case was consolidated with a petition for review of orders of the Comptroller of the Currency imposing a civil money penalty and cease and desist order against petitioner (*Cavallari v. OCC*, No. 94–4151). Oral argument was heard on March 23, 1995.

In re Subpoena Duces Tecum, No. 94–MS-214 (D. D.C., filed June 27, 1994). Subpoena enforcement case in which the plaintiff in a securities fraud class action seeks examination reports and internal Board memos. On February 1, 1995, the court granted the plaintiff's motion to compel, subject to the Board's right to claim privilege with respect to the documents sought.

Beckman v. Greenspan, No. CV 94–41-BCG-RWA (D. Mont., filed April 13, 1994). Action against Board and others seeking damages for alleged violations of constitutional and common law rights. The Board's motion to dismiss was filed May 19, 1994.

Board of Governors v. Ghaith R. Pharaon, No. 91–CIV-6250 (S.D. New York, filed September 17, 1991). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On September 17, 1991, the court issued an order temporarily restraining the transfer or disposition of the individual's assets.

Final Enforcement Orders Issued by the Board of Governors

Dane B. Britton
Ellsworth, Kansas

The Federal Reserve Board announced on April 5, 1995, the issuance of an Order of Prohibition against Dane B. Britton, a former officer and institution-affiliated party of the Citizens State Bank and Trust Company, and Britton Bancshares, Inc., Ellsworth, Kansas.

Steven J. Hirsch
Roberts, Wisconsin

The Federal Reserve Board announced on April 5, 1995, the issuance of an Order of Assessment of a Civil Money Penalty against Steven J. Hirsch, the president and a director of Investors Bancorporation, Inc., Roberts, Wisconsin.

Written Agreements Approved by Federal Reserve Banks

Southern Security Bank Corporation, Inc.
Deerfield Beach, Florida

The Federal Reserve Board announced on April 19, 1995, the execution of a Written Agreement between the Federal Reserve Bank of Atlanta and Southern Security Bank Corporation, Inc., Deerfield Beach, Florida.

Membership of the Board of Governors of the Federal Reserve System, 1913–95

APPOINTIVE MEMBERS[1]

Name	Federal Reserve District	Date of initial oath of office	Other dates and information relating to membership[2]
Charles S. Hamlin	Boston	Aug. 10, 1914	Reappointed in 1916 and 1926. Served until Feb. 3, 1936.[3]
Paul M. Warburg	New York	do	Term expired Aug. 9, 1918.
Frederic A. Delano	Chicago	do	Resigned July 21, 1918.
W.P.G. Harding	Atlanta	do	Term expired Aug. 9, 1922.
Adolph C. Miller	San Francisco	do	Reappointed in 1924. Reappointed in 1934 from the Richmond District. Served until Feb. 3, 1936.[3]
Albert Strauss	New York	Oct. 26, 1918	Resigned Mar. 15, 1920.
Henry A. Moehlenpah	Chicago	Nov. 10, 1919	Term expired Aug. 9, 1920.
Edmund Platt	New York	June 8, 1920	Reappointed in 1928. Resigned Sept. 14, 1930.
David C. Wills	Cleveland	Sept. 29, 1920	Term expired Mar. 4, 1921.
John R. Mitchell	Minneapolis	May 12, 1921	Resigned May 12, 1923.
Milo D. Campbell	Chicago	Mar. 14, 1923	Died Mar. 22, 1923.
Daniel R. Crissinger	Cleveland	May 1, 1923	Resigned Sept. 15, 1927.
George R. James	St. Louis	May 14, 1923	Reappointed in 1931. Served until Feb. 3, 1936.[4]
Edward H. Cunningham	Chicago	do	Died Nov. 28, 1930.
Roy A. Young	Minneapolis	Oct. 4, 1927	Resigned Aug. 31, 1930.
Eugene Meyer	New York	Sept. 16, 1930	Resigned May 10, 1933.
Wayland W. Magee	Kansas City	May 18, 1931	Term expired Jan. 24, 1933.
Eugene R. Black	Atlanta	May 19, 1933	Resigned Aug. 15, 1934.
M.S. Szymczak	Chicago	June 14, 1933	Reappointed in 1936 and 1948. Resigned May 31, 1961.
J.J. Thomas	Kansas City	do	Served until Feb. 10, 1936.[3]
Marriner S. Eccles	San Francisco	Nov. 15, 1934	Reappointed in 1936, 1940, and 1944. Resigned July 14, 1951.
Joseph A. Broderick	New York	Feb. 3, 1936	Resigned Sept. 30, 1937.
John K. McKee	Cleveland	do	Served until Apr. 4, 1946.[3]
Ronald Ransom	Atlanta	do	Reappointed in 1942. Died Dec. 2, 1947.
Ralph W. Morrison	Dallas	Feb. 10, 1936	Resigned July 9, 1936.
Chester C. Davis	Richmond	June 25, 1936	Reappointed in 1940. Resigned Apr. 15, 1941.
Ernest G. Draper	New York	Mar. 30, 1938	Served until Sept. 1, 1950.[3]
Rudolph M. Evans	Richmond	Mar. 14, 1942	Served until Aug. 13, 1954.[3]
James K. Vardaman, Jr.	St. Louis	Apr. 4, 1946	Resigned Nov. 30, 1958.
Lawrence Clayton	Boston	Feb. 14, 1947	Died Dec. 4, 1949.
Thomas B. McCabe	Philadelphia	Apr. 15, 1948	Resigned Mar. 31, 1951.
Edward L. Norton	Atlanta	Sept. 1, 1950	Resigned Jan. 31, 1952.
Oliver S. Powell	Minneapolis	do	Resigned June 30, 1952.
Wm. McC. Martin, Jr.	New York	April 2, 1951	Reappointed in 1956. Term expired Jan. 31, 1970.
A.L. Mills, Jr.	San Francisco	Feb. 18, 1952	Reappointed in 1958. Resigned Feb. 28, 1965.
J.L. Robertson	Kansas City	do	Reappointed in 1964. Resigned Apr. 30, 1973.
C. Canby Balderston	Philadelphia	Aug. 12, 1954	Served through Feb. 28, 1966.
Paul E. Miller	Minneapolis	Aug. 13, 1954	Died Oct. 21, 1954.
Chas. N. Shepardson	Dallas	Mar. 17, 1955	Retired Apr. 30, 1967.
G.H. King, Jr.	Atlanta	Mar. 25, 1959	Reappointed in 1960. Resigned Sept. 18, 1963.
George W. Mitchell	Chicago	Aug. 31, 1961	Reappointed in 1962. Served until Feb. 13, 1976.[3]
J. Dewey Daane	Richmond	Nov. 29, 1963	Served until Mar. 8, 1974.[3]
Sherman J. Maisel	San Francisco	Apr. 30, 1965	Served through May 31, 1972.

Name	Federal Reserve District	Date of initial oath of office	Other dates and information relating to membership[2]
Andrew F. Brimmer	Philadelphia	Mar. 9, 1966	Resigned Aug. 31, 1974.
William W. Sherrill	Dallas	May 1, 1967	Reappointed in 1968. Resigned Nov. 15, 1971.
Arthur F. Burns	New York	Jan. 31, 1970	Term began Feb. 1, 1970. Resigned Mar. 31, 1978.
John E. Sheehan	St. Louis	Jan. 4, 1972	Resigned June 1, 1975.
Jeffrey M. Bucher	San Francisco	June 5, 1972	Resigned Jan. 2, 1976.
Robert C. Holland	Kansas City	June 11, 1973	Resigned May 15, 1976.
Henry C. Wallich	Boston	Mar. 8, 1974	Resigned Dec. 15, 1986.
Philip E. Coldwell	Dallas	Oct. 29, 1974	Served through Feb. 29, 1980.
Philip C. Jackson, Jr.	Atlanta	July 14, 1975	Resigned Nov. 17, 1978.
J. Charles Partee	Richmond	Jan. 5, 1976	Served until Feb. 7, 1986.[3]
Stephen S. Gardner	Philadelphia	Feb. 13, 1976	Died Nov. 19, 1978.
David M. Lilly	Minneapolis	June 1, 1976	Resigned Feb. 24, 1978.
G. William Miller	San Francisco	Mar. 8, 1978	Resigned Aug. 6, 1979.
Nancy H. Teeters	Chicago	Sept. 18, 1978	Served through June 27, 1984.
Emmett J. Rice	New York	June 20, 1979	Resigned Dec. 31, 1986.
Frederick H. Schultz	Atlanta	July 27, 1979	Served through Feb. 11, 1982.
Paul A. Volcker	Philadelphia	Aug. 6, 1979	Resigned August 11, 1987.
Lyle E. Gramley	Kansas City	May 28, 1980	Resigned Sept. 1, 1985.
Preston Martin	San Francisco	Mar. 31, 1982	Resigned April 30, 1986.
Martha R. Seger	Chicago	July 2, 1984	Resigned March 11, 1991.
Wayne D. Angell	Kansas City	Feb. 7, 1986	Served through Feb. 9, 1994.
Manuel H. Johnson	Richmond	Feb. 7, 1986	Resigned August 3, 1990.
H. Robert Heller	San Francisco	Aug. 19, 1986	Resigned July 31, 1989.
Edward W. Kelley, Jr.	Dallas	May 26, 1987	Reappointed in 1990.
Alan Greenspan	New York	Aug. 11, 1987	Reappointed in 1992.
John P. LaWare	Boston	Aug. 15, 1988	Resigned April 30, 1995.
David W. Mullins, Jr.	St. Louis	May 21, 1990	Resigned Feb. 14, 1994.
Lawrence B. Lindsey	Richmond	Nov. 26, 1991	
Susan M. Phillips	Chicago	Dec. 2, 1991	
Alan S. Blinder	Philadelphia	June 27, 1994	
Janet L. Yellen	San Francisco	Aug. 12, 1994	

Chairmen[4]

Charles S. Hamlin	Aug. 10, 1914–Aug. 9, 1916
W.P.G. Harding	Aug. 10, 1916–Aug. 9, 1922
Daniel R. Crissinger	May 1, 1923–Sept. 15, 1927
Roy A. Young	Oct. 4, 1927–Aug. 31, 1930
Eugene Meyer	Sept. 16, 1930–May 10, 1933
Eugene R. Black	May 19, 1933–Aug. 15, 1934
Marriner S. Eccles	Nov. 15, 1934–Jan. 31, 1948
Thomas B. McCabe	Apr. 15, 1948–Mar. 31, 1951
Wm. McC. Martin, Jr.	Apr. 2, 1951–Jan. 31, 1970
Arthur F. Burns	Feb. 1, 1970–Jan. 31, 1978
G. William Miller	Mar. 8, 1978–Aug. 6, 1979
Paul A. Volcker	Aug. 6, 1979–Aug. 11, 1987
Alan Greenspan	Aug. 11, 1987–

Vice Chairmen[4]

Frederic A. Delano	Aug. 10, 1914–Aug. 9, 1916
Paul M. Warburg	Aug. 10, 1916–Aug. 9, 1918
Albert Strauss	Oct. 26, 1918–Mar. 15, 1920
Edmund Platt	July 23, 1920–Sept. 14, 1930
J.J. Thomas	Aug. 21, 1934–Feb. 10, 1936
Ronald Ransom	Aug. 6, 1936–Dec. 2, 1947
C. Canby Balderston	Mar. 11, 1955–Feb. 28, 1966
J.L. Robertson	Mar. 1, 1966–Apr. 30, 1973
George W. Mitchell	May 1, 1973–Feb. 13, 1976
Stephen S. Gardner	Feb. 13, 1976–Nov. 19, 1978
Frederick H. Schultz	July 27, 1979–Feb. 11, 1982
Preston Martin	Mar. 31, 1982–Apr. 30, 1986
Manuel H. Johnson	Aug. 4, 1986–Aug. 3, 1990
David W. Mullins, Jr.	July 24, 1991–Feb. 14, 1994
Alan S. Blinder	June 27, 1994–

EX-OFFICIO MEMBERS[1]

Secretaries of the Treasury

W.G. McAdoo	Dec. 23, 1913–Dec. 15, 1918
Carter Glass	Dec. 16, 1918–Feb. 1, 1920
David F. Houston	Feb. 2, 1920–Mar. 3, 1921
Andrew W. Mellon	Mar. 4, 1921–Feb. 12, 1932
Ogden L. Mills	Feb. 12, 1932–Mar. 4, 1933
William H. Woodin	Mar. 4, 1933–Dec. 31, 1933
Henry Morgenthau Jr.	Jan. 1, 1934–Feb. 1, 1936

Comptrollers of the Currency

John Skelton Williams	Feb. 2, 1914–Mar. 2, 1921
Daniel R. Crissinger	Mar. 17, 1921–Apr. 30, 1923
Henry M. Dawes	May 1, 1923–Dec. 17, 1924
Joseph W. McIntosh	Dec. 20, 1924–Nov. 20, 1928
J.W. Pole	Nov. 21, 1928–Sept. 20, 1932
J.F.T. O'Connor	May 11, 1933–Feb. 1, 1936

1. Under the provisions of the original Federal Reserve Act, the Federal Reserve Board was composed of seven members, including five appointive members, the Secretary of the Treasury, who was ex-officio chairman of the Board, and the Comptroller of the Currency. The original term of office was ten years, and the five original appointive members had terms of two, four, six, eight, and ten years respectively. In 1922 the number of appointive members was increased to six, and in 1933 the term of office was increased to twelve years. The Banking Act of 1935, approved Aug. 23, 1935, changed the name of the Federal Reserve Board to the Board of Governors of the Federal Reserve System and provided that the Board should be composed of seven appointive members; that the Secretary of the Treasury and the Comptroller of the Currency should continue to serve as members until Feb. 1, 1936; that the appointive members in office on the date of that act should continue to serve until Feb. 1, 1936, or until their successors were appointed and had qualified; and that thereafter the terms of members should be fourteen years and that the designation of Chairman and Vice Chairman of the Board should be for a term of four years.

2. Date after words "Resigned" and "Retired" denotes final day of service.

3. Successor took office on this date.

4. Chairman and Vice Chairman were designated Governor and Vice Governor before Aug. 23, 1935.

Financial and Business Statistics

CONTENTS

Domestic Financial Statistics—Continued

Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

c	Corrected
e	Estimated
n.a.	Not available
n.e.c.	Not elsewhere classified
p	Preliminary
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)
0	Calculated to be zero
...	Cell not applicable
ATS	Automatic transfer service
BIF	Bank insurance fund
CD	Certificate of deposit
CMO	Collateralized mortgage obligation
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
PO	Principal only
REIT	Real estate investment trust
REMIC	Real estate mortgage investment conduit
RP	Repurchase agreement
RTC	Resolution Trust Corporation
SAIF	Savings Association Insurance Fund
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, LIQUID ASSETS, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted[1]

Monetary or credit aggregate	1994			1995	1994		1995		
	Q2	Q3	Q4	Q1	Nov.	Dec.	Jan.	Feb.	Mar.
Reserves of depository institutions[2]									
1 Total	−3.1	−1.9	−3.3	−3.7	−1.9	−1.2	−4.4	−4.2	−7.4
2 Required	−2.3	−1.9	−3.0	−4.0	−6.1	−4.5	−8.0	3.9	−4.5
3 Nonborrowed	−4.2	−3.5	−2.1	−2.4	.7	−.4	−2.9	−2.6	−7.6
4 Monetary base[3]	8.4	7.5	6.9	6.4	8.5	4.1	8.1	3.6r	8.6
Concepts of money, liquid assets, and debt[4]									
5 M1	2.7	2.4	−1.2	.0	−.6	.3	1.0	−1.8	.7
6 M2	1.7	.9	−.4	1.8	.4	1.5r	4.0r	−1.0r	2.9
7 M3	1.3	2.1	1.7	4.3	1.8	3.5r	6.4r	2.3r	6.0
8 L	1.6	1.9	3.4	n.a.	2.4	10.4r	7.3r	12.2	n.a.
9 Debt	4.8	4.7	5.5	n.a.	5.9	4.3	5.5r	7.2	n.a.
Nontransaction components									
10 In M2[5]	1.3	.2	.0	2.6	.8r	2.0r	5.4r	−.6r	3.9
11 In M3 only[6]	−1.3	8.5	13.1	17.5	9.2	14.1r	18.8r	19.7r	21.9
Time and savings deposits									
Commercial banks									
12 Savings, including MMDAs	−3.7	−4.6	−8.5	−13.1	−9.7	−10.9	−12.9	−15.8	−17.5
13 Small time[7]	.3	9.4	16.0	24.6	15.5	20.4	24.4	27.4	32.0
14 Large time[8,9]	.8	13.1	19.2	10.4	18.7	17.2r	−8.1r	24.7r	15.1
Thrift institutions									
15 Savings, including MMDAs	−.4	−11.5	−17.6	−20.4	−21.0r	−19.9r	−19.3	−24.6r	−19.4
16 Small time[7]	−5.8	.2	10.5	20.6	17.3r	5.3r	20.1r	30.5r	33.0
17 Large time[8]	−3.5	6.8	12.0	23.8	3.8	7.5	33.6	27.2	35.5
Money market mutual funds									
18 General purpose and broker–dealer	11.9	5.7	7.5	8.2	12.0r	17.8r	9.9r	−1.2	−1.2
19 Institution-only	−15.7	−4.5	7.3	10.0	−2.0	2.0	36.5	−38.0	57.2
Debt components[4]									
20 Federal	5.4	3.9	5.9	n.a.	8.5	1.1	2.5	10.7	n.a.
21 Nonfederal	4.5	4.9	5.3	n.a.	4.9	5.4	6.6r	5.9	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) overnight (and continuing contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) savings (including MMDAs) and small time deposits (time deposits—including retail RPs—in amounts of less than $100,000), and (3) balances in both taxable and tax-exempt general-purpose and broker–dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker–dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

M3: M2 plus (1) large time deposits and term RP liabilities (in amounts of $100,000 or more) issued by all depository institutions, (2) term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and (3) balances in both taxable and tax-exempt, institution-only money market funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also excluded is the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. Seasonally adjusted M3 is computed by adjusting its non-M2 component as a whole and then adding this result to seasonally adjusted M2.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, net of money market fund holdings of these assets. Seasonally adjusted L is computed by summing U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, each seasonally adjusted separately, and then adding this result to M3.

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) overnight RPs and overnight Eurodollars, (2) money market fund balances (general purpose and broker–dealer), (3) savings deposits (including MMDAs), and (4) small time deposits.

6. Sum of (1) large time deposits, (2) term RPs, (3) term Eurodollars of U.S. residents, and (4) money market fund balances (institution-only), less (5) a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. This sum is seasonally adjusted as a whole.

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.

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						
	1995			1995						
	Jan.	Feb.	Mar.	Feb. 15	Feb. 22	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	404,335	400,034[r]	404,520	398,954	400,871[r]	401,544	402,560	404,383	404,203	406,159
U.S. government securities[2]										
2 Bought outright—System account	363,467	361,651	364,433	359,922	363,074	363,465	363,898	364,415	364,029	365,474
3 Held under repurchase agreements	2,758	46	1,560	0	0	0	0	2,103	1,558	1,925
Federal agency obligations										
4 Bought outright	3,600	3,542	3,478	3,546	3,546	3,522	3,491	3,491	3,491	3,455
5 Held under repurchase agreements	440	1	438	0	0	0	0	61	843	845
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	111	23	18	19	30	18	16	15	17	24
8 Seasonal credit	43	32	51	32	34	37	38	49	55	62
9 Extended credit	4	0	0	0	0	0	0	0	0	0
10 Float	727	651[r]	551	616	1,001[r]	857	991	420	460	399
11 Other Federal Reserve assets	33,184	34,086	33,991	34,820	33,186	33,646	34,126	33,830	33,751	33,975
12 Gold stock	11,050	11,050	11,052	11,050	11,050	11,050	11,050	11,051	11,053	11,053
13 Special drawing rights certificate account	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018
14 Treasury currency outstanding	23,039[r]	23,106[r]	23,165	23,101[r]	23,115[r]	23,129	23,143	23,157	23,171	23,185
ABSORBING RESERVE FUNDS										
15 Currency in circulation	399,379[r]	396,657[r]	400,509	396,554	397,265[r]	397,044	398,422	401,269	401,265	401,026
16 Treasury cash holdings	332	339	352	338	343	341	346	349	353	358
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	7,147	5,753	5,141	4,789	5,707	5,177	5,158	5,175	6,000	4,600
18 Foreign	198	183	197	187	200	183	177	173	221	184
19 Service-related balances and adjustments	4,460	4,349	4,325	4,368	4,241	4,171	4,282	4,371	4,395	4,304
20 Other	333	426	393	356	359	665	393	384	404	385
21 Other Federal Reserve liabilities and capital	12,367	12,705	12,996	12,691	12,724	12,941	13,326	12,850	12,806	12,789
22 Reserve balances with Federal Reserve Banks[3]	22,225	21,797[r]	22,842	21,839	22,217[r]	23,218	22,668	22,037	21,001	24,769

Factor	End-of-month figures			Wednesday figures						
	Jan.	Feb.	Mar.	Feb. 15	Feb. 22	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	403,812	405,235[r]	409,451	404,187	403,554[r]	402,964	401,864	411,183	404,828	408,235
U.S. government securities[2]										
2 Bought outright—System account	362,987	365,631	363,707	366,209	365,087	364,466	361,803	363,318	364,094	367,394
3 Held under repurchase agreements	2,010	0	5,593	0	0	0	0	9,018	1,935	1,930
Federal agency obligations										
4 Bought outright	3,546	3,491	3,408	3,546	3,546	3,491	3,491	3,491	3,491	3,408
5 Held under repurchase agreements	1,320	0	1,105	0	0	0	0	325	900	1,171
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	48	18	25	20	25	13	16	18	17	52
8 Seasonal credit	30	36	59	33	38	42	40	53	57	63
9 Extended credit	0	0	0	0	0	0	0	0	0	0
10 Float	151	1,892[r]	61	1,398	1,555[r]	678	2,725	1,204	398	66
11 Other Federal Reserve assets	33,722	34,167	35,493	32,980	33,303	34,274	33,789	33,757	33,935	34,150
12 Gold stock	11,050	11,050	11,053	11,050	11,050	11,050	11,050	11,051	11,053	11,053
13 Special drawing rights certificate account	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018
14 Treasury currency outstanding	23,073[r]	23,129[r]	23,199	23,101[r]	23,115[r]	23,129	23,143	23,157	23,171	23,185
ABSORBING RESERVE FUNDS										
15 Currency in circulation	396,041[r]	397,745[r]	401,595	397,386[r]	398,110[r]	398,166	400,421	402,328	401,812	402,345
16 Treasury cash holdings	335	340	361	343	340	345	349	352	358	361
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	13,964	6,890	4,543	5,234	5,660	3,461	5,114	5,470	4,413	4,389
18 Foreign	185	188	370	166	296	265	166	165	162	185
19 Service-related balances and adjustments	4,810	4,171	4,230	4,368	4,241	4,171	4,282	4,371	4,395	4,304
20 Other	308	325	398	386	332	408	381	413	392	397
21 Other Federal Reserve liabilities and capital	12,854	13,710	14,449	12,480	12,570	13,278	12,312	12,761	12,581	12,558
22 Reserve balances with Federal Reserve Banks[3]	17,456	24,062[r]	25,776	25,992	24,188[r]	25,066	21,051	27,550	22,958	25,954

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. 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									
	1992	1993	1994	1994				1995		
	Dec.	Dec.	Dec.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[r]	Mar.
1 Reserve balances with Reserve Banks[2]	25,368	29,374	24,658	25,157	24,745	24,715	24,658	22,291	21,758	22,652
2 Total vault cash[3]	34,541	36,818	40,365	38,433	38,231	38,933	40,365	42,291[r]	39,794	38,517
3 Applied vault cash[4]	31,172	33,484	36,682	34,794	34,745	35,291	36,682	38,230	35,941	34,934
4 Surplus vault cash[5]	3,370	3,334	3,683	3,639	3,486	3,642	3,683	4,060[r]	3,854	3,583
5 Total reserves[6]	56,540	62,858	61,340	59,951	59,490	60,006	61,340	60,521	57,699	57,586
6 Required reserves	55,385	61,795	60,172	58,891	58,686	58,999	60,172	59,182	56,752	56,788
7 Excess reserve balances at Reserve Banks[7]	1,155	1,063	1,168	1,060	804	1,008	1,168	1,339	946	799
8 Total borrowings at Reserve Banks[8]	124	82	209	487	380	249	209	136	59	69
9 Seasonal borrowings	18	31	100	444	339	164	100	46	33	51
10 Extended credit[9]	1	0	0	0	0	0	0	4	0	0

Reserve classification	Biweekly averages of daily figures for two week periods ending on dates indicated									
	1994		1995							
	Dec. 7	Dec. 21	Jan. 4	Jan. 18	Feb. 1	Feb. 15	Mar. 1	Mar. 15	Mar. 29	Apr. 12
1 Reserve balances with Reserve Banks[2]	24,638	24,288	25,189	23,958	19,603	21,028	22,710	22,316	22,875	23,421
2 Total vault cash[3]	39,936	40,864	39,967	42,165	43,142	41,294	37,923	39,317	37,772	38,432
3 Applied vault cash[4]	36,245	37,082	36,429	38,223	38,793	37,274	34,286	35,636	34,278	34,941
4 Surplus vault cash[5]	3,691	3,782	3,539	3,942	4,349	4,020	3,637	3,681	3,495	3,491
5 Total reserves[6]	60,883	61,370	61,618	62,181	58,396	58,302	56,995	57,952	57,153	58,361
6 Required reserves	59,538	60,291	60,451	60,822	57,026	57,329	56,111	57,385	56,075	57,936
7 Excess reserve balances at Reserve Banks[7]	1,346	1,080	1,167	1,360	1,370	973	885	566	1,078	425
8 Total borrowings at Reserve Banks[8]	216	179	246	68	176	51	60	59	79	76
9 Seasonal borrowings	112	98	95	38	41	31	36	44	59	61
10 Extended credit[9]	0	0	0	0	10	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.
2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.
3. Total "lagged" vault cash held by depository institutions subject to reserve requirements. Dates refer to the maintenance periods during which the vault cash may be used to satisfy reserve requirements. The maintenance period for weekly reporters ends sixteen days after the lagged computation period during which the vault cash is held. Before Nov. 25, 1992, the maintenance period ended thirty days after the lagged computation period.
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. Also includes adjustment credit.
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 impact of extended credit is similar to that of nonborrowed reserves.

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Banks[1]

Millions of dollars, averages of daily figures

Source and maturity	1995, week ending Monday								
	Jan. 30	Feb. 6	Feb. 13	Feb. 20	Feb. 27	Mar. 6	Mar. 13	Mar. 20	Mar. 27
Federal funds purchased, repurchase agreements, and other selected borrowings									
From commercial banks in the United States									
1 For one day or under continuing contract	73,540	74,373	71,099	74,506	69,701	72,625	74,398	69,882	68,115
2 For all other maturities	15,165	15,394	14,544	14,022	14,853	15,823	16,308	16,714	17,463
From other depository institutions, foreign banks and official institutions, and U.S. government agencies									
3 For one day or under continuing contract	15,016	20,317	19,630	21,042	18,988	18,601	18,407	18,882	21,227
4 For all other maturities	20,508	20,479	23,904	22,603	24,916	25,283	28,095	29,647	29,805
Repurchase agreements on U.S. government and federal agency securities									
Brokers and nonbank dealers in securities									
5 For one day or under continuing contract	20,598	23,508	22,125	22,527	21,324	21,213	21,790	27,744	27,267
6 For all other maturities	36,400r	33,747	35,697	33,721	34,532	32,729	33,540	34,323	35,356
All other customers									
7 For one day or under continuing contract	38,572	39,335	37,966	38,545	37,337	37,718	36,792	36,743	37,187
8 For all other maturities	18,616	17,323	18,202	18,293	18,981	18,979	18,752	17,898	18,557
MEMO									
Federal funds loans and resale agreements in immediately available funds in maturities of one day or under continuing contract									
9 To commercial banks in the United States	68,464	69,137	64,408	67,736	65,706	66,526	63,537	65,881	60,591
10 To all other specified customers[2]	24,888	27,851	28,860	29,856	28,604	28,920	25,916	27,201	27,888

1. Banks with assets of $4 billion or more as of Dec. 31, 1988.
Data in this table also appear in the Board's H.5 (507) weekly statistical release. For ordering address, see inside front cover.

2. Brokers and nonbank dealers in securities, other depository institutions, foreign banks and official institutions, and U.S. government agencies.

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 4/28/95	Effective date	Previous rate	On 4/28/95	Effective date	Previous rate	On 4/28/95	Effective date	Previous rate
Boston	5.25	2/1/95	4.75	6.05	4/27/95	6.10	6.55	4/27/95	6.60
New York		2/1/95							
Philadelphia		2/2/95							
Cleveland		2/9/95							
Richmond		2/1/95							
Atlanta		2/2/95							
Chicago		2/1/95							
St. Louis		2/1/95							
Minneapolis		2/2/95							
Kansas City		2/1/95							
Dallas		2/2/95							
San Francisco	5.25	2/1/95	4.75	6.05	4/27/95	6.10	6.55	4/27/95	6.60

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

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1981—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
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

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
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
In effect Apr. 28, 1995	5.25	5.25

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[2]	Requirement	
	Percentage of deposits	Effective date
Net transaction accounts[3]		
1 $0 million–$54.0 million	3	12/20/94
2 More than $54.0 million[4]	10	12/20/94
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 provisions of the Monetary Control Act of 1980, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.

2. The Garn–St Germain Depository Institutions Act of 1982 requires that $2 million of reservable liabilities of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this 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 to be made in the event of a decrease. On Dec. 20, 1994, the exemption was raised from $4.0 million to $4.2 million. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement.

3. Includes all deposits against which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, and telephone and preauthorized transfers for the purpose of making payments to third persons or others, other than money market deposit accounts (MMDAs) and similar accounts that permit no more than six preauthorized, automatic, or other transfers per month, of which no more than three may be checks (accounts subject to such limits are considered savings deposits).

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 Dec. 20, 1994, the amount was increased from $51.9 million to $54.0 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. The reserve requirement on nonpersonal time deposits with an original maturity of 1½ years or more has been zero since Oct. 6, 1983.

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.

6. The reserve requirement on Eurocurrency liabilities was reduced from 3 percent to zero in the same manner and on the same dates as was 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	1992	1993	1994	1994					1995	
					Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	U.S. TREASURY SECURITIES										
	Outright transactions (excluding matched transactions)										
	Treasury bills										
1	Gross purchases	14,714	17,717	17,484	1,610	0	518	6,109	444	0	0
2	Gross sales	1,628	0	0	0	0	0	0	0	0	0
3	Exchanges	308,699	332,229	380,327	36,281	29,668	29,361	36,543	29,883	37,122	31,530
4	Redemptions	1,600	0	0	0	0	0	0	0	0	0
	Others within one year										
5	Gross purchases	1,096	1,223	1,238	0	151	450	0	125	0	0
6	Gross sales	0	0	0	0	0	0	0	0	0	0
7	Maturity shifts	36,662	31,368	0	6,131	961	460	1,790	−2,430	2,835	5,872
8	Exchanges	−30,543	−36,582	−21,444	−4,089	−2,203	0	−5,795	1,680	−3,167	−4,881
9	Redemptions	0	0	0	0	0	0	0	0	0	0
	One to five years										
10	Gross purchases	13,118	10,350	9,168	0	2,530	0	200	2,208	0	0
11	Gross sales	0	0	0	0	0	0	0	0	0	0
12	Maturity shifts	−34,478	−27,140	−6,004	−5,506	−837	−460	−1,123	2,430	−2,145	−5,115
13	Exchanges	25,811	0	17,801	2,889	2,203	0	4,192	−1,680	3,167	3,031
	Five to ten years										
14	Gross purchases	2,818	4,168	3,818	0	938	0	0	660	0	0
15	Gross sales	0	0	0	0	0	0	0	0	0	0
16	Maturity shifts	−1,915	0	−3,145	−549	−125	0	−278	0	−690	−757
17	Exchanges	3,532	0	2,903	750	0	0	1,603	0	0	1,150
	More than ten years										
18	Gross purchases	2,333	3,457	3,606	0	840	0	0	1,252	0	0
19	Gross sales	0	0	0	0	0	0	0	0	0	0
20	Maturity shifts	−269	0	−918	−76	0	0	−389	0	0	0
21	Exchanges	1,200	0	775	450	0	0	0	0	0	700
	All maturities										
22	Gross purchases	34,079	36,915	35,314	1,610	4,459	968	6,309	4,689	0	0
23	Gross sales	1,628	0	0	0	0	0	0	0	0	0
24	Redemptions	1,600	767	2,337	0	0	979	0	0	621	0
	Matched transactions										
25	Gross purchase	1,480,140	1,475,941	1,700,836	169,018	151,029	136,556	148,425	166,648	160,465	178,877
26	Gross sales	1,482,467	1,475,085	1,701,309	170,356	151,589	137,242	147,858	166,007	167,676	176,232
	Repurchase agreements										
27	Gross purchases	378,374	475,447	309,276	44,948	4,975	17,088	35,456	29,406	32,201	1,300
28	Gross sales	386,257	470,723	311,898	41,199	9,354	15,613	32,561	26,351	39,756	3,310
29	Net change in U.S. Treasury securities	20,642	41,729	29,882	4,022	−479	778	9,771	8,385	−15,387	634
	FEDERAL AGENCY OBLIGATIONS										
	Outright transactions										
30	Gross purchases	0	0	0	0	0	0	0	0	0	0
31	Gross sales	0	0	0	0	0	0	0	0	0	0
32	Redemptions	632	774	1,002	63	31	62	70	37	91	55
	Repurchase agreements										
33	Gross purchases	14,565	35,063	52,696	8,491	3,620	2,868	8,615	5,090	5,243	25
34	Gross sales	14,486	34,669	52,696	8,109	4,982	2,838	7,360	5,720	4,948	1,345
35	Net change in federal agency obligations	−554	−380	−1,002	319	−1,393	−32	1,185	−667	204	−1,375
36	**Total net change in System Open Market Account**	**20,089**	**41,348**	**28,880**	**4,341**	**−1,872**	**746**	**10,956**	**7,718**	**−15,183**	**−741**

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

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

Millions of dollars

Account	Wednesday					End of month		
	1995					1995		
	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29	Jan. 31	Feb. 28	Mar. 31
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,050	11,050	11,051	11,053	11,053	11,050	11,050	11,053
2 Special drawing rights certificate account	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018
3 Coin	424	421	423	422	415	402	429	434
Loans								
4 To depository institutions	55	55	71	73	115	77	54	84
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
Federal agency obligations								
7 Bought outright	3,491	3,491	3,491	3,491	3,408	3,546	3,491	3,408
8 Held under repurchase agreements	0	0	325	900	1,171	1,320	0	1,105
9 **Total U.S. Treasury securities**	**364,466**	**361,803**	**372,336**	**366,029**	**369,324**	**364,997**	**365,631**	**369,300**
10 Bought outright[2]	364,466	361,803	363,318	364,094	367,394	362,987	365,631	363,707
11 Bills	177,946	175,284	176,798	177,574	180,874	176,467	179,111	177,187
12 Notes	143,773	143,773	143,773	143,773	143,773	143,522	143,773	143,773
13 Bonds	42,747	42,747	42,747	42,747	42,747	42,998	42,747	42,747
14 Held under repurchase agreements	0	0	9,018	1,935	1,930	2,010	0	5,593
15 **Total loans and securities**	**368,012**	**365,350**	**376,223**	**370,494**	**374,019**	**369,940**	**369,176**	**373,897**
16 Items in process of collection	6,594	7,898	6,461	4,831	4,693	6,979	9,161	3,611
17 Bank premises	1,078	1,079	1,079	1,082	1,081	1,076	1,078	1,080
Other assets								
18 Denominated in foreign currencies[3]	24,746	24,064	23,611	23,631	23,657	22,829	24,743	25,286
19 All other[4]	8,475	8,642	9,076	9,232	9,407	9,833	8,388	9,129
20 **Total assets**	**428,398**	**426,523**	**435,943**	**428,763**	**432,342**	**430,126**	**432,044**	**432,508**
LIABILITIES								
21 Federal Reserve notes	375,806	378,048	379,946	379,420	379,936	373,705	375,385	379,191
22 **Total deposits**	**33,757**	**31,125**	**38,293**	**32,285**	**35,519**	**37,224**	**36,469**	**35,320**
23 Depository institutions	29,622	25,463	32,246	27,319	30,548	22,768	28,754	30,009
24 U.S. Treasury—General account	3,461	5,114	5,470	4,413	4,389	13,964	6,890	4,543
25 Foreign—Official accounts	265	166	165	162	185	185	188	370
26 Other	408	381	413	392	397	308	325	398
27 Deferred credit items	5,556	5,038	4,942	4,477	4,330	6,343	6,479	3,549
28 Other liabilities and accrued dividends[5]	4,437	4,369	4,780	4,587	4,544	4,423	4,510	4,578
29 **Total liabilities**	**419,556**	**418,580**	**427,961**	**420,770**	**424,328**	**421,696**	**422,843**	**422,638**
CAPITAL ACCOUNTS								
30 Capital paid in	3,768	3,765	3,769	3,775	3,781	3,696	3,768	3,786
31 Surplus	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683
32 Other capital accounts	1,390	494	529	535	549	1,051	1,749	2,401
33 **Total liabilities and capital accounts**	**428,398**	**426,523**	**435,943**	**428,763**	**432,342**	**430,126**	**432,044**	**432,508**
MEMO								
34 Marketable U.S. Treasury securities held in custody for foreign and international accounts	416,571	418,601	419,363	429,482	429,759	408,118	418,667	429,759
	Federal Reserve note statement							
35 Federal Reserve notes outstanding (issued to Banks)	456,702	455,720	455,014	454,434	453,497	455,470	457,095	452,980
36 LESS: Held by Federal Reserve Banks	80,896	77,672	75,068	75,013	73,561	81,765	81,710	73,790
37 Federal Reserve notes, net	375,806	378,048	379,946	379,420	379,936	373,705	375,385	379,191
Collateral held against notes, net								
38 Gold certificate account	11,050	11,050	11,051	11,053	11,053	11,050	11,050	11,053
39 Special drawing rights certificate account	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	356,738	358,979	360,877	360,349	360,864	354,637	356,317	360,119
42 **Total collateral**	**375,806**	**378,048**	**379,946**	**379,420**	**379,936**	**373,705**	**375,385**	**379,191**

1. Some of the data in this table also appear in the Board's H.4.1 (503) weekly statistical release. For ordering address, see inside front cover.
2. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale–purchase transactions.
3. Valued monthly at market exchange rates.
4. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within ninety days.
5. 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		
	1995					1995		
	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29	Jan. 31	Feb. 28	Mar. 31
1 **Total loans**	**55**	**56**	**71**	**73**	**116**	**77**	**54**	**86**
2 Within fifteen days[1]	24	24	36	71	110	67	38	82
3 Sixteen days to ninety days	31	32	35	2	6	10	16	4
9 **Total U.S. Treasury securities**	**364,466**	**361,803**	**372,336**	**366,029**	**367,396**	**362,988**	**365,631**	**363,707**
10 Within fifteen days[1]	16,420	13,369	19,311	19,703	21,375	14,385	11,471	9,764
11 Sixteen days to ninety days	83,813	90,027	90,568	84,117	84,013	84,818	89,928	94,316
12 Ninety-one days to one year	114,967	109,142	113,192	112,942	112,742	112,969	113,264	111,365
13 One year to five years	86,731	86,731	86,731	86,731	86,730	89,373	87,864	85,728
14 Five years to ten years	26,990	26,990	26,990	26,990	26,990	26,597	27,561	26,990
15 More than ten years	35,545	35,545	35,545	35,545	35,545	34,845	35,545	35,545
16 **Total federal agency obligations**	**3,491**	**3,491**	**3,815**	**4,391**	**3,409**	**3,546**	**3,491**	**3,408**
17 Within fifteen days[1]	0	0	408	1,198	216	116	255	215
18 Sixteen days to ninety days	448	814	731	516	524	683	448	524
19 Ninety-one days to one year	1,143	777	777	777	782	847	888	782
20 One year to five years	1,418	1,418	1,418	1,418	1,405	1,393	1,418	1,405
21 Five years to ten years	457	457	457	457	457	482	457	457
22 More than ten years	25	25	25	25	25	25	25	25

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

NOTE. Total acceptances data have been deleted from this table because data are no longer available.

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

Billions of dollars, averages of daily figures

Item	1991 Dec.	1992 Dec.	1993 Dec.	1994 Dec.	1994 Aug.	Sept.	Oct.	Nov.	Dec.	1995 Jan.	Feb.	Mar.
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]	Seasonally adjusted											
1 Total reserves[3]	45.54	54.35	60.50	59.34	59.84	59.79	59.50	59.40	59.34	59.12	58.92	58.56
2 Nonborrowed reserves[4]	45.34	54.23	60.42	59.13	59.37	59.31	59.12	59.15	59.13	58.99	58.86	58.49
3 Nonborrowed reserves plus extended credit[5]	45.34	54.23	60.42	59.13	59.37	59.31	59.12	59.15	59.13	58.99	58.86	58.49
4 Required reserves	44.56	53.20	59.44	58.17	58.84	58.73	58.69	58.39	58.17	57.79	57.97	57.76
5 Monetary base[6]	317.43	351.12	386.60	418.22	409.24	411.34	413.85	416.79	418.22	421.05	422.31	425.33
	Not seasonally adjusted											
6 Total reserves[7]	46.98	56.06	62.37	61.13	59.14	59.73	59.24	59.73	61.13	60.52	57.72	57.62
7 Nonborrowed reserves	46.78	55.93	62.29	60.92	58.67	59.24	58.86	59.48	60.92	60.38	57.66	57.56
8 Nonborrowed reserves plus extended credit[5]	46.78	55.93	62.29	60.92	58.67	59.24	58.86	59.48	60.92	60.39	57.66	57.56
9 Required reserves[8]	46.00	54.90	61.31	59.96	58.14	58.67	58.44	58.72	59.96	59.18	56.78	56.83
10 Monetary base[9]	321.07	354.55	390.59	422.51	409.21	411.37	413.15	417.08	422.51	421.84	419.25	423.25
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10]												
11 Total reserves[11]	55.53	56.54	62.86	61.34	59.34	59.95	59.49	60.01	61.34	60.52	57.70	57.59
12 Nonborrowed reserves	55.34	56.42	62.78	61.13	58.87	59.47	59.11	59.76	61.13	60.39	57.64	57.52
13 Nonborrowed reserves plus extended credit[5]	55.34	56.42	62.78	61.13	58.87	59.47	59.11	59.76	61.13	60.39	57.64	57.52
14 Required reserves	54.55	55.39	61.80	60.17	58.33	58.89	58.69	59.00	60.17	59.18	56.75	56.79
15 Monetary base[12]	333.61	360.90	397.62	427.25	414.92	416.70	418.19	421.90	427.25	426.31	423.57	427.54
16 Excess reserves[13]	.98	1.16	1.06	1.17	1.00	1.06	.80	1.01	1.17	1.34	.95	.80
17 Borrowings from the Federal Reserve	.19	.12	.08	.21	.47	.49	.38	.25	.21	.14	.06	.07

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 impact 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 impact 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 the introduction of contemporaneous reserve requirements in 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, LIQUID ASSETS, AND DEBT MEASURES[1]

Billions of dollars, averages of daily figures

Item	1991 Dec.	1992 Dec.	1993 Dec.	1994 Dec.[r]	1994[r] Dec.	1995 Jan.	1995 Feb.	1995 Mar.
	Seasonally adjusted							
Measures[2]								
1 M1	897.3	1,024.4	1,128.6	1,147.8	1,147.8	1,148.8	1,147.1	1,147.8
2 M2	3,457.9	3,515.3	3,583.6	3,614.5	3,614.5	3,626.6	3,623.5	3,632.3
3 M3	4,176.0	4,182.9	4,242.5	4,303.6	4,303.6	4,326.5	4,334.9	4,356.7
4 L	4,990.9	5,061.1	5,150.3	5,287.0	5,287.0	5,319.2	5,373.4	n.a.
5 Debt	11,171.1	11,706.1	12,335.3	12,965.0	12,965.0	13,024.0	13,102.2	n.a.
M1 components								
6 Currency[3]	267.4	292.8	322.1	354.5	354.5	357.7	358.8	362.5
7 Travelers checks[4]	7.7	8.1	7.9	8.4	8.4	8.4	8.4	8.8
8 Demand deposits[5]	289.5	338.9	383.9	382.0	382.0	383.5	384.1	383.4
9 Other checkable deposits[6]	332.7	384.6	414.7	402.9	402.9	399.3[r]	395.8[r]	393.1
Nontransaction components								
10 In M2[7]	2,560.6	2,490.9	2,455.0	2,466.7	2,466.7	2,477.7[r]	2,476.4	2,484.5
11 In M3[8] only	718.1	667.6	658.9	689.1	689.1	699.9[r]	711.4[r]	724.4
Commercial banks								
12 Savings deposits, including MMDAs	665.6	754.7	785.8	752.3	752.3	744.2	734.4	723.7
13 Small time deposits[9]	602.5	508.1	468.6	502.4	502.4	512.6	524.3	538.3
14 Large time deposits[10, 11]	333.3	286.7	271.2	298.0	298.0	296.0[r]	302.1[r]	305.9
Thrift institutions								
15 Savings deposits, including MMDAs	375.6	428.9	429.8	391.9	391.9	385.6[r]	377.7[r]	371.6
16 Small time deposits[9]	464.1	361.1	316.5	317.2	317.2	322.5[r]	330.7[r]	339.8
17 Large time deposits[10]	83.3	67.1	61.6	64.3	64.3	66.1	67.6	69.6
Money market mutual funds								
18 General purpose and broker–dealer	374.2	356.9	360.1	389.0	389.0	392.2[r]	391.8[r]	391.4
19 Institution-only	180.0	200.2	198.1	180.8	180.8	186.3	180.4	189.0
Debt components								
20 Federal debt	2,763.3	3,067.9	3,328.0	3,497.4	3,497.4	3,504.7	3,536.0	n.a.
21 Nonfederal debt	8,407.8	8,638.1	9,007.3	9,467.6	9,467.6	9,519.3[r]	9,566.2	n.a.
	Not seasonally adjusted							
Measures[2]								
22 M1	916.0	1,046.0	1,153.7	1,173.5	1,173.5	1,158.5	1,134.2[r]	1,138.0
23 M2	3,472.7	3,533.6	3,606.1	3,638.0	3,638.0	3,633.0[r]	3,609.8	3,630.3
24 M3	4,189.4	4,201.4	4,266.3	4,329.6	4,329.6	4,336.1[r]	4,323.6[r]	4,352.6
25 L	5,015.5	5,090.8	5,184.9	5,324.5	5,324.5	5,342.2[r]	5,365.1	n.a.
26 Debt	11,168.5	11,708.9	12,327.4	12,956.8	12,956.8	12,998.8[r]	13,049.2	n.a.
M1 components								
27 Currency[3]	269.9	295.0	324.8	357.6	357.6	355.9	357.1[r]	361.4
28 Travelers checks[4]	7.4	7.8	7.6	8.1	8.1	8.1	8.1	8.4
29 Demand deposits[5]	302.4	354.4	401.8	400.1	400.1	388.8	375.0	374.2
30 Other checkable deposits[6]	336.3	388.9	419.4	407.6	407.6	405.7	394.0	394.0
Nontransaction components								
31 In M2[7]	2,556.6	2,487.7	2,452.4	2,464.6	2,464.6	2,474.6[r]	2,475.6[r]	2,492.3
32 In M3[8]	716.7	667.7	660.2	691.6	691.6	703.1[r]	713.9[r]	722.3
Commercial banks								
33 Savings deposits, including MMDAs	664.0	752.9	784.3	751.1	751.1	739.6	730.0	723.7
34 Small time deposits[9]	601.9	507.8	468.2	502.0	502.0	513.1	524.4	538.1
35 Large time deposits[10, 11]	332.6	286.2	270.8	297.7	297.7	294.7[r]	300.6[r]	303.9
Thrift institutions								
36 Savings deposits, including MMDAs	374.8	427.9	429.0	391.2	391.2	383.2[r]	375.4[r]	371.6
37 Small time deposits[9]	463.7	360.9	316.2	316.9	316.9	322.8[r]	330.8[r]	339.7
38 Large time deposits[10]	83.1	67.0	61.5	64.3	64.3	65.8	67.2	69.1
Money market mutual funds								
39 General purpose and broker–dealer	372.2	355.1	358.3	387.1	387.1	392.9[r]	396.7	400.3
40 Institution-only	180.8	201.7	200.0	183.1	183.1	192.4	188.8	190.8
Repurchase agreements and Eurodollars								
41 Overnight and continuing	79.9	83.2	96.5	116.2	116.2	123.1[r]	118.4[r]	118.8
42 Term	132.7	127.8	144.1	159.0	159.0	164.0[r]	170.5[r]	171.2
Debt components								
43 Federal debt	2,765.0	3,069.8	3,329.5	3,499.0	3,499.0	3,499.0	3,525.1	n.a.
44 Nonfederal debt	8,403.5	8,639.1	8,997.9	9,457.7	9,457.7	9,499.8[r]	9,524.1	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) overnight (and continuing contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) savings (including MMDAs) and small time deposits (time deposits—including retail RPs—in amounts of less than $100,000), and (3) balances in both taxable and tax-exempt general-purpose and broker–dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker–dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

M3: M2 plus (1) large time deposits and term RP liabilities (in amounts of $100,000 or more) issued by all depository institutions, (2) term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and (3) balances in both taxable and tax-exempt, institution-only money market funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also excluded is the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. Seasonally adjusted M3 is computed by adjusting its non-M2 component as a whole and then adding this result to seasonally adjusted M2.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, net of money market fund holdings of these assets. Seasonally adjusted L is computed by summing U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, each seasonally adjusted separately, and then adding this result to M3.

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) overnight RPs and overnight Eurodollars, (2) money market fund balances (general purpose and broker–dealer), (3) savings deposits (including MMDAs), and (4) small time deposits.

8. Sum of (1) large time deposits, (2) term RPs, (3) term Eurodollars of U.S. residents, and (4) money market fund balances (institution-only), less (5) a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds.

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.

1.22 DEPOSIT INTEREST RATES AND AMOUNTS OUTSTANDING Commercial and BIF-insured saving banks[1]

Item	1992 Dec.	1993 Dec.	1994						1995		
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[r]	Mar.
	Interest rates (annual effective yields)[2]										
INSURED COMMERCIAL BANKS											
1 Negotiable order of withdrawal accounts	2.33	1.86	1.83	1.85	1.87	1.88	1.92	1.96	1.98	2.01	2.00
2 Savings deposits[3]	2.88	2.46	2.57	2.63	2.67	2.72	2.81	2.91	2.98	3.09	3.13
Interest-bearing time deposits with balances of less than $100,000, by maturity											
3 7 to 91 days	2.90	2.65	3.17	3.29	3.36	3.47	3.65	3.81	3.96	4.19	4.23
4 92 to 182 days	3.16	2.91	3.44	3.61	3.75	3.93	4.22	4.44	4.67	4.83	4.94
5 183 days to 1 year	3.37	3.13	3.88	4.11	4.27	4.50	4.85	5.12	5.39	5.57	5.60
6 More than 1 year to 2½ years	3.88	3.55	4.39	4.61	4.80	5.08	5.42	5.74	6.00	6.12	6.12
7 More than 2½ years	4.77	4.29	5.14	5.33	5.47	5.77	6.09	6.30	6.47	6.52	6.47
BIF-INSURED SAVINGS BANKS[4]											
8 Negotiable order of withdrawal accounts	2.45	1.87	1.89	1.89	1.91	1.88	1.91	1.95	1.99	2.04	2.00
9 Savings deposits[3]	3.20	2.63	2.67	2.74	2.78	2.76	2.83	2.88	2.91	2.95	2.94
Interest-bearing time deposits with balances of less than $100,000, by maturity											
10 7 to 91 days	3.13	2.70	2.98	3.03	3.11	3.32	3.51	3.80	3.98	4.17	4.22
11 92 to 182 days	3.44	3.02	3.53	3.69	3.87	4.10	4.42	4.89	5.13	5.33	5.38
12 183 days to 1 year	3.61	3.31	4.02	4.24	4.47	4.80	5.18	5.52	5.75	5.94	5.95
13 More than 1 year to 2½ years	4.02	3.66	4.56	4.83	5.04	5.39	5.70	6.09	6.29	6.37	6.32
14 More than 2½ years	5.00	4.62	5.35	5.47	5.64	5.79	6.18	6.43	6.68	6.75	6.68
	Amounts outstanding (millions of dollars)										
INSURED COMMERCIAL BANKS											
15 Negotiable order of withdrawal accounts	286,541	305,223	290,631	295,320	286,787	294,072	294,282	303,724	291,355	290,188	292,877
16 Savings deposits[3]	738,253	766,413	765,751	764,035	755,249	751,183	746,605	734,519	723,295	714,955	713,012
17 Personal	578,757	597,838	605,881	600,892	595,175	590,875	584,628	578,459	569,619	564,877	564,743
18 Nonpersonal	159,496	168,575	159,870	163,143	160,074	160,308	161,977	156,060	153,676	150,078	148,269
Interest-bearing time deposits with balances of less than $100,000, by maturity											
19 7 to 91 days	38,474	29,455	28,659	27,959	28,312	31,447	31,077	32,375	32,154	31,777	31,364
20 92 to 182 days	127,831	110,069	100,424	98,085	96,398	95,359	94,692	95,901	96,895	98,248	96,500
21 183 days to 1 year	163,098	146,565	152,216	155,964	157,253	158,753	159,645	161,831	163,939	169,103	176,093
22 More than 1 year to 2½ years	152,977	141,223	146,875	150,807	152,514	155,111	158,382	162,486	168,515	176,877	184,427
23 More than 2½ years	169,708	181,528	182,944	186,490	190,209	188,479	189,741	190,897	190,215	191,383	194,030
24 IRA and Keogh plan deposits	147,350	143,985	142,649	142,617	142,700	142,896	143,075	143,428	143,900	145,040	145,814
BIF-INSURED SAVINGS BANKS[4]											
25 Negotiable order of withdrawal accounts	10,871	11,151	10,925	11,016	10,769	11,120	11,002	11,317	11,127	10,950	11,301
26 Savings deposits[3]	81,786	80,115	77,337	75,108	74,659	73,416	72,622	70,642	71,639	69,982	68,986
27 Personal	78,695	77,035	74,064	72,040	71,525	70,215	69,412	67,673	68,760	67,144	66,045
28 Nonpersonal	3,091	3,079	3,273	3,068	3,134	3,201	3,211	2,969	2,878	2,837	2,941
Interest-bearing time deposits with balances of less than $100,000, by maturity											
29 7 to 91 days	3,867	2,793	2,531	2,523	2,402	2,245	2,209	2,166	2,041	2,086	1,971
30 92 to 182 days	17,345	12,946	12,511	12,292	12,276	11,987	11,913	11,793	12,084	11,953	11,882
31 183 days to 1 year	21,780	17,426	17,591	17,593	17,928	18,123	18,509	18,753	19,336	19,979	20,613
32 More than 1 year to 2½ years	18,442	16,546	16,901	16,824	17,287	17,519	17,999	17,842	20,460	21,870	22,916
33 More than 2½ years	18,845	20,464	21,573	21,531	21,923	21,624	21,687	21,600	21,888	22,275	22,511
34 IRA and Keogh plan accounts	21,713	19,356	19,757	19,445	19,532	19,550	19,532	19,325	19,802	20,099	20,231

1. BIF, Bank Insurance Fund. Data in this table also appear in the Board's H.6 (508) Special Supplementary Table monthly statistical release. For ordering address, see inside front cover. Estimates are based on data collected by the Federal Reserve System from a stratified random sample of about 425 commercial banks and 75 savings banks on the last day of each month. Data are not seasonally adjusted and include IRA and Keogh deposits and foreign currency-denominated deposits. Data exclude retail repurchase agreements and deposits held in U.S. branches and agencies of foreign banks.

2. As of October 31, 1994, interest rate data for NOW accounts and savings deposits reflect a series break caused by a change in the survey used to collect these data.

3. Includes personal and nonpersonal money market deposits.

4. Includes both mutual and federal savings banks.

1.23 BANK DEBITS AND DEPOSIT TURNOVER[1]

Debits are in billions of dollars; turnover is ratio of debits to deposits; monthly data are at annual rates

Bank group, or type of deposit	1992[2]	1993[2]	1994[2]	1994 Aug.	1994 Sept.	1994 Oct.[r]	1994 Nov.[r]	1994 Dec.[r]	1995 Jan.
DEBITS	Seasonally adjusted								
Demand deposits[3]									
1 All insured banks	313,128.1	334,245.6	367,129.2	380,282.1	368,276.6	352,375.9	369,211.3	371,048.0	365,025.2
2 Major New York City banks	165,447.7	171,227.3	191,169.8	195,568.2	186,074.2	179,396.2	186,350.6	187,955.6	183,419.9
3 Other banks	147,680.4	163,018.3	175,959.4	184,713.9	182,202.4	172,979.7	182,860.7	183,092.4	181,605.4
4 Other checkable deposits[4]	3,780.3	3,467.1	3,831.4	3,890.7	3,905.1	3,896.7	4,116.4	4,199.0	4,058.6
5 Savings deposits (including MMDAs)[5]	3,309.1	3,508.8	3,737.1	3,862.2	3,760.0	3,639.6	3,835.7	4,033.1	3,856.4
DEPOSIT TURNOVER									
Demand deposits[3]									
6 All insured banks	825.9	785.3	813.0	842.1	815.5	783.6	826.5	820.6	808.6
7 Major New York City banks	4,795.3	4,198.1	4,481.6	4,608.4	4,502.1	4,414.6	4,544.7	4,490.8	4,337.8
8 Other banks	428.7	423.6	430.3	451.5	444.1	422.9	450.7	446.3	443.9
9 Other checkable deposits[4]	14.4	11.8	12.8	12.9	13.0	13.0	13.9	14.2	13.8
10 Savings deposits (including MMDAs)[5]	4.7	4.6	4.9	5.0	4.9	4.8	5.1	5.4	5.3
DEBITS	Not seasonally adjusted								
Demand deposits[3]									
11 All insured banks	313,344.9	334,354.6	367,218.8	394,394.4	365,063.0	352,548.5	359,229.9	384,218.7	364,000.9
12 Major New York City banks	165,595.0	171,283.5	191,226.1	202,845.6	186,161.8	181,406.6	184,656.3	194,120.1	181,602.7
13 Other banks	147,749.9	163,071.0	175,992.8	191,548.8	178,901.2	171,141.8	174,573.5	190,098.6	182,398.1
14 Other checkable deposits[4]	3,783.6	3,467.5	3,827.9	3,861.2	3,960.9	3,797.1	3,845.9	4,365.1	4,406.7
15 Savings deposits (including MMDAs)[5]	3,310.0	3,509.5	3,734.9	3,873.3	3,716.4	3,472.2	3,640.4	4,244.8	4,031.3
DEPOSIT TURNOVER									
Demand deposits[3]									
16 All insured banks	826.1	785.4	813.8	889.5	811.9	774.5	785.9	814.9	789.7
17 Major New York City banks	4,803.5	4,197.9	4,490.3	4,960.2	4,539.5	4,435.8	4,391.6	4,343.4	4,128.2
18 Other banks	428.8	423.8	430.6	475.9	437.8	413.1	420.6	445.4	437.5
19 Other checkable deposits[4]	14.4	11.8	12.7	13.0	13.3	12.9	13.0	14.5	14.6
20 Savings deposits (including MMDAs)[5]	4.7	4.6	4.9	5.0	4.9	4.6	4.8	5.7	5.5

1. Historical tables containing revised data for earlier periods can be obtained from the Publications Section, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, DC 20551.

Data in this table also appear in the Board's G.6 (406) monthly statistical release. For ordering address, see inside front cover.

2. Annual averages of monthly figures.

3. Represents accounts of individuals, partnerships, and corporations and of states and political subdivisions.

4. As of January 1994, other checkable deposits (OCDs), previously defined as automatic transfer to demand deposits (ATSs) and negotiable order of withdrawal (NOW) accounts, were expanded to include telephone and preauthorized transfer accounts. This change redefined OCDs for debits data to be consistent with OCDs for deposits data.

5. Money market deposit accounts.

1.26 ASSETS AND LIABILITIES OF COMMERCIAL BANKS[1]

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1994[r]					1995[r]			1995			
	Mar.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Mar. 8	Mar. 15	Mar. 22	Mar. 29
ALL COMMERCIAL BANKING INSTITUTIONS	Seasonally adjusted											
Assets												
1 Bank credit	3,176.2	3,281.4	3,290.6	3,300.5	3,319.7	3,351.6	3,363.7	3,386.2	3,374.2	3,385.8	3,386.6	3,392.7
2 Securities in bank credit	953.1	967.4	959.3	952.3	948.3	946.6	938.1	940.3	937.3	943.5	938.3	940.4
3 U.S. government securities	746.2	741.1	731.7	724.2	720.1	721.2	716.4	704.2	706.9	708.0	701.3	699.3
4 Other securities	206.9	226.4	227.6	228.1	228.2	225.4	221.7	236.1	230.4	235.5	237.0	241.1
5 Loans and leases in bank credit[2]	2,223.1	2,313.9	2,331.4	2,348.2	2,371.4	2,405.0	2,425.6	2,445.9	2,436.9	2,442.3	2,448.3	2,452.3
6 Commercial and industrial	597.2	628.3	634.7	641.0	646.3	659.1	671.0[r]	674.6	671.5	675.1	675.5	675.3
7 Real estate	944.2	980.8	985.8	991.1	999.0	1,014.1	1,021.7	1,026.9	1,024.5	1,025.5	1,028.4	1,028.5
8 Revolving home equity	73.3	74.9	75.1	75.7	76.2	76.6	76.9	76.8	76.6	76.7	76.8	77.0
9 Other	870.9	905.9	910.6	915.4	922.8	937.4	944.8	950.1	947.8	948.8	951.5	951.5
10 Consumer	402.4	434.5	440.8	443.7	449.0	453.7	454.8	460.0	458.1	458.6	459.8	462.7
11 Security[3]	84.3	69.7	71.2	71.8	73.9	72.0	70.8	73.1	70.1	71.3	74.8	75.1
12 Other	195.0	200.6	198.9	200.6	203.3	206.2	207.2[r]	211.3	212.8	211.8	209.9	210.7
13 Interbank loans[4]	149.7	161.7	165.8	173.0	176.3	180.0	178.8	181.1	173.8	189.4	176.9	185.5
14 Cash assets[5]	217.1	203.2	209.2	205.7	208.3	218.5	216.3	208.1	204.3	222.9	203.4	200.4
15 Other assets[6]	217.2	221.3	220.8	222.7	233.4	245.1	251.2[r]	254.4	257.1	252.0	253.4	249.1
16 **Total assets**[7]	**3,702.9**	**3,810.7**	**3,829.6**	**3,845.4**	**3,881.0**	**3,937.9[r]**	**3,952.9**	**3,972.8**	**3,952.8**	**3,993.3**	**3,963.6**	**3,970.5**
Liabilities												
17 Deposits	2,515.9	2,517.8	2,526.8	2,522.9	2,528.8	2,544.1	2,546.9	2,547.6	2,540.0	2,570.8	2,542.5	2,535.1
18 Transaction	813.8	803.6	804.7	796.7	795.8	806.6	802.8	793.5	787.8	816.4	788.7	778.3
19 Nontransaction	1,702.1	1,714.2	1,722.2	1,726.1	1,733.0	1,737.5	1,744.1	1,754.2	1,752.2	1,754.3	1,753.8	1,756.8
20 Large time	333.8	346.5	353.8	357.7	360.5	364.7	372.0	378.4	378.3	378.2	378.7	379.2
21 Other	1,368.3	1,367.7	1,368.3	1,368.4	1,372.6	1,372.8	1,372.1	1,375.7	1,373.9	1,376.2	1,375.2	1,377.6
22 Borrowings	549.7	579.7	583.7	591.2	607.0	640.1	642.7	648.5	628.3	652.6	651.5	660.5
23 From banks in the U.S.	150.8	160.5	165.7	170.1	178.0	182.2	179.7	183.0	172.0	192.3	177.6	191.2
24 From nonbanks in the U.S.	398.9	419.2	418.1	421.1	429.1	457.9	463.0	465.5	456.4	460.3	473.9	469.3
25 Net due to related foreign offices	162.6	209.7	214.6	213.4	225.5	244.9	252.6	241.4	248.0	245.8	238.5	234.0
26 Other liabilities[8]	170.3	177.9	179.9	180.5	189.6	185.2	189.5[r]	207.4	207.4	205.0	206.1	207.2
27 **Total liabilities**	**3,398.4**	**3,485.0**	**3,505.1**	**3,508.0**	**3,550.9**	**3,614.2**	**3,631.8[r]**	**3,644.9**	**3,623.7**	**3,674.2**	**3,638.5**	**3,636.7**
28 Residual (assets less liabilities)[9]	304.5	325.6	324.5	337.4	330.1	323.7	321.1[r]	327.9	329.1	319.0	325.1	333.8
	Not seasonally adjusted											
Assets												
29 Bank credit	3,177.0	3,280.3	3,291.0	3,308.9	3,336.0	3,348.0	3,359.7	3,386.7	3,380.6	3,390.5	3,383.1	3,387.1
30 Securities in bank credit	960.0	965.8	958.1	953.6	943.4	940.6	936.8	948.0	947.8	952.1	944.3	945.9
31 U.S. government securities	751.5	743.5	731.1	725.2	718.9	715.0	712.0	709.2	710.9	713.4	706.7	704.7
32 Other securities	208.5	222.2	227.0	228.5	224.6	225.6	224.8	238.8	236.9	238.7	237.6	241.1
33 Loans and leases in bank credit[2]	2,217.0	2,314.5	2,332.9	2,355.3	2,392.6	2,407.4	2,422.9	2,438.7	2,432.8	2,438.3	2,438.8	2,441.2
34 Commercial and industrial	600.1	624.8	632.6	641.0	647.0	655.8	669.6[r]	677.8	673.5	678.4	679.1	678.9
35 Real estate	939.8	982.1	988.4	995.9	1,005.4	1,012.4	1,017.8	1,022.0	1,020.2	1,021.2	1,022.3	1,023.7
36 Revolving home equity	72.7	75.2	75.8	76.1	76.2	76.6	76.5	76.1	76.1	76.1	76.1	76.1
37 Other	867.2	906.9	912.6	919.8	929.2	935.8	941.3	945.9	944.1	945.1	946.3	947.6
38 Consumer	399.5	435.5	440.8	443.9	453.9	458.4	456.0	456.6	455.1	455.4	456.3	458.6
39 Security[3]	85.8	68.4	71.0	73.5	78.9	74.5	74.2	74.3	73.2	75.0	76.0	72.8
40 Other	191.8	203.7	200.0	201.0	207.3	206.4	205.1[r]	207.9	210.7	208.3	205.1	207.1
41 Interbank loans[4]	148.4	158.8	164.0	174.6	187.1	186.9	180.9	179.3	176.2	189.5	169.8	180.5
42 Cash assets[5]	211.0	204.6	209.7	212.2	222.1	223.9	212.9[r]	202.4	196.2	219.6	193.9	197.1
43 Other assets[6]	213.3	221.8	222.6	225.5	239.4	245.0	248.9[r]	249.4	253.0	247.0	246.0	245.0
44 **Total assets**[7]	**3,692.1**	**3,808.4**	**3,830.6**	**3,864.5**	**3,927.5**	**3,946.9**	**3,945.3[r]**	**3,960.7**	**3,948.8**	**3,989.3**	**3,935.6**	**3,952.6**
Liabilities												
45 Deposits	2,506.2	2,514.6	2,522.4	2,537.9	2,561.5	2,548.0	2,537.7	2,538.1	2,537.7	2,564.3	2,516.4	2,521.9
46 Transaction	801.8	800.9	801.9	810.9	831.4	816.9	794.0	781.3	781.1	806.3	760.8	765.2
47 Nontransaction	1,704.5	1,713.7	1,720.4	1,727.0	1,730.1	1,731.1	1,743.7	1,756.7	1,756.6	1,758.0	1,755.6	1,756.7
48 Large time	335.0	346.4	351.7	356.9	359.0	361.5	372.2	379.6	379.7	380.3	380.3	379.7
49 Other	1,369.4	1,367.3	1,368.7	1,370.1	1,371.1	1,369.6	1,371.5	1,377.1	1,376.9	1,377.7	1,375.3	1,377.0
50 Borrowings	543.0	589.5	591.5	604.2	619.7	633.4	639.1[r]	637.9	626.2	645.7	639.1	639.0
51 From banks in the U.S.	148.8	158.6	163.7	174.4	187.1	186.9	180.9	179.3	176.2	189.5	169.8	180.5
52 From nonbanks in the U.S.	394.3	430.9	427.8	429.9	432.7	446.4	458.1	458.5	450.0	456.1	469.3	458.5
53 Net due to related foreign offices	165.3	204.2	214.4	213.3	230.4	251.6	249.7	245.1	243.8	244.2	245.2	251.5
54 Other liabilities[8]	169.9	177.6	181.8	185.7	192.8	188.2	190.3[r]	206.4	208.4	204.6	203.0	206.4
55 **Total liabilities**	**3,384.5**	**3,485.9**	**3,510.0**	**3,541.1**	**3,604.4**	**3,621.2**	**3,616.7[r]**	**3,627.5**	**3,615.9**	**3,658.8**	**3,603.6**	**3,618.7**
56 Residual (assets less liabilities)[9]	307.7	322.5	320.6	323.3	323.1	325.7	328.6[r]	333.2	332.9	330.6	331.9	333.8

Footnotes appear on last page.

1.26 ASSETS AND LIABILITIES OF COMMERCIAL BANKS[1]—Continued

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1994[r]					1995[r]			1995			
	Mar.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Mar. 8	Mar. 15	Mar. 22	Mar. 29
DOMESTICALLY CHARTERED COMMERCIAL BANKS	Seasonally adjusted											
Assets												
57 Bank credit	2,836.2	2,928.0	2,939.2	2,947.8	2,962.1	2,991.8	2,994.0	3,012.2	3,002.7	3,013.3	3,011.9	3,016.5
58 Securities in bank credit	875.9	881.8	875.5	871.2	868.8	864.1	848.1	851.6	849.5	855.1	851.1	850.2
59 U.S. government securities	689.3	681.1	674.5	670.2	668.5	667.4	655.9	645.4	648.3	649.1	644.1	639.8
60 Other securities	186.6	200.6	201.0	200.9	200.3	196.7	192.3	206.2	201.1	205.9	207.0	210.4
61 Loans and leases in bank credit[2]	1,960.3	2,046.2	2,063.7	2,076.6	2,093.4	2,127.7	2,145.9	2,160.7	2,153.2	2,158.2	2,160.8	2,166.3
62 Commercial and industrial	444.8	469.6	473.8	476.8	480.1	491.3	498.3	501.8	499.2	501.9	501.8	503.1
63 Real estate	899.0	938.5	944.2	949.8	957.8	973.5	981.6	987.3	984.8	985.7	988.4	989.6
64 Revolving home equity	73.2	74.9	75.1	75.7	76.2	76.6	76.9	76.8	76.6	76.7	76.8	77.0
65 Other	825.7	863.6	869.1	874.1	881.6	896.8	904.7	910.5	908.1	909.0	911.6	912.6
66 Consumer	402.4	434.5	440.8	443.7	449.0	453.7	454.8	460.0	458.1	458.6	459.8	462.7
67 Security[3]	55.9	43.6	45.6	46.2	45.7	45.8	46.8	46.2	45.9	46.2	46.5	45.6
68 Other	158.2	160.1	159.2	160.2	160.8	163.4	164.4	165.4	165.3	165.9	164.3	165.4
69 Interbank loans[4]	125.9	138.2	141.2	149.8	153.4	156.8	156.9	158.2	150.9	166.0	156.2	160.0
70 Cash assets[5]	191.3	180.8	185.2	181.2	181.3	191.5	190.8	182.3	178.7	196.8	178.1	174.2
71 Other assets[6]	169.9	167.3	165.8	166.4	169.7	175.1	177.0	172.5	173.7	172.9	172.7	167.1
72 **Total assets**[7]	**3,266.0**	**3,357.5**	**3,374.7**	**3,388.8**	**3,409.9**	**3,458.0**	**3,461.9**	**3,468.4**	**3,449.3**	**3,492.1**	**3,462.3**	**3,460.8**
Liabilities												
73 Deposits	2,375.5	2,367.8	2,371.1	2,367.3	2,369.8	2,389.1	2,394.5	2,392.8	2,385.7	2,416.6	2,388.5	2,377.9
74 Transaction	802.9	793.6	794.8	787.1	786.0	797.1	793.1	783.3	778.0	806.2	778.9	767.5
75 Nontransaction	1,572.7	1,574.2	1,576.3	1,580.2	1,583.8	1,592.0	1,601.4	1,609.5	1,607.6	1,610.4	1,609.7	1,610.3
76 Large time	207.6	209.3	212.7[r]	216.7	217.7	225.0	234.1	238.8	238.5	239.6	238.7	238.9
77 Other	1,365.1	1,364.9	1,363.6	1,363.5	1,366.0	1,367.0	1,367.3	1,370.7	1,369.2	1,370.8	1,371.0	1,371.4
78 Borrowings	448.8	475.5	483.1	488.3	501.0	534.6	533.7	531.7	518.1	531.9	535.0	539.7
79 From banks in the U.S.	132.9	143.4	149.4	153.9	161.9	163.8	160.7	163.4	155.7	169.0	157.8	172.4
80 From nonbanks in the U.S.	315.8	332.1	333.7	334.4	339.1	370.8	373.0	368.3	362.4	362.9	377.2	367.3
81 Net due to related foreign offices	13.3	58.9	65.4	66.4	77.3	91.4	87.9	85.4	83.0	90.0	87.2	84.2
82 Other liabilities[8]	128.7	133.4	133.5[r]	133.2	132.8	124.8	126.1	135.9	133.9	134.8	136.0	137.1
83 **Total liabilities**	**2,966.3**	**3,035.6**	**3,053.1**[r]	**3,055.1**	**3,080.9**	**3,139.9**	**3,142.3**	**3,145.8**	**3,120.6**	**3,173.3**	**3,146.7**	**3,138.9**
84 Residual (assets less liabilities)[9]	299.7	321.9	321.6[r]	333.6	329.1	318.1	319.6	322.6	328.8	318.8	315.6	321.9
	Not seasonally adjusted											
Assets												
85 Bank credit	2,835.6	2,928.7	2,941.2	2,955.8	2,969.5	2,982.7	2,989.4	3,011.5	3,007.1	3,013.4	3,007.3	3,012.5
86 Securities in bank credit	881.8	880.6	873.9	871.7	862.3	856.6	847.3	858.3	858.7	862.0	855.7	855.8
87 U.S. government securities	693.7	684.0	673.7	670.0	665.2	659.9	652.7	649.7	652.1	653.5	648.2	645.0
88 Other securities	188.1	196.6	200.3	201.7	197.1	196.7	194.6	208.6	206.6	208.5	207.5	210.8
89 Loans and leases in bank credit[2]	1,953.8	2,048.0	2,067.3	2,084.1	2,107.2	2,126.1	2,142.1	2,153.2	2,148.5	2,151.5	2,151.6	2,156.7
90 Commercial and industrial	447.2	466.5	472.7	476.9	479.8	487.8	497.8	504.5	501.4	504.5	504.9	505.9
91 Real estate	894.6	939.6	946.9	954.4	964.2	971.9	977.6	982.4	980.3	981.2	982.3	985.0
92 Revolving home equity	72.6	75.2	75.8	76.1	76.2	76.6	76.5	76.1	76.1	76.1	76.1	76.1
93 Other	822.0	864.4	871.1	878.3	888.0	895.3	901.1	906.3	904.2	905.1	906.2	908.9
94 Consumer	399.5	435.5	440.8	443.9	453.9	458.4	456.0	456.6	455.1	455.4	456.3	458.6
95 Security[3]	56.8	43.7	46.1	47.4	46.2	45.2	48.1	46.9	48.0	47.3	47.3	44.7
96 Other	155.8	162.7	160.8	161.5	163.1	162.8	162.6	162.8	163.7	163.0	160.8	162.5
97 Interbank loans[4]	125.6	134.8	138.5	151.6	161.8	162.3	160.0	157.6	155.2	166.8	150.8	155.6
98 Cash assets[5]	185.8	181.0	184.9	187.8	194.9	197.4	188.4	177.3	171.6	194.1	169.2	171.0
99 Other assets[6]	167.1	168.7	168.0	168.0	172.0	174.5	174.7	169.4	170.1	169.1	168.6	165.5
100 **Total assets**[7]	**3,256.6**	**3,356.2**	**3,376.1**	**3,406.6**	**3,441.3**	**3,460.1**	**3,455.4**	**3,458.8**	**3,447.0**	**3,486.2**	**3,438.7**	**3,447.5**
Liabilities												
101 Deposits	2,364.1	2,365.2	2,370.3	2,383.9	2,402.6	2,393.4	2,384.6	2,381.2	2,382.5	2,407.9	2,359.4	2,361.4
102 Transaction	791.2	790.1	791.9	801.2	821.4	807.2	784.3	771.6	771.8	796.7	751.4	754.6
103 Nontransaction	1,572.8	1,575.1	1,578.5	1,582.7	1,581.2	1,586.2	1,600.3	1,609.6	1,610.7	1,611.2	1,608.1	1,606.9
104 Large time	206.7	210.2	213.5	216.9	216.1	222.9	234.4	237.6	238.6	238.7	237.6	236.0
105 Other	1,366.1	1,364.9	1,365.0	1,365.8	1,365.1	1,363.3	1,365.9	1,371.9	1,372.1	1,372.5	1,370.5	1,370.9
106 Borrowings	443.7	484.7	490.8	501.6	512.2	528.8	532.7	522.9	515.4	525.1	524.4	525.6
107 From banks in the U.S.	131.0	141.0	148.0	157.6	169.3	167.9	162.4	159.8	159.9	165.4	151.2	161.8
108 From nonbanks in the U.S.	312.7	343.7	342.8	344.0	342.9	360.8	370.2	363.2	355.5	359.6	373.2	363.7
109 Net due to related foreign offices	16.0	55.5	63.2	64.9	74.3	90.2	88.7	90.1	86.3	92.0	92.5	93.8
110 Other liabilities[8]	129.1	133.1	136.0	137.7	134.0	126.7	125.8	136.3	134.9	135.6	135.4	137.9
111 **Total liabilities**	**2,952.9**	**3,038.5**	**3,060.4**	**3,088.1**	**3,123.1**	**3,139.1**	**3,131.7**	**3,130.5**	**3,119.1**	**3,160.6**	**3,111.8**	**3,118.7**
112 Residual (assets less liabilities)[9]	303.7	317.6	315.7[r]	318.4	318.2	321.0	323.8	328.2	327.9	325.6	327.0	328.8

Footnotes appear on following page.

NOTES TO TABLE 1.26

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; New York State investment companies, 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.

2. Excludes federal funds sold to, reverse repurchase agreements with, and loans to commercial banks in the United States.

3. Consists of reserve repurchase agreements with broker–dealers and loans to purchase and carry securities.

4. Consists of federal funds sold to, reverse repurchase agreements with, and loans to commercial banks in the United States.

5. Includes vault cash, cash items in process of collection, demand balances due from depository institutions in the United States, balances due from Federal Reserve Banks, and other cash assets.

6. Excludes the due-from position with related foreign offices, which is included in lines 25, 53, 81, and 109.

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

8. Excludes the due-to position with related foreign offices, which is included in lines 25, 53, 81, and 109.

9. This balancing item is not intended as a measure of equity capital for use in capital adequacy analysis.

1.27 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS

Millions of dollars, Wednesday figures

Account	1995								
	Feb. 1[r]	Feb. 8[r]	Feb. 15[r]	Feb. 22[r]	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29
ASSETS									
1 Cash and balances due from depository institutions	128,719	100,979	121,554	122,838	129,932	106,190	125,045	104,838	106,016
2 U.S. Treasury and government securities	300,435	297,950	299,156	299,190	295,502	297,838	300,048	295,306	291,970
3 Trading account	21,059	20,085	24,443	23,035	23,281	25,365	26,306	22,061	19,201
4 Investment account	279,377	277,865	274,713	276,154	272,221	272,473	273,741	273,245	272,769
5 Mortgage-backed securities[1]	95,979	95,958	94,963	95,911	94,869	95,217	94,371	93,096	92,846
All others, by maturity									
6 One year or less	44,882	44,870	44,746	45,306	46,023	46,401	45,796	46,598	45,866
7 One year through five years	75,084	73,464	71,620	71,711	69,015	68,507	71,705	72,127	72,397
8 More than five years	63,431	63,573	63,384	63,226	62,315	62,348	61,869	61,424	61,660
9 Other securities	108,803	107,356	107,559	110,138	112,120	121,795	123,381	122,865	125,987
10 Trading account	2,180	1,916	2,059	1,843	1,858	1,812	1,721	1,561	1,462
11 Investment account	61,339	61,432	61,403	61,060	60,720	60,525	60,317	60,397	60,285
12 State and local government, by maturity	20,622	20,576	20,468	20,432	20,311	20,326	20,269	20,307	20,402
13 One year or less	5,561	5,524	5,454	5,455	5,475	5,557	5,505	5,553	5,606
14 More than one year	15,061	15,053	15,013	14,977	14,836	14,769	14,764	14,754	14,796
15 Other bonds, corporate stocks, and securities	40,718	40,855	40,935	40,628	40,408	40,199	40,048	40,090	39,884
16 Other trading account assets	45,284	44,008	44,098	47,236	49,543	59,458	61,342	60,907	64,240
17 Federal funds sold[2]	114,501	106,375	119,278	108,281	119,155	104,567	115,754	103,465	103,143
18 To commercial banks in the United States	82,849	73,986	83,153	73,413	79,993	68,265	81,113	69,309	71,282
19 To nonbank brokers and dealers in securities	25,750	24,406	27,875	28,211	30,870	27,987	27,341	27,724	24,706
20 To others[3]	5,902	7,984	8,250	6,657	8,292	8,315	7,299	6,432	7,155
21 Other loans and leases, gross	1,179,809	1,170,979	1,176,197	1,176,305	1,184,836	1,180,286	1,181,666	1,180,668	1,187,229
22 Commercial and industrial	325,673	325,454	327,763	328,504	332,966	331,151	333,523	333,426	333,347
23 Bankers acceptances and commercial paper	2,525	2,437	2,254	2,224	2,109	2,136	1,945	1,802	1,822
24 All other	323,149	323,017	325,509	326,281	330,857	329,015	331,578	331,624	331,525
25 U.S. addressees	320,987	320,844	323,359	324,155	328,652	326,845	329,392	329,348	329,258
26 Non-U.S. addressees	2,162	2,173	2,150	2,126	2,205	2,170	2,186	2,276	2,266
27 Real estate loans	465,760	465,918	466,309	466,885	468,204	468,119	468,515	468,992	470,200
28 Revolving, home equity	47,173	47,141	47,165	47,153	46,701	46,647	46,652	46,630	46,637
29 All other	418,587	418,777	419,144	419,732	421,502	421,471	421,863	422,362	423,563
30 To individuals for personal expenditures	239,542	237,517	237,875	237,928	237,384	237,066	236,696	237,485	238,412
31 To depository and financial institutions	56,405	54,290	54,444	53,081	54,353	55,167	54,157	52,507	55,606
32 Commercial banks in the United States	36,179	34,617	34,684	34,045	34,685	35,311	34,373	33,395	36,156
33 Banks in foreign countries	2,790	2,203	2,726	2,827	3,188	3,156	3,267	2,776	2,877
34 Nonbank depository and other financial institutions	17,436	17,469	17,034	16,209	16,480	16,700	16,517	16,336	16,573
35 For purchasing and carrying securities	16,034	14,815	15,031	15,149	15,547	14,506	14,469	14,315	14,668
36 To finance agricultural production	6,276	6,233	6,254	6,150	6,185	6,155	6,194	6,257	6,254
37 To states and political subdivisions	11,248	11,160	11,272	11,163	11,204	11,101	11,121	11,050	11,124
38 To foreign governments and official institutions	925	901	938	957	1,091	1,187	864	940	1,017
39 All other loans[4]	25,539	22,223	23,803	23,897	25,147	22,965	23,189	22,673	23,272
40 Lease-financing receivables	32,407	32,468	32,509	32,591	32,756	32,870	32,938	33,024	33,327
41 LESS: Unearned income	1,771	1,778	1,790	1,797	1,670	1,678	1,673	1,697	1,678
42 Loan and lease reserve[5]	34,428	34,504	34,527	34,489	34,409	34,541	34,583	34,513	34,408
43 Other loans and leases, net	1,143,611	1,134,698	1,139,880	1,140,019	1,148,758	1,144,068	1,145,409	1,144,458	1,151,143
44 All other assets	145,433	137,121	142,344	135,708	140,559	136,293	135,217	134,906	131,797
45 **Total assets[6]**	**1,941,503**	**1,884,479**	**1,929,772**	**1,916,174**	**1,946,025**	**1,910,752**	**1,944,853**	**1,905,836**	**1,910,056**

Footnotes appear on the following page.

1.27 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS—Continued

Millions of dollars, Wednesday figures

Account	1995								
	Feb. 1	Feb. 8	Feb. 15	Feb. 22	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29
LIABILITIES									
46 Deposits	1,167,949[r]	1,139,063[r]	1,165,941[r]	1,152,122[r]	1,175,713	1,151,016	1,173,017	1,135,696	1,136,877
47 Demand deposits[7]	310,677	279,677[r]	304,364	293,097	310,264	284,158	306,997	275,934	279,339
48 Individuals, partnerships, and corporations	257,513	237,510[r]	256,362	245,031	259,089	241,524	253,698	232,871	236,380
49 Other holders	53,164	42,168	48,002	48,066	51,175	42,635	53,299	43,062	42,960
50 States and political subdivisions	10,485	8,584	9,526	8,896	9,226	7,412	8,485	8,893	7,465
51 U.S. government	3,075	1,669	3,274	1,552	3,123	1,720	8,236	1,796	1,775
52 Depository institutions in the United States	23,907	17,584	21,164	21,186	23,734	18,840	21,827	16,744	17,198
53 Banks in foreign countries	5,508	4,582	5,305	5,422	5,317	5,096	5,278	5,394	5,362
54 Foreign governments and official institutions	824	710	652	723	899	674	748	645	756
55 Certified and officers' checks	9,366	9,037	8,082	10,287	8,877	8,893	8,726	9,590	10,403
56 Transaction balances other than demand deposits[4]	128,070	127,146	125,907	124,150	128,363	127,383	127,194	124,445	123,798
57 Nontransaction balances	729,203[r]	732,240[r]	735,670[r]	734,875[r]	737,086	739,474	738,826	735,317	733,739
58 Individuals, partnerships, and corporations	707,321[r]	709,619[r]	712,808[r]	711,451[r]	713,612	715,445	715,269	711,778	710,372
59 Other holders	21,882	22,621	22,862	23,424	23,474	24,029	23,557	23,539	23,367
60 States and political subdivisions	18,322	18,921	18,900	19,438	19,151	19,868	19,477	19,477	19,436
61 U.S. government	1,726	1,815	1,881	1,805	1,873	1,804	1,869	1,860	1,852
62 Depository institutions in the United States	1,339	1,382	1,662	1,824	2,095	1,949	1,801	1,784	1,661
63 Foreign governments, official institutions, and banks	495	503	419	356	355	409	410	418	418
64 Liabilities for borrowed money[5]	401,055	371,221	391,762	387,819	390,935	373,797	381,686	379,848	379,641
65 Borrowings from Federal Reserve Banks	0	0	0	0	0	0	0	0	0
66 Treasury tax and loan notes	26,536	12,626	10,872	14,633	17,069	6,964	5,040	7,471	4,770
67 Other liabilities for borrowed money[6]	374,518[r]	358,595	380,890	373,186	373,866	366,833	376,645	372,377	374,872
68 Other liabilities (including subordinated notes and debentures)	195,471[r]	197,509[r]	195,383[r]	198,904[r]	200,672	206,469	211,855	211,731	215,161
69 **Total liabilities**	**1,764,476[r]**	**1,707,793[r]**	**1,753,086[r]**	**1,738,845[r]**	**1,767,320**	**1,731,282**	**1,766,557**	**1,727,275**	**1,731,679**
70 Residual (total assets less total liabilities)[7]	177,027[r]	176,686[r]	176,686[r]	177,330[r]	178,706	179,470	178,296	178,562	178,377
MEMO									
71 Total loans and leases, gross, adjusted, plus securities[8]	1,584,522[r]	1,574,057[r]	1,584,354[r]	1,586,457[r]	1,596,936	1,600,911	1,605,362	1,599,599	1,600,891
72 Time deposits in amounts of $100,000 or more	103,194[r]	104,530	107,633	108,525	109,161	109,090	108,764	107,267	105,678
73 Loans sold outright to affiliates[9]	579	576	578	572	572	570	568	567	566
74 Commercial and industrial	295	295	295	295	295	295	295	295	295
75 Other	284	281	283	277	277	275	273	272	271
76 Foreign branch credit extended to U.S. residents[10]	23,497	23,686	23,710	23,366	23,784	23,601	23,529	23,444	23,593
77 Net owed to related institutions abroad	78,820[r]	85,594[r]	81,515[r]	86,391[r]	81,260	81,929	87,174	87,535	88,935

1. Includes certificates of participation, issued or guaranteed by agencies of the U.S. government, in pools of residential mortgages.
2. Includes securities purchased under agreements to resell.
3. Includes allocated transfer risk reserve.
4. Includes negotiable order of withdrawal (NOWs) and automatic transfer service (ATS) accounts, and telephone and preauthorized transfers of savings deposits.
5. Includes borrowings only from other than directly related institutions.
6. Includes federal funds purchased and securities sold under agreements to repurchase.
7. This balancing item is not intended as a measure of equity capital for use in capital-adequacy analysis.
8. Excludes loans to and federal funds transactions with commercial banks in the United States.
9. Affiliates include a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.
10. Credit extended by foreign branches of domestically chartered weekly reporting banks to nonbank U.S. residents. Consists mainly of commercial and industrial loans, but includes an unknown amount of credit extended to other than nonfinancial businesses.

1.28 LARGE WEEKLY REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS
Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1995								
	Feb. 1	Feb. 8	Feb. 15	Feb. 22	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29
ASSETS									
1 Cash and balances due from depository institutions	16,567	15,327	15,283	15,299	14,847	15,327	15,820	15,325	16,251
2 U.S. Treasury and government agency securities	38,624	41,266	39,890	39,447	42,243	40,303	40,984	39,989	40,893
3 Other securities	13,602	13,901	14,533	13,789	14,269	14,151	14,059	13,972	14,152
4 Federal funds sold[1]	29,097	26,119	24,767	24,944	26,442	25,507	28,188	25,741	29,425
5 To commercial banks in the United States	7,434	4,804	5,078	6,663	5,702	6,087	6,813	4,722	7,638
6 To others[2]	21,663	21,315	19,689	18,281	20,740	19,419	21,375	21,020	21,787
7 Other loans and leases, gross	171,511	169,919	170,173	168,574	171,226	171,500	171,997	172,612	170,847
8 Commercial and industrial	109,607	109,557	110,020	109,427	111,151	110,112	110,781	110,884	110,432
9 Bankers acceptances and commercial paper	3,713	3,665	3,715	3,432	3,439	3,430	3,269	3,250	3,229
10 All other	105,895	105,892	106,305	105,995	107,712	106,682	107,511	107,634	107,203
11 U.S. addressees	101,732	101,748	102,276	101,884	103,439	102,298	102,780	102,915	102,629
12 Non-U.S. addressees	4,163	4,144	4,029	4,111	4,274	4,384	4,731	4,720	4,575
13 Loans secured by real estate	25,350	25,290	25,256	25,130	25,041	25,048	25,039	25,057	24,275
14 Loans to depository and financial institutions	27,590	26,457	26,417	25,746	26,041	27,444	27,665	27,734	26,964
15 Commercial banks in the United States	5,854	5,658	5,527	5,124	4,994	4,820	4,975	5,206	5,332
16 Banks in foreign countries	1,992	1,931	2,005	2,039	2,212	2,943	2,214	2,296	2,104
17 Nonbank financial institutions	19,743	18,867	18,885	18,583	18,835	19,681	20,476	20,232	19,529
18 For purchasing and carrying securities	4,307	4,288	3,971	3,900	4,636	4,190	4,157	4,700	4,511
19 To foreign governments and official institutions	349	374	363	329	446	576	412	416	413
20 All other	4,308	3,952	4,145	4,042	3,912	4,130	3,943	3,821	4,252
21 Other assets (claims on nonrelated parties)	47,705	48,208	47,806	48,640	51,692	55,220	51,619	51,287	52,828
22 **Total assets**[3]	**340,319**	**336,708**	**334,614**	**332,375**	**345,435**	**344,795**	**345,977**	**343,514**	**347,116**
LIABILITIES									
23 Deposits or credit balances owed to other than directly related institutions	96,295	97,044	95,647	96,621	95,007	97,075	98,251	98,592	100,387
24 Demand deposits[4]	4,127	3,800	4,024	4,133	3,870	3,717	3,962	3,815	4,516
25 Individuals, partnerships, and corporations	3,359	3,014	3,032	3,114	3,166	2,937	3,143	3,077	3,325
26 Other	768	785	992	1,019	705	780	819	738	1,191
27 Nontransaction accounts	92,169	93,245	91,623	92,488	91,137	93,357	94,290	94,777	95,872
28 Individuals, partnerships, and corporations	62,214	61,924	60,836	62,557	62,633	65,059	65,202	65,462	65,335
29 Other	29,955	31,321	30,787	29,931	28,504	28,298	29,088	29,316	30,537
30 Borrowings from other than directly related institutions	75,652	75,354	76,834	71,717	83,958	79,963	87,176	83,005	81,277
31 Federal funds purchased[5]	43,331	41,812	44,664	38,776	47,280	40,792	48,299	43,406	40,973
32 From commercial banks in the United States	7,303	6,848	8,291	5,687	8,878	6,093	10,957	7,286	7,325
33 From others	36,028	34,964	36,373	33,089	38,402	34,699	37,341	36,120	33,648
34 Other liabilities for borrowed money	32,321	33,542	32,170	32,941	36,678	39,171	38,878	39,599	40,304
35 To commercial banks in the United States	6,960	6,169	6,235	5,927	5,828	5,756	5,769	5,930	6,028
36 To others	25,361	27,373	25,936	27,014	30,850	33,415	33,108	33,668	34,276
37 Other liabilities to nonrelated parties	44,116	45,705	44,101	45,656	48,454	52,166	49,049	48,052	48,484
38 **Total liabilities**[6]	**340,319**	**336,708**	**334,614**	**332,375**	**345,435**	**344,795**	**345,977**	**343,514**	**347,116**
MEMO									
39 Total loans (gross) and securities, adjusted[7]	239,546	240,743	238,758	234,968	243,485	240,553	243,440	242,386	242,348
40 Net owed to related institutions abroad	101,043	96,637	95,870	96,699	93,300	92,804	88,190	89,276	94,248

1. Includes securities purchased under agreements to resell.
2. Includes transactions with nonbank brokers and dealers in securities.
3. For U.S. branches and agencies of foreign banks having a net "due from" position, includes net due from related institutions abroad.
4. Includes other transaction deposits.
5. Includes securities sold under agreements to repurchase.
6. For U.S. branches and agencies of foreign banks having a net "due to" position, includes net owed to related institutions abroad.
7. Excludes loans to and federal funds transactions with commercial banks in the United States.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Item	Year ending December					1994					1995
	1990	1991	1992	1993	1994	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**562,656**	**528,832**	**545,619**	**555,075**	**595,382**	**566,502**	**574,856**	**588,271**	**580,510**	**595,382**	**612,554**
Financial companies[1]											
Dealer-placed paper[2]											
2 Total	214,706	212,999	226,456	218,947	223,038	214,718	214,300	222,019	215,733	223,038	231,318
3 Bank-related (not seasonally adjusted)[3]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper[4]											
4 Total	200,036	182,463	171,605	180,389	207,701	201,047	204,595	206,264	203,584	207,701	215,423
5 Bank-related (not seasonally adjusted)[3]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies[5]	147,914	133,370	147,558	155,739	164,643	150,737	155,961	159,988	161,193	164,643	165,813
	Bankers dollar acceptances (not seasonally adjusted)[6]										
7 **Total**	**54,771**	**43,770**	**38,194**	**32,348**	**29,835**	**30,448**	**31,164**	**30,413**	**29,760**	**29,835**	
By holder											
8 Accepting banks	9,017	11,017	10,555	12,421	11,783	11,543	11,299	11,061	11,689	11,783	
9 Own bills	7,930	9,347	9,097	10,707	10,462	10,824	10,475	9,931	10,548	10,462	
10 Bills bought from other banks	1,087	1,670	1,458	1,714	1,321	719	824	1,130	1,142	1,321	
Federal Reserve Banks[7]											
11 Foreign correspondents	918	1,739	1,276	725	410	325	388	332	234	410	n.a.
12 Others	44,836	31,014	26,364	19,202	17,642	18,580	19,477	19,020	17,836	17,642	
By basis											
13 Imports into United States	13,095	12,843	12,209	10,217	10,062	10,486	10,985	10,674	10,272	10,062	
14 Exports from United States	12,703	10,351	8,096	7,293	6,355	6,458	6,575	6,754	6,688	6,355	
15 All other	28,973	20,577	17,890	14,838	13,417	13,505	13,604	12,986	12,800	13,417	

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. Series were discontinued in January 1989.
4. As reported by financial companies that place their paper directly with investors.
5. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.
6. Data on bankers dollar acceptances are gathered from approximately 100 institutions. The reporting group is revised every January. Beginning January 1995, data for Bankers dollar acceptances will be reported annually in September.
7. In 1977 the Federal Reserve discontinued operations in bankers dollar acceptances for its own account.

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
1992—July 2	6.00	1992	6.25	1993—Jan.	6.00	1994—Jan.	6.00
		1993	6.00	Feb.	6.00	Feb.	6.00
1994—Mar. 24	6.25	1994	7.15	Mar.	6.00	Mar.	6.06
Apr. 19	6.75			Apr.	6.00	Apr.	6.45
May 17	7.25	1992—Jan.	6.50	May	6.00	May	6.99
Aug. 16	7.75	Feb.	6.50	June	6.00	June	7.25
Nov. 15	8.50	Mar.	6.50	July	6.00	July	7.25
		Apr.	6.50	Aug.	6.00	Aug.	7.51
1995—Feb. 1	9.00	May	6.50	Sept.	6.00	Sept.	7.75
		June	6.50	Oct.	6.00	Oct.	7.75
		July	6.02	Nov.	6.00	Nov.	8.15
		Aug.	6.00	Dec.	6.00	Dec.	8.50
		Sept.	6.00				
		Oct.	6.00			1995—Jan.	8.50
		Nov.	6.00			Feb.	9.00
		Dec.	6.00			Mar.	9.00
						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	1992	1993	1994	1994	1995			1995, 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]	3.52	3.02	4.21	5.45	5.53	5.92	5.98	5.88	5.93	5.94	5.97	6.06
2 Discount window borrowing[2,4]	3.25	3.00	3.60	4.75	4.75	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Commercial paper[3,5,6]												
3 1-month	3.71	3.17	4.43	6.08	5.86	6.05	6.07	6.05	6.08	6.07	6.05	6.08
4 3-month	3.75	3.22	4.66	6.26	6.22	6.15	6.15	6.13	6.19	6.15	6.14	6.15
5 6-month	3.80	3.30	4.93	6.62	6.63	6.38	6.30	6.28	6.39	6.31	6.27	6.25
Finance paper, directly placed[3,5,7]												
6 1-month	3.62	3.12	4.33	5.93	5.76	5.95	5.95	5.93	5.95	5.95	5.96	5.96
7 3-month	3.65	3.16	4.53	6.12	6.10	6.04	6.03	6.02	6.06	6.04	6.03	6.02
8 6-month	3.63	3.15	4.56	6.17	6.25	6.10	6.04	6.02	6.07	6.03	6.03	6.03
Bankers acceptances[3,5,8]												
9 3-month	3.62	3.13	4.56	6.18	6.12	6.05	6.04	6.03	6.08	6.03	6.02	6.05
10 6-month	3.67	3.21	4.83	6.53	6.45	6.22	6.14	6.12	6.20	6.12	6.11	6.13
Certificates of deposit, secondary market[3,9]												
11 1-month	3.64	3.11	4.38	6.01	5.84	6.01	6.02	6.00	6.02	6.01	6.01	6.04
12 3-month	3.68	3.17	4.63	6.29	6.24	6.16	6.15	6.13	6.20	6.14	6.12	6.15
13 6-month	3.76	3.28	4.96	6.78	6.71	6.44	6.34	6.33	6.41	6.33	6.31	6.34
14 Eurodollar deposits, 3-month[3,10]	3.70	3.18	4.63	6.27	6.23	6.14	6.15	6.13	6.20	6.13	6.13	6.16
U.S. Treasury bills												
Secondary market[3,5]												
15 3-month	3.43	3.00	4.25	5.60	5.71	5.77	5.73	5.74	5.76	5.75	5.72	5.69
16 6-month	3.54	3.12	4.64	6.21	6.21	6.03	5.89	5.91	5.96	5.90	5.87	5.81
17 1-year	3.71	3.29	5.02	6.67	6.59	6.28	6.03	6.07	6.14	6.00	5.97	5.98
Auction average[3,5,11]												
18 3-month	3.45	3.02	4.29	5.64	5.81	5.80	5.73	5.73	5.77	5.76	5.76	5.64
19 6-month	3.57	3.14	4.66	6.21	6.31	6.10	5.91	5.90	6.00	5.92	5.91	5.80
20 1-year	3.75	3.33	4.98	6.75	6.86	6.59	6.16	n.a.	6.16	n.a.	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities[12]												
21 1-year	3.89	3.43	5.32	7.14	7.05	6.70	6.43	6.47	6.54	6.39	6.37	6.38
22 2-year	4.77	4.05	5.94	7.59	7.51	7.11	6.78	6.83	6.91	6.71	6.71	6.73
23 3-year	5.30	4.44	6.27	7.71	7.66	7.25	6.89	6.95	7.04	6.81	6.83	6.84
24 5-year	6.19	5.14	6.69	7.78	7.76	7.37	7.05	7.10	7.18	6.95	7.01	7.01
25 7-year	6.63	5.54	6.91	7.80	7.79	7.44	7.14	7.21	7.28	7.03	7.10	7.11
26 10-year	7.01	5.87	7.09	7.81	7.78	7.47	7.20	7.27	7.35	7.11	7.16	7.15
27 20-year	n.a.	6.29	7.49	7.99	7.97	7.73	7.57	7.61	7.68	7.48	7.55	7.51
28 30-year	7.67	6.59	7.37	7.87	7.85	7.61	7.45	7.49	7.56	7.37	7.43	7.40
Composite												
29 More than 10 years (long-term)	7.52	6.45	7.41	7.97	7.93	7.69	7.52	7.56	7.64	7.44	7.50	7.48
STATE AND LOCAL NOTES AND BONDS												
Moody's series[13]												
30 Aaa	6.09	5.38	5.77	6.62	6.55	6.05	5.92	5.98	5.95	5.93	5.82	5.90
31 Baa	6.48	5.83	6.17	7.17	7.05	6.61	6.06	6.10	6.10	6.10	6.02	6.00
32 *Bond Buyer* series[14]	6.44	5.60	6.18	6.80	6.53	6.22	6.10	6.08	6.18	6.06	6.09	6.07
CORPORATE BONDS												
33 Seasoned issues, all industries[15]	8.55	7.54	8.26	8.73	8.71	8.50	8.35	8.41	8.46	8.27	8.33	8.30
Rating group												
34 Aaa	8.14	7.22	7.97	8.46	8.46	8.26	8.12	8.17	8.22	8.04	8.10	8.08
35 Aa	8.46	7.40	8.15	8.62	8.60	8.39	8.24	8.29	8.35	8.17	8.22	8.19
36 A	8.62	7.58	8.28	8.73	8.70	8.48	8.33	8.39	8.44	8.25	8.32	8.28
37 Baa	8.98	7.93	8.63	9.10	9.08	8.85	8.70	8.76	8.81	8.62	8.69	8.65
38 A-rated, recently offered utility bonds[16]	8.52	7.46	8.29	8.78	8.75	8.55	8.40	8.52	8.43	8.32	8.35	8.40
MEMO												
Dividend–price ratio[17]												
39 Common stocks	2.99	2.78	2.82	2.91	2.87	2.81	2.76	2.79	2.81	2.76	2.73	2.69

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 for bank interest.
4. Rate for the Federal Reserve Bank of New York.
5. Quoted on a discount basis.
6. An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.
7. An average of offering rates on paper directly placed by finance companies.
8. Representative closing yields for acceptances of the highest-rated money center banks.
9. An average of dealer offering rates on nationally traded certificates of deposit.
10. Bid rates for Eurodollar deposits at 11:00 a.m. London time. Data are for indication purposes only.
11. Auction date for daily data; weekly and monthly averages computed on an issue-date basis.
12. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Department of the Treasury.
13. General obligation bonds based on Thursday figures; Moody's Investors Service.
14. 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.
15. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.
16. Compilation of the Federal Reserve. This series is an estimate of the yield on recently offered, A-rated utility bonds with a thirty-year maturity and five years of call protection. Weekly data are based on Friday quotations.
17. Standard & Poor's corporate series. Common stock ratio is based on the 500 stocks in the price index.

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.

1.36 STOCK MARKET Selected Statistics

Indicator	1992	1993	1994	1994 July	1994 Aug.	1994 Sept.	1994 Oct.	1994 Nov.	1994 Dec.	1995 Jan.	1995 Feb.	1995 Mar.
	Prices and trading volume (averages of daily figures)											
Common stock prices (indexes)												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	229.00	249.71	254.16	249.29	256.08	257.61	255.22	252.48	248.65	253.56	261.86	266.81
2 Industrial	284.26	300.10	315.32	307.34	316.56	322.19	321.53	319.33	313.92	319.93	328.98	337.96
3 Transportation	201.02	242.68	247.17	244.21	244.67	239.10	230.71	227.44	218.93	230.25	237.29	252.37
4 Utility	99.48	114.55	104.96	102.73	105.61	102.30	101.67	100.07	100.01	100.58	103.87	102.08
5 Finance	179.29	216.55	209.75	210.91	214.77	211.90	203.33	198.38	195.25	201.05	211.76	213.29
6 Standard & Poor's Corporation (1941–43 = 10)[1]	415.75	451.63	460.42	451.40	464.24	466.96	463.81	461.01	455.19	465.25	481.92	493.20
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	391.28	438.77	449.49	430.10	444.89	456.31	456.25	445.16	427.39	436.09	446.37	456.06
Volume of trading (thousands of shares)												
8 New York Stock Exchange	202,558	263,374	290,652	250,382	277,877	292,356	301,327	297,001	302,049	326,652	333,020	338,733
9 American Stock Exchange	14,171	18,188	17,951	14,378	15,874	18,785	20,731	18,465	18,745	18,829	18,424	17,905
	Customer financing (millions of dollars, end-of-period balances)											
10 **Margin credit at broker–dealers**[3]	**43,990**	**60,310**	**61,160**	**61,930**	**63,070**	**61,630**	**62,150**	**61,000**	**61,160**	**64,380**	**59,800**	**60,270**
Free credit balances at brokers[4]												
11 Margin accounts[5]	8,970	12,360	14,095	12,620	12,090	12,415	12,875	13,635	14,095	13,225	12,380	12,745
12 Cash accounts	22,510	27,715	28,870	25,790	24,400	25,230	24,180	25,625	28,870	26,440	25,860	26,680

Margin requirements (percent of market value and effective date)[6]

Indicator	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 other than options 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. Effective Jan. 31, 1986, the SEC approved new maintenance margin rules, permitting margins to be the price of the option plus 15 percent of the market value of the stock underlying the option.

Effective June 8, 1988, margins were set to be the price of the option plus 20 percent of the market value of the stock underlying the option (or 15 percent in the case of stock-index options).

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year			Calendar year					
	1992	1993	1994	1994			1995		
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
U.S. budget[1]									
1 Receipts, total	1,090,453	1,153,226	1,257,187	89,024	87,673	130,810	131,801	82,544	92,532
2 On-budget	788,027	841,292	922,161	65,385	62,083	103,859	101,036	54,405	61,971
3 Off-budget	302,426	311,934	335,026	23,639	25,590	26,951	30,765	28,139	30,561
4 Outlays, total	1,380,856	1,408,532	1,461,067	120,365	124,915	134,941	115,172	120,536	142,458
5 On-budget	1,128,518	1,141,945	1,460,557	95,307	99,464	123,643	89,890	94,058	116,508
6 Off-budget	252,339	266,587	279,372	25,059	25,452	11,297	25,282	26,478	25,951
7 Surplus or deficit (−), total	−290,403	−255,306	−203,370	−31,342	−37,242	−4,130	16,628	−37,992	−49,927
8 On-budget	−340,490	−300,653	−259,024	−29,922	−37,381	−19,783	11,146	−39,653	−54,537
9 Off-budget	50,087	45,347	55,654	−1,420	138	15,653	5,483	1,661	4,610
Source of financing (total)									
10 Borrowing from the public	310,918	248,594	184,998	32,457	40,528	−13,316	13,337	38,972	13,645
11 Operating cash (decrease, or increase (−))	−17,305	6,283	16,564	−480	9,366	476	−23,264	14,000	17,747
12 Other[2]	−3,210	429	1,808	−635	−12,652	16,970	−6,701	−14,980	18,535
MEMO									
13 Treasury operating balance (level, end of period)	58,789	52,506	35,942	36,422	27,056	26,580	49,844	35,844	18,097
14 Federal Reserve Banks	24,586	17,289	6,848	5,164	5,348	7,161	13,964	6,890	4,543
15 Tax and loan accounts	34,203	35,217	29,094	31,258	21,709	19,419	35,880	28,954	13,554

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.

SOURCES. U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*; and 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 1993	Fiscal year 1994	Calendar year 1993 H1	Calendar year 1993 H2	Calendar year 1994 H1	Calendar year 1994 H2	Calendar year 1995 Jan.	Calendar year 1995 Feb.	Calendar year 1995 Mar.
RECEIPTS									
1 **All sources**	**1,153,226**	**1,257,453**	**593,212**	**582,038**	**652,236**	**625,557**	**131,801**	**82,544**	**92,532**
2 Individual income taxes, net	509,680	543,055	255,556	262,073	275,053	273,474	79,162	33,863	26,846
3 Withheld	430,211	459,699	209,517	228,423	225,387	240,062	49,432	40,643	44,561
4 Presidential Election Campaign Fund	28	70	25	2	63	10	0	4	18
5 Nonwithheld	154,989	160,364	113,510	41,768	118,245	42,031	29,980	1,061	4,284
6 Refunds	75,546	77,077	67,468	8,115	68,642	9,207	245	7,845	22,016
Corporation income taxes									
7 Gross receipts	131,548	154,205	69,044	68,266	80,536	78,392	5,415	3,483	17,238
8 Refunds	14,027	13,820	7,198	6,514	6,933	7,331	2,157	1,423	2,375
9 Social insurance taxes and contributions, net	428,300	461,475	227,177	206,176	248,301	220,141	40,442	38,653	39,379
10 Employment taxes and contributions[2]	396,939	428,810	208,776	192,749	228,714	206,613	26,096	35,667	38,646
11 Self-employment taxes and contributions[3]	20,604	24,433	16,270	4,335	20,762	4,135	1,279	1,718	1,862
12 Unemployment insurance	26,556	28,004	16,074	11,010	17,301	11,177	1,069	2,630	320
13 Other net receipts[4]	4,805	4,661	2,326	2,417	2,284	2,349	372	357	413
14 Excise taxes	48,057	55,225	23,398	25,994	26,444	30,062	4,555	3,485	5,143
15 Customs deposits	18,802	20,099	8,860	10,215	9,500	11,042	1,539	1,435	1,470
16 Estate and gift taxes	12,577	15,225	6,494	6,617	8,197	7,071	1,005	916	1,218
17 Miscellaneous receipts[5]	18,273	22,041	9,879	9,227	11,170	13,305	1,839	2,131	3,612
OUTLAYS									
18 **All types**	**1,408,532**	**1,461,067**	**673,915**	**727,685**	**710,620**	**751,642**	**115,172**	**120,536**	**142,458**
19 National defense	291,086	281,451	140,535	146,672	133,841	141,092	18,499	21,461	26,533
20 International affairs	16,826	17,249	6,565	10,186	5,800	12,056	999	1,108	425
21 General science, space, and technology	17,030	17,602	7,996	8,880	8,502	8,979	1,194	1,374	1,628
22 Energy	4,319	5,398	2,462	1,663	2,036	2,949	488	260	569
23 Natural resources and environment	20,239	20,902	8,592	11,221	9,829[r]	12,373	1,571	1,374	1,951
24 Agriculture	20,443	15,131	11,872	7,516	7,451	7,697	1,049	1,264	1,195
25 Commerce and housing credit	−22,725	−4,851	−14,537	−1,490	−5,114	−2,678	−1,469	−2,978	−1,853
26 Transportation	35,004	36,835	16,076	19,570	16,754[r]	20,489	3,080	2,799	3,167
27 Community and regional development	9,051	11,877	4,929	4,288	4,855[r]	7,070	1,140	228	971
28 Education, training, employment, and social services	50,012	44,730	24,080	26,753	19,258[r]	25,887	4,650	4,078	4,678
29 Health	99,415	106,495	49,882	52,958	53,195[r]	54,123	9,440	8,918	10,625
30 Social security and Medicare	435,137	464,314	195,933	223,735	232,777	236,819	39,734	39,461	43,209
31 Income security	207,257	213,972	107,870	102,380	109,080	101,743	16,326	20,583	24,708
32 Veterans benefits and services	35,720	37,637	16,385	19,852	16,686	19,757	1,996	3,023	4,642
33 Administration of justice	14,955	15,283	7,482	7,400	7,718	7,800	1,568	1,099	1,488
34 General government	13,009	11,348	5,205	6,531	5,084[r]	7,393	−233	1,170	1,680
35 Net interest[6]	198,811	202,957	99,635	99,914	99,844	109,435	19,568	18,002	19,671
36 Undistributed offsetting receipts[7]	−37,386	−37,772	−17,035	−20,344	−17,308	−20,065	−2,911	−2,688	−2,829

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 outlays does 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. Old-age, disability, and hospital insurance.
4. Federal employee retirement contributions and civil service retirement and disability fund.
5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
6. Includes interest received by trust funds.
7. Rents and royalties for the outer continental shelf, U.S. government contributions for employee retirement, and certain asset sales.

SOURCES. U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*; and U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 1996*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	1993				1994				1995
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31
1 **Federal debt outstanding**	**4,250**	**4,373**	**4,436**	**4,562**	**4,602**	**4,673**	**4,721**	**4,800**	**4,864**
2 Public debt securities	4,231	4,352	4,412	4,536	4,576	4,646	4,693	n.a.	
3 Held by public	3,188	3,252	3,295	3,382	3,434	3,443	3,480	3,543	
4 Held by agencies	1,043	1,100	1,117	1,154	1,142	1,203	1,213	1,257	
5 Agency securities	20	21	25	27	26	28	29	27	n.a.
6 Held by public	20	21	25	27	26	27	29	27	
7 Held by agencies	0	0	0	0	0	0	0	0	
8 **Debt subject to statutory limit**	**4,140**	**4,256**	**4,316**	**4,446**	**4,491**	**4,559**	**4,605**	**4,711**	**4,775**
9 Public debt securities	4,139	4,256	4,315	4,445	4,491	4,559	4,605	4,711	4,774
10 Other debt[1]	0	0	0	0	0	0	0	0	0
MEMO									
11 Statutory debt limit	4,145	4,370	4,900	4,900	4,900	4,900	4,900	4,900	4,900

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.

SOURCES. 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	1991	1992	1993	1994	1994			1995
					Q2	Q3	Q4	Q1
1 **Total gross public debt**	**3,801.7**	**4,177.0**	**4,535.7**	n.a.	**4,645.8**	**4,692.8**	n.a.	n.a.
By type								
2 Interest-bearing	3,798.9	4,173.9	4,532.3	4,769.2	4,642.5	4,689.5	4,769.2	4,860.5
3 Marketable	2,471.6	2,754.1	2,989.5	3,126.0	3,051.0	3,091.6	3,126.0	3,227.3
4 Bills	590.4	657.7	714.6	733.8	698.5	697.3	733.8	756.5
5 Notes	1,430.8	1,608.9	1,764.0	1,867.0	1,835.7	1,867.5	1,867.0	1,938.2
6 Bonds	435.5	472.5	495.9	510.3	501.8	511.8	510.3	517.7
7 Nonmarketable[1]	1,327.2	1,419.8	1,542.9	1,643.1	1,591.5	1,597.9	1,643.1	1,633.2
8 State and local government series	159.7	153.5	149.5	132.6	143.4	137.4	132.6	122.9
9 Foreign issues[2]	41.9	37.4	43.5	42.5	42.2	42.0	42.5	41.8
10 Government	41.9	37.4	43.5	42.5	42.2	42.0	42.5	41.8
11 Public	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	135.9	155.0	169.4	177.8	174.9	176.4	177.8	178.8
13 Government account series[3]	959.2	1,043.5	1,150.0	1,259.8	1,200.6	1,211.7	1,259.8	1,259.2
14 Non-interest-bearing	2.8	3.1	3.4	31.0	3.3	3.2	31.0	3.6
By holder[4]								
15 U.S. Treasury and other federal agencies and trust funds	968.7	1,047.8	1,153.5		1,203.0	1,213.1	1,257.1	
16 Federal Reserve Banks	281.8	302.5	334.2		357.7	355.2	374.1	
17 Private investors	2,563.2	2,839.9	3,047.7		3,088.2	3,127.8		
18 Commercial banks	233.4	294.0	316.0		330.7	325.0		
19 Money market funds	80.0	79.4	80.5		59.5	59.9		
20 Insurance companies	168.7	197.5	216.0		244.1	250.0		
21 Other companies	150.8	192.5	213.0	n.a.	226.3	229.3		n.a.
22 State and local treasuries	520.3	534.8	564.0		520.1	521.0	n.a.	
Individuals								
23 Savings bonds	138.1	157.3	171.9		177.1	178.6		
24 Other securities	125.8	131.9	137.9		144.0	148.6		
25 Foreign and international[5]	491.8	549.7	623.3		632.5	653.8		
26 Other miscellaneous investors[6]	651.3	702.4	725.0		754.0	761.6		

1. Includes (not shown separately) securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.
2. Nonmarketable series denominated in dollars, and series denominated in foreign currency held by foreigners.
3. Held almost entirely by U.S. Treasury and other federal agencies and trust funds.
4. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.
5. Consists of investments of foreign balances and international accounts in the United States.
6. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. Treasury deposit accounts, and federally sponsored agencies.

SOURCES. 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	1994	1995		1995, week ending									
	Dec.	Jan.	Feb.	Feb. 1	Feb. 8	Feb. 15	Feb. 22	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29
OUTRIGHT TRANSACTIONS[2]												
By type of security												
1 U.S. Treasury bills	55,792	61,020	58,060	62,823	64,937	61,124	50,127	54,360	57,737	48,177	43,883	43,982
Coupon securities, by maturity												
2 Five years or less	83,781[r]	99,720[r]	114,440	116,168	108,919	114,586[r]	114,990[r]	120,038	97,277	93,542	92,597	98,140
3 More than five years	34,603[r]	40,543[r]	54,328	48,611	58,840	59,826[r]	45,971[r]	53,692	43,960	48,317	44,731	43,346
4 Federal agency	23,472	26,320	25,597	25,757	23,905	24,872	26,459	27,499	23,122	22,289	21,670	25,784
5 Mortgage-backed	24,508	27,653	29,731	20,936	40,686	36,306	21,248	20,623	39,430	33,682	19,799	15,160
By type of counterparty												
With interdealer broker												
6 U.S. Treasury	100,469	116,796	131,023	134,359	134,701	137,768	119,117	132,044	120,017	112,382	106,850	110,635
7 Federal agency	510	662	964	789	766	988	1,198	931	761	895	616	631
8 Mortgage-backed	8,208	10,543	9,433	8,183	10,912	11,292	8,384	6,882	12,172	10,967	6,738	5,825
With other												
9 U.S. Treasury	73,707	84,487	95,805	93,244	97,994	97,769	91,970	96,047	78,957	77,654	74,361	74,831
10 Federal agency	22,962	25,658	24,633	24,968	23,139	23,884	25,261	26,569	22,362	21,395	21,054	25,153
11 Mortgage-backed	16,300	17,111	20,299	12,753	29,774	25,013	12,864	13,741	27,258	22,715	13,061	9,335
FUTURES TRANSACTIONS[3]												
By type of deliverable security												
12 U.S. Treasury bills	1,377	1,096	1,627	1,653	959	1,870	2,022	1,659	3,308	1,904	1,601	716
Coupon securities, by maturity												
13 Five years or less	3,097	3,016	3,901	3,616	3,362	3,710	3,966	4,802	3,943	3,825	2,883	2,871
14 More than five years	10,277	11,231	14,344	12,856	12,955	15,352	13,378	16,401	14,695	16,291	14,747	12,501
15 Federal agency	0	0	0	0	0	0	0	0	0	0	0	0
16 Mortgage-backed	0	0	0	0	0	0	0	0	0	0	0	0
OPTIONS TRANSACTIONS[4]												
By type of underlying security												
17 U.S. Treasury bills	0	0	0	0	0	0	0	0	0	0	0	0
Coupon securities, by maturity												
18 Five years or less	1,526[r]	3,257[r]	3,272	4,131	3,382[r]	3,722	2,986	2,714	2,348	3,111	2,317	2,251
19 More than five years	3,203[r]	4,367[r]	4,616	4,153	4,214[r]	4,142	5,649	4,536	3,506	4,420	3,444	4,220
20 Federal agency	0	0	0	0	0	0	0	0	0	0	0	0
21 Mortgage-backed	551[r]	669[r]	1,154	890[r]	1,183[r]	957	1,301	1,248	732	711	651	688

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 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.

Major changes in the report form filed by primary dealers induced a break in the dealer data series as of the week ending July 6, 1994.

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

Millions of dollars

Item	1994	1995		1995, week ending							
	Dec.[r]	Jan.	Feb.	Feb. 1	Feb. 8	Feb. 15	Feb. 22	Mar. 1	Mar. 8	Mar. 15	Mar. 22
	Positions[2]										
NET OUTRIGHT POSITIONS[3]											
By type of security											
1 U.S. Treasury bills	15,134	5,473[r]	4,561	3,205	1,205	5,957	5,265	6,252	14,838	14,691	7,662
Coupon securities, by maturity											
2 Five years or less	−7,704	−10,046[r]	−11,938	−10,054	−10,384	−20,384	−12,875	−3,119	−6,508	−6,877	−9,472
3 More than five years	−32,181	−32,608[r]	−24,446	−31,447	−24,482	−22,832	−23,909	−25,747	−28,178	−29,981	−29,126
4 Federal agency	20,258	19,998[r]	21,199	19,077	17,773	21,203	22,356	24,196	24,219	25,276	23,574
5 Mortgage-backed	32,886	32,272[r]	32,963	33,204	33,378	32,940	31,899	33,705	33,978	32,513	31,658
NET FUTURES POSITIONS											
By type of deliverable security											
6 U.S. Treasury bills	−901	−1,900[r]	−5,797	−6,744	−6,059	−6,655	−6,129	−3,945	−7,386	−9,428	−11,898
Coupon securities, by maturity											
7 Five years or less	5,292	3,629	1,382	2,432	2,419	1,396	785	678	502	615	1,388
8 More than five years	857	2,312	−2,170	1,484	−3,257[r]	−3,283	−2,434	94	1,320	2,176	−51
9 Federal agency	0	0	0	0	0	0	0	0	0	0	0
10 Mortgage-backed	0	0	0	0	0	0	0	0	0	0	0
	Financing[5]										
Reverse repurchase agreements											
11 Overnight and continuing	238,704	240,357	245,656	254,993	231,926	263,908	234,665	251,649	221,724	236,787	241,780
12 Term	355,244	347,704[r]	332,428	338,019[r]	368,698	312,969	331,875	312,527	339,654	358,199	382,645
Securities borrowed											
13 Overnight and continuing	181,747	180,806[r]	178,369	180,826	181,229	178,938	176,924	175,644	171,574	172,561	172,159
14 Term	46,339	50,752	50,906	47,962	51,132	48,770	52,213	52,100	54,938	56,336	57,913
Securities received as pledge											
15 Overnight and continuing	3,346	3,637	3,321	3,178	3,189	3,594	3,255	3,259	3,284	3,257	3,332
16 Term	37	177	52	445	22	n.a.	15	64	17	37	72
Repurchase agreements											
17 Overnight and continuing	432,366	441,838[r]	473,802	462,438[r]	439,118	493,818	466,853	500,915	466,453	492,039	466,609
18 Term	341,663	307,485	279,666	297,051	321,373	258,536	276,465	256,497	287,499	306,140	346,396
Securities loaned											
19 Overnight and continuing	5,984	6,686[r]	5,911	7,555	6,822	7,015	4,303	5,160	4,043	4,082	3,952
20 Term	1,328	1,524	1,301	1,435	1,993	1,097	1,345	659	928	n.a.	1,402
Securities pledged											
21 Overnight and continuing	35,928	33,191	28,665	28,746	29,590	28,136	26,807	30,357	28,338	28,351	28,727
22 Term	1,609	1,684	2,278	1,328	1,429	2,631	2,276	3,016	2,892	3,269	3,391
Collateralized loans											
23 Overnight and continuing	13,992	14,662[r]	15,921	14,575[r]	18,160[r]	15,935[r]	17,660	11,486	14,808	13,174	15,485
24 Term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
MEMO: Matched book[6]											
Securities in											
25 Overnight and continuing	223,879	230,535[r]	227,486	240,169[r]	216,882	238,935	219,472	233,735	211,523	233,798	227,955
26 Term	326,160	321,920[r]	304,497	313,694[r]	338,830	283,869	304,848	286,566	316,804	326,727	354,173
Securities out											
27 Overnight and continuing	255,965	278,583[r]	285,050	285,443[r]	272,573	301,655	271,294	296,216	273,465	291,830	291,749
28 Term	279,824	258,389	227,576	250,859	267,966	206,040	227,764	201,480	234,267	250,048	287,650

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.

6. Matched-book data reflect financial intermediation activity in which the borrowing and lending transactions are matched. Matched-book data are included in the financing breakdowns given above. The reverse repurchase and repurchase numbers are not always equal because of the "matching" of securities of different values or different types of collateralization.

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

Major changes in the report form filed by primary dealers induced a break in the dealer data series as of the week ending July 6, 1994.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1990	1991	1992	1993	1994				1995
					Sept.	Oct.	Nov.	Dec.	Jan.
1 **Federal and federally sponsored agencies**	**434,668**	**442,772**	**483,970**	**570,711**	**684,129**	**698,792**	**715,782**	**741,992**	**0**
2 Federal agencies	42,159	41,035	41,829	45,193	42,544	39,037	39,662	39,186	39,196
3 Defense Department[1]	7	7	7	6	6	6	6	6	6
4 Export-Import Bank[2,3]	11,376	9,809	7,208	5,315	3,932	3,932	3,932	3,455	3,455
5 Federal Housing Administration[4]	393	397	374	255	112	114	117	116	59
6 Government National Mortgage Association certificates of participation[5]	0	0	0	0	0	0	0	0	0
7 Postal Service[6]	6,948	8,421	10,660	9,732	8,973	7,773	8,073	8,073	8,073
8 Tennessee Valley Authority	23,435	22,401	23,580	29,885	29,521	27,212	27,534	27,536	27,603
9 United States Railway Association[6]	0	0	0	0	0	0	0	0	0
10 Federally sponsored agencies[7]	392,509	401,737	442,141	525,518	641,585	659,755	676,120	702,806	0
11 Federal Home Loan Banks	117,895	107,543	114,733	141,577	174,414	185,894	193,920	208,881	210,905
12 Federal Home Loan Mortgage Corporation	30,941	30,262	29,631	49,993	83,947	88,680	90,709	93,279	95,060
13 Federal National Mortgage Association	123,403	133,937	166,300	201,112	239,320	242,575	247,743	257,230	250,467
14 Farm Credit Banks[8]	53,590	52,199	51,910	53,123	54,333	53,609	54,800	53,175	55,558
15 Student Loan Marketing Association[9]	34,194	38,319	39,650	39,784	49,692	49,112	49,066	50,335	0
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]	23,055	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 **Federal Financing Bank debt[13]**	**179,083**	**185,576**	**154,994**	**128,187**	**109,357**	**106,935**	**105,662**	**103,817**	**101,157**
Lending to federal and federally sponsored agencies									
20 Export-Import Bank[3]	11,370	9,803	7,202	5,309	3,926	3,926	3,926	3,449	3,449
21 Postal Service[6]	6,698	8,201	10,440	9,732	8,973	7,773	8,073	8,073	8,073
22 Student Loan Marketing Association	4,850	4,820	4,790	4,760	0	0	0	0	0
23 Tennessee Valley Authority	14,055	10,725	6,975	6,325	3,400	3,200	3,200	3,200	3,200
24 United States Railway Association[6]	0	0	0	0	0	0	0	0	0
Other lending[14]									
25 Farmers Home Administration	52,324	48,534	42,979	38,619	34,129	33,869	33,719	33,719	33,669
26 Rural Electrification Administration	18,890	18,562	18,172	17,578	17,316	17,322	17,365	17,392	17,309
27 Other	70,896	84,931	64,436	45,864	41,613	40,845	39,379	37,984	35,457

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 in order 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	1992	1993	1994	1994					1995		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[r]	Mar.
1 **All issues, new and refunding**[1]	**226,818**	**279,945**	**153,922**	**12,289**	**7,903**	**11,053**	**11,856**	**9,513**	**7,717**	**7,366**	**11,844**
By type of issue											
2 General obligation	78,611	90,599	54,404	4,219	2,334	3,202	5,781	2,272	3,770	3,725	5,486
3 Revenue	136,580	189,346	99,518	8,070	5,569	7,851	6,075	7,241	3,947	3,641	6,358
By type of issuer											
4 State	24,874	27,999	19,363	1,675	1,009	952	1,528	151	741	1,032	2,315
5 Special district or statutory authority[2]	138,327	178,714	87,751	7,963	4,962	6,511	6,148	7,501	4,744	4,879	6,567
6 Municipality, county, or township	63,617	73,232	46,808	2,651	1,932	3,590	4,180	1,861	2,232	1,455	2,962
7 **Issues for new capital**	**101,865**	**91,434**	**106,799**	**10,536**	**6,195**	**9,127**	**9,630**	**8,447**	**5,706**	**5,670**	**10,538**
By use of proceeds											
8 Education	18,852	16,831	21,360	2,242	833	1,650	1,780	1,713	1,411	1,464	1,666
9 Transportation	14,357	9,167	10,765	1,089	335	1,380	621	304	625	671	454
10 Utilities and conservation	12,164	12,014	10,230	1,108	454	979	976	1,290	538	249	633
11 Social welfare	16,744	13,837	19,917	2,117	1,897	1,887	1,535	2,172	1,182	869	2,556
12 Industrial aid	6,188	6,862	9,054	1,128	403	420	688	1,085	384	215	1,011
13 Other purposes	33,560	32,723	37,250	2,852	2,273	2,811	4,030	1,883	1,566	2,202	4,218

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

SOURCES. Securities Data Company beginning January 1993; *Investment Dealer's Digest* before then.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1992	1993	1994	1994						1995	
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.
1 **All issues**[1]	**559,827**	**754,969**	n.a.	**29,818**	**37,871**	**29,416**	**34,481[r]**	**38,811[r]**	**22,999**	**30,979**	**32,829**
2 **Bonds**[2]	**471,502**	**641,498**	n.a.	**26,159**	**34,495**	**25,983**	**30,909[r]**	**33,286[r]**	**20,493**	**28,000**	**28,000**
By type of offering											
3 Public, domestic	378,058	486,879	365,050[r]	22,441	30,088	22,736	25,192[r]	27,278[r]	17,809	20,000	23,000
4 Private placement, domestic[3]	65,853	116,240	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	27,591	38,379	56,238[r]	3,718	4,406	3,248	5,718	6,008	2,684	8,000	5,000
By industry group											
6 Manufacturing	82,058	88,002	31,981[r]	2,316	2,596	2,167	2,498	2,491[r]	1,508	2,000	4,000
7 Commercial and miscellaneous	43,111	60,293	27,900[r]	997	3,570	2,112	2,204	1,578	2,469	2,115	2,600
8 Transportation	9,979	10,756	4,573	248	315	229	227	239	269	0	199
9 Public utility	48,055	56,272	11,713	487	575	707	695	744	273	1,089	810
10 Communication	15,394	31,950	11,986	429	345	526	279	333	419	911	991
11 Real estate and financial	272,904	394,226	333,135[r]	21,682	27,094	20,242	25,007[r]	27,902	15,556	21,885	19,400
12 **Stocks**[2]	**88,325**	**113,472**	n.a.	**3,700[r]**	**3,375[r]**	**3,424[r]**	**3,572**	**5,525**	**2,768[r]**	**2,979**	**4,829**
By type of offering											
13 Public preferred	21,339	18,897	12,504[r]	625[r]	710	555	713[r]	279	178	505	296
14 Common	57,118	82,657	48,317[r]	3,075	2,665[r]	2,868[r]	2,859[r]	5,246	2,495[r]	2,474	4,532
15 Private placement[3]	9,867	11,917	↑	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By industry group											
16 Manufacturing	22,723	22,271		492	569	904	745	1,963	1,203[r]	1,086	1,577
17 Commercial and miscellaneous	20,231	25,761	n.a.	701	838[r]	821	1,105	1,783	848[r]	392	1,415
18 Transportation	2,595	2,237		75	50	154[r]	79	76	0	19	15
19 Public utility	6,532	7,050		0	180	78	4	333	165	209	258
20 Communication	2,366	3,439		0	0	0	0	0	21[r]	496	0
21 Real estate and financial	33,879	52,021	↓	2,427[r]	1,734[r]	1,466[r]	1,639	1,351	531[r]	776	1,564

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, equities sold abroad, and Yankee bonds. Stock data include ownership securities issued by limited partnerships.
2. Monthly data cover only public offerings.
3. Monthly data are not available.

SOURCES. Beginning July 1993, 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	1993	1994	1994						1995	
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 **Sales of own shares**[2]	**851,885**	**841,286**	**59,258**	**64,833**	**62,263**	**59,285**	**56,849**	**73,183**	**75,099**	**64,434**
2 Redemptions of own shares	567,881	699,823	50,275	53,242	53,383	53,743	55,757	70,747	63,737	55,961
3 Net sales[3]	284,004	141,463	8,983	1,592	8,880	5,543	1,092	2,436	11,362	8,573
4 **Assets**[4]	**1,510,209**	**1,550,490**	**1,552,652**	**1,604,961**	**1,588,277**	**1,601,363**	**1,549,186**	**1,550,490**	**1,563,187**	**1,619,991**
5 Cash[5]	100,209	121,296	120,129	120,315	121,575	126,766	125,843	121,296	124,351	127,099
6 Other	1,409,838	1,429,195	1,432,523	1,484,646	1,466,702	1,474,597	1,423,344	1,429,195	1,438,836	1,492,893

1. Data on sales and redemptions exclude money market mutual funds but include limited-maturity municipal bond funds. Data on asset positions exclude both money market mutual funds and limited-maturity municipal bond funds.
2. Includes reinvestment of net income dividends. Excludes reinvestment of 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	1992	1993	1994	1993				1994			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Profits with inventory valuation and capital consumption adjustment	405.1	485.8	542.7	442.5	473.1	493.5	533.9	508.2	546.4	556.0	560.3
2 Profits before taxes	395.9	462.4	524.5	432.7	456.6	458.7	501.7	483.5	523.1	538.1	553.5
3 Profits-tax liability	139.7	173.2	202.5	159.8	171.8	169.9	191.5	184.1	201.7	208.6	215.6
4 Profits after taxes	256.2	289.2	322.0	273.0	284.8	288.9	310.2	299.4	321.4	329.5	337.9
5 Dividends	171.1	191.7	205.2	188.2	190.7	193.2	194.6	196.3	202.5	207.9	213.9
6 Undistributed profits	85.1	97.5	116.9	84.7	94.1	95.6	115.6	103.0	118.9	121.6	124.0
7 Inventory valuation	−6.4	−6.2	−19.5r	−11.2	−10.0	3.0	−6.5	−12.3	−14.1	−19.6	−32.1r
8 Capital consumption adjustment	15.7	29.5	37.7	21.0	26.5	31.7	38.8	37.0	37.4	37.5	38.8

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

1.50 NONFARM BUSINESS EXPENDITURES New Plant and Equipment

Billions of dollars; quarterly data at seasonally adjusted annual rates

Industry	1992	1993	1994[1]	1993				1994			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4[1]
1 **Total nonfarm business**	**546.60**	**586.73**	**638.37**	**563.48**	**578.95**	**594.56**	**604.51**	**619.34**	**637.08**	**651.92**	**645.13**
Manufacturing											
2 Durable goods industries	73.32	81.45	92.78	78.19	80.33	82.74	83.64	86.03	91.71	98.97	94.44
3 Nondurable goods industries	100.69	98.02	99.77	95.80	97.22	99.74	98.51	99.02	102.28	98.39	99.39
Nonmanufacturing											
4 Mining	8.88	10.08	11.24	8.98	9.10	11.09	10.92	11.43	10.70	11.57	11.27
Transportation											
5 Railroad	6.67	6.14	6.72	6.16	5.94	5.89	6.55	7.46	5.36	6.65	7.40
6 Air	8.93	6.42	3.95	7.26	6.63	6.70	5.06	4.23	4.53	3.86	3.16
7 Other	7.04	9.22	10.53	8.96	8.92	8.74	10.23	10.77	9.70	10.22	11.42
Public utilities											
8 Electric	48.22	52.55	52.25	49.98	50.61	52.96	55.60	48.68	53.55	54.15	52.60
9 Gas and other	23.99	23.43	24.20	23.79	23.83	22.98	23.27	24.51	22.96	24.35	24.97
10 Commercial and other[2]	268.84	299.44	336.93	284.35	296.35	303.74	310.73	327.20	336.28	343.76	340.48

1. Figures are amounts anticipated by business.
2. "Other" consists of construction, wholesale and retail trade, finance and insurance, personal and business services, and communication.

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	1992	1993	1994	1993			1994			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASSETS										
1 Accounts receivable, gross[2]	491.8	482.8	551.0	473.7	474.0	482.8	494.5	511.3	524.1	551.0
2 Consumer	118.3	116.5	134.8	110.6	111.0	116.5	120.1	124.3	130.3	134.8
3 Business	301.3	294.6	337.6	291.8	291.9	294.6	302.3	313.2	317.2	337.6
4 Real estate	72.2	71.7	78.5	71.4	71.1	71.7	72.1	73.8	76.6	78.5
5 LESS: Reserves for unearned income	53.2	50.7	55.0	49.7	49.5	50.7	51.2	51.9	51.1	55.0
6 Reserves for losses	16.2	11.2	12.4	10.8	11.2	11.2	11.6	12.1	12.1	12.4
7 Accounts receivable, net	422.4	420.9	483.5	413.2	413.3	420.9	431.7	447.3	460.9	483.5
8 All other	142.5	170.9	183.4	151.5	163.9	170.9	171.2	174.6	177.2	183.4
9 **Total assets**	**564.9**	**591.8**	**666.9**	**564.7**	**577.3**	**591.8**	**602.9**	**621.9**	**638.1**	**666.9**
LIABILITIES AND CAPITAL										
10 Bank loans	37.6	25.3	21.2	29.4	25.8	25.3	24.2	23.3	21.6	21.2
11 Commercial paper	156.4	159.2	184.6	144.5	149.9	159.2	165.9	171.2	171.0	184.6
Debt										
12 Other short-term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Long-term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Owed to parent	39.5	42.7	51.0	45.0	44.6	42.7	41.1	44.7	50.0	51.0
15 Not elsewhere classified	196.3	206.0	235.0	199.9	204.2	206.0	211.7	219.6	228.2	235.0
16 All other liabilities	68.0	87.1	99.5	77.8	83.8	87.1	90.5	89.9	95.0	99.5
17 Capital, surplus, and undivided profits	67.1	71.4	75.7	68.1	68.9	71.4	69.5	73.2	72.3	75.7
18 **Total liabilities and capital**	**564.9**	**591.8**	**666.9**	**564.7**	**577.3**	**591.8**	**602.9**	**621.9**	**638.1**	**666.9**

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 Consumer, Real Estate, and Business Credit[1]

Millions of dollars, amounts outstanding, end of period

Type of credit	1992	1993	1994	1994				1995	
				Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.
	Seasonally adjusted								
1 **Total**	**540,679**	**546,020**	**610,710**	**590,512**	**596,397**	**602,463**	**610,710**	**619,005**	**624,771**
2 Consumer	157,857	160,802	174,059	172,547	173,178	174,324	174,059	175,601	175,024
3 Real estate[2]	72,496	71,991	78,774	76,424	76,971	77,991	78,774	79,097	80,539
4 Business	310,325	313,226	357,877	341,542	346,248	350,148	357,877	364,307	369,208
	Not seasonally adjusted								
5 **Total**	**544,691**	**550,387**	**615,758**	**588,525**	**596,054**	**603,305**	**615,758**	**618,387**	**624,407**
6 Consumer	159,558	162,770	176,316	172,002	172,813	174,118	176,316	176,591	175,869
7 Motor vehicles	57,259	56,057	61,609	60,522	60,750	61,372	61,609	62,321	61,067
8 Other consumer[3]	61,020	60,396	73,221	69,784	70,812	71,502	73,221	74,385	73,937
9 Securitized motor vehicles[4]	29,734	36,024	31,861	32,372	31,592	31,494	31,861	30,261	31,303
10 Securitized other consumer[4]	11,545	10,293	9,625	9,324	9,659	9,750	9,625	9,624	9,562
11 Real estate[2]	72,243	71,727	78,479	76,585	77,235	77,907	78,479	79,592	80,754
12 Business	312,890	315,890	360,963	339,938	346,006	351,280	360,963	362,204	367,784
13 Motor vehicles	89,011	95,173	118,197	106,365	110,089	113,222	118,197	118,979	121,818
14 Retail[5]	20,541	18,091	21,514	21,164	21,645	22,113	21,514	21,809	21,577
15 Wholesale[6]	29,890	31,148	35,037	27,201	29,302	30,614	35,037	34,493	36,759
16 Leasing	38,580	45,934	61,646	58,000	59,142	60,495	61,646	62,677	63,482
17 Equipment	151,424	145,452	157,953	152,782	152,675	154,312	157,953	158,798	159,333
18 Retail	33,521	35,513	39,680	39,357	38,584	38,912	39,680	40,387	40,329
19 Wholesale[6]	8,680	8,001	9,678	9,119	9,134	9,484	9,678	9,372	9,462
20 Leasing	109,223	101,938	108,595	104,306	104,957	105,916	108,595	109,039	109,542
21 Other business[7]	60,856	53,997	61,495	58,101	59,314	59,893	61,495	61,304	63,339
22 Securitized business assets[4]	11,599	21,268	23,318	22,690	23,928	23,853	23,318	23,123	23,294
23 Retail	1,120	2,483	3,065	2,564	2,956	2,853	3,065	2,901	2,764
24 Wholesale	5,756	10,584	14,499	14,411	15,173	15,311	14,499	14,621	15,144
25 Leasing	4,723	8,201	5,754	5,715	5,799	5,689	5,754	5,601	5,386

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

2. Includes all loans secured by liens on any type of real estate, for example, first and junior mortgages and home equity loans.

3. Includes personal cash loans, mobile home loans, and loans to purchase other types of consumer goods such as appliances, apparel, general merchandise, 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. Passenger car fleets and commercial land vehicles for which licenses are required.

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

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

1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	1992	1993	1994	1994				1995		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms[1]										
1 Purchase price (thousands of dollars)	158.1	163.1	170.4	170.6	173.4	178.2	184.9	176.5	175.6	173.3
2 Amount of loan (thousands of dollars)	118.1	123.0	130.8	133.7	131.9	136.2	136.2	134.2	135.6	132.6
3 Loan-to-price ratio (percent)	76.6	78.0	78.8	79.4	78.3	78.0	76.9	78.0	79.3	78.2
4 Maturity (years)	25.6	26.1	27.5	27.9	27.6	27.9	28.0	28.0	28.3	28.6
5 Fees and charges (percent of loan amount)[2]	1.60	1.30	1.29	1.36	1.22	1.30	1.38	1.31	1.32	1.18
Yield (percent per year)										
6 Contract rate[1]	7.98	7.03	7.26	7.48	7.55	7.59	7.61	7.96	8.07	8.02
7 Effective rate[1,3]	8.25	7.24	7.47	7.70	7.76	7.81	7.83	8.18	8.28	8.21
8 Contract rate (HUD series)[4]	8.43	7.37	8.58	8.96	9.19	9.34	9.32	9.11	8.79	8.60
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (Section 203)[5]	8.46	7.46	8.68	9.10	9.23	9.53	9.54	9.10	9.05	8.60
10 GNMA securities[6]	7.71	6.65	7.96	8.28	8.67	8.86	8.76	8.69	8.38	8.08
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	158,119	190,861	222,057	215,249	218,479	220,377	222,057	222,774	223,137	223,956
12 FHA/VA insured	22,593	23,857	28,377	25,800	26,226	27,118	28,377	28,368	28,420	28,672
13 Conventional	135,526	167,004	194,499	189,449	192,253	193,259	194,499	195,170	195,439	195,998
Mortgage transactions (during period)										
14 Purchases	75,905	92,037	62,389	4,266	5,003	3,549	3,399	2,154	1,802	2,390
Mortgage commitments (during period)										
15 Issued[7]	74,970	92,537	54,038	4,880	3,421	2,696	2,910	1,720	1,683	3,372
16 To sell[8]	10,493	5,097	1,820	0	48	20	55	57	82	64
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[8]										
17 Total	33,665	55,012	72,693	66,478	69,340	70,757	72,693	73,553	75,184	77,313
18 FHA/VA insured	352	321	276	287	284	279	276	272	270	266
19 Conventional	33,313	54,691	72,416	66,191	69,057	70,477	72,416	73,281	74,914	77,047
Mortgage transactions (during period)										
20 Purchases	191,125	229,242	124,697	5,512	8,351	3,022	4,890	3,254	5,537	4,609
21 Sales	179,208	208,723	117,110	5,213	8,139	2,865	3,769	2,862	4,806	3,546
Mortgage commitments (during period)[9]										
22 Contracted	261,637	274,599	136,067	5,035	7,288	3,454	2,412	6,541	7,741	12,704

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	1991	1992	1993	1993	1994			
				Q4	Q1	Q2	Q3	Q4
1 **All holders**	**3,926,154**	**4,056,233**	**4,215,480**	**4,215,480**	**4,242,350**	**4,300,086**	**4,361,119**	**4,409,390**
By type of property								
2 One- to four-family residences	2,781,327	2,963,391	3,147,255	3,147,255	3,181,125	3,234,663	3,291,915	3,339,190
3 Multifamily residences	306,551	295,417	290,489	290,489	289,236	290,807	292,180	292,151
4 Commercial	759,154	716,687	696,542	696,542	690,718	692,764	694,736	695,548
5 Farm	79,122	80,738	81,194	81,194	81,272	81,853	82,288	82,500
By type of holder								
6 Major financial institutions	1,846,726	1,769,187	1,767,835	1,767,835	1,746,474	1,763,296	1,786,171	1,813,751
7 Commercial banks[2]	876,100	894,513	940,444	940,444	937,944	956,840	981,365	1,004,237
8 One- to four-family	483,623	507,780	556,538	556,538	553,894	569,512	592,021	609,521
9 Multifamily	36,935	38,024	38,635	38,635	38,690	38,609	38,004	39,289
10 Commercial	337,095	328,826	324,409	324,409	324,106	326,800	328,931	332,859
11 Farm	18,447	19,882	20,862	20,862	21,254	21,918	22,408	22,567
12 Savings institutions[3]	705,367	627,972	598,330	598,330	584,531	585,671	587,538	596,035
13 One- to four-family	538,358	489,622	469,959	469,959	458,057	462,219	466,697	477,144
14 Multifamily	79,881	69,791	67,362	67,362	66,924	66,281	65,530	64,557
15 Commercial	86,741	68,235	60,704	60,704	59,253	56,872	55,019	54,048
16 Farm	388	324	305	305	297	299	291	286
17 Life insurance companies	265,258	246,702	229,061	229,061	223,999	220,785	217,269	213,479
18 One- to four-family	11,547	11,441	9,458	9,458	9,245	9,107	8,956	8,794
19 Multifamily	29,562	27,770	25,814	25,814	25,232	24,855	24,442	24,002
20 Commercial	214,105	198,269	184,305	184,305	180,152	177,463	174,514	171,368
21 Farm	10,044	9,222	9,484	9,484	9,370	9,360	9,357	9,315
22 Federal and related agencies	266,146	286,263	317,486	317,486	323,464	327,690	334,359	335,228
23 Government National Mortgage Association	19	30	22	22	20	12	12	6
24 One- to four-family	19	30	15	15	13	12	12	6
25 Multifamily	0	0	7	7	7	0	0	0
26 Farmers Home Administration[4]	41,713	41,695	41,386	41,386	41,209	41,370	41,587	41,781
27 One- to four-family	18,496	16,912	15,303	15,303	14,870	14,459	14,084	13,826
28 Multifamily	10,141	10,575	10,940	10,940	11,037	11,147	11,243	11,319
29 Commercial	4,905	5,158	5,406	5,406	5,399	5,526	5,608	5,670
30 Farm	8,171	9,050	9,739	9,739	9,903	10,239	10,652	10,966
31 Federal Housing and Veterans' Administrations	10,733	12,581	12,215	12,215	11,344	11,169	10,533	10,964
32 One- to four-family	4,036	5,153	5,364	5,364	4,738	4,826	4,321	4,753
33 Multifamily	6,697	7,428	6,851	6,851	6,606	6,343	6,212	6,211
34 Resolution Trust Corporation	45,822	32,045	17,284	17,284	14,241	13,908	15,403	10,428
35 One- to four-family	14,535	12,960	7,203	7,203	6,308	6,045	6,998	5,200
36 Multifamily	15,018	9,621	5,327	5,327	4,208	4,230	4,569	2,859
37 Commercial	16,269	9,464	4,754	4,754	3,726	3,633	3,836	2,369
38 Farm	0	0	0	0	0	0	0	0
39 Federal National Mortgage Association	112,283	137,584	166,642	166,642	172,343	175,377	177,200	178,059
40 One- to four-family	100,387	124,016	151,310	151,310	156,576	159,437	161,255	162,160
41 Multifamily	11,896	13,568	15,332	15,332	15,767	15,940	15,945	15,899
42 Federal Land Banks	28,767	28,664	28,460	28,460	28,181	28,475	28,538	28,565
43 One- to four-family	1,693	1,687	1,675	1,675	1,658	1,675	1,679	1,681
44 Farm	27,074	26,977	26,785	26,785	26,523	26,800	26,859	26,885
45 Federal Home Loan Mortgage Corporation	26,809	33,665	51,476	51,476	56,127	57,379	61,087	65,424
46 One- to four-family	24,125	31,032	48,929	48,929	53,571	54,799	58,432	62,594
47 Multifamily	2,684	2,633	2,547	2,547	2,556	2,580	2,655	2,830
48 Mortgage pools or trusts[5]	1,250,666	1,425,546	1,550,818	1,550,818	1,604,449	1,643,627	1,668,496	1,683,946
49 Government National Mortgage Association	425,295	419,516	414,066	414,066	423,446	435,709	444,976	450,934
50 One- to four-family	415,767	410,675	404,864	404,864	414,194	426,363	435,511	441,198
51 Multifamily	9,528	8,841	9,202	9,202	9,251	9,346	9,465	9,736
52 Federal Home Loan Mortgage Corporation	359,163	407,514	443,029	443,029	459,949	470,183	469,062	467,071
53 One- to four-family	351,906	401,525	438,494	438,494	455,779	466,361	465,614	463,945
54 Multifamily	7,257	5,989	4,535	4,535	4,170	3,822	3,448	3,126
55 Federal National Mortgage Association	371,984	444,979	495,525	495,525	507,376	514,855	523,512	530,343
56 One- to four-family	362,667	435,979	486,804	486,804	498,489	505,730	514,375	520,763
57 Multifamily	9,317	9,000	8,721	8,721	8,887	9,125	9,137	9,580
58 Farmers Home Administration[4]	47	38	28	28	26	22	20	19
59 One- to four-family	11	8	5	5	5	4	4	3
60 Multifamily	0	0	0	0	0	0	0	0
61 Commercial	19	17	13	13	12	10	9	9
62 Farm	17	13	10	10	9	8	7	7
63 Private mortgage conduits	94,177	153,499	198,171	198,171	213,653	222,858	230,926	235,579
64 One- to four-family	84,000	132,000	164,000	164,000	177,000	179,500	182,300	183,600
65 Multifamily	3,698	6,305	8,701	8,701	9,202	11,514	13,891	14,850
66 Commercial	6,479	15,194	25,469	25,469	27,451	31,844	34,735	37,129
67 Farm	0	0	0	0	0	0	0	0
68 Individuals and others[6]	562,616	575,237	579,341	579,341	567,963	565,473	572,092	576,465
69 One- to four-family	370,157	382,572	387,334	387,334	376,728	374,612	379,656	384,001
70 Multifamily	83,937	85,871	86,516	86,516	86,700	87,014	87,638	87,893
71 Commercial	93,541	91,524	91,482	91,482	90,621	90,617	92,084	92,096
72 Farm	14,981	15,270	14,009	14,009	13,915	13,229	12,714	12,474

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. 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.

SOURCES. 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 64 from Inside Mortgage Securities.

1.55 CONSUMER INSTALLMENT CREDIT[1]

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1992	1993	1994	1994 Sept.	1994 Oct.	1994 Nov.	1994 Dec.	1995 Jan.[r]	1995 Feb.
	Seasonally adjusted								
1 **Total**	**731,098**	**794,300**	**911,311**	**879,961**	**891,603**	**904,757**	**911,311**	**920,337**	**928,496**
2 Automobile	257,678	282,036	324,519	315,162	318,036	323,447	324,519	324,855	327,704
3 Revolving	257,304	287,875	337,694	322,823	327,707	334,843	337,694	343,184	349,471
4 Other	216,117	224,389	249,098	241,976	245,860	246,467	249,098	252,298	251,321
	Not seasonally adjusted								
5 **Total**	**747,690**	**812,782**	**932,890**	**880,609**	**891,442**	**906,436**	**932,890**	**929,329**	**928,612**
By major holder									
6 Commercial banks	330,088	368,549	434,790	410,312	414,833	421,790	434,790	431,745	432,883
7 Finance companies	118,279	116,453	134,830	130,306	131,562	132,874	134,830	136,706	135,004
8 Credit unions	91,694	101,634	120,158	114,699	116,325	117,984	120,158	120,668	121,067
9 Savings institutions	37,049	37,855	38,750	37,943	38,122	38,275	38,750	39,250	39,399
10 Nonfinancial business	49,184	57,637	64,944	55,967	56,020	58,247	64,944	61,382	59,169
11 Pools of securitized assets[2]	121,396	130,654	139,418	131,382	134,580	137,266	139,418	139,578	141,090
By major type of credit[3]									
12 Automobile	258,226	282,825	325,536	316,778	320,182	323,744	325,536	324,826	326,754
13 Commercial banks	109,623	123,358	148,117	144,260	146,456	148,004	148,117	147,319	148,355
14 Finance companies	57,259	56,057	61,609	60,522	60,750	61,372	61,609	62,321	61,067
15 Pools of securitized assets[2]	33,888	39,490	34,515	35,149	34,394	34,301	34,515	32,902	33,936
16 Revolving	271,368	303,444	355,859	321,205	325,872	336,575	355,859	350,035	349,169
17 Commercial banks	132,966	149,527	180,530	164,724	165,561	171,318	180,530	176,635	177,241
18 Nonfinancial business	43,974	52,113	58,870	50,314	50,332	52,475	58,870	55,405	53,257
19 Pools of securitized assets[2]	74,931	79,887	93,545	85,051	88,762	91,469	93,545	95,015	95,724
20 Other	218,096	226,513	251,495	242,626	245,388	246,117	251,495	254,468	252,689
21 Commercial banks	87,499	95,664	106,143	101,328	102,816	102,468	106,143	107,791	107,287
22 Finance companies	61,020	60,396	73,221	69,784	70,812	71,502	73,221	74,385	73,937
23 Nonfinancial business	5,210	5,524	6,074	5,653	5,688	5,772	6,074	5,977	5,912
24 Pools of securitized assets[2]	12,577	11,277	11,358	11,182	11,424	11,496	11,358	11,661	11,430

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments.

Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

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

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

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT[1]

Percent per year except as noted

Item	1992	1993	1994[r]	1994 Aug.	1994 Sept.	1994 Oct.	1994 Nov.	1994 Dec.	1995 Jan.	1995 Feb.
INTEREST RATES										
Commercial banks[2]										
1 48-month new car	9.29	8.09	8.12	8.41	n.a.	n.a.	8.75	n.a.	n.a.	9.70
2 24-month personal	14.04	13.47	13.19	13.33	n.a.	n.a.	13.59	n.a.	n.a.	14.10
Credit card plan										
3 All accounts	n.a.	n.a.	15.91	n.a.	n.a.	n.a.	15.91	n.a.	n.a.	16.24
4 Accounts assessed interest	n.a.	n.a.	15.74	n.a.	n.a.	n.a.	15.74	n.a.	n.a.	15.29
Auto finance companies										
5 New car	9.93	9.48	9.79	10.32	10.13	10.39	10.53	10.72	11.35	11.89
6 Used car	13.80	12.79[r]	13.49[r]	13.92[r]	13.98[r]	14.01[r]	14.19[r]	14.48[r]	14.57[r]	15.06
OTHER TERMS[3]										
Maturity (months)										
7 New car	54.0	54.5	54.0	54.2	54.3	54.9	54.6	53.9	53.9	54.1
8 Used car	47.9[r]	48.8[r]	50.2[r]	50.1[r]	50.2[r]	50.2[r]	50.3[r]	50.3[r]	52.0	52.0
Loan-to-value ratio										
9 New car	89	91	92	93	93	92	93	92	92	92
10 Used car	97	98	99	100	100	100	100	100	99	99
Amount financed (dollars)										
11 New car	13,584	14,332	15,375	15,283	15,419	15,827	15,971	16,187	16,068	15,774
12 Used car	9,119	9,875	10,709	10,755	10,906	10,554	11,202	11,309	11,185	11,181

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments. 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	1990	1991	1992	1993	1994	1993			1994			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**635.6**	**475.8**	**536.1**	**628.1**	**619.5**	**740.5**	**613.3**	**677.2**	**657.1**	**550.6**	**620.8**	**649.5**
By sector and instrument												
2 U.S. government	246.9	278.2	304.0	256.1	155.9	336.4	173.4	274.2	210.5	122.9	135.0	155.0
3 Treasury securities	238.7	292.0	303.8	248.3	155.7	332.3	157.2	266.5	211.8	118.2	130.7	162.1
4 Budget agency issues and mortgages	8.2	−13.8	.2	7.8	.2	4.1	16.2	7.7	−1.3	4.7	4.3	−7.1
5 Private	388.7	197.5	232.1	372.0	463.7	404.1	439.9	403.0	446.6	427.7	485.8	494.5
By instrument												
6 Tax-exempt obligations	48.7	68.7	31.1	78.1	−15.1	130.3	66.2	27.4	22.6	−9.8	−41.2	−32.1
7 Corporate bonds	47.1	78.8	67.5	75.2	21.9	75.7	72.0	67.4	35.5	35.8	14.0	2.4
8 Mortgages	199.5	161.4	123.9	155.7	194.1	152.2	222.2	148.5	163.0	188.6	239.8	185.0
9 Home mortgages	185.6	163.8	179.5	183.9	191.9	193.5	236.5	184.5	191.2	172.3	224.8	179.5
10 Multifamily residential	4.8	−3.1	−11.2	−6.1	1.7	−11.4	−4.9	−2.6	−5.1	6.1	5.5	.4
11 Commercial	9.3	.4	−45.5	−22.5	−.9	−30.9	−9.9	−33.6	−23.4	7.8	7.8	4.3
12 Farm	−.3	.4	1.1	.5	1.3	1.0	.4	.2	.3	2.3	1.7	.8
13 Consumer credit	16.0	−15.0	5.5	62.3	117.5	41.6	76.2	111.3	72.7	121.9	125.9	149.4
14 Bank loans n.e.c.	.4	−40.9	−13.8	5.0	77.6	−.2	7.8	28.5	68.2	57.9	89.4	94.8
15 Commercial paper	9.7	−18.4	8.6	10.0	21.4	33.2	17.2	3.8	8.0	16.4	33.8	27.2
16 Other loans	67.4	−37.1	9.2	−14.4	46.3	−28.6	−21.7	16.2	76.5	16.9	24.1	67.8
By borrowing sector												
17 Household	218.9	170.9	217.7	284.5	349.6	264.1	368.5	337.7	304.3	316.0	387.7	390.5
18 Nonfinancial business	123.7	−35.9	−2.0	21.9	143.3	26.7	24.1	48.2	135.8	139.9	146.8	150.7
19 Farm	2.3	2.1	1.0	2.0	2.3	2.7	4.1	3.6	2.6	8.1	1.7	−3.2
20 Nonfarm noncorporate	10.1	−28.5	−43.9	−26.0	19.8	−33.4	−26.2	−15.6	8.4	18.5	28.9	23.2
21 Corporate	111.3	−9.6	40.9	45.8	121.2	57.4	46.3	60.2	124.7	113.2	116.2	130.7
22 State and local government	46.0	62.6	16.4	65.7	−29.3	113.2	47.3	17.1	6.5	−28.2	−48.7	−46.6
23 Foreign net borrowing in United States	23.9	13.9	21.3	46.9	−12.1	42.8	83.1	22.9	−66.3	−10.1	4.1	23.9
24 Bonds	21.4	14.1	14.4	59.4	17.1	45.3	84.5	41.4	29.0	9.4	4.9	25.2
25 Bank loans n.e.c.	−2.9	3.1	2.3	.7	1.4	6.6	1.0	−6.3	6.0	−4.5	4.7	−.5
26 Commercial paper	12.3	6.4	5.2	−9.0	−27.3	−.6	−1.6	−12.0	−101.8	−5.2	−8.1	5.9
27 U.S. government and other loans	−7.0	−9.8	−.6	−4.2	−3.3	−8.4	−.8	−.1	.5	−9.8	2.8	−6.6
28 **Total domestic plus foreign**	**659.4**	**489.6**	**557.4**	**675.0**	**607.4**	**783.3**	**696.4**	**700.2**	**590.8**	**540.5**	**624.9**	**673.4**
	Financial sectors											
29 **Total net borrowing by financial sectors**	**202.9**	**152.6**	**237.1**	**286.1**	**419.9**	**175.5**	**438.9**	**349.8**	**488.9**	**343.5**	**367.7**	**479.6**
By instrument												
30 U.S. government-related	167.4	145.7	155.8	161.2	268.2	56.6	287.3	131.3	320.8	245.2	224.9	281.7
31 Government-sponsored enterprises securities	17.1	9.2	40.3	80.6	177.2	68.8	167.8	53.4	160.0	146.6	152.1	250.2
32 Mortgage pool securities	150.3	136.6	115.6	80.6	95.7	−12.2	119.5	77.9	180.0	98.6	72.8	31.5
33 Loans from U.S. government	−.1	.0	.0	.0	−4.8	.0	.0	.0	−19.2	.0	.0	.0
34 Private	35.5	6.8	81.3	125.0	151.8	118.9	151.6	218.5	168.2	98.3	142.8	197.9
35 Corporate bonds	46.3	67.6	78.5	118.3	103.3	92.4	143.4	138.3	154.5	91.9	84.3	82.8
36 Mortgages	.6	.5	.6	3.6	−.2	1.4	6.2	5.5	.2	.6	.1	−1.5
37 Bank loans n.e.c.	4.7	8.8	2.2	−14.0	−15.8	12.8	−16.1	−18.0	−12.3	−30.1	−14.6	−6.2
38 Open market paper	8.6	−32.0	−.7	−6.2	41.6	−16.2	−9.4	76.0	36.6	3.6	42.3	84.0
39 Loans from Federal Home Loan Banks	−24.7	−38.0	.8	23.3	22.8	28.4	27.4	16.8	−10.8	32.3	30.7	38.8
By borrowing sector												
40 Government-sponsored enterprises	17.0	9.1	40.2	80.6	172.4	68.8	167.8	53.4	140.8	146.6	152.1	250.2
41 Federally related mortgage pools	150.3	136.6	115.6	80.6	95.7	−12.2	119.5	77.9	180.0	98.6	72.8	31.5
42 Private	35.5	6.8	81.3	125.0	151.8	118.9	151.6	218.5	168.2	98.3	142.8	197.9
43 Commercial banks	−.7	−11.7	8.8	5.6	10.0	11.3	6.5	1.2	2.0	12.4	22.8	2.9
44 Bank holding companies	−27.7	−2.5	2.3	8.8	8.4	1.3	.5	12.2	3.5	10.1	11.5	8.5
45 Funding corporations	15.4	−6.5	13.2	2.9	25.8	−1.6	7.9	36.7	48.2	−17.9	46.5	26.3
46 Savings institutions	−30.2	−44.5	−6.7	11.1	12.8	12.6	13.5	8.8	−5.6	5.8	14.8	36.1
47 Credit unions	.0	.0	.0	.2	.2	.3	.3	.1	.1	.2	.5	.2
48 Life insurance companies	.0	.0	.0	.2	.3	.6	−.1	.4	.0	.0	.0	1.3
49 Finance companies	24.0	18.6	−3.6	.2	50.3	−13.6	17.5	16.3	63.3	67.0	16.9	54.0
50 Mortgage companies	.0	−2.4	8.0	−1.0	−13.0	32.4	−.8	−10.4	−21.6	−18.2	−7.0	−5.0
51 Real estate investment trusts (REITs)	.8	1.2	.3	3.5	1.7	1.3	6.0	6.2	1.2	2.2	2.3	1.1
52 Issuers of asset-backed securities (ABSs)	52.3	51.0	56.3	81.5	54.7	60.5	85.8	117.6	86.9	36.5	42.2	53.1

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

Transaction category or sector	1990	1991	1992	1993	1994	1993			1994			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
	All sectors											
53 **Total net borrowing, all sectors**	**862.3**	**642.2**	**794.5**	**961.2**	**1,027.3**	**958.8**	**1,135.3**	**1,050.0**	**1,079.7**	**884.0**	**992.6**	**1,153.0**
54 U.S. government securities	414.4	424.0	459.8	417.3	428.8	393.0	460.7	405.5	550.5	368.1	359.9	436.7
55 Tax-exempt securities	48.7	68.7	31.1	78.1	−15.1	130.3	66.2	27.4	22.6	−9.8	−41.2	−32.1
56 Corporate and foreign bonds	114.7	160.5	160.4	252.9	142.4	213.4	299.9	247.1	219.0	137.0	103.1	110.3
57 Mortgages	200.1	161.9	124.5	159.2	193.9	153.5	228.3	154.0	163.2	189.1	239.9	183.5
58 Consumer credit	16.0	−15.0	5.5	62.3	117.5	41.6	76.2	111.3	72.7	121.9	125.9	149.4
59 Bank loans n.e.c.	2.2	−29.1	−9.4	−8.3	63.2	19.2	−7.3	4.2	61.9	23.3	79.5	88.1
60 Open market paper	30.7	−44.0	13.1	−5.1	35.7	16.4	6.3	67.7	−57.2	14.8	68.0	117.1
61 Other loans	35.6	−84.9	9.5	4.7	61.0	−8.7	4.9	32.9	47.0	39.4	57.6	100.0
	Funds raised through mutual funds and corporate equities											
62 **Total net share issues**	**19.7**	**215.4**	**296.0**	**437.1**	**159.8**	**471.9**	**498.0**	**434.5**	**312.3**	**236.4**	**126.7**	**−36.0**
63 Mutual funds	65.3	151.5	211.9	317.0	128.3	358.0	348.9	292.0	204.5	167.0	129.3	12.3
64 Corporate equities	−45.6	64.0	84.1	120.1	31.6	113.9	149.1	142.4	107.8	69.4	−2.6	−48.3
65 Nonfinancial corporations	−63.0	18.3	27.0	21.3	−40.9	23.2	32.3	21.5	−9.6	−2.0	−50.0	−102.0
66 Financial corporations	10.0	15.1	26.4	38.2	28.6	38.6	38.2	40.9	47.9	24.8	23.7	17.9
67 Foreign shares purchased in United States	7.4	30.7	30.7	60.6	43.9	52.1	78.6	80.0	69.4	46.7	23.7	35.7

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.2 through F.5. 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	1990	1991	1992	1993	1994	1993			1994			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
NET LENDING IN CREDIT MARKETS[2]												
1 **Total net lending in credit markets**	**862.3**	**642.2**	**794.5**	**961.2**	**1,027.3**	**958.8**	**1,135.3**	**1,050.0**	**1,079.7**	**884.0**	**992.6**	**1,153.0**
2 Private domestic nonfinancial sectors	190.1	−7.5	72.0	4.8	296.5	−4.6	−39.5	86.3	391.3	340.1	152.0	302.5
3 Households	157.2	−39.6	70.7	−11.5	378.3	−76.5	−69.7	174.7	394.3	408.3	246.6	464.1
4 Nonfarm noncorporate business	−1.7	−3.7	−1.1	−3.2	−2.0	−3.2	−3.3	−3.5	−3.6	−1.8	−1.9	−.5
5 Nonfinancial corporate business	−3.7	6.7	29.2	18.0	18.2	17.3	41.2	16.0	22.3	16.9	21.8	11.7
6 State and local governments	38.3	29.2	−26.8	1.5	−98.0	57.7	−7.7	−101.0	−21.6	−83.2	−114.4	−172.7
7 U.S. government	33.7	10.5	−11.9	−18.4	−19.6	−27.1	−15.4	−7.9	−40.8	−11.1	−.9	−25.7
8 Foreign	85.5	26.6	100.5	126.0	129.0	93.4	123.5	221.2	127.6	49.4	119.6	219.6
9 Financial sectors	553.0	612.5	633.9	848.8	621.4	897.1	1,066.6	750.4	601.6	505.5	721.9	656.6
10 Government sponsored enterprises	13.9	15.2	69.0	90.2	118.9	128.0	144.8	71.2	92.4	101.1	125.6	156.5
11 Federally related mortgage pools	150.3	136.6	115.6	80.6	95.7	−12.2	119.5	77.9	180.0	98.6	72.8	31.5
12 Monetary authority	8.1	31.1	27.9	36.2	31.5	35.7	28.2	38.5	48.8	17.9	24.0	35.4
13 Commercial banking	125.1	80.8	95.3	142.2	162.1	133.4	146.7	188.1	184.7	109.1	191.3	163.3
14 U.S. commercial banks	94.9	35.7	69.5	149.6	148.1	137.4	160.3	197.3	120.6	128.4	164.6	178.7
15 Foreign banking offices	28.4	48.5	16.5	−9.8	11.0	−14.3	−16.9	−6.5	59.0	−21.5	22.1	−15.7
16 Bank holding companies	−2.8	−1.5	5.6	.0	1.1	7.9	1.2	−4.8	3.1	.2	2.7	−1.5
17 Banks in U.S. affiliated areas	4.5	−1.9	3.7	2.4	1.9	2.4	2.2	2.1	2.1	1.9	1.9	1.8
18 Funding corporations	16.1	15.8	23.5	18.1	12.6	1.1	32.4	42.6	17.8	35.3	21.4	−24.1
19 Thrift institutions	−154.0	−123.5	−61.3	−1.7	35.6	16.1	21.0	−13.3	13.6	42.6	52.0	34.1
20 Life insurance companies	94.4	83.2	79.1	105.1	55.4	109.4	111.8	86.4	53.7	6.1	83.4	78.3
21 Other insurance companies	26.5	32.6	12.8	33.3	21.1	36.0	37.6	32.1	27.9	20.8	16.0	19.7
22 Private pension funds	17.2	85.7	37.3	40.2	−42.8	11.1	91.9	−60.1	−97.7	−30.7	−17.5	−25.5
23 State and local government retirement funds	34.9	46.0	34.4	25.5	43.8	47.5	27.4	36.9	30.3	51.2	41.5	52.1
24 Finance companies	29.0	−12.7	1.7	−9.0	66.8	−34.7	9.4	22.6	72.1	49.8	58.9	86.4
25 Mortgage companies	.0	11.2	.1	.0	−26.0	65.1	−1.6	−13.3	−43.5	−36.3	−14.0	−10.0
26 Mutual funds	41.4	90.3	123.7	164.0	−14.0	194.4	174.6	138.4	18.0	11.3	−18.7	−66.5
27 Closed-end funds	.2	14.7	17.4	10.2	3.5	10.5	5.9	7.7	8.3	3.2	1.4	1.0
28 Money market funds	80.9	30.1	1.3	14.7	30.5	33.3	25.3	57.3	−44.5	33.7	54.4	78.4
29 Real estate investment trusts (REITs)	−.7	−.7	1.1	.6	.7	.8	1.0	.2	.7	.7	.7	.7
30 Brokers and dealers	2.8	17.5	−6.9	9.2	−32.0	52.5	−7.8	−82.8	−56.1	−52.6	−11.8	−7.6
31 Asset-backed securities issuers (ABSs)	51.1	48.9	53.8	80.1	51.8	59.4	88.6	111.1	86.0	38.7	37.4	45.1
32 Bank personal trusts	15.9	10.0	8.0	9.5	6.3	10.0	9.9	8.9	9.3	5.2	2.9	7.7
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
33 **Net flows through credit markets**	**862.3**	**642.2**	**794.5**	**961.2**	**1,027.3**	**958.8**	**1,135.3**	**1,050.0**	**1,079.7**	**884.0**	**992.6**	**1,153.0**
Other financial sources												
34 Official foreign exchange	2.0	−5.9	−1.6	.8	−5.6	−4.0	1.7	2.2	−.2	−14.6	.2	−7.8
35 Special drawing rights certificates	1.5	.0	−2.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
36 Treasury currency	1.0	.0	.2	.4	.7	.4	.4	.7	.7	.6	.8	.7
37 Life insurance reserves	25.7	25.7	27.3	35.2	20.1	35.3	36.6	35.5	20.0	8.1	23.8	28.7
38 Pension fund reserves	165.1	360.3	249.7	309.2	113.9	313.7	349.9	251.6	−8.8	64.3	214.4	185.6
39 Interbank claims	35.4	−3.9	61.7	44.7	85.0	128.9	−5.0	−13.7	150.9	184.9	−26.6	30.8
40 Checkable deposits and currency	43.3	86.4	113.8	117.3	−10.3	214.4	73.1	81.9	173.1	−66.1	−87.4	−60.6
41 Small time and savings deposits	63.7	1.5	−57.2	−70.3	−39.8	−67.8	−68.1	−36.6	2.5	−62.4	−56.4	−42.9
42 Large time deposits	−66.1	−58.5	−73.2	−23.5	20.7	−26.8	−59.5	13.7	−39.6	−4.4	83.8	42.9
43 Money market fund shares	70.3	41.2	3.9	15.3	46.3	61.8	.6	45.7	−33.5	67.8	50.3	100.8
44 Security repurchase agreements	−24.2	−16.5	35.5	65.5	79.1	37.9	67.8	−14.4	14.3	175.9	76.9	49.3
45 Foreign deposits	38.2	−16.7	−7.2	−11.0	13.1	−17.1	−50.7	35.7	16.4	14.6	−8.4	29.6
46 Mutual fund shares	65.3	151.5	211.9	317.0	128.3	358.0	348.9	292.0	204.5	167.0	129.3	12.3
47 Corporate equities	−45.6	64.0	84.1	120.1	31.6	113.9	149.1	142.4	107.8	69.4	−2.6	−48.3
48 Security credit	3.5	51.4	4.2	61.9	−3.0	40.0	76.6	86.5	29.7	−17.5	−61.7	37.3
49 Trade debt	37.0	3.6	41.5	49.0	75.6	51.0	49.6	51.9	35.6	87.2	92.2	87.4
50 Taxes payable	−4.8	−6.2	8.5	4.6	2.3	7.3	−1.8	4.9	14.2	−11.6	2.7	3.9
51 Noncorporate proprietors' equity	−28.3	−3.3	18.4	−10.2	−44.8	−14.9	6.3	−25.6	−50.3	−44.6	−40.7	−43.8
52 Investment in bank personal trusts	29.7	16.1	−7.1	1.6	4.6	−7.2	.1	17.6	15.4	−15.5	6.7	11.9
53 Miscellaneous	135.7	197.2	257.6	289.7	260.0	402.1	221.4	342.0	359.6	272.3	289.2	118.9
54 **Total financial sources**	**1,410.6**	**1,530.2**	**1,764.5**	**2,278.5**	**1,805.1**	**2,585.6**	**2,332.5**	**2,364.0**	**2,092.0**	**1,759.5**	**1,679.0**	**1,689.9**
Floats not included in assets (−)												
55 U.S. government checkable deposits	3.3	−13.1	.7	−1.5	−4.7	2.9	2.1	−15.5	−2.4	−1.4	15.2	−30.3
56 Other checkable deposits	8.5	4.5	1.6	−1.3	−2.8	8.3	−5.2	−6.2	.6	−1.1	−6.2	−4.3
57 Trade credit	9.1	9.7	4.1	16.5	−.9	25.7	22.2	12.5	−25.7	5.6	14.1	2.3
Liabilities not identified as assets (−)												
58 Treasury currency	.2	−.6	−.2	−.2	−.2	−.2	−.2	−.2	−.2	−.2	−.2	−.2
59 Interbank claims	1.6	26.2	−4.9	4.2	−2.7	.5	−10.4	24.0	−29.1	5.3	11.3	1.7
60 Security repurchase agreements	−24.0	6.2	27.9	82.2	41.7	60.8	66.6	21.6	4.4	117.3	62.1	−17.1
61 Taxes payable	.1	1.3	14.0	1.0	−1.1	18.2	1.2	−8.6	−.3	4.2	−4.6	−3.8
62 Miscellaneous	−35.4	−45.3	−46.0	−41.9	−7.3	−98.0	−20.9	48.2	−66.0	−171.5	147.5	61.0
63 **Total identified to sectors as assets**	**1,447.2**	**1,541.2**	**1,767.2**	**2,219.5**	**1,783.2**	**2,567.4**	**2,277.1**	**2,288.2**	**2,210.9**	**1,801.3**	**1,439.9**	**1,680.5**

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.6 and F.7. 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	1991	1992	1993	1994	1993 Q2	1993 Q3	1993 Q4	1994 Q1	1994 Q2	1994 Q3	1994 Q4
	Nonfinancial sectors										
1 Total credit market debt owed by domestic nonfinancial sectors	**11,181.5**	**11,720.7**	**12,363.1**	**12,982.5**	**12,008.9**	**12,155.3**	**12,363.1**	**12,487.0**	**12,633.0**	**12,780.4**	**12,982.5**
By sector and instrument											
2 U.S. government	2,776.4	3,080.3	3,336.5	3,492.3	3,201.2	3,247.3	3,336.5	3,387.7	3,395.4	3,432.6	3,492.3
3 Treasury securities	2,757.8	3,061.6	3,309.9	3,465.6	3,180.6	3,222.6	3,309.9	3,361.4	3,368.0	3,404.1	3,465.6
4 Budget agency issues and mortgages	18.6	18.8	26.6	26.7	20.6	24.7	26.6	26.3	27.4	28.5	26.7
5 Private	8,405.1	8,640.4	9,026.6	9,490.2	8,807.7	8,908.1	9,026.6	9,099.3	9,237.6	9,347.7	9,490.2
By instrument											
6 Tax-exempt obligations	1,108.6	1,139.7	1,217.8	1,202.7	1,202.2	1,210.0	1,217.8	1,222.3	1,229.5	1,209.9	1,202.7
7 Corporate bonds	1,086.9	1,154.4	1,229.6	1,251.6	1,194.8	1,212.8	1,229.6	1,238.5	1,247.5	1,251.0	1,251.6
8 Mortgages	3,920.0	4,043.9	4,206.5	4,400.6	4,109.9	4,166.6	4,206.5	4,233.3	4,290.9	4,351.9	4,400.6
9 Home mortgages	2,780.0	2,959.6	3,147.3	3,339.2	3,038.1	3,098.3	3,147.3	3,181.1	3,234.7	3,291.9	3,339.2
10 Multifamily residential	304.8	293.6	287.5	289.2	289.4	288.2	287.5	286.3	287.8	289.1	289.2
11 Commercial	755.8	710.3	690.6	689.7	701.4	699.0	690.6	684.7	686.6	688.6	689.7
12 Farm	79.3	80.4	81.2	82.5	81.0	81.1	81.2	81.3	81.9	82.3	82.5
13 Consumer credit	797.4	803.0	866.5	984.0	800.2	824.3	866.5	863.6	895.3	931.8	984.0
14 Bank loans n.e.c.	686.0	672.1	677.2	754.7	666.3	665.6	677.2	687.3	707.4	726.4	754.7
15 Commercial paper	98.5	107.1	117.8	139.2	124.0	123.2	117.8	129.9	135.7	138.7	139.2
16 Other loans	707.8	720.2	711.1	757.4	710.2	705.5	711.1	724.3	731.2	738.1	757.4
By borrowing sector											
17 Household	3,784.7	4,002.3	4,292.0	4,641.3	4,093.0	4,190.9	4,292.0	4,331.7	4,425.0	4,527.1	4,641.3
18 Nonfinancial business	3,709.3	3,710.5	3,741.5	3,885.0	3,729.8	3,729.1	3,741.5	3,774.0	3,816.3	3,845.8	3,885.0
19 Farm	135.0	136.0	138.3	140.6	136.7	138.7	138.3	136.6	141.3	142.8	140.6
20 Nonfarm noncorporate	1,116.4	1,074.1	1,049.1	1,068.8	1,059.4	1,052.2	1,049.1	1,050.4	1,055.6	1,062.2	1,068.8
21 Corporate	2,458.0	2,500.4	2,554.1	2,675.6	2,533.7	2,538.3	2,554.1	2,586.9	2,619.3	2,640.9	2,675.6
22 State and local government	911.1	927.5	993.2	963.9	984.9	988.0	993.2	993.6	996.3	974.8	963.9
23 Foreign credit market debt held in United States	**298.8**	**310.9**	**357.8**	**345.8**	**332.0**	**351.3**	**357.8**	**340.3**	**339.2**	**338.8**	**345.8**
24 Bonds	129.5	143.9	203.4	220.4	171.9	193.0	203.4	210.6	212.9	214.2	220.4
25 Bank loans n.e.c.	21.6	23.9	24.6	26.1	25.9	26.2	24.6	26.2	25.1	26.3	26.1
26 Commercial paper	81.8	77.7	68.7	41.4	72.1	71.7	68.7	43.3	42.0	39.9	41.4
27 U.S. government and other loans	65.9	65.3	61.1	57.8	62.0	60.3	61.1	60.3	59.2	58.4	57.8
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	**11,480.3**	**12,031.6**	**12,720.8**	**13,328.3**	**12,340.9**	**12,506.6**	**12,720.8**	**12,827.3**	**12,972.2**	**13,119.2**	**13,328.3**
	Financial sectors										
29 Total credit market debt owed by financial sectors	**2,752.1**	**3,004.7**	**3,297.3**	**3,722.4**	**3,096.6**	**3,204.7**	**3,297.3**	**3,415.3**	**3,507.6**	**3,597.7**	**3,722.4**
By instrument											
30 U.S. government-related	1,564.2	1,720.0	1,881.1	2,149.3	1,774.5	1,845.2	1,881.1	1,954.5	2,021.1	2,075.9	2,149.3
31 Government-sponsored enterprises securities	402.9	443.1	523.7	700.9	468.4	510.3	523.7	563.7	600.3	638.3	700.9
32 Mortgage pool securities	1,156.5	1,272.0	1,352.6	1,448.4	1,301.3	1,330.1	1,352.6	1,390.8	1,420.8	1,437.6	1,448.4
33 Loans from U.S. government	4.8	4.8	4.8	.0	4.8	4.8	4.8	.0	.0	.0	.0
34 Private	1,187.9	1,284.8	1,416.1	1,573.2	1,322.2	1,359.5	1,416.1	1,460.9	1,486.6	1,521.8	1,573.2
35 Corporate bonds	640.0	724.8	844.1	944.9	774.8	810.5	844.1	880.8	904.5	925.4	944.9
36 Mortgages	4.8	5.4	8.9	8.8	6.0	7.6	8.9	9.0	9.1	9.2	8.8
37 Bank loans n.e.c.	78.4	80.5	66.5	50.7	73.3	69.2	66.5	61.8	54.1	50.5	50.7
38 Open market paper	385.7	394.3	393.5	442.8	375.9	373.2	393.5	408.8	410.3	420.5	442.8
39 Loans from Federal Home Loan Banks	79.1	79.9	103.1	125.9	92.1	98.9	103.1	100.4	108.5	116.2	125.9
By borrowing sector											
40 Government-sponsored enterprises	407.7	447.9	528.5	700.9	473.2	515.1	528.5	563.7	600.3	638.3	700.9
41 Federally related mortgage pools	1,156.5	1,272.0	1,352.6	1,448.4	1,301.3	1,330.1	1,352.6	1,390.8	1,420.8	1,437.6	1,448.4
42 Private financial sectors	1,187.9	1,284.8	1,416.1	1,573.2	1,322.2	1,359.5	1,416.1	1,460.9	1,486.6	1,521.8	1,573.2
43 Commercial banks	65.0	73.8	79.5	89.5	76.6	77.9	79.5	78.4	82.1	87.5	89.5
44 Bank holding companies	112.3	114.6	123.4	131.8	120.2	120.3	123.4	124.2	126.8	129.6	131.8
45 Funding corporations	139.1	161.6	169.9	200.9	166.5	166.3	169.9	190.6	191.1	200.1	200.9
46 Savings institutions	94.6	87.8	99.0	111.7	93.4	96.8	99.0	97.6	99.0	102.7	111.7
47 Credit unions	.0	.0	.2	.5	.1	.2	.2	.3	.3	.4	.5
48 Life insurance companies	.0	.0	.2	.6	.2	.1	.2	.3	.3	.3	.6
49 Finance companies	393.0	389.4	390.5	440.8	373.8	380.0	390.5	401.9	414.2	420.9	440.8
50 Mortgage companies	22.2	30.2	29.2	16.3	32.0	31.8	29.2	23.8	19.3	17.5	16.3
51 Real estate investment trusts (REITs)	13.6	13.9	17.4	19.1	14.4	15.8	17.4	17.7	18.3	18.8	19.1
52 Issuers of asset-backed securities (ABSs)	329.1	391.7	473.2	527.8	422.3	443.8	473.2	494.9	504.0	514.5	527.8
	All sectors										
53 Total credit market debt, domestic and foreign	**14,232.3**	**15,036.3**	**16,018.1**	**17,050.7**	**15,437.5**	**15,711.3**	**16,018.1**	**16,242.6**	**16,479.8**	**16,716.9**	**17,050.7**
54 U.S. government securities	4,335.7	4,795.5	5,212.8	5,641.6	4,970.9	5,087.7	5,212.8	5,342.2	5,416.5	5,508.6	5,641.6
55 Tax-exempt securities	1,108.6	1,139.7	1,217.8	1,202.7	1,202.2	1,210.0	1,217.8	1,222.3	1,229.5	1,209.9	1,202.7
56 Corporate and foreign bonds	1,856.5	2,023.1	2,277.0	2,416.9	2,141.5	2,216.3	2,277.0	2,329.9	2,364.9	2,390.5	2,416.9
57 Mortgages	3,924.8	4,049.3	4,215.5	4,409.4	4,116.0	4,174.2	4,215.5	4,242.4	4,300.1	4,361.1	4,409.4
58 Consumer credit	797.4	803.0	866.5	984.0	800.2	824.3	866.5	863.6	895.3	931.8	984.0
59 Bank loans n.e.c.	785.9	776.6	768.4	831.6	765.5	761.0	768.4	775.4	786.6	803.2	831.6
60 Open market paper	565.9	579.0	580.0	623.5	572.0	568.2	580.0	582.0	587.9	599.2	623.5
61 Other loans	857.5	870.2	880.1	941.1	869.1	869.6	880.1	884.9	898.9	912.7	941.1

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	1991	1992	1993	1994	1993			1994			
					Q2	Q3	Q4	Q1	Q2	Q3	Q4
CREDIT MARKET DEBT OUTSTANDING[2]											
1 **Total credit market assets**	**14,232.3**	**15,036.3**	**16,018.1**	**17,050.7**	**15,437.5**	**15,711.3**	**16,018.1**	**16,242.6**	**16,479.8**	**16,716.9**	**17,050.7**
2 Private domestic nonfinancial sectors	2,240.2	2,318.0	2,338.9	2,663.4	2,296.1	2,284.8	2,338.9	2,432.9	2,513.8	2,551.1	2,663.4
3 Households	1,446.5	1,523.1	1,525.9	1,932.3	1,473.3	1,459.6	1,525.9	1,631.1	1,723.4	1,789.3	1,932.3
4 Nonfarm noncorporate business	44.1	42.9	39.7	37.7	41.4	40.6	39.7	38.8	38.4	37.9	37.7
5 Nonfinancial corporate business	196.2	225.4	248.1	266.2	227.3	234.7	248.1	243.8	250.9	253.9	266.2
6 State and local governments	553.3	526.5	525.2	427.2	554.2	549.9	525.2	519.2	501.1	470.0	427.2
7 U.S. government	246.9	235.0	216.6	197.0	223.1	218.8	216.6	206.3	204.0	203.3	197.0
8 Foreign	958.1	1,052.7	1,175.1	1,304.1	1,084.0	1,118.1	1,175.1	1,206.8	1,218.5	1,251.3	1,304.1
9 Financial sectors	10,787.2	11,430.6	12,287.5	12,886.2	11,834.2	12,089.6	12,287.5	12,396.5	12,543.5	12,711.1	12,886.2
10 Government-sponsored enterprises	390.7	459.7	549.8	668.7	495.5	531.8	549.8	572.0	597.9	629.4	668.7
11 Federally related mortgage pools	1,156.5	1,272.0	1,352.6	1,448.4	1,301.3	1,330.1	1,352.6	1,390.8	1,420.8	1,437.6	1,448.4
12 Monetary authority	272.5	300.4	336.7	368.2	318.2	324.2	336.7	341.5	351.6	356.8	368.2
13 Commercial banking	2,853.3	2,948.6	3,090.8	3,252.9	2,998.8	3,036.4	3,090.8	3,120.2	3,156.2	3,204.2	3,252.9
14 U.S. commercial banks	2,502.5	2,571.9	2,721.5	2,869.6	2,628.5	2,670.2	2,721.5	2,743.8	2,780.3	2,822.4	2,869.6
15 Foreign banking offices	319.2	335.8	326.0	337.0	327.1	322.3	326.0	331.8	330.8	335.5	337.0
16 Bank holding companies	11.9	17.5	17.5	18.6	18.4	18.7	17.5	18.2	18.3	19.0	18.6
17 Banks in U.S. affiliated areas	19.7	23.4	25.8	27.8	24.8	25.3	25.8	26.4	26.8	27.3	27.8
18 Funding corporations	51.5	75.0	93.1	105.6	74.3	82.4	93.1	97.5	106.3	111.7	105.6
19 Thrift institutions	1,192.6	1,134.5	1,132.7	1,168.3	1,130.0	1,136.5	1,132.7	1,134.2	1,146.1	1,160.1	1,168.3
20 Life insurance companies	1,199.6	1,278.8	1,383.9	1,439.3	1,343.9	1,372.1	1,383.9	1,404.2	1,409.1	1,430.3	1,439.3
21 Other insurance companies	376.6	389.4	422.7	443.8	405.3	414.6	422.7	429.6	434.8	438.8	443.8
22 Private pension funds	693.0	730.4	770.6	727.7	762.6	785.6	770.6	746.2	738.5	734.1	727.7
23 State and local government retirement funds	479.9	514.3	542.6	586.4	526.5	533.4	542.6	550.2	563.0	573.3	586.4
24 Finance companies	484.9	486.6	482.8	549.6	473.7	474.0	482.8	494.5	511.3	524.1	549.6
25 Mortgage companies	60.3	60.5	60.4	34.5	64.1	63.8	60.4	49.5	40.4	37.0	34.5
26 Mutual funds	450.5	574.2	738.2	701.6	659.9	703.6	738.2	720.1	722.9	718.2	701.6
27 Closed-end funds	50.3	67.7	77.9	81.4	74.5	76.0	77.9	80.0	80.8	81.1	81.4
28 Money market funds	402.7	404.1	418.8	449.2	403.9	400.6	418.8	422.2	422.0	425.1	449.2
29 Real estate investment trusts (REITs)	7.0	8.1	8.6	9.3	8.3	8.6	8.6	8.8	9.0	9.1	9.3
30 Brokers and dealers	124.0	117.1	126.3	94.3	149.0	147.1	126.3	112.3	99.2	96.2	94.3
31 Asset-backed securities issuers (ABSs)	317.8	377.9	458.0	509.8	408.1	430.2	458.0	479.5	489.2	498.5	509.8
32 Bank personal trusts	223.5	231.5	240.9	247.2	236.2	238.7	240.9	243.3	244.6	245.3	247.2
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
33 **Total credit market debt**	**14,232.3**	**15,036.3**	**16,018.1**	**17,050.7**	**15,437.5**	**15,711.3**	**16,018.1**	**16,242.6**	**16,479.8**	**16,716.9**	**17,050.7**
Other liabilities											
34 Official foreign exchange	55.4	51.8	53.4	53.2	53.9	55.6	53.4	56.4	54.9	55.5	53.2
35 Special drawing rights certificates	10.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
36 Treasury currency	16.3	16.5	17.0	17.6	16.7	16.8	17.0	17.1	17.3	17.5	17.6
37 Life insurance reserves	405.7	433.0	468.2	488.4	450.2	459.4	468.2	473.2	475.2	481.2	488.4
38 Pension fund reserves	4,138.3	4,516.5	4,974.7	5,061.2	4,730.8	4,887.8	4,974.7	4,923.0	4,915.8	5,045.5	5,061.2
39 Interbank claims	96.4	132.8	177.7	263.8	145.2	166.9	177.7	204.2	223.8	243.4	263.8
40 Deposits at financial institutions	5,044.8	5,059.1	5,152.4	5,261.5	5,097.1	5,088.5	5,152.4	5,158.9	5,180.5	5,198.2	5,261.5
41 Checkable deposits and currency	1,020.6	1,134.4	1,251.7	1,241.4	1,168.0	1,181.9	1,251.7	1,220.5	1,229.7	1,205.4	1,241.4
42 Small time and savings deposits	2,350.7	2,293.5	2,223.2	2,183.4	2,255.0	2,236.6	2,223.2	2,233.8	2,214.1	2,198.9	2,183.4
43 Large time deposits	488.4	415.2	391.7	412.4	401.1	389.4	391.7	382.6	379.0	402.9	412.4
44 Money market fund shares	539.6	543.6	558.9	605.3	549.8	547.9	558.9	576.2	570.3	579.9	605.3
45 Security repurchase agreements	355.8	392.3	457.8	536.9	450.4	472.5	457.8	472.7	510.6	536.4	536.9
46 Foreign deposits	289.6	280.1	269.1	282.1	272.8	260.2	269.1	273.2	276.8	274.7	282.1
47 Mutual fund shares	813.9	1,042.1	1,429.3	1,463.0	1,225.8	1,342.4	1,429.3	1,438.7	1,443.6	1,505.7	1,463.0
48 Security credit	188.9	217.3	279.3	276.2	234.7	254.5	279.3	282.7	278.0	263.3	276.2
49 Trade debt	935.9	977.4	1,026.4	1,102.0	989.7	1,009.6	1,026.4	1,023.6	1,045.7	1,076.6	1,102.0
50 Taxes payable	71.2	79.6	84.2	86.5	81.2	82.8	84.2	89.0	82.4	85.4	86.5
51 Investment in bank personal trusts	608.3	629.6	660.9	655.6	637.6	651.2	660.9	655.3	640.2	656.8	655.6
52 Miscellaneous	2,992.2	3,160.2	3,402.3	3,687.8	3,248.3	3,314.6	3,402.3	3,510.9	3,571.1	3,662.8	3,687.8
53 **Total liabilities**	**29,609.6**	**31,360.1**	**33,751.8**	**35,475.6**	**32,356.5**	**33,049.4**	**33,751.8**	**34,083.7**	**34,416.5**	**35,016.8**	**35,475.6**
Financial assets not included in liabilities (+)											
54 Gold and special drawing rights	22.3	19.6	20.1	21.1	20.0	20.3	20.1	20.4	20.8	21.0	21.1
55 Corporate equities	4,863.6	5,462.9	6,186.5	6,048.8	5,683.7	5,941.7	6,186.5	6,052.2	5,877.7	6,135.1	6,048.8
56 Household equity in noncorporate business	2,444.4	2,411.5	2,421.7	2,485.0	2,407.1	2,420.3	2,421.7	2,460.2	2,473.6	2,482.9	2,485.0
Floats not included in assets (−)											
57 U.S. government checkable deposits	3.8	6.8	5.6	3.4	3.5	2.2	5.6	.3	.9	1.2	3.4
58 Other checkable deposits	40.4	42.0	40.7	38.0	41.6	33.7	40.7	36.3	38.7	30.6	38.0
59 Trade credit	−129.3	−124.6	−101.7	−102.3	−135.0	−130.4	−101.7	−121.2	−130.7	−127.2	−102.3
Liabilities not identified as assets (−)											
60 Treasury currency	−4.8	−4.9	−5.1	−5.4	−5.0	−5.1	−5.1	−5.2	−5.2	−5.3	−5.4
61 Interbank claims	−4.2	−9.3	−4.7	−6.5	−5.7	−7.8	−4.7	−7.7	−7.4	−3.5	−6.5
62 Security repurchase agreements	9.2	38.1	120.2	162.3	108.0	132.6	120.2	133.4	160.0	186.1	162.3
63 Taxes payable	17.8	25.2	26.2	25.1	24.3	24.3	26.2	15.3	21.7	21.0	25.1
64 Miscellaneous	−330.7	−398.4	−477.2	−519.4	−436.1	−480.5	−477.2	−491.2	−461.4	−481.2	−519.4
65 **Total identified to sectors as assets**	**37,337.6**	**39,679.1**	**42,776.1**	**44,435.1**	**40,871.8**	**41,862.8**	**42,776.1**	**43,056.7**	**43,171.9**	**44,034.1**	**44,435.1**

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.6 and L.7. 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 1987=100, except as noted

Measure	1992	1993	1994	1994						1995		
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[r]	Mar.
1 **Industrial production**[1]	**107.6**	**112.0**	**118.1**	**118.2**	**119.1**	**119.0**	**119.5**	**120.3**	**121.7**	**122.2**	**122.3**	**121.9**
Market groupings												
2 Products, total	106.5	110.7	115.9	116.2	116.7	116.4	116.9	117.5	118.7	119.3	119.3	118.8
3 Final, total	109.0	113.4	118.4	118.5	119.2	118.9	119.2	119.8	121.2	121.9	122.0	121.4
4 Consumer goods	105.9	109.4	113.2	113.3	113.8	113.0	113.0	113.9	115.5[r]	116.1	116.1	115.2
5 Equipment	113.4	119.3	126.5	126.4	127.5	128.0	128.8	128.9	130.1[r]	130.8	131.0	131.1
6 Intermediate	98.8	102.4	108.1[r]	109.1	109.2	108.6	109.9	110.6	110.9[r]	111.2	111.1	110.9
7 Materials	109.2	114.1	121.5	121.4	122.8	122.9	123.4	124.6	126.3	126.6	126.9	126.7
Industry groupings												
8 Manufacturing	108.0	112.9	119.7	119.8	120.9	120.9	121.5	122.6	124.2[r]	124.7	124.5	124.4
9 Capacity utilization, manufacturing (percent)[2]	79.2	80.9	83.4	83.3	83.8	83.6	83.8	84.4	85.2	85.3	84.9	84.5
10 Construction contracts[3]	97.7	104.4	108.3[r]	109.0	110.0	109.0	107.0	111.0	101.0	104.0	111.0	108.0
11 Nonagricultural employment, total[4]	106.5	108.4	111.3	111.4	111.7	112.0	112.2	112.7	112.9	113.1	113.4	113.6
12 Goods-producing, total	94.2	94.3	95.6	95.6	95.8	95.9	96.1	96.6	96.8	97.1	97.0	97.2
13 Manufacturing, total	95.3	94.8	95.1	95.0	95.2	95.3	95.5	95.7	95.9	96.2	96.3	96.2
14 Manufacturing, production workers	94.9	94.9	96.1	96.0	96.3	96.4	96.7	97.1	97.3	97.6	97.8	97.8
15 Service-producing	110.5	112.9	116.3	116.5	116.8	117.1	117.3	117.8	118.1	118.2	118.6	118.8
16 Personal income, total	135.6	141.4	150.0	150.0	150.7	151.7	153.7	153.7	154.7[r]	155.9	156.7	n.a.
17 Wages and salary disbursements	131.6	136.2	145.0	145.2	145.5	146.4	148.2	148.1	149.0	150.1	150.6	n.a.
18 Manufacturing	118.0	120.0	126.0	125.6	126.2	126.7	128.8	127.9	128.6[r]	129.1	131.3	n.a.
19 Disposable personal income[5]	137.0	142.5	150.8	150.9	151.6	152.6	154.8	154.7	155.8[r]	156.8	157.6	n.a.
20 Retail sales[5]	126.4	134.7	145.2	144.4	146.5	147.6	149.3	149.8	150.0	150.7	149.2	149.5
Prices[6]												
21 Consumer (1982–84=100)	140.3	144.5	148.2	148.4	149.0	149.4	149.5	149.7	149.7	150.3	150.9	151.4
22 Producer finished goods (1982=100)	123.2	124.7	125.5	126.0	126.5	125.6	125.8	126.1	126.2	126.5	126.9	126.9

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. For the ordering address, see the inside front cover. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 1994. See "Industrial Production and Capacity Utilization: A Revision," *Federal Reserve Bulletin*, vol. 81 (January 1995), pp. 16–26. For a detailed description of the industrial production index, 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, DRI McGraw-Hill, 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 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*.

Figures for industrial production for the latest month are preliminary, and many figures for the three months preceding the latest month have been revised. See "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411–35. See also "Industrial Production Capacity and Capacity Utilization since 1987," *Federal Reserve Bulletin*, vol. 79 (June 1993), pp. 590–605.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted except as noted

Category	1992	1993	1994	1994					1995		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[r]	Mar.
HOUSEHOLD SURVEY DATA[1]											
1 Civilian labor force[2]	126,982	128,040	131,056	131,086	131,291	131,646	131,718	131,725	132,136	132,308	132,511
Employment											
2 Nonagricultural industries[3]	114,391	116,232	119,651	119,761	120,233	120,647	120,903	121,038	121,064	121,469	121,576
3 Agriculture	3,207	3,074	3,409	3,436	3,411	3,494	3,500	3,532	3,575	3,656	3,698
Unemployment											
4 Number	9,384	8,734	7,996	7,889	7,647	7,505	7,315	7,155	7,498	7,183	7,237
5 Rate (percent of civilian labor force)	7.4	6.8	6.1	6.0	5.8	5.7	5.6	5.4	5.7	5.4	5.5
ESTABLISHMENT SURVEY DATA											
6 **Nonagricultural payroll employment**[4]	**108,604**	**110,525**	**113,423**	**113,914**	**114,186**	**114,348**	**114,882**	**115,113**	**115,282**	**115,627**	**115,830**
7 Manufacturing	18,104	18,003	18,064	18,095	18,096	18,142	18,183	18,226	18,271	18,289	18,285
8 Mining	635	611	604	603	605	599	600	597	595	592	592
9 Contract construction	4,492	4,642	4,916	4,942	4,972	4,974	5,044	5,050	5,092	5,057	5,115
10 Transportation and public utilities	5,721	5,787	5,842	5,866	5,865	5,867	5,888	5,911	5,913	5,930	5,941
11 Trade	25,354	25,675	26,362	26,484	26,565	26,629	26,772	26,887	26,939	27,035	27,033
12 Finance	6,602	6,712	6,789	6,801	6,794	6,786	6,791	6,785	6,779	6,778	6,795
13 Service	29,052	30,278	31,805	32,036	32,138	32,231	32,414	32,506	32,564	32,781	32,914
14 Government	18,653	18,817	19,041	19,087	19,151	19,120	19,190	19,151	19,129	19,165	19,155

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	1994			1995	1994			1995	1994			1995
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	Output (1987=100)				Capacity (percent of 1987 output)				Capacity utilization rate (percent)[2]			
1 **Total industry**	**117.4**	**118.8**	**120.5**	**122.1**	**140.0**	**140.9**	**141.9**	**143.1**	**83.8**	**84.3**	**84.9**	**85.3**
2 Manufacturing	118.9	120.5	122.7	124.5	143.1	144.2	145.3	146.6	83.1	83.6	84.5	84.9
3 Primary processing[3]	114.7	115.9	118.4	119.7	131.0	131.6	132.3	133.2	87.6	88.1	89.5	89.9
4 Advanced processing[4]	120.9	122.7	124.8	126.8	148.7	150.0	151.3	152.9	81.3	81.8	82.5	83.0
5 Durable goods	124.1	126.5	129.4	131.7	150.2	151.6	153.1	154.9	82.6	83.4	84.6	85.0
6 Lumber and products	105.4	106.6	107.9	109.4	115.5	116.0	116.5	117.1	91.2	91.9	92.7	93.4
7 Primary metals	114.4	114.1	119.4	120.2	125.0	125.2	125.4	126.7	91.6	91.1	95.2	94.9
8 Iron and steel	120.2	115.8	123.3	125.0	127.9	128.4	128.8	130.9	93.9	90.2	95.8	95.5
9 Nonferrous	106.9	111.4	113.9	113.8	120.5	120.5	120.5	120.9	88.7	92.4	94.5	94.2
10 Industrial machinery and equipment	157.6	162.6	167.5	171.6	179.0	181.6	184.1	187.8	88.0	89.6	91.0	91.4
11 Electrical machinery	156.8	163.5	169.4	173.7	179.9	184.1	188.5	193.8	87.1	88.8	89.9	89.6
12 Motor vehicles and parts	133.3	135.0	141.5	146.3	158.5	160.3	162.2	164.2	84.1	84.2	87.2	89.1
13 Aerospace and miscellaneous transportation equipment	84.2	82.1	80.8	80.4	129.8	129.4	129.1	128.8	64.9	63.5	62.6	62.5
14 Nondurable goods	113.1	113.8	115.3	116.6	134.8	135.5	136.3	137.1	83.9	84.0	84.6	85.0
15 Textile mill products	108.7	108.9	111.6	112.2	120.8	121.4	122.0	122.7	90.1	89.7	91.4	91.4
16 Paper and products	115.9	118.5	120.6	120.0	126.6	127.1	127.7	128.4	91.6	93.2	94.4	93.4
17 Chemicals and products	123.6	124.4	126.0	129.4	151.9	153.3	154.7	156.2	81.4	81.1	81.4	82.9
18 Plastics materials	124.3	126.9	130.2	...	130.0	130.8	131.6	...	95.6	97.0	98.9	...
19 Petroleum products	106.3	104.9	106.5	108.3	115.3	115.2	115.1	115.1	92.2	91.1	92.5	94.1
20 Mining	100.7	100.1	99.2	100.0	111.5	111.5	111.4	111.4	90.3	89.8	89.0	89.7
21 Utilities	117.2	118.1	116.3	117.0	135.0	135.4	135.8	136.3	86.8	87.2	85.6	85.8
22 Electric	118.0	118.2	117.3	118.2	132.6	133.1	133.6	134.1	89.0	88.8	87.8	88.1

Series	1973	1975	Previous cycle[5]		Latest cycle[6]		1994	1994			1995		
	High	Low	High	Low	High	Low	Mar.	Oct.	Nov.	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[p]
	Capacity utilization rate (percent)[2]												
1 **Total industry**	**89.2**	**72.6**	**87.3**	**71.8**	**84.9**	**78.0**	**83.7**	**84.4**	**84.8**	**85.5**	**85.6**	**85.4**	**84.9**
2 Manufacturing	88.9	70.8	87.3	70.0	85.2	76.6	82.9	83.8	84.4	85.2	85.3	84.9	84.5
3 Primary processing[3]	92.2	68.9	89.7	66.8	89.0	77.9	86.8	88.3	89.5	90.8	90.3	89.7	89.5
4 Advanced processing[4]	87.5	72.0	86.3	71.4	83.5	76.2	81.3	82.1	82.4	83.0	83.3	83.0	82.6
5 Durable goods	88.8	68.5	86.9	65.0	84.0	73.7	82.3	83.9	84.3	85.4	85.4	85.0	84.5
6 Lumber and products	90.1	62.2	87.6	60.9	93.3	76.3	90.3	91.7	91.6	94.7	94.3	93.2	92.8
7 Primary metals	100.6	66.2	102.4	46.8	92.8	74.0	89.8	92.5	95.0	98.0	96.0	94.5	94.1
8 Iron and steel	105.8	66.6	110.4	38.3	95.7	72.1	91.4	92.4	94.6	100.3	96.5	94.9	95.1
9 Nonferrous	92.9	61.3	90.5	62.2	88.7	75.0	87.9	92.7	95.6	95.2	95.5	94.1	92.9
10 Industrial machinery and equipment	96.4	74.5	92.1	64.9	84.0	72.5	86.9	90.9	91.0	91.1	92.0	91.3	90.9
11 Electrical machinery	87.8	63.8	89.4	71.1	84.9	76.6	86.1	89.3	89.6	90.8	90.3	89.7	89.0
12 Motor vehicles and parts	93.4	51.1	93.0	44.5	85.1	57.6	88.2	85.7	87.2	88.8	89.4	89.8	88.1
13 Aerospace and miscellaneous transportation equipment	77.0	66.6	81.1	66.9	88.4	79.4	64.4	62.6	62.6	62.5	62.3	62.5	62.6
14 Nondurable goods	87.9	71.8	87.0	76.9	86.7	80.4	83.8	83.9	84.6	85.2	85.4	85.0	84.7
15 Textile mill products	92.0	60.4	91.7	73.8	92.1	78.9	89.7	90.8	91.7	91.8	92.7	90.8	90.8
16 Paper and products	96.9	69.0	94.2	82.0	94.8	86.5	91.7	93.2	95.0	95.2	93.5	93.5	93.3
17 Chemicals and products	87.9	69.9	85.1	70.1	85.9	78.9	81.6	80.2	81.6	82.5	83.4	82.7	82.5
18 Plastics materials	102.0	50.6	90.9	63.4	97.0	74.8	94.3	93.3	98.5	105.0	105.6	...	...
19 Petroleum products	96.7	81.1	89.5	68.2	88.5	83.7	89.6	90.4	93.5	93.7	93.4	93.4	95.6
20 Mining	94.4	88.4	96.6	80.6	86.5	86.0	90.2	89.0	88.2	89.8	89.6	90.0	89.5
21 Utilities	95.6	82.5	88.3	76.2	92.6	83.2	87.5	86.4	85.8	84.7	85.3	87.3	85.0
22 Electric	99.0	82.7	88.3	78.7	94.8	86.5	88.6	88.3	88.0	87.1	87.5	89.7	87.1

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. For the ordering address, see the inside front cover. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 1994. See "Industrial Production and Capacity Utilization: A Revision," *Federal Reserve Bulletin*, vol. 81 (January 1995), pp. 16–26. For a detailed description of the industrial production index, 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	1994 avg.	1994 Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.[r]	Dec.[r]	1995 Jan.[r]	Feb.[r]	Mar.[p]
			Index (1987 = 100)												
MAJOR MARKETS															
1 **Total index**	**100.0**	**118.1**	**116.6**	**116.7**	**117.4**	**118.0**	**118.2**	**119.1**	**119.0**	**119.5**	**120.3**	**121.7**	**122.2**	**122.3**	**121.9**
2 Products	60.9	115.9	114.7	114.7	115.3	115.9	116.2	116.7	116.4	116.9	117.5	118.7	119.3	119.3	118.8
3 Final products	46.6	118.4	117.4	117.3	117.8	118.4	118.5	119.2	118.9	119.2	119.8	121.2	121.9	122.0	121.4
4 Consumer goods, total	28.5	113.2	112.9	112.3	112.8	113.5	113.3	113.8	113.0	113.0	113.9	115.5	116.1	116.1	115.2
5 Durable consumer goods	5.5	119.4	119.0	117.8	116.4	118.0	118.0	120.7	119.1	119.4	120.5	123.4	124.2	123.7	121.3
6 Automotive products	2.5	125.5	126.4	124.1	120.1	121.0	119.5	124.9	123.8	124.5	127.1	131.1	131.6	133.2	130.7
7 Autos and trucks	1.6	125.4	127.7	125.0	118.1	118.5	115.0	126.0	122.5	122.3	126.5	131.4	132.7	134.8	131.4
8 Autos, consumer	.9	94.9	98.8	96.0	90.4	89.6	86.5	91.7	90.2	92.9	94.0	100.5	103.6	103.6	103.1
9 Trucks, consumer	.7	180.7	179.6	177.2	168.0	170.7	166.6	189.0	181.5	175.5	185.8	187.3	184.6	191.0	181.7
10 Auto parts and allied goods	.9	123.2	121.1	119.8	121.9	123.8	126.6	120.0	123.9	126.6	125.7	127.8	126.5	127.1	126.7
11 Other	3.0	114.1	112.7	112.5	113.2	115.4	116.7	117.1	115.2	115.2	115.0	116.8	117.9	115.6	113.3
12 Appliances televisions and air conditioners	.7	126.0	124.3	120.7	125.6	132.8	129.7	135.1	130.2	124.9	126.9	131.5	130.4	124.7	120.1
13 Carpeting and furniture	.8	105.0	103.1	104.5	103.3	103.6	108.4	106.9	104.1	107.4	105.9	108.0	110.2	107.9	106.3
14 Miscellaneous home goods	1.5	113.8	112.8	113.2	113.1	114.2	115.3	114.6	114.6	114.9	114.5	114.9	116.4	115.6	113.9
15 Nondurable consumer goods	23.0	111.8	111.5	111.0	112.0	112.5	112.2	112.2	111.7	111.5	112.4	113.7	114.2	114.4	113.8
16 Foods and tobacco	10.3	110.5	109.8	110.2	110.9	110.5	110.6	111.2	111.9	112.2	112.4	114.3	114.8	115.1	114.7
17 Clothing	2.4	95.9	95.7	96.4	97.2	96.3	96.5	95.9	95.5	96.2	96.2	96.8	96.2	94.8	94.1
18 Chemical products	4.5	129.7	130.3	128.4	129.5	131.4	131.1	129.8	127.5	127.2	130.5	134.0	136.5	135.0	135.2
19 Paper products	2.9	104.7	103.9	105.1	105.6	105.8	105.2	105.9	105.2	103.6	104.6	104.3	103.4	103.8	103.4
20 Energy	2.9	113.9	114.5	110.0	112.4	115.5	114.3	113.1	110.5	109.8	110.6	109.6	109.7	112.6	110.2
21 Fuels	.9	106.7	105.8	108.3	107.4	106.5	105.8	105.8	107.4	103.9	109.8	107.4	107.4	108.8	113.8
22 Residential utilities	2.1	116.8	118.1	110.5	114.4	119.3	117.8	116.1	111.8	112.2	110.7	110.3	110.5	114.1	108.5
23 Equipment	18.1	126.5	124.3	124.9	125.4	125.8	126.4	127.5	128.0	128.8	128.9	130.1	130.8	131.0	131.1
24 Business equipment	14.0	146.7	142.6	143.5	144.5	145.5	146.9	148.9	149.5	150.9	151.0	152.6	153.7	154.1	154.6
25 Information processing and related	5.7	176.4	170.0	170.2	171.8	173.7	177.1	179.7	181.1	183.2	184.2	188.3	188.6	189.1	191.6
26 Computer and office equipment	1.5	284.2	270.9	270.8	271.6	276.5	282.6	288.9	295.8	300.5	305.7	311.9	317.5	324.8	331.3
27 Industrial	4.0	120.9	117.8	119.2	120.7	120.6	122.1	122.3	123.0	124.4	124.1	124.1	125.8	126.4	126.5
28 Transit	2.6	137.9	139.3	138.0	135.3	136.1	132.6	137.9	136.8	137.1	137.5	137.8	139.7	140.8	138.8
29 Autos and trucks	1.2	148.0	148.1	145.9	140.0	141.7	138.2	149.4	147.7	149.2	151.6	152.6	157.2	158.5	155.4
30 Other	1.7	129.4	123.3	127.1	129.4	130.5	132.6	133.5	133.3	134.3	133.1	133.1	133.9	132.8	132.0
31 Defense and space equipment	3.4	71.0	73.7	73.6	72.4	71.3	69.9	69.2	68.8	68.7	69.0	68.7	68.6	67.9	67.8
32 Oil and gas well drilling	.5	90.8	92.1	93.2	94.6	94.2	93.7	89.6	93.9	88.3	86.0	86.0	86.7	89.1	85.7
33 Manufactured homes	.2	137.3	135.6	132.4	135.2	137.8	133.3	134.5	138.4	142.0	143.1	153.6	153.6	147.4	...
34 Intermediate products, total	14.3	108.1	106.3	106.9	107.7	108.5	109.1	109.2	108.6	109.9	110.6	110.9	111.2	111.1	110.9
35 Construction supplies	5.3	106.8	103.2	104.7	106.1	106.4	107.9	108.2	108.6	109.7	109.8	111.6	112.1	111.4	111.5
36 Business supplies	9.0	109.1	108.4	108.5	108.8	110.1	110.0	109.9	108.7	110.1	111.3	110.7	110.8	111.1	110.7
37 Materials	39.1	121.5	119.5	119.7	120.5	121.2	121.4	122.8	122.9	123.4	124.6	126.3	126.6	126.9	126.7
38 Durable goods materials	20.6	131.2	128.3	129.2	129.8	130.0	130.9	132.6	133.3	134.2	136.0	138.6	139.3	139.1	139.1
39 Durable consumer parts	3.9	132.2	131.5	130.1	129.7	129.2	130.4	133.2	133.1	133.8	135.8	139.7	139.6	139.7	138.3
40 Equipment parts	7.5	143.1	137.9	139.6	140.5	142.1	143.8	145.2	146.7	149.0	150.7	152.3	153.7	155.0	156.0
41 Other	9.1	121.3	119.3	120.4	121.2	120.8	121.1	122.3	122.8	122.7	124.6	127.3	127.8	126.5	126.3
42 Basic metal materials	3.0	119.7	117.6	119.7	120.0	119.6	118.8	119.3	121.1	121.3	123.2	126.0	126.1	124.5	124.4
43 Nondurable goods materials	8.9	118.4	116.7	115.9	118.2	118.1	118.6	120.3	119.8	120.3	121.5	122.8	122.6	122.9	123.2
44 Textile materials	1.1	105.3	104.0	104.4	104.2	104.8	104.8	105.7	105.9	106.9	110.3	108.7	109.8	109.0	109.6
45 Paper materials	1.8	118.7	117.8	116.1	118.9	118.4	117.5	122.5	121.5	120.5	122.1	121.3	120.8	122.0	122.2
46 Chemical materials	4.0	123.2	120.6	120.6	123.8	122.9	123.4	124.8	124.0	124.6	125.9	127.5	128.2	129.2	129.4
47 Other	2.0	116.9	115.6	113.3	114.8	116.5	118.6	118.1	118.2	119.5	119.3	123.4	120.9	119.8	120.2
48 Energy materials	9.6	105.2	105.0	104.8	104.6	106.7	105.2	106.1	105.6	105.2	104.9	105.3	105.4	106.5	105.3
49 Primary energy	6.3	100.3	100.5	100.9	100.4	100.2	100.3	100.9	100.8	100.3	100.7	101.7	101.7	102.5	101.5
50 Converted fuel materials	3.3	114.9	114.0	112.5	112.8	119.9	114.9	116.3	115.1	115.1	113.4	112.3	112.9	114.5	113.0
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.2	117.6	116.1	116.2	117.1	117.7	118.1	118.7	118.6	119.1	119.8	121.1	121.6	121.6	121.3
52 Total excluding motor vehicles and parts	95.2	117.1	115.5	115.7	116.6	117.3	117.7	118.2	118.0	118.5	119.2	120.5	120.9	121.0	120.7
53 Total excluding computer and office equipment	98.3	115.4	114.0	114.1	114.8	115.4	115.5	116.4	116.1	116.6	117.4	118.7	119.1	119.1	118.7
54 Consumer goods excluding autos and trucks	26.9	112.4	111.9	111.5	112.4	113.2	113.2	113.0	112.4	112.4	113.1	114.5	115.0	114.9	114.1
55 Consumer goods excluding energy	25.6	113.1	112.7	112.5	112.8	113.2	113.2	113.8	113.3	113.3	114.2	116.2	116.8	116.5	115.7
56 Business equipment excluding autos and trucks	12.8	146.5	142.0	143.2	144.8	145.7	147.7	148.8	149.5	151.0	150.9	152.5	153.3	153.6	154.4
57 Business equipment excluding computer and office equipment	12.5	130.7	127.6	128.5	129.4	130.0	131.1	132.7	132.7	133.8	133.6	134.7	135.5	135.3	135.3
58 Materials excluding energy	29.5	127.3	124.8	125.1	126.2	126.4	127.2	128.8	129.2	129.9	131.6	133.8	134.2	134.2	134.3

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

Group	SIC code[2]	1992 proportion	1994 avg.	1994 Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.[r]	1995 Jan.[r]	Feb.[r]	Mar.[p]
				Index (1987 = 100)												
MAJOR INDUSTRIES																
59 **Total index**	...	**100.0**	**118.1**	**116.6**	**116.7**	**117.4**	**118.0**	**118.2**	**119.1**	**119.0**	**119.5**	**120.3**	**121.7**	**122.2**	**122.3**	**121.9**
60 Manufacturing	...	85.5	119.7	118.0	118.4	119.0	119.3	119.8	120.9	120.9	121.5	122.6	124.2	124.7	124.5	124.4
61 Primary processing	...	26.5	115.3	113.3	114.0	115.2	114.7	115.3	116.3	116.2	116.6	118.4	120.3	120.0	119.5	119.5
62 Advanced processing	...	59.0	121.8	120.2	120.5	120.8	121.5	121.9	123.1	123.1	123.8	124.6	126.0	126.9	126.9	126.7
63 Durable goods	...	45.1	125.5	122.9	123.7	124.0	124.6	125.2	127.0	127.2	128.0	129.1	131.2	131.8	131.7	131.6
64 Lumber and products	24	2.0	106.0	104.0	103.9	106.0	106.2	106.8	105.5	107.6	106.7	106.7	110.4	110.1	109.1	108.9
65 Furniture and fixtures	25	1.4	111.4	107.7	110.2	110.1	111.8	114.0	115.5	112.4	114.8	113.0	114.7	116.0	115.3	114.3
66 Stone, clay, and glass products	32	2.1	104.9	103.7	105.0	105.5	104.4	104.3	105.8	105.8	105.4	106.9	110.1	108.2	106.8	107.4
67 Primary metals	33	3.1	114.5	112.1	114.8	114.8	113.7	112.7	113.5	116.0	115.9	119.1	123.0	121.4	119.7	119.5
68 Iron and steel	331,2	1.7	118.3	116.7	121.5	120.9	118.2	116.1	113.0	118.2	118.8	121.9	129.3	125.9	124.2	124.7
69 Raw steel	...	.1	107.9	106.0	105.3	105.7	106.3	104.7	107.0	109.9	109.0	114.2	121.9	114.6	117.2	...
70 Nonferrous	333–6,9	1.4	109.3	106.0	106.2	106.9	107.6	108.0	113.6	112.7	111.8	115.2	114.8	115.3	113.7	112.5
71 Fabricated metal products	34	5.0	110.8	108.5	109.6	110.0	110.2	111.7	112.4	111.6	112.2	113.3	115.3	116.3	115.9	115.4
72 Industrial machinery and equipment	35	7.9	159.9	154.0	156.1	157.7	158.9	160.6	162.6	164.6	166.5	167.5	168.5	171.3	171.4	172.1
73 Computer and office equipment	357	1.7	284.2	270.9	270.8	271.6	276.5	282.6	288.9	295.8	300.5	305.7	311.9	317.5	324.8	331.3
74 Electrical machinery	36	7.3	160.0	152.6	154.3	156.5	159.5	161.5	164.1	165.0	166.9	168.8	172.5	173.2	173.8	174.2
75 Transportation equipment	37	9.6	109.7	110.7	109.5	107.6	107.5	105.7	109.5	108.8	109.0	110.5	111.9	112.5	113.3	112.2
76 Motor vehicles and parts	371	4.8	137.9	138.8	136.2	131.6	132.2	129.6	138.1	137.4	138.4	141.4	144.6	146.1	147.5	145.4
77 Autos and light trucks	371	2.5	131.9	134.7	131.7	124.4	124.6	120.8	131.9	128.4	128.6	132.7	138.4	140.0	142.0	138.8
78 Aerospace and miscellaneous transportation equipment	372–6,9	4.8	82.6	83.8	84.1	84.6	83.8	82.8	82.3	81.4	80.8	80.9	80.6	80.3	80.5	80.5
79 Instruments	38	5.4	107.4	106.9	106.6	106.4	106.8	108.5	108.7	108.0	108.2	107.7	108.9	108.5	107.8	108.5
80 Miscellaneous	39	1.3	116.2	114.1	115.2	115.4	115.8	118.6	117.1	117.0	118.4	118.6	117.6	119.1	120.2	118.7
81 Nondurable goods	...	40.5	113.3	112.5	112.4	113.4	113.4	113.6	114.0	113.7	114.2	115.4	116.4	116.8	116.6	116.4
82 Foods	20	9.4	112.8	112.9	111.9	112.8	112.8	113.4	113.7	114.6	113.4	113.9	114.7	115.6	115.7	115.6
83 Tobacco products	21	1.6	96.5	93.0	98.1	98.5	95.9	93.7	96.2	96.1	104.5	101.5	108.0	107.8	109.3	108.1
84 Textile mill products	22	1.8	109.0	107.9	108.6	108.9	108.7	109.4	109.0	108.3	110.6	112.0	112.2	113.5	111.5	111.7
85 Apparel products	23	2.2	96.3	95.7	96.2	97.1	97.0	97.0	96.8	96.8	96.9	96.8	97.0	96.6	95.7	94.5
86 Paper and products	26	3.6	117.4	115.7	114.4	116.7	116.6	116.6	120.2	118.7	118.9	121.3	121.7	119.8	120.1	120.0
87 Printing and publishing	27	6.8	101.1	101.3	101.7	101.6	102.4	102.1	101.5	100.9	101.4	102.0	101.6	101.3	101.2	100.9
88 Chemicals and products	28	9.9	124.1	123.1	122.4	124.0	124.4	124.7	124.7	123.7	123.8	126.2	128.0	129.9	129.1	129.3
89 Petroleum products	29	1.4	105.3	103.4	107.5	107.0	104.5	104.3	105.2	105.3	104.0	107.6	107.7	107.4	107.5	110.1
90 Rubber and plastic products	30	3.5	133.5	130.9	130.8	132.4	132.8	134.5	134.5	134.7	136.7	138.3	140.0	140.6	140.7	139.3
91 Leather and products	31	.3	85.8	87.0	87.6	85.9	85.5	86.3	85.5	85.4	85.6	84.5	84.4	82.9	82.7	82.6
92 Mining	...	6.8	99.8	100.5	100.7	100.7	100.6	100.1	100.0	100.1	99.2	98.3	100.1	99.8	100.3	99.8
93 Metal	10	.4	159.4	165.2	157.0	156.4	162.8	159.5	156.6	160.0	158.9	154.3	156.2	158.4	158.3	158.2
94 Coal	12	1.0	112.0	117.7	118.3	111.5	113.4	108.6	111.4	110.7	110.2	110.1	117.8	117.9	118.6	116.9
95 Oil and gas extraction	13	4.7	93.0	92.9	93.2	94.3	93.8	93.9	93.5	93.7	92.2	91.2	92.2	91.2	91.9	91.2
96 Stone and earth minerals	14	.6	107.0	104.7	105.9	108.1	105.6	107.9	106.6	106.7	109.3	109.9	109.9	113.6	112.2	114.8
97 Utilities	...	7.7	118.1	117.9	114.7	115.8	121.1	119.0	118.8	116.5	117.2	116.5	115.2	116.0	118.9	115.9
98 Electric	491,3PT	6.1	117.8	117.2	116.4	116.2	121.4	119.0	118.4	117.1	117.9	117.5	116.5	117.2	120.3	116.9
99 Gas	492,3PT	1.6	119.2	120.5	107.9	114.1	120.0	118.9	120.4	114.2	114.4	112.3	109.8	111.3	113.3	111.7
SPECIAL AGGREGATES																
100 Manufacturing excluding motor vehicles and parts	...	80.7	118.6	116.7	117.3	118.2	118.6	119.2	119.8	119.9	120.5	121.5	122.9	123.4	123.2	123.1
101 Manufacturing excluding office and computing machines	...	83.8	116.5	114.9	115.3	115.9	116.2	116.6	117.6	117.5	118.1	119.1	120.6	121.1	120.8	120.6
	...	1,707.0	2,006.2	1,985.6	1,985.8	1,990.7	2,002.5	2,002.1	2,020.2	2,015.6	2,020.4	2,037.2	2,056.5	2,062.6	2,065.9	2,060.8
				Gross value (billions of 1987 dollars, annual rates)												
MAJOR MARKETS																
102 **Products, total**	...	1,314.6	1,576.3	1,563.6	1,559.9	1,561.7	1,571.1	1,569.3	1,586.6	1,584.2	1,584.4	1,598.4	1,615.1	1,621.0	1,625.7	1,621.2
103 Final	...	866.6	982.5	981.3	976.0	977.1	983.0	979.0	987.3	981.5	977.0	988.5	999.6	1,000.2	1,002.3	997.1
104 Consumer goods	...	448.0	593.8	582.3	583.9	584.5	588.1	590.3	599.3	602.7	607.3	609.9	615.5	620.8	623.3	624.1
105 Equipment	...	392.5	429.8	422.0	425.9	429.0	431.4	432.9	433.5	431.4	436.0	438.8	441.4	441.5	440.3	439.6
106 Intermediate																

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. For the ordering address, see the inside front cover. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 1994. See "Industrial Production and Capacity Utilization: A Revision," *Federal Reserve Bulletin*, vol. 81 (January 1995), pp. 16–26. For a detailed description of the industrial production index, 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	1992	1993	1994	1994								1995	
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.[r]	Jan.[r]	Feb.
	Private residential real estate activity (thousands of units except as noted)												
NEW UNITS													
1 Permits authorized	1,095	1,199	1,369	1,383	1,336	1,347	1,382	1,416	1,391	1,355	1,421	1,302	1,287
2 One-family	911	987	1,061	1,099	1,054	1,035	1,047	1,052	1,028	1,011	1,094	999	934
3 Two-family or more	184	213	307	284	282	312	335	364	363	344	327	303	353
4 Started	1,200	1,288	1,457	1,489	1,370	1,440	1,463	1,511	1,451	1,536	1,545	1,366	1,315
5 One-family	1,030	1,126	1,198	1,197	1,174	1,219	1,174	1,235	1,164	1,186	1,250	1,055	1,041
6 Two-family or more	170	162	259	292	196	221	289	276	287	350	295	311	274
7 Under construction at end of period[1]	612	680	762[r]	746	751	757	770	773	779	787	791	793	805
8 One-family	473	543	558[r]	581	585	585	589	590	587	587	584	579	585
9 Two-or-more-family	140	137	204	165	166	172	181	183	192	200	207	214	220
10 Completed	1,158	1,193	1,347	1,438	1,333	1,280	1,337	1,400	1,376	1,371	1,388	1,428	1,292
11 One-family	964	1,040	1,160	1,245	1,151	1,157	1,144	1,158	1,169	1,136	1,173	1,205	1,070
12 Two-or-more-family	194	153	187	193	182	123	193	242	207	235	215	223	222
13 Mobile homes shipped	210	254	304	296	295	289	295	307	314	322	347	361	335
Merchant builder activity in one-family units													
14 Number sold	610	666	670[r]	689	632	630	672	691	707	642[r]	625	641	551
15 Number for sale at end of period[1]	265	293	341	302	313	317	322	328	330	335	341	344	350
Price of units sold (thousands of dollars)[2]													
16 Median	121.3	126.1	130.4[r]	129.9	133.5	124.4	133.3	129.7	132.0	129.9	135.0	127.9	129.9
17 Average	144.9	147.6	153.8[r]	151.8	158.4	144.4	154.9	157.2	153.0	155.4	160.1	147.4	155.7
EXISTING UNITS (one-family)													
18 Number sold	3,520	3,800	3,946	4,110	4,010	3,940	3,910	3,870	3,820	3,690	3,760	3,610	3,420
Price of units sold (thousands of dollars)[2]													
19 Median	103.6	106.5	109.6	109.9	113.3	112.4	113.0	108.9	107.5	108.7	109.1	108.1	107.0
20 Average	130.8	133.1	136.4	136.7	141.3	139.7	141.2	135.8	133.0	134.7	135.6	135.3	133.4
	Value of new construction (millions of dollars)[3]												
CONSTRUCTION													
21 Total put in place	**435,355**	**466,365**	**506,315**	**504,356**	**506,144**	**505,445**	**505,470**	**514,197**	**519,336[r]**	**522,106[r]**	**528,613**	**525,738**	**523,338**
22 Private	316,115	341,101	377,136	378,235	379,345	376,463	376,216	382,287	383,044[r]	390,729[r]	393,171	392,049	391,111
23 Residential	187,870	210,455	237,767	241,162	240,694	237,775	236,871	238,529	239,136[r]	241,320[r]	243,768	242,527	241,212
24 Nonresidential	128,245	130,646	139,369	137,073	138,651	138,688	139,345	143,758	143,908[r]	149,409[r]	149,403	149,522	149,899
25 Industrial buildings	20,720	19,533	21,600	21,338	20,960	21,117	22,012	22,621	22,190[r]	25,050[r]	23,074	23,367	25,430
26 Commercial buildings	41,523	42,627	48,268	47,912	48,410	48,607	48,185	50,180	50,583[r]	51,993[r]	53,272	54,162	54,736
27 Other buildings	21,494	23,626	23,835	23,956	24,439	23,838	23,648	24,784	24,103[r]	24,325[r]	24,851	24,456	24,696
28 Public utilities and other	44,508	44,860	45,666	43,867	44,842	45,126	45,500	46,173	47,032[r]	48,041[r]	48,206	47,537	45,037
29 Public	119,238	125,262	129,175	126,121	126,799	128,982	129,255	131,910	136,292[r]	131,377[r]	135,443	133,689	132,227
30 Military	2,502	2,454	2,315	2,024	2,277	2,351	2,357	2,364	2,329[r]	2,247[r]	2,481	2,624	2,634
31 Highway	34,899	37,355	40,185	40,655	40,300	40,305	40,057	40,797	41,685[r]	40,011[r]	39,256	39,348	39,467
32 Conservation and development	6,021	5,976	6,236	5,677	4,605	5,935	5,754	7,521	7,135[r]	6,658[r]	7,765	7,365	7,400
33 Other	75,816	79,477	80,439	77,765	79,617	80,391	81,087	81,228	85,143[r]	82,461[r]	85,941	84,352	82,726

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.

SOURCES. 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 17,000 jurisdictions beginning in 1984.

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. 1995[1]
	1994 Mar.	1995 Mar.	1994			1995	1994		1995			
			June	Sept.	Dec.	Mar.	Nov.	Dec.	Jan.	Feb.	Mar.	
CONSUMER PRICES[2] (1982–84=100)												
1 **All items**	**2.5**	**2.9**	**2.7**	**3.6**	**1.9**	**3.2**	**.1**	**.2**	**.3**	**.3**	**.2**	**151.4**
2 Food	2.2	2.9	2.8	5.1	3.9	.0	.1	.8	−.3	.3	.0	147.4
3 Energy items	−.6	1.3	−3.0	9.2	.4	−1.1	.5	−.1	.3	−.1	−.5	103.2
4 All items less food and energy	2.9	3.0	3.1	2.6	2.0	4.1	.2	.1	.4	.3	.3	160.4
5 Commodities	1.0	1.8	3.9	.9	.3	2.6	.0	.1	.4	.1	.1	139.4
6 Services	3.8	3.5	2.7	3.6	2.6	4.8	.2	.2	.5	.4	.4	172.4
PRODUCER PRICES (1982=100)												
7 Finished goods	.2	1.6	.0	1.9	2.2	2.6	.6	.3[r]	.3	.3	.0	126.9
8 Consumer foods	2.2	.8	−5.5	1.9	9.2	−1.8	1.0[r]	1.3[r]	−.6	.3	−.2	128.5
9 Consumer energy	−3.6	2.3	−2.6	3.2	.0	9.1	2.2[r]	−.9[r]	2.3	.4	−.5	76.4
10 Other consumer goods	−.6	1.7	2.0	1.7	.6	2.6	.2[r]	.2[r]	.1	.3	.2	141.0
11 Capital equipment	1.8	1.8	3.0	2.1	.0	2.1	.1	.4	.3	.3	−.1	136.0
Intermediate materials												
12 Excluding foods and feeds	.4	6.4	2.8	6.2	7.6	9.5	.9	.5	1.0	1.0	.3	124.3
13 Excluding energy	1.0	7.1	3.9	6.8	8.3	9.8	.8	.5	1.0	1.0	.4	134.1
Crude materials												
14 Foods	5.4	−9.6	−18.0	−13.5	−.8	−5.4	.9[r]	.0[r]	−.1	1.2	−2.4	103.2
15 Energy	−7.7	−3.5	21.0	−19.2	−13.8	2.9	−1.3[r]	−.9[r]	−.1	1.7	−.9	69.2
16 Other	10.8	16.5	−.8	20.3	26.7	21.1	3.4[r]	1.9[r]	3.0	1.4	.5	178.3

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	1992	1993	1994[r]	1993	1994			
				Q4	Q1	Q2	Q3	Q4[r]
GROSS DOMESTIC PRODUCT								
1 **Total**	**6,020.2**	**6,343.3**	**6,738.4**	**6,478.1**	**6,574.7**	**6,689.9**	**6,791.7**	**6,897.2**
By source								
2 Personal consumption expenditures	4,136.9	4,378.2	4,628.4	4,469.6	4,535.0	4,586.4	4,657.5	4,734.8
3 Durable goods	492.7	538.0	591.5	562.8	576.2	580.3	591.5	617.7
4 Nondurable goods	1,295.5	1,339.2	1,394.3	1,355.2	1,368.9	1,381.4	1,406.1	1,420.7
5 Services	2,348.7	2,501.0	2,642.7	2,551.6	2,589.9	2,624.7	2,659.9	2,696.4
6 Gross private domestic investment	788.3	882.0	1,032.9	922.5	966.6	1,034.4	1,055.1	1,075.6
7 Fixed investment	785.2	866.7	980.7	913.5	942.5	967.0	992.5	1,020.8
8 Nonresidential	561.4	616.1	697.6	646.3	665.4	683.3	709.1	732.8
9 Structures	171.1	173.4	182.8	176.7	172.7	181.8	184.6	192.0
10 Producers' durable equipment	390.3	442.7	514.8	469.6	492.7	501.5	524.5	540.7
11 Residential structures	223.8	250.6	283.0	267.2	277.1	283.6	283.4	288.0
12 Change in business inventories	3.0	15.4	52.2	9.0	24.1	67.4	62.6	54.8
13 Nonfarm	−2.7	20.1	45.9	10.7	22.3	60.4	53.4	47.4
14 Net exports of goods and services	−30.3	−65.3	−98.2	−71.2	−86.7	−97.6	−109.6	−98.9
15 Exports	638.1	659.1	718.7	680.3	674.2	704.5	730.5	765.5
16 Imports	668.4	724.3	816.9	751.4	760.9	802.1	840.1	864.4
17 Government purchases of goods and services	1,125.3	1,148.4	1,175.3	1,157.2	1,159.8	1,166.7	1,188.8	1,185.8
18 Federal	449.0	443.6	437.3	439.8	437.8	435.1	444.3	431.9
19 State and local	676.3	704.7	738.0	717.4	722.0	731.5	744.5	753.8
By major type of product								
20 Final sales, total	6,017.2	6,327.9	6,686.2	6,469.2	6,550.6	6,622.5	6,729.1	6,842.4
21 Goods	2,292.0	2,390.4	2,532.4	2,452.6	2,489.1	2,493.7	2,543.6	2,603.3
22 Durable	968.6	1,032.4	1,118.8	1,072.9	1,098.2	1,099.4	1,125.8	1,151.8
23 Nondurable	1,323.4	1,358.1	1,413.6	1,379.7	1,390.9	1,394.3	1,417.8	1,451.5
24 Services	3,227.2	3,405.5	3,576.2	3,459.3	3,503.8	3,555.4	3,603.6	3,641.9
25 Structures	498.1	532.0	577.6	557.2	557.7	573.4	581.9	597.3
26 Change in business inventories	3.0	15.4	52.2	9.0	24.1	67.4	62.6	54.8
27 Durable goods	−13.0	8.6	34.8	9.0	20.6	38.2	44.1	36.3
28 Nondurable goods	16.0	6.7	17.4	.0	3.5	29.2	18.5	18.5
MEMO								
29 **Total GDP in 1987 dollars**	**4,979.3**	**5,134.5**	**5,344.0**	**5,218.0**	**5,261.1**	**5,314.1**	**5,367.0**	**5,433.8**
NATIONAL INCOME								
30 **Total**	**4,829.5**	**5,131.4**	**5,458.4**	**5,262.0**	**5,308.7**	**5,430.7**	**5,494.9**	**5,599.4**
31 Compensation of employees	3,591.2	3,780.4	4,004.6	3,845.8	3,920.0	3,979.3	4,023.7	4,095.3
32 Wages and salaries	2,954.8	3,100.8	3,279.0	3,148.4	3,208.3	3,257.2	3,293.9	3,356.4
33 Government and government enterprises	567.3	583.8	602.8	587.8	595.7	601.9	604.4	609.0
34 Other	2,387.5	2,517.0	2,676.2	2,560.7	2,612.6	2,655.4	2,689.6	2,747.4
35 Supplement to wages and salaries	636.4	679.6	725.6	697.4	711.7	722.0	729.7	738.9
36 Employer contributions for social insurance	307.7	324.3	344.6	330.6	338.5	343.6	346.0	350.2
37 Other labor income	328.7	355.3	381.0	366.8	373.2	378.4	383.7	388.7
38 Proprietors' income[1]	418.7	441.6	473.7	462.9	471.0	471.3	467.0	485.7
39 Business and professional[1]	374.4	404.3	434.2	418.5	423.8	431.9	437.1	444.0
40 Farm[1]	44.4	37.3	39.5	44.4	47.2	39.3	29.8	41.7
41 Rental income of persons[2]	−5.5	24.1	27.7	30.3	15.3	34.1	32.6	29.0
42 Corporate profits[1]	405.1	485.8	542.7	533.9	508.2	546.4	556.0	560.3
43 Profits before tax[3]	395.9	462.4	524.5	501.7	483.5	523.1	538.1	553.5
44 Inventory valuation adjustment	−6.4	−6.2	−19.5	−6.5	−12.3	−14.1	−19.6	−32.1
45 Capital consumption adjustment	15.7	29.5	37.7	38.8	37.0	37.4	37.5	38.8
46 Net interest	420.0	399.5	409.7	389.1	394.2	399.7	415.7	429.2

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	1992	1993	1994	1993	1994			
				Q4	Q1	Q2	Q3	Q4[r]
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**5,154.3**	**5,375.1**	**5,701.7[r]**	**5,484.6**	**5,555.8**	**5,659.9**	**5,734.5**	**5,856.6**
2 Wage and salary disbursements	2,974.8	3,080.8	3,279.0	3,148.4	3,208.3	3,257.2	3,293.9	3,356.4
3 Commodity-producing industries	757.6	773.8	818.2[r]	791.0	801.9	811.6	821.8	837.3
4 Manufacturing	578.3	588.4	617.5	601.7	609.4	612.8	618.3	629.5
5 Distributive industries	682.3	701.9	748.5[r]	712.6	728.6	742.5	753.5	769.6
6 Service industries	967.6	1,021.4	1,109.5	1,057.0	1,082.0	1,101.2	1,114.3	1,140.5
7 Government and government enterprises	567.3	583.8	602.8	587.8	595.7	601.9	604.4	609.0
8 Other labor income	328.7	355.3	381.0	366.8	373.2	378.4	383.7	388.7
9 Proprietors' income[1]	418.7	441.6	473.7[r]	462.9	471.0	471.3	467.0	485.7
10 Business and professional[1]	374.4	404.3	434.2	418.5	423.8	431.9	437.1	444.0
11 Farm[1]	44.4	37.3	39.5[r]	44.4	47.2	39.3	29.8	41.7
12 Rental income of persons[2]	−5.5	24.1	27.7	30.3	15.3	34.1	32.6	29.0
13 Dividends	161.0	181.3	194.3	184.1	185.7	191.7	196.9	202.7
14 Personal interest income	665.2	637.9	664.0[r]	627.7	631.1	649.4	674.2	701.1
15 Transfer payments	860.2	915.4	963.4	931.0	947.4	957.6	969.0	979.7
16 Old-age survivors, disability, and health insurance benefits	414.0	444.4	473.5	452.1	463.8	470.7	476.5	483.1
17 LESS: Personal contributions for social insurance	248.7	261.3	281.4	266.6	276.3	279.9	282.9	286.6
18 EQUALS: Personal income	5,154.3	5,375.1	5,701.7[r]	5,484.6	5,555.8	5,659.9	5,734.5	5,856.6
19 LESS: Personal tax and nontax payments	648.6	686.4	742.1	707.0	723.0	746.4	744.1	754.7
20 EQUALS: Disposable personal income	4,505.8	4,688.7	4,959.6[r]	4,777.6	4,832.8	4,913.5	4,990.3	5,101.9
21 LESS: Personal outlays	4,257.8	4,496.2	4,756.5[r]	4,588.2	4,657.3	4,712.4	4,787.0	4,869.3
22 EQUALS: Personal saving	247.9	192.6	203.1[r]	189.4	175.5	201.1	203.3	232.6
MEMO								
Per capita (1987 dollars)								
23 Gross domestic product	19,489.7	19,878.8	20,475.8[r]	20,119.1	20,235.2	20,389.7	20,536.5	20,739.8
24 Personal consumption expenditures	13,110.4	13,390.8	13,715.4[r]	13,518.9	13,639.8	13,650.9	13,716.6	13,853.5
25 Disposable personal income	14,279.0	14,341.0	14,696.0[r]	14,451.0	14,535.0	14,625.0	14,697.0	14,927.0
26 Saving rate (percent)	5.5	4.1	4.1	4.0	3.6	4.1	4.1	4.6
GROSS SAVING								
27 **Gross saving**	**722.9**	**787.5**	**920.6**	**825.8**	**886.2**	**923.3**	**922.6**	**950.3**
28 Gross private saving	980.8	1,002.5	1,053.5	1,011.4	1,037.3	1,041.4	1,052.7	1,082.7
29 Personal saving	247.9	192.6	203.1[r]	189.4	175.5	201.1	203.3	232.6
30 Undistributed corporate profits[1]	94.3	120.9	135.1	147.9	127.7	142.3	139.5	130.7
31 Corporate inventory valuation adjustment	−6.4	−6.2	−19.5[r]	−6.5	−12.3	−14.1	−19.6	−32.1
Capital consumption allowances								
32 Corporate	396.8	407.8	432.2	411.1	432.2	425.9	432.6	438.0
33 Noncorporate	261.8	261.2	283.1[r]	263.0	301.8	272.1	277.3	281.3
34 Government surplus, or deficit (−), national income and product accounts	−257.8	−215.0	−132.9	−185.6	−151.1	−118.1	−130.1	−132.3
35 Federal	−282.7	−241.4	−159.1	−220.1	−176.2	−145.1	−154.0	−161.1
36 State and local	24.8	26.3	26.2	34.5	25.2	27.0	23.9	28.8
37 **Gross investment**	**731.7**	**789.8**	**889.7**	**809.3**	**850.2**	**899.3**	**901.5**	**907.9**
38 Gross private domestic investment	788.3	882.0	1,032.9[r]	922.5	966.6	1,034.4	1,055.1	1,075.6
39 Net foreign investment	−56.6	−92.3	−143.2	−113.2	−116.4	−135.1	−153.6	−167.7
40 **Statistical discrepancy**	**8.8**	**2.3**	**−30.9**	**−16.5**	**−36.1**	**−24.0**	**−21.1**	**−42.4**

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

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

Item credits or debits	1992	1993	1994	1993	1994			
				Q4	Q1	Q2	Q3	Q4[p]
1 Balance on current account	−67,886	−103,896	−155,672	−30,587	−32,238	−37,827	−40,848	−44,758
2 Merchandise trade balance[2]	−96,097	−132,575	−166,364	−33,169	−37,052	−41,721	−44,615	−42,976
3 Merchandise exports	440,361	456,866	502,729	119,679	117,848	122,510	127,632	134,739
4 Merchandise imports	−536,458	−589,441	−669,093	−152,848	−154,900	−164,231	−172,247	−177,715
5 Military transactions, net	−3,034	−763	268	−444	−338	177	230	199
6 Other service transactions, net	58,747	57,613	59,726	13,637	13,070	14,907	15,647	16,102
7 Investment income, net	4,540	3,946	−15,181	−590	−820	−2,819	−4,037	−7,504
8 U.S. government grants	−15,010	−14,620	−14,532	−5,591	−2,371	−3,590	−2,839	−5,731
9 U.S. government pensions and other transfers	−3,735	−3,785	−4,246	−987	−889	−895	−1,474	−988
10 Private remittances and other transfers	−13,297	−13,712	−15,343	−3,443	−3,838	−3,886	−3,760	−3,860
11 Change in U.S. government assets other than official reserve assets, net (increase, −)	−1,652	−306	−277	−321	490	462	−270	−961
12 Change in U.S. official reserve assets (increase, −)	3,901	−1,379	5,346	−673	−59	3,537	−165	2,033
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	2,316	−537	−441	−113	−101	−108	−111	−121
15 Reserve position in International Monetary Fund	−2,692	−44	494	−80	−3	251	273	−27
16 Foreign currencies	4,277	−797	5,293	−480	45	3,394	−327	2,181
17 Change in U.S. private assets abroad (increase, −)	−63,759	−146,214	−130,756	−62,628	−48,887	−11,250	−25,414	−45,208
18 Bank-reported claims[3]	22,314	32,238	−2,033	−9,293	−1,236	15,248	1,268	−17,313
19 Nonbank-reported claims	45	−598	−9,679	−303	1,941	−4,264	−7,356	...
20 U.S. purchases of foreign securities, net	−45,114	−119,983	−60,621	−30,349	−24,605	−14,007	−8,103	−13,906
21 U.S. direct investments abroad, net	−41,004	−57,871	−58,423	−22,683	−24,987	−8,227	−11,223	−13,989
22 Change in foreign official assets in United States (increase, +)	40,858	71,681	38,912	23,962	11,530	8,925	19,460	−1,003
23 U.S. Treasury securities	18,454	48,702	30,441	22,856	1,193	6,033	15,841	7,374
24 Other U.S. government obligations	3,949	4,062	5,988	970	50	2,355	2,003	1,580
25 Other U.S. government liabilities[4]	2,572	1,666	2,514	825	938	252	700	624
26 Other U.S. liabilities reported by U.S. banks[3]	16,571	14,666	2,317	−587	10,139	1,241	1,695	−10,758
27 Other foreign official assets[5]	−688	2,585	−2,348	−102	−790	−956	−779	177
28 Change in foreign private assets in United States (increase, +)	105,646	159,017	275,702	66,200	83,600	40,384	60,794	90,924
29 U.S. bank-reported liabilities[3]	15,461	18,452	106,189	7,370	35,200	25,539	18,353	27,097
30 U.S. nonbank-reported liabilities	13,573	14,282	17,955	4,733	5,867	3,662	8,426	...
31 Foreign private purchases of U.S. Treasury securities, net	36,857	24,849	32,925	7,996	9,260	−7,434	5,111	25,988
32 Foreign purchases of other U.S. securities, net	29,867	80,068	58,562	38,008	21,258	13,152	14,168	9,984
33 Foreign direct investments in United States, net	9,888	21,366	60,071	8,093	12,015	5,465	14,736	27,855
34 Allocation of special drawing rights	0	0	0	0	0	0	0	0
35 Discrepancy	−17,108	21,096	−33,255	4,047	−14,436	−4,231	−13,557	−1,027
36 Due to seasonal adjustment	...	...	...	103	5,899	728	−6,686	62
37 Before seasonal adjustment	−17,108	21,096	−33,255	3,944	−20,335	−4,959	−6,871	−1,089
MEMO								
Changes in official assets								
38 U.S. official reserve assets (increase, −)	3,901	−1,379	5,346	−673	−59	3,537	−165	2,033
39 Foreign official assets in United States, excluding line 25 (increase, +)	38,286	70,015	36,398	23,137	10,592	8,673	18,760	−1,627
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	5,942	−3,847	−1,049	−229	−1,674	−4,149	3,726	1,048

1. Seasonal factors are not calculated for lines 12–16, 18–20, 22–34, and 38–40.
2. Data are on an international accounts basis. The data differ from the Census basis data, shown in table 3.11, for reasons of coverage and timing. Military exports are excluded from merchandise trade data and are included in line 5.
3. Reporting banks include all types of depository institution as well as some brokers and dealers.
4. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.
5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

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	1992	1993	1994	1994					1995	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[p]
1 Goods and services, balance	−40,384	−75,725	−106,571	−9,124	−8,879	−9,996	−9,628	−7,261	−11,953	−9,012
2 Merchandise	−96,097	−132,575	−166,565	−14,141	−14,517	−15,117	−15,170	−12,896	−16,853	−14,195
3 Services	55,713	56,850	59,994	5,017	5,638	5,121	5,542	5,635	4,900	5,183
4 Goods and services, exports	616,924	641,677	697,877	60,291	60,510	59,881	61,909	63,611	60,964	62,416
5 Merchandise	440,361	456,866	502,590	44,054	43,485	43,289	44,814	46,490	44,299	45,498
6 Services	176,563	184,811	195,287	16,237	17,025	16,592	17,095	17,121	16,665	16,918
7 Goods and services, imports	−657,308	−717,402	−804,448	−69,415	−69,389	−69,877	−71,537	−70,872	−72,917	−71,428
8 Merchandise	−536,458	−589,441	−669,155	−58,195	−58,002	−58,406	−59,984	−59,386	−61,152	−59,693
9 Services	−120,850	−127,961	−135,293	−11,220	−11,387	−11,471	−11,553	−11,486	−11,765	−11,735
MEMO										
10 Balance on merchandise trade, Census basis	**−84,501**	**−115,568**	**−151,308**	**−12,788**	**−13,418**	**−13,845**	**−14,092**	**−11,644**	**−15,910**	**−13,255**

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	1991	1992	1993	1994					1995		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.[p]
1 Total	**77,719**	**71,323**	**73,442**	**75,740**	**76,532**	**78,172**	**74,000**	**74,335**	**76,027**	**81,439**	**86,761**
2 Gold stock, including Exchange Stabilization Fund[1]	11,057	11,056	11,053	11,054	11,054	11,053	11,052	11,051	11,050	11,050	11,053
3 Special drawing rights[2,3]	11,240	8,503	9,039	9,837	9,971	10,088	10,017	10,039	10,154	11,158	11,651
4 Reserve position in International Monetary Fund[2]	9,488	11,759	11,818	12,161	12,067	12,339	12,037	12,030	12,120	12,853	13,418
5 Foreign currencies[4]	45,934	40,005	41,532	42,688	43,440	44,692	40,894	41,215	42,703	46,378	50,639

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	1991	1992	1993	1994					1995		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.[p]
1 Deposits	**968**	**205**	**386**	**188**	**342**	**223**	**230**	**250**	**185**	**188**	**370**
Held in custody											
2 U.S. Treasury securities[2]	281,107	314,481	379,394	427,574	429,819	439,854	444,339	441,866	439,139	447,206	459,694
3 Earmarked gold[3]	13,303	13,118	12,327	12,044	12,044	12,039	12,037	12,033	12,033	12,033	11,964,301

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	1992	1993	1994[r]					1995	
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[p]
1 **Total**[1]	**412,624**	**483,058**[r]	**518,832**	**521,015**	**531,102**	**523,536**	**519,822**	**516,330**	**526,300**
By type									
2 Liabilities reported by banks in the United States[2]	54,967	69,808	79,598	82,587	79,361	73,507	72,708	74,070	80,022
3 U.S. Treasury bills and certificates[3]	104,596	151,100[r]	143,640	138,451	148,039	143,222	139,570	133,014	134,341
U.S. Treasury bonds and notes									
4 Marketable	210,931	212,253	242,951	247,639	250,530	253,196	253,778	255,525	257,587
5 Nonmarketable[4]	4,532	5,652	5,952	5,990	6,031	6,069	6,109	6,137	6,095
6 U.S. securities other than U.S. Treasury securities[5]	37,598	44,245	46,691	46,348	47,141	47,542	47,657	47,584	48,255
By area									
7 Europe[1]	189,230	207,121[r]	226,280	225,974	223,326	217,511	215,398	212,519	214,008
8 Canada	13,700	15,285	18,586	19,287	18,402	17,339	17,046	17,852	18,466
9 Latin America and Caribbean	37,973	55,898	44,144	44,427	47,844	45,285	41,268	37,058	42,032
10 Asia	164,690	197,758	221,197	223,027	232,099	233,582	236,102	239,291	243,865
11 Africa	3,723	4,052	4,255	4,388	4,232	4,673	4,179	4,335	4,066
12 Other countries[6]	3,306	2,942	4,368	3,910	5,197	5,144	5,827	5,273	3,861

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 (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies; zero coupon bonds are included at current value.
5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
6. Includes countries in Oceania and Eastern Europe.

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 1989 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	1991	1992	1993[r]	1994[r]			
				Mar.	June	Sept.	Dec.
1 Banks' liabilities	75,129	72,796	78,120	86,706	72,490	82,293	89,574
2 Banks' claims	73,195	62,799	60,649	74,670	56,669	59,261	54,448
3 Deposits	26,192	24,240	20,284	21,139	21,490	20,419	19,798
4 Other claims	47,003	38,559	40,365	53,531	35,179	38,842	34,650
5 Claims of banks' domestic customers[2]	3,398	4,432	4,100	4,696	4,732	5,466	9,508

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	1992	1993	1994[r]	1994[r]					1995	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[p]
BY HOLDER AND TYPE OF LIABILITY										
1 **Total, all foreigners**	**810,259**	**921,796[r]**	**1,008,244**	**999,013**	**999,386**	**1,011,497**	**988,352**	**1,008,244**	**1,008,443**	**1,017,799**
2 Banks' own liabilities	606,444	623,432[r]	714,944	693,613	707,452	709,734	686,602	714,944	721,152	724,259
3 Demand deposits	21,828	21,573[r]	25,831	23,147	23,522	24,614	23,954	25,831	27,551	26,630
4 Time deposits[2]	160,385	175,078[r]	185,835	184,333	178,277	181,406	178,348	185,835	187,582	185,948
5 Other[3]	93,237	110,144	109,162	119,087	134,762	133,805	124,309	109,162	120,283	122,995
6 Own foreign offices[4]	330,994	316,637[r]	394,116	367,046	370,891	369,909	359,991	394,116	385,736	388,686
7 Banks' custodial liabilities[5]	203,815	298,364[r]	293,300	305,400	291,934	301,763	301,750	293,300	287,291	293,540
8 U.S. Treasury bills and certificates[6]	127,644	176,739[r]	162,786	170,851	164,555	174,441	169,056	162,786	156,664	160,353
9 Other negotiable and readily transferable instruments[7]	21,974	36,289	41,552	46,371	38,988	37,661	39,834	41,552	40,442	43,378
10 Other	54,197	85,336	88,962	88,178	88,391	89,661	92,860	88,962	90,185	89,809
11 Nonmonetary international and regional organizations[8]	9,350	10,936	4,639	5,323	7,619	7,824	6,207	4,639	6,226	6,984
12 Banks' own liabilities	6,951	5,639	4,209	4,328	6,642	6,047	5,441	4,209	5,760	6,335
13 Demand deposits	46	15	29	56	28	83	35	29	24	35
14 Time deposits[2]	3,214	2,780	2,641	2,671	2,989	3,095	2,817	2,641	3,331	3,284
15 Other[3]	3,691	2,844	1,539	1,601	3,625	2,869	2,589	1,539	2,405	3,016
16 Banks' custodial liabilities[5]	2,399	5,297	430	995	977	1,777	766	430	466	649
17 U.S. Treasury bills and certificates[6]	1,908	4,275	281	836	767	1,572	501	281	280	407
18 Other negotiable and readily transferable instruments[7]	486	1,022	149	159	205	205	265	149	181	242
19 Other	5	0	0	0	5	0	0	0	5	0
20 Official institutions[9]	159,563	220,908[r]	212,278	223,238	221,038	227,400	216,729	212,278	207,084	214,363
21 Banks' own liabilities	51,202	64,231	59,257	67,411	72,114	67,505	60,717	59,257	62,058	67,010
22 Demand deposits	1,302	1,601	1,564	1,232	1,691	2,028	1,682	1,564	1,598	1,588
23 Time deposits[2]	17,939	21,654	23,175	25,746	26,920	23,812	20,626	23,175	22,622	25,514
24 Other[3]	31,961	40,976	34,518	40,433	43,503	41,665	38,409	34,518	37,838	39,908
25 Banks' custodial liabilities[5]	108,361	156,677[r]	153,021	155,827	148,924	159,895	156,012	153,021	145,026	147,353
26 U.S. Treasury bills and certificates[6]	104,596	151,100[r]	139,570	143,640	138,451	148,039	143,222	139,570	133,014	134,341
27 Other negotiable and readily transferable instruments[7]	3,726	5,482	13,245	12,054	10,407	11,820	12,773	13,245	11,972	12,943
28 Other	39	95	206	133	66	36	17	206	40	69
29 Banks[10]	547,320	589,077[r]	677,720	657,549	651,642	657,476	646,539	677,720	677,550	677,676
30 Banks' own liabilities	476,117	477,050[r]	565,013	536,834	538,600	545,707	532,625	565,013	564,540	562,036
31 Unaffiliated foreign banks	145,123	160,413	170,897	169,788	167,709	175,798	172,634	170,897	178,804	173,350
32 Demand deposits	10,170	9,719	13,082	11,832	10,555	11,023	11,259	13,082	14,373	13,527
33 Time deposits[2]	90,296	105,192	111,474	107,110	101,715	106,646	106,043	111,474	112,206	107,482
34 Other[3]	44,657	45,502	46,341	50,846	55,439	58,129	55,332	46,341	52,225	52,341
35 Own foreign offices[4]	330,994	316,637[r]	394,116	367,046	370,891	369,909	359,991	394,116	385,736	388,686
36 Banks' custodial liabilities[5]	71,203	112,027[r]	112,707	120,715	113,042	111,769	113,914	112,707	113,010	115,640
37 U.S. Treasury bills and certificates[6]	11,087	10,712[r]	11,218	12,268	10,975	10,783	11,792	11,218	10,992	12,328
38 Other negotiable and readily transferable instruments[7]	7,555	17,020	14,234	22,004	15,343	13,228	13,530	14,234	14,137	15,232
39 Other	52,561	84,295	87,255	86,443	86,724	87,758	88,592	87,255	87,881	88,080
40 Other foreigners	94,026	100,875[r]	113,607	112,903	119,087	118,797	118,877	113,607	117,583	118,776
41 Banks' own liabilities	72,174	76,512[r]	86,465	85,040	90,096	90,475	87,819	86,465	88,794	88,878
42 Demand deposits	10,310	10,238[r]	11,156	10,027	11,248	11,480	10,978	11,156	11,556	11,480
43 Time deposits[2]	48,936	45,452[r]	48,545	48,806	46,653	47,853	48,862	48,545	49,423	49,668
44 Other[3]	12,928	20,822	26,764	26,207	32,195	31,142	27,979	26,764	27,815	27,730
45 Banks' custodial liabilities[5]	21,852	24,363[r]	27,142	27,863	28,991	28,322	31,058	27,142	28,789	29,898
46 U.S. Treasury bills and certificates[6]	10,053	10,652[r]	11,717	14,107	14,362	14,047	13,541	11,717	12,378	13,277
47 Other negotiable and readily transferable instruments[7]	10,207	12,765	13,924	12,154	13,033	12,408	13,266	13,924	14,152	14,961
48 Other	1,592	946	1,501	1,602	1,596	1,867	4,251	1,501	2,259	1,660
MEMO										
49 Negotiable time certificates of deposit in custody for foreigners	9,111	17,567	17,885	25,293	19,115	16,793	17,397	17,885	16,442	17,137

1. Reporting banks include all types of depository institutions, as well as some brokers and dealers.
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.
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	1992	1993	1994[r]	1994					1995	
				Aug.[r]	Sept.	Oct.	Nov.	Dec.[r]	Jan.	Feb.[p]
AREA										
1 **Total, all foreigners**	**810,259**	**921,796[r]**	**1,008,244**	**999,013**	**999,386[r]**	**1,011,497[r]**	**988,352[r]**	**1,008,244**	**1,008,443**	**1,017,799**
2 **Foreign countries**	**800,909**	**910,860[r]**	**1,003,605**	**993,690**	**991,767[r]**	**1,003,673[r]**	**982,145[r]**	**1,003,605**	**1,002,217**	**1,010,815**
3 Europe	307,670	377,193[r]	389,945	420,020	406,909[r]	413,440[r]	393,156[r]	389,945	391,923	385,832
4 Austria	1,611	1,917	3,649	3,349	3,014	3,610	4,264	3,649	3,235	4,019
5 Belgium and Luxembourg	20,567	28,621[r]	21,734	27,114	27,568[r]	23,566[r]	22,322[r]	21,734	21,674	22,087
6 Denmark	3,060	4,517	2,776	2,634	2,128	2,374	2,307	2,776	2,657	1,970
7 Finland	1,299	1,872	1,433	1,747	2,319	2,601	1,587	1,433	2,396	1,746
8 France	41,411	39,746[r]	44,706	41,910	43,143	44,209	41,160	44,706	42,320	44,253
9 Germany	18,630	26,613	27,154	31,047	31,889	33,136	31,050[r]	27,154	28,491	27,459
10 Greece	913	1,519	1,391	1,201	1,227	1,711	1,477	1,391	1,228	2,063
11 Italy	10,041	11,759[r]	10,859	11,971	10,975[r]	10,893[r]	9,777[r]	10,859	10,249	11,998
12 Netherlands	7,365	16,096	15,990	17,197	18,754	18,034	17,310	15,990	14,830	15,886
13 Norway	3,314	2,966	2,336	3,082	2,861	3,400	2,807	2,336	2,306	2,141
14 Portugal	2,465	3,366	2,845	2,867	3,023	2,861	2,919	2,845	2,862	4,006
15 Russia	577	2,511	2,058	3,794	2,899	2,337	2,367	2,058	1,449	2,162
16 Spain	9,793	20,493	14,599	15,448	14,198	16,325[r]	15,038	14,599	15,113	11,101
17 Sweden	2,953	2,572	3,093	4,149	4,651	3,467	3,361	3,093	2,258	2,247
18 Switzerland	39,440	41,561[r]	41,873	43,496	41,050	41,834	41,756	41,873	39,505	40,093
19 Turkey	2,666	3,227	3,301	3,247	3,023[r]	3,143[r]	3,032	3,301	3,598	2,680
20 United Kingdom	111,805	133,936	162,444	174,074	160,154[r]	171,938[r]	162,760[r]	162,444	173,826	162,610
21 Yugoslavia[11]	504	570	245	227	224	220	240	245	261	257
22 Other Europe and other former U.S.S.R.[12]	29,256	33,331	27,659	31,466	33,909	27,981	27,822	27,659	23,865	27,254
23 Canada	22,420	20,227	24,609	26,343	24,660	23,115	23,295	24,609	26,498	26,563
24 Latin America and Caribbean	317,228	358,040[r]	420,995	383,560	390,405[r]	391,132[r]	396,399[r]	420,995	411,219	421,311
25 Argentina	9,477	14,477	17,183	14,818	13,783	15,577	15,950	17,183	12,766	11,879
26 Bahamas	82,284	73,800[r]	106,051	84,256	87,007[r]	88,668[r]	90,091[r]	106,051	99,347	101,382
27 Bermuda	7,079	7,841[r]	7,870	8,424	10,334	8,936	7,615	7,870	8,901	8,546
28 Brazil	5,584	5,301	9,123	5,702	5,670	6,196[r]	6,723	9,123	8,964	10,557
29 British West Indies	153,033	190,445[r]	226,152	209,313	213,135[r]	209,409[r]	214,444[r]	226,152	227,148	230,897
30 Chile	3,035	3,183	3,113	2,993	3,407	3,078	3,741	3,113	2,965	3,327
31 Colombia	4,580	3,171	4,604	3,726	4,027	4,475[r]	4,417	4,604	4,302	4,031
32 Cuba	3	33	13	11	13	7	7	13	12	5
33 Ecuador	993	880	875	847	823	830	825	875	1,339	1,510
34 Guatemala	1,377	1,207	1,118	1,138	1,103	1,077[r]	1,036	1,118	1,056	1,077
35 Jamaica	371	410	520	531	565	589	513	520	439	462
36 Mexico	19,454	28,018	12,241	20,825	19,941[r]	21,263[r]	19,199	12,241	12,601	16,777
37 Netherlands Antilles	5,205	4,195	4,481	5,076	4,275[r]	4,153[r]	4,845[r]	4,481	3,838	4,488
38 Panama	4,177	3,582	4,545	3,861	4,082	4,077	4,598	4,545	4,831	4,276
39 Peru	1,080	926	897	1,027	1,079	1,027	935	897	889	887
40 Uruguay	1,955	1,611	1,595	1,332	1,399	1,472[r]	1,190	1,595	1,795	1,607
41 Venezuela	11,387	12,786	13,962	13,170	13,297	13,809[r]	13,833	13,962	13,437	12,946
42 Other	6,154	6,174	6,652	6,510	6,465[r]	6,489	6,437	6,652	6,589	6,657
43 Asia	143,540	144,575[r]	155,218	152,310	158,217[r]	163,316[r]	157,153[r]	155,218	159,311	165,610
China										
44 People's Republic of China	3,202	4,011	10,063	4,393	5,062	5,625	8,017	10,063	12,908	15,658
45 Republic of China (Taiwan)	8,408	10,627[r]	9,787	8,723	8,853[r]	9,473[r]	10,919[r]	9,787	9,130	9,903
46 Hong Kong	18,499	17,178[r]	17,177	18,613	18,750[r]	18,217[r]	17,552[r]	17,177	18,432	18,152
47 India	1,399	1,114	2,336	1,764	2,187	2,376	2,377	2,336	2,293	2,110
48 Indonesia	1,480	1,986	1,561	1,703	1,838[r]	1,734	1,613	1,561	1,598	1,939
49 Israel	3,773	4,435	5,151	3,437	3,204	6,607	5,066	5,151	5,470	4,952
50 Japan	58,435	61,466	64,031	65,712	68,200[r]	66,152[r]	63,309[r]	64,031	61,610	62,940
51 Korea (South)	3,337	4,913	5,104	4,873	4,622	4,740	5,016	5,104	4,749	4,150
52 Philippines	2,275	2,035	2,712	3,204	3,135	3,158	3,064	2,712	2,615	2,362
53 Thailand	5,582	6,137	6,466	6,364	6,503	5,682	5,946[r]	6,466	8,216	9,906
54 Middle Eastern oil-exporting countries[13]	21,437	15,824	15,444	15,981	17,138	17,232	17,678	15,444	16,164	14,904
55 Other	15,713	14,849[r]	15,386	17,543	18,725	22,320	16,596[r]	15,386	16,126	18,634
56 Africa	5,884	6,633	6,459	6,332	6,299[r]	6,389[r]	6,939	6,459	6,300	6,127
57 Egypt	2,472	2,208	1,839	1,914	2,014	1,996	2,097	1,839	1,721	1,786
58 Morocco	76	99	93	82	72	66	67	93	74	65
59 South Africa	190	451	433	417	197	245	693	433	285	400
60 Zaire	19	12	9	8	9	9	10	9	10	10
61 Oil-exporting countries[14]	1,346	1,303	1,343	1,156	1,186	1,176	1,227	1,343	1,409	1,122
62 Other	1,781	2,560	2,742	2,755	2,821[r]	2,897[r]	2,845	2,742	2,801	2,744
63 Other	4,167	4,192	6,379	5,125	5,277	6,281	5,203	6,379	6,966	5,372
64 Australia	3,043	3,308	5,141	3,935	3,966	5,114	4,094	5,141	5,395	4,349
65 Other	1,124	884	1,238	1,190	1,311	1,167	1,109	1,238	1,571	1,023
66 Nonmonetary international and regional organizations	9,350	10,936	4,639	5,323	7,619[r]	7,824[r]	6,207	4,639	6,226	6,984
67 International[15]	7,434	6,851	3,632	3,998	5,390[r]	5,844[r]	4,358[r]	3,632	4,860	5,761
68 Latin American regional[16]	1,415	3,218	551	418	1,108[r]	950	1,094	551	865	652
69 Other regional[17]	501	867	456	907	1,121[r]	1,030[r]	755[r]	456	501	571

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	1992	1993	1994[r]	1994[r]					1995	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[p]
1 **Total, all foreigners**	**499,437**	**484,584[r]**	**477,473**	**478,944**	**475,742**	**479,426**	**464,360**	**477,473**	**479,674**	**474,420**
2 **Foreign countries**	**494,355**	**482,179[r]**	**473,350**	**476,985**	**472,478**	**477,421**	**463,026**	**473,350**	**476,710**	**473,672**
3 Europe	123,377	121,550[r]	122,918	124,895	120,550	131,985	120,045	122,918	125,188	122,884
4 Austria	331	413	705	477	293	440	369	705	350	425
5 Belgium and Luxembourg	6,404	6,535	6,651	6,574	7,279	6,370	6,274	6,651	5,558	4,833
6 Denmark	707	382	1,039	464	521	880	668	1,039	488	646
7 Finland	1,418	594	696	502	594	587	718	696	721	456
8 France	14,723	11,519[r]	12,158	16,009	14,846	16,354	12,906	12,158	12,615	11,959
9 Germany	4,222	7,703[r]	6,638	9,996	8,655	8,501	8,452	6,638	8,530	7,639
10 Greece	717	679	592	657	613	520	518	592	668	751
11 Italy	9,047	8,918[r]	6,143	5,578	5,376	6,693	5,950	6,143	6,820	6,963
12 Netherlands	2,468	3,073[r]	2,957	3,196	2,908	3,402	3,426	2,957	2,943	4,200
13 Norway	355	396	504	825	650	903	1,004	504	1,069	988
14 Portugal	325	834	938	1,040	1,182	1,056	1,006	938	988	1,045
15 Russia	3,147	2,310	949	1,378	1,272	1,220	1,172	949	1,148	759
16 Spain	2,755	2,766	3,552	2,664	2,211	2,731	2,174	3,552	2,989	2,803
17 Sweden	4,923	4,086[r]	4,111	4,168	3,903	3,156	3,596	4,111	3,837	4,049
18 Switzerland	4,717	6,566[r]	7,491	6,937	5,853	7,670	6,544	7,491	9,025	8,060
19 Turkey	962	1,294[r]	862	1,159	1,046	1,147	914	862	548	869
20 United Kingdom	63,430	61,169[r]	65,502	61,531	61,084	68,512	62,616	65,502	64,885	64,628
21 Yugoslavia[2]	569	536	265	273	258	266	266	265	265	265
22 Other Europe and other former U.S.S.R.[3]	2,157	1,777	1,165	1,467	2,006	1,577	1,472	1,165	1,741	1,546
23 Canada	13,845	18,432[r]	17,978	19,732	19,239	16,433	17,788	17,978	18,812	18,907
24 Latin America and Caribbean	218,078	223,649[r]	219,535	222,933	219,772	221,055	215,948	219,535	220,585	219,298
25 Argentina	4,958	4,422[r]	5,781	5,877	5,587	5,588	5,718	5,781	5,837	6,309
26 Bahamas	60,835	64,410[r]	65,951	62,685	62,351	64,841	60,786	65,951	63,996	63,787
27 Bermuda	5,935	8,034	7,484	7,347	5,444	5,199	6,710	7,484	14,551	10,905
28 Brazil	10,773	11,812	9,452	10,083	10,299	10,216	9,784	9,452	9,734	9,992
29 British West Indies	101,507	98,149[r]	94,264	100,634	100,840	99,311	95,922	94,264	90,156	91,284
30 Chile	3,397	3,616	3,787	3,418	3,401	3,431	3,628	3,787	3,866	4,190
31 Colombia	2,750	3,179	4,003	3,414	3,463	3,671	3,768	4,003	3,816	3,813
32 Cuba	0	0	0	0	0	12	0	0	0	0
33 Ecuador	884	680	685	604	625	628	635	685	712	668
34 Guatemala	262	286	366	320	310	337	335	366	346	349
35 Jamaica	162	195	254	210	204	255	251	254	253	278
36 Mexico	14,991	15,834[r]	17,517	16,556	16,329	16,954	17,406	17,517	17,303	17,270
37 Netherlands Antilles	1,379	2,411[r]	1,055	2,176	1,332	1,195	1,818	1,055	1,205	1,437
38 Panama	4,654	2,892	2,179	2,386	2,384	2,307	2,304	2,179	2,155	2,340
39 Peru	730	653	959	924	946	857	884	959	998	1,055
40 Uruguay	936	952	485	706	711	800	652	485	420	390
41 Venezuela	2,525	2,907	1,830	2,146	2,055	1,934	1,921	1,830	1,716	1,736
42 Other	1,400	3,217	3,483	3,447	3,491	3,519	3,426	3,483	3,521	3,495
43 Asia	131,789	111,787[r]	106,719	102,778	106,261	101,412	103,346	106,719	105,318	106,476
China										
44 People's Republic of China	906	2,299	835	764	1,177	822	817	835	923	859
45 Republic of China (Taiwan)	2,046	2,628	1,381	1,805	1,258	1,464	1,479	1,381	1,245	1,213
46 Hong Kong	9,642	10,881[r]	9,272	9,896	13,057	10,362	11,336	9,272	10,305	11,322
47 India	529	589	986	829	972	971	1,021	986	1,099	1,055
48 Indonesia	1,189	1,527[r]	1,454	1,365	1,371	1,328	1,366	1,454	1,478	1,416
49 Israel	820	826	691	675	663	863	696	691	673	684
50 Japan	79,172	59,945[r]	59,161	52,968	53,145	50,140	53,550	59,161	55,253	57,184
51 Korea (South)	6,179	7,569	9,998	8,553	8,932	9,048	8,933	9,998	10,582	10,512
52 Philippines	2,145	1,408	636	533	562	639	583	636	564	548
53 Thailand	1,867	2,154	2,818	2,784	2,698	2,756	2,676	2,818	2,795	2,562
54 Middle Eastern oil-exporting countries[4]	18,540	15,110[r]	13,732	16,081	15,302	15,425	14,454	13,732	14,044	13,341
55 Other	8,754	6,851[r]	5,755	6,525	7,124	7,594	6,435	5,755	6,357	5,780
56 Africa	4,279	3,867[r]	3,033	3,689	3,526	3,177	3,115	3,033	2,966	2,928
57 Egypt	186	196	225	229	254	237	229	225	227	234
58 Morocco	441	481	429	485	497	468	480	429	415	442
59 South Africa	1,041	633	665	656	569	480	454	665	657	597
60 Zaire	4	4	2	3	3	3	3	2	2	2
61 Oil-exporting countries[5]	1,002	1,139[r]	872	1,219	1,133	985	909	872	854	801
62 Other	1,605	1,414	840	1,097	1,070	1,004	1,040	840	811	852
63 Other	2,987	2,894[r]	3,167	2,958	3,130	3,359	2,784	3,167	3,841	3,179
64 Australia	2,243	2,071[r]	2,224	1,390	1,810	2,158	1,687	2,224	2,203	1,917
65 Other	744	823[r]	943	1,568	1,320	1,201	1,097	943	1,638	1,262
66 Nonmonetary international and regional organizations[6]	5,082	2,405	4,123	1,959	3,264	2,005	1,334	4,123	2,964	748

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	1992	1993[r]	1994[r]	1994[r]					1995	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[p]
1 **Total**	**559,495**	**535,393**	**548,611**	...	**530,308**	...	...	**548,611**	...	...
2 Banks' claims	499,437	484,584	477,473	478,944	475,742	479,426	464,360	477,473	479,674	474,420
3 Foreign public borrowers	31,367	29,115	22,938	22,687	24,741	22,373	20,649	22,938	22,964	17,721
4 Own foreign offices[2]	303,991	286,382	281,839	286,374	282,657	286,539	276,040	281,839	278,316	279,160
5 Unaffiliated foreign banks	109,342	98,433	109,554	102,684	101,174	107,035	103,639	109,554	104,122	105,234
6 Deposits	61,550	47,167	58,354	49,952	50,900	52,914	50,490	58,354	53,900	53,808
7 Other	47,792	51,266	51,200	52,732	50,274	54,121	53,149	51,200	50,222	51,426
8 All other foreigners	54,737	70,654	63,142	67,199	67,170	63,479	64,032	63,142	74,272	72,305
9 Claims of banks' domestic customers[3]	60,058	50,809	71,138	...	54,566	...	...	71,138	...	...
10 Deposits	15,452	20,241	35,502	...	25,087	...	...	35,502	...	...
11 Negotiable and readily transferable instruments[4]	31,474	16,885	22,328	...	16,263	...	...	22,328	...	...
12 Outstanding collections and other claims	13,132	13,683	13,308	...	13,216	...	...	13,308	...	...
MEMO										
13 Customer liability on acceptances	8,655	7,863	8,316	...	7,614	...	...	8,316	...	...
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	38,623	26,370	27,382	23,241	24,876	23,337	27,912	27,382	n.a.	n.a.

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 to foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank.
3. Assets held by reporting banks in the accounts of their domestic customers.
4. Principally negotiable time certificates of deposit and bankers acceptances.
5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see *Federal Reserve Bulletin*, vol. 65 (July 1979), p. 550.

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]	1991	1992	1993[r]	1994[r]			
				Mar.	June	Sept.	Dec.
1 **Total**	**195,302**	**195,119**	**196,552**	**194,581**	**186,711**	**191,770**	**194,628**
By borrower							
2 Maturity of one year or less	162,573	163,325	167,919	168,028	161,594	166,244	169,708
3 Foreign public borrowers	21,050	17,813	17,773	16,150	12,951	16,986	14,968
4 All other foreigners	141,523	145,512	150,146	151,878	148,643	149,258	154,740
5 Maturity of more than one year	32,729	31,794	28,633	26,553	25,117	25,526	24,920
6 Foreign public borrowers	15,859	13,266	10,821	9,229	8,051	7,375	7,675
7 All other foreigners	16,870	18,528	17,812	17,324	17,066	18,151	17,245
By area							
Maturity of one year or less							
8 Europe	51,835	53,300	56,605	59,209	51,204	58,406	56,344
9 Canada	6,444	6,091	7,564	7,306	8,285	7,217	7,251
10 Latin America and Caribbean	43,597	50,376	56,755	58,998	56,758	57,034	58,859
11 Asia	51,059	45,709	41,382	36,875	38,891	36,766	40,043
12 Africa	2,549	1,784	1,820	1,613	1,798	1,519	1,364
13 All other[3]	7,089	6,065	3,793	4,027	4,658	5,302	5,847
Maturity of more than one year							
14 Europe	3,878	5,367	4,428	3,842	3,355	3,637	3,641
15 Canada	3,595	3,287	2,553	2,548	2,451	2,607	2,373
16 Latin America and Caribbean	18,277	15,312	13,866	13,009	12,420	12,146	11,958
17 Asia	4,459	5,038	5,402	4,704	4,607	4,838	4,583
18 Africa	2,335	2,380	1,936	2,001	1,849	1,836	1,549
19 All other[3]	185	410	448	449	435	462	816

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.
2. Maturity is time remaining to 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	1990	1991	1992	1993				1994			
			Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
1 **Total**	**320.1**	**343.6**	**346.5**	**361.1**	**377.1**	**388.4**	**404.7[r]**	**490.0[r]**	**500.6[r]**	**504.7[r]**	**506.6[r]**
2 G-10 countries and Switzerland	132.2	137.6	132.9	142.5	150.0	153.3	161.6[r]	178.6[r]	172.5[r]	186.0[r]	187.6[r]
3 Belgium and Luxembourg	.0	6.0	5.6	6.1	7.0	7.1	7.4	8.1	8.8	9.7	7.0
4 France	10.4	11.0	15.3	13.5	14.0	12.3	11.7	16.4	18.8	20.7	19.1
5 Germany	10.6	8.3	9.3	9.9	10.8	12.4	12.6	28.7	24.4	23.5	24.4
6 Italy	5.0	5.6	6.5	6.7	7.9	8.7	7.7	15.5	14.0	11.6	11.8
7 Netherlands	.0	4.7	2.8	3.6	3.7	3.7	4.7	4.1	3.6	3.5[r]	3.6[r]
8 Sweden	2.2	1.9	2.3	3.0	2.5	2.5	2.5	2.8	2.9	2.6	2.7
9 Switzerland	4.4	3.4	4.8	5.3	4.7	5.6	5.9	6.3	6.5	6.2	6.9
10 United Kingdom	60.9	68.5	60.8	65.7	73.5	74.7	84.7[r]	70.1[r]	63.4[r]	82.1[r]	81.8
11 Canada	5.9	5.8	6.3	8.2	8.0	9.7	6.7	7.7[r]	9.6[r]	9.8	9.5
12 Japan	24.0	22.6	19.3	20.4	17.9	16.8	17.8[r]	18.9[r]	20.5[r]	16.4[r]	20.7[r]
13 Other industrialized countries	22.9	22.8	24.0	25.4	27.2	26.0	24.6	41.2	41.7[r]	41.5	44.2[r]
14 Austria	1.4	.6	1.2	1.2	1.3	.6	.4	1.0	1.0	1.0	1.1
15 Denmark	1.1	.9	.9	.8	1.0	1.1	1.0	1.1	1.1	.8	1.2
16 Finland	.7	.7	.7	.7	.9	.6	.4	1.0	.8	.8	1.0
17 Greece	2.7	2.6	3.0	2.7	3.1	3.2	3.2	3.8	4.6	4.3	4.5
18 Norway	1.6	1.4	1.2	1.8	1.8	2.1	1.7	1.6	1.6	1.6	2.0
19 Portugal	.6	.6	.4	.7	.9	1.0	.8	1.2	1.1	1.0	1.2
20 Spain	8.3	8.3	8.9	9.5	10.5	9.3	8.9	12.3	11.7	13.1	13.6
21 Turkey	1.7	1.4	1.3	1.4	2.1	2.1	2.1	2.4	2.1	1.8	1.6
22 Other Western Europe	1.2	1.8	1.7	2.0	1.7	2.2	2.6	3.0	2.8	1.0	2.7
23 South Africa	1.8	1.9	1.7	1.6	1.3	1.2	1.1	1.2	1.2	1.2	1.0
24 Australia	1.8	2.7	2.9	2.9	2.5	2.8	2.3	12.7	13.7	15.0	14.3[r]
25 OPEC[2]	12.8	14.5	16.1	16.6	15.7	14.8	17.4[r]	22.9[r]	21.5	21.6[r]	22.1
26 Ecuador	1.0	.7	.6	.6	.6	.5	.5	.5	.5	.4	.5
27 Venezuela	5.0	5.4	5.2	5.1	5.5	5.4	5.1	4.7	4.4	3.9	3.7
28 Indonesia	2.7	2.7	3.0	3.1	3.1	2.8	3.3[r]	3.4	3.2	3.3[r]	3.6
29 Middle East countries	2.5	4.2	6.2	6.6	5.4	4.9	7.4[r]	13.2[r]	12.4	13.0	13.4
30 African countries	1.7	1.5	1.1	1.1	1.1	1.1	1.2	1.1	1.1	1.0	.9
31 Non-OPEC developing countries	65.4	63.9	72.1	74.4	76.7	77.0	82.6	93.6[r]	94.1[r]	92.3[r]	94.9
Latin America											
32 Argentina	5.0	4.8	6.6	7.1	6.6	7.2	7.7	8.7	9.8	10.5	11.1
33 Brazil	14.4	9.6	10.8	11.6	12.3	11.7	12.0	12.6[r]	11.9[r]	9.2[r]	8.2
34 Chile	3.5	3.6	4.4	4.6	4.6	4.7	4.7	5.1	5.1	5.4	6.1
35 Colombia	1.8	1.7	1.8	1.9	1.9	2.0	2.1	2.2	2.4	2.4	2.6
36 Mexico	13.0	15.5	16.0	16.8	16.8	17.5	17.7	18.8[r]	18.5[r]	19.6[r]	18.1
37 Peru	.5	.4	.5	.4	.4	.3	.4	.5	.6	.6	.5
38 Other	2.3	2.1	2.6	2.7	2.7	2.7	3.0	2.7	2.7	2.7	2.5
Asia											
China											
39 Peoples Republic of China	.2	.3	.7	.6	1.6	.5	2.0	.8	.7	1.0	1.1
40 Republic of China (Taiwan)	3.5	4.1	5.2	5.3	5.9	6.4	7.3	7.5	7.1	6.9	9.1
41 India	3.3	3.0	3.2	3.1	3.1	2.9	3.2	3.6	3.7	3.9	4.2
42 Israel	.5	.5	.4	.5	.4	.4	.5	.4	.4	.4	.4
43 Korea (South)	6.2	6.8	6.6	6.5	6.9	6.5	6.7	13.9	14.1	14.1[r]	14.1
44 Malaysia	1.9	2.3	3.1	3.4	3.7	4.1	4.4	5.2	5.2	3.9	3.3
45 Philippines	3.8	3.7	3.6	3.4	2.9	2.6	3.1	3.4	3.2	2.9	3.3
46 Thailand	1.5	1.7	2.2	2.2	2.4	2.8	3.1	2.9	3.3	3.5[r]	3.7
47 Other Asia	1.7	2.0	2.7	2.7	2.6	3.0	2.9	3.1	3.5	3.6	4.8
Africa											
48 Egypt	.4	.4	.2	.2	.2	.2	.4	.4	.5	.3	.3
49 Morocco	.8	.7	.6	.5	.6	.6	.7	.7	.7	.7	.6
50 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa[3]	1.0	.7	1.0	.8	.9	.8	.8	1.0	.9	.9	.8
52 Eastern Europe	2.3	2.4	3.1	2.9	3.2	3.0	3.1	3.4	3.0	3.0	2.6
53 Russia[4]	.2	.9	1.9	1.7	1.9	1.7	1.6	1.5	1.2	1.1	.8
54 Yugoslavia[5]	1.2	.9	.6	.6	.6	.6	.6	.5	.5	.5	.5
55 Other	.9	.7	.6	.7	.8	.7	.9	1.4	1.4	1.5	1.3
56 Offshore banking centers	44.7	54.2	58.3	60.3	58.0	67.9	71.9[r]	78.0[r]	76.4[r]	74.6[r]	68.2[r]
57 Bahamas	2.9	11.9	6.9	9.7	7.1	12.7	11.9[r]	14.8[r]	13.1[r]	13.2[r]	9.7[r]
58 Bermuda	4.4	2.3	6.2	4.1	4.5	5.5	8.1	8.4	6.1	5.3	7.4[r]
59 Cayman Islands and other British West Indies	11.7	15.8	21.8	17.6	15.6	15.1	17.0	17.1[r]	20.3[r]	20.2[r]	18.7
60 Netherlands Antilles	7.9	1.2	1.1	1.6	2.5	2.8	2.3	2.8[r]	2.5[r]	1.7	1.0[r]
61 Panama[6]	1.4	1.4	1.9	2.0	2.1	2.1	2.4	2.0	1.9	1.9[r]	1.5
62 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	9.7	14.4	13.8	16.7	16.9	19.1	18.7	19.7	21.7[r]	20.3	19.9[r]
64 Singapore	6.6	7.1	6.5	8.4	9.3	10.4	11.2	13.1[r]	10.7[r]	11.8	10.0
65 Other[7]	.0	.0	.0	.0	.0	.0	.1	.0	.0	.0	.1
66 Miscellaneous and unallocated[8]	39.9	48.0	39.7	38.8	46.2	46.3	43.4[r]	72.1[r]	91.1[r]	85.4	86.7

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

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

2. Organization of Petroleum Exporting Countries, shown individually; other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates); and Bahrain and Oman (not formally members of OPEC).
3. Excludes Liberia. Beginning March 1994 includes Namibia.
4. As of December 1992, excludes other republics of the former Soviet Union.
5. As of December 1992, excludes Croatia, Bosnia and Hercegovinia, and Slovenia.
6. Includes Canal Zone.
7. Foreign branch claims only.
8. Includes New Zealand, Liberia, and international and regional organizations.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

Type of liability, and area or country	1991	1992	1993	1993 Sept.	1993 Dec.	1994 Mar.	1994 June[r]	1994 Sept.	1994 Dec.[p]
1 **Total**	**44,708**	**45,511r**	**49,996**	**48,954r**	**49,996r**	**51,988r**	**55,478**	**57,197r**	**54,174**
2 Payable in dollars	39,029	37,456r	38,758	39,711r	38,758r	38,549r	43,114	42,754r	39,322
3 Payable in foreign currencies	5,679	8,055	11,238	9,243	11,238r	13,439	12,364	14,443r	14,852
By type									
4 Financial liabilities	22,518	23,841r	28,586	27,172r	28,586r	30,344r	33,340	35,843r	32,391
5 Payable in dollars	18,104	16,960r	18,553	19,146r	18,553r	18,929r	22,976	23,282r	19,427
6 Payable in foreign currencies	4,414	6,881	10,033	8,026	10,033r	11,415r	10,364	12,561r	12,964
7 Commercial liabilities	22,190	21,670	21,410	21,782	21,410r	21,644r	22,138	21,354r	21,783
8 Trade payables	9,252	9,566	8,811	9,215	8,811r	8,974r	9,913	9,552r	10,001
9 Advance receipts and other liabilities	12,938	12,104	12,599	12,567	12,599r	12,670r	12,225	11,802r	11,782
10 Payable in dollars	20,925	20,496	20,205	20,565	20,205r	19,620r	20,138	19,472r	19,895
11 Payable in foreign currencies	1,265	1,174	1,205	1,217	1,205	2,024	2,000	1,882	1,888
By area or country									
Financial liabilities									
12 Europe	12,003	13,387r	18,437	16,886r	18,437r	20,442r	23,627	23,765r	20,852
13 Belgium and Luxembourg	216	414	175	278	175	525	524	661r	495
14 France	2,106	1,623	2,377	2,077	2,377r	2,606r	1,590	2,241	1,727
15 Germany	682	889	975	855	975	1,214	939	1,467	1,953
16 Netherlands	1,056	606	534	573	534	564	533	648	552
17 Switzerland	408	569	634	378	634	1,200	631	633	688
18 United Kingdom	6,528	8,610r	13,121	12,135r	13,121r	13,725r	18,193	16,800r	14,709
19 Canada	292	544	859	663	859	508	698	618	625
20 Latin America and Caribbean	4,784	4,053	3,359	3,719	3,359	3,553	3,282	3,159	3,201
21 Bahamas	537	379	1,148	1,301	1,148	1,157	1,052	1,112	926
22 Bermuda	114	114	0	114	0	120	115	15	80
23 Brazil	6	19	18	18	18	18	18	7	207
24 British West Indies	3,524	2,850	1,533	1,600	1,533	1,613	1,454	1,364	1,340
25 Mexico	7	12	17	15	17	14	13	15	0
26 Venezuela	4	6	5	5	5	5	5	5	5
27 Asia[2]	5,381	5,818	5,689	5,754	5,689	5,650r	5,694	8,149r	7,528
28 Japan	4,116	4,750	4,620	4,725	4,620	4,638r	4,760	6,947r	6,414
29 Middle Eastern oil-exporting countries[3]	13	19	23	23	23	24	24	31	35
30 Africa	6	6	133	132	133	133	9	133	135
31 Oil-exporting countries[4]	4	0	123	124	123	124	0	123	123
32 All other[5]	52	33	109	18	109r	58r	30	19	50
Commercial liabilities									
33 Europe	8,701	7,398	6,835	7,048	6,835r	6,550r	6,921	6,867r	6,853
34 Belgium and Luxembourg	248	298	239	257	239	251r	254	287	231
35 France	1,039	700	655	642	655r	554r	712	742	762
36 Germany	1,052	729	684	571	684	577	670	552	611
37 Netherlands	710	535	688	600	688	628	649	674	723
38 Switzerland	575	350	375	536	375	388r	473	391	335
39 United Kingdom	2,297	2,505	2,047	2,319	2,047r	2,151r	2,311	2,351r	2,442
40 Canada	1,014	1,002	879	845	879r	1,037	1,070	1,068r	1,038
41 Latin America and Caribbean	1,355	1,533	1,666	1,754	1,666r	1,908	2,007	1,790r	1,854
42 Bahamas	3	3	21	4	21	8	2	6	19
43 Bermuda	310	307	350	340	350r	493	418	200	345
44 Brazil	219	209	216	214	216	211	217	148	163
45 British West Indies	107	33	27	35	27r	20r	24	33	23
46 Mexico	307	457	483	576	483	556	705	673r	576
47 Venezuela	94	142	126	173	126	150	194	192	280
48 Asia[2]	9,334	10,594	10,992	10,915	10,992r	10,939r	10,979	10,514r	11,077
49 Japan	3,721	3,612	4,314	3,726	4,314r	4,617r	4,389	4,235r	4,808
50 Middle Eastern oil-exporting countries[3]	1,498	1,889	1,542	1,968	1,542r	1,542r	1,841	1,688r	1,610
51 Africa	715	568	464	641	464	490	523	482	442
52 Oil-exporting countries[4]	327	309	171	320	171	199	247	271	262
53 Other[5]	1,071	575	574	579	574r	720r	638	633r	519

1. For a description of the changes in the international statistics tables, see *Federal Reserve Bulletin*, vol. 65, (July 1979), p. 550.
2. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.
3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4. Comprises Algeria, Gabon, Libya, and Nigeria.
5. Includes nonmonetary international and regional organizations.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

	Type of claim, and area or country	1991	1992	1993	1993		1994[r]			
					Sept.	Dec.[r]	Mar.	June	Sept.	Dec.[p]
1	**Total**	**45,262**	**45,073**	**47,643**	**46,030[r]**	**47,643**	**48,404**	**47,925**	**49,830**	**55,321**
2	Payable in dollars	42,564	42,281	44,318	42,342[r]	44,318	44,978	44,324	46,284	52,147
3	Payable in foreign currencies	2,698	2,792	3,325	3,688	3,325	3,426	3,601	3,546	3,174
	By type									
4	Financial claims	27,882	26,509	26,995	26,902	26,995	27,814	26,576	28,214	32,319
5	Deposits	20,080	17,695	15,795	14,509[r]	15,795	15,864	15,637	17,510	19,056
6	Payable in dollars	19,080	16,872	15,246	13,503	15,246	15,353	15,009	16,934	18,595
7	Payable in foreign currencies	1,000	823	549	1,006[r]	549	511	628	576	461
8	Other financial claims	7,802	8,814	11,200	12,393[r]	11,200	11,950	10,939	10,704	13,263
9	Payable in dollars	6,910	7,890	9,974	11,282	9,974	10,725	9,711	9,466	12,181
10	Payable in foreign currencies	892	924	1,226	1,111[r]	1,226	1,225	1,228	1,238	1,082
11	Commercial claims	17,380	18,564	20,648	19,128[r]	20,648	20,590	21,349	21,616	23,002
12	Trade receivables	14,468	16,007	17,647	16,150[r]	17,647	17,697	18,530	18,836	20,137
13	Advance payments and other claims	2,912	2,557	3,001	2,978	3,001	2,893	2,819	2,780	2,865
14	Payable in dollars	16,574	17,519	19,098	17,557[r]	19,098	18,900	19,604	19,884	21,371
15	Payable in foreign currencies	806	1,045	1,550	1,571	1,550	1,690	1,745	1,732	1,631
	By area or country									
	Financial claims									
16	Europe	13,441	9,331	7,187	8,376	7,187	7,118	6,564	8,060	7,684
17	Belgium and Luxembourg	13	8	134	70	134	125	83	114	86
18	France	269	764	785	708	785	753	859	825	782
19	Germany	283	326	526	362	526	466	459	413	540
20	Netherlands	334	515	502	485	502	503	472	503	429
21	Switzerland	581	490	515	512	515	520	495	747	523
22	United Kingdom	11,534	6,252	3,543	5,230	3,543	3,629	3,089	4,370	4,469
23	Canada	2,642	1,833	2,024	2,103	2,024	2,198	3,062	3,156	3,785
24	Latin America and Caribbean	10,717	13,893	15,639	12,965	15,639	15,497	14,279	14,363	18,320
25	Bahamas	827	778	1,006	980	1,006	1,157	1,193	1,006	2,235
26	Bermuda	8	40	125	197	125	34	39	52	27
27	Brazil	351	686	654	590	654	672	466	411	520
28	British West Indies	9,056	11,747	12,448	10,000	12,448	12,371	11,578	11,772	14,504
29	Mexico	212	445	868	882	868	850	614	655	605
30	Venezuela	40	29	161	25	161	26	33	32	35
31	Asia	640	864	1,591	2,754	1,591	2,522	2,210	2,152	1,813
32	Japan	350	668	853	2,213	853	1,655	1,349	662	909
33	Middle Eastern oil-exporting countries[2]	5	3	3	5	3	5	2	19	141
34	Africa	57	83	99	88	99	76	74	87	249
35	Oil-exporting countries[3]	1	9	1	1	1	0	1	1	0
36	All other[4]	385	505	455	616	455	403	387	396	468
	Commercial claims									
37	Europe	8,193	8,451	9,077	8,211[r]	9,077	8,734	8,904	8,768	9,557
38	Belgium and Luxembourg	194	189	184	163	184	176	179	174	216
39	France	1,585	1,537	1,947	1,438	1,947	1,827	1,778	1,766	1,885
40	Germany	955	933	1,018	935	1,018	944	937	880	1,046
41	Netherlands	645	552	422	410	422	354	293	329	313
42	Switzerland	295	362	429	377[r]	429	413	685	537	558
43	United Kingdom	2,086	2,094	2,369	2,288[r]	2,369	2,330	2,427	2,483	2,515
44	Canada	1,121	1,286	1,358	1,362[r]	1,358	1,451	1,466	1,501	1,548
45	Latin America and Caribbean	2,655	3,043	3,283	3,073[r]	3,283	3,569	3,901	3,965	4,130
46	Bahamas	13	28	11	20	11	13	18	34	9
47	Bermuda	264	255	182	225	182	222	295	246	234
48	Brazil	427	357	463	407	463	422	502	473	614
49	British West Indies	41	40	71	39	71	58	67	49	83
50	Mexico	842	924	994	866	994	1,013	1,047	1,133	1,241
51	Venezuela	203	345	295	287[r]	295	294	303	392	353
52	Asia	4,591	4,866	5,909	5,544[r]	5,909	5,852	6,145	6,425	6,724
53	Japan	1,899	1,903	2,173	2,519	2,173	2,353	2,359	2,448	2,496
54	Middle Eastern oil-exporting countries[2]	620	693	715	458[r]	715	667	615	615	698
55	Africa	430	554	521	501[r]	521	516	492	462	461
56	Oil-exporting countries[3]	95	78	85	107	85	102	90	68	76
57	Other[4]	390	364	500	437	500	468	441	495	582

1. For a description of the changes in the international statistics tables, see *Federal Reserve Bulletin*, vol. 65 (July 1979), p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction, and area or country	1993	1994[r]	1995 Jan.– Feb.	1994 Aug.[r]	1994 Sept.	1994 Oct.	1994 Nov.	1994 Dec.	1995 Jan.	1995 Feb.[p]
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	319,728	351,422	54,427	29,314	28,853[r]	27,796[r]	28,730	28,224	24,999	29,428
2 Foreign sales	298,145	349,737	55,578	26,401	30,435[r]	29,845[r]	27,658	30,161	25,893	29,685
3 Net purchases, or sales (−)	**21,583**	**1,685**	**−1,151**	**2,913**	**−1,582**	**−2,049[r]**	**1,072**	**−1,937**	**−894**	**−257**
4 Foreign countries	**21,311**	**1,675**	**−1,142**	**2,915**	**−1,596**	**−2,081[r]**	**1,049**	**−1,939**	**−930**	**−212**
5 Europe	10,665	6,190	−541	1,425	−1,198	−1,396[r]	216	−1,445	−516	−25
6 France	−103	−202	−282	−22	−63	−198	−25	−117	−255	−27
7 Germany	1,647	2,112	−212	73	−104	−158	−57	−159	−157	−55
8 Netherlands	−600	1,812	510	266	−134	316	264	211	278	232
9 Switzerland	2,986	−44	−467	136	−104	−655	−555	10	−389	−78
10 United Kingdom	4,560	664	187	867	−641	−559[r]	565	−1,256	253	−66
11 Canada	−3,213	−1,198	156	−366	57	−416	−116	157	129	27
12 Latin America and Caribbean	5,724	−1,794	1,757	989	−625	−516	673	−553	991	766
13 Middle East[1]	−328	−1,112	−155	−281	−431	−75	1	−85	−22	−133
14 Other Asia	8,198	−1,193	−2,320	1,031	589	335	273	−149	−1,469	−851
15 Japan	3,825	1,203	−1,401	1,132	761	251	272	−171	−860	−541
16 Africa	63	30	−36	0	10	12	−4	−25	−36	0
17 Other countries	202	752	−3	117	2	−25	6	161	−7	4
18 Nonmonetary international and regional organizations	**272**	**10**	**−9**	**−2**	**14**	**32**	**23**	**2**	**36**	**−45**
BONDS[2]										
19 Foreign purchases	283,946	288,804	42,171	22,963	18,981[r]	19,703[r]	22,213[r]	18,897[r]	19,267	22,904
20 Foreign sales	217,932	227,399	29,204	15,659	17,020[r]	16,173[r]	15,306	14,719	12,800	16,404
21 Net purchases, or sales (−)	**66,014**	**61,405**	**12,967**	**7,304**	**1,961[r]**	**3,530[r]**	**6,907[r]**	**4,178[r]**	**6,467**	**6,500**
22 Foreign countries	**65,476**	**60,520**	**12,817**	**7,371**	**1,994[r]**	**3,531[r]**	**6,923[r]**	**3,838[r]**	**6,263**	**6,554**
23 Europe	22,586	38,506	12,705	5,178	2,876[r]	3,294[r]	4,445[r]	2,583[r]	6,653	6,052
24 France	2,346	243	453	−18	−16	105	−106	4	157	296
25 Germany	885	629	2,042	34	−355	449	200	451	1,516	526
26 Netherlands	−290	3,220	−115	610	246[r]	17[r]	344	28	−241	126
27 Switzerland	−627	1,054	219	−8	292	4	489	13	−85	304
28 United Kingdom	19,686	33,304	10,221	4,522	2,197[r]	1,476[r]	3,587	1,916	5,406	4,815
29 Canada	1,668	3,063	420	519	194	460	201	462	245	175
30 Latin America and Caribbean	15,697	5,362	−1,135	−80	−1,852	−981	1,290	694	−655	−480
31 Middle East[1]	3,257	750	228	157	−76	56	−86	−176	59	169
32 Other Asia	20,846	12,108	567	1,558	807[r]	627[r]	1,079	251	−28	595
33 Japan	11,569	5,536	−264	763	340	375	445	−172	−396	132
34 Africa	1,149	44	4	18	2	20	−4	8	8	−4
35 Other countries	273	687	28	21	43	55	−2	16	−19	47
36 Nonmonetary international and regional organizations	**538**	**885**	**150**	**−67**	**−33[r]**	**−1**	**−16**	**340**	**204**	**−54**
	Foreign securities									
37 Stocks, net purchases, or sales (−)	−63,287	−48,419	−1,744	−4,618	515[r]	−4,504[r]	−2,556[r]	−2,179[r]	−210	−1,534
38 Foreign purchases	245,561	379,730	57,121	30,425	37,267[r]	29,845[r]	28,263	25,668	27,948	29,173
39 Foreign sales[3]	308,848	428,149	58,865	35,043	36,752[r]	34,349[r]	30,819[r]	27,847[r]	28,158	30,707
40 Bonds, net purchases, or sales (−)	−70,136	−6,670	−1,252	956	−534[r]	−5,083[r]	−2,198[r]	1,048[r]	1,261	−2,513
41 Foreign purchases	828,922	863,458	137,240	64,076	75,386[r]	66,415[r]	66,876[r]	68,792[r]	71,948	65,292
42 Foreign sales	899,058	870,128	138,492	63,120	75,920[r]	71,498[r]	69,074	67,744[r]	70,687	67,805
43 Net purchases, or sales (−), of stocks and bonds	**−133,423**	**−55,089**	**−2,996**	**−3,662**	**−19[r]**	**−9,587[r]**	**−4,754[r]**	**−1,131[r]**	**1,051**	**−4,047**
44 Foreign countries	**−133,584**	**−55,609**	**−2,896**	**−3,845**	**508[r]**	**−9,437[r]**	**−4,707[r]**	**−1,886[r]**	**987**	**−3,883**
45 Europe	−90,005	1,385	2,247	223	−2,491[r]	−5,476[r]	−914	−729[r]	3,419	−1,172
46 Canada	−14,997	−6,311	712	−636	891[r]	−814	−510[r]	1,629	−165	877
47 Latin America and Caribbean	−9,229	−22,270	−3,121	−2,403	4,792[r]	−1,481	−2,281	−570[r]	−436	−2,685
48 Asia	−15,300	−24,087	−2,833	−681	−1,905[r]	−1,495[r]	449[r]	−2,205[r]	−1,749	−1,084
49 Africa	−185	−474	−126	219	−22	−73	−267	−96	−2	−124
50 Other countries	−3,868	−3,852	225	−567	−757[r]	−98	−1,184	85	−80	305
51 Nonmonetary international and regional organizations	**161**	**520**	**−100**	**183**	**−527**	**−150**	**−47**	**755**	**64**	**−164**

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	1993	1994	1995	1994					1995	
			Jan.–Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[p]
1 **Total estimated**	**23,451**	**78,878**	**23,259**	**15,133**	**11,085**	**10,637**	**13,112**	**11,498**	**9,216**	**14,043**
2 Foreign countries	23,225	78,819	23,215	14,717	11,163	9,542	13,075	11,901	9,890	13,325
3 Europe	−2,403	39,214	16,177	8,248	3,922	−1,430	7,786	8,227	2,906	13,271
4 Belgium and Luxembourg	1,218	1,096	241	529	−15	32	25	433	134	107
5 Germany	−9,975	6,643	−483	1,795	−243	254	924	725	60	−543
6 Netherlands	−515	1,412	2,149	−15	−68	954	−2	156	2,388	−239
7 Sweden	1,421	794	62	−158	105	−37	211	61	−35	97
8 Switzerland	−1,501	395	331	−260	441	−718	−1,512	656	166	165
9 United Kingdom	6,167	23,436	10,735	5,336	3,522	−1,822	7,728	6,196	299	10,436
10 Other Europe and former U.S.S.R.	782	5,438	3,142	1,021	180	−93	412	0	−106	3,248
11 Canada	10,309	3,168	4,663	1,888	1,515	−420	−1,352	−557	3,177	1,486
12 Latin America and Caribbean	−4,572	−9,532	−2,632	−2,311	−666	6,680	713	984	636	−3,268
13 Venezuela	390	−270	118	−132	19	7	43	91	−211	329
14 Other Latin America and Caribbean	−5,806	−19,735	−297	3,171	1,487	−449	−2,086	80	3,028	−3,325
15 Netherlands Antilles	844	10,473	−2,453	−5,350	−2,172	7,122	2,756	813	−2,181	−272
16 Asia	20,581	46,298	5,260	5,987	6,761	4,436	4,942	3,642	3,567	1,693
17 Japan	17,070	29,584	5,760	3,681	3,210	2,190	4,551	2,067	3,444	2,316
18 Africa	1,156	240	40	80	200	135	−11	58	−9	49
19 Other	−1,846	−569	−293	825	−569	141	997	−453	−387	94
20 Nonmonetary international and regional organizations	226	59	44	416	−78	1,095	37	−403	−674	718
21 International	−279	186	−100	317	−65	1,074	73	−322	−708	608
22 Latin American regional	654	75	193	−4	−1	6	4	−3	−6	199
MEMO										
23 Foreign countries	23,225	78,819	23,215	14,717	11,163	9,542	13,075	11,901	9,890	13,325
24 Official institutions	1,322	41,525	3,809	9,246	4,688	2,891	2,666	582	1,747	2,062
25 Other foreign[2]	21,903	37,294	19,406	5,471	6,475	6,651	10,409	11,319	8,143	11,263
Oil-exporting countries										
26 Middle East[2]	−8,836	22	−449	621	3	445	623	−405	−360	−89
27 Africa[3]	−5	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.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS[1]

Percent per year, averages of daily figures

Country	Rate on Apr. 30, 1995		Country	Rate on Apr. 30, 1995		Country	Rate on Apr. 30, 1995	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	4.0	Mar. 1995	Germany	4.0	Mar. 1995	Norway	4.75	Feb. 1994
Belgium	4.0	Mar. 1995	Italy	8.25	Feb. 1995	Switzerland	3.0	Mar. 1995
Canada	8.17	Apr. 1995	Japan	1.0	Apr. 1995	United Kingdom	12.0	Sept. 1992
Denmark	6.0	Mar. 1995	Netherlands	4.0	Mar. 1995			
France[2]	5.0	July 1994						

1. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper or government securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood that the central bank transacts the largest proportion of its credit operations.

2. Since February 1981, the rate has been that at which the Bank of France discounts Treasury bills for seven to ten days.

3.27 FOREIGN SHORT-TERM INTEREST RATES[1]

Percent per year, averages of daily figures

Type or country	1992	1993	1994	1994			1995			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 Eurodollars	3.70	3.18	4.63	5.52	5.78	6.27	6.23	6.14	6.15	6.13
2 United Kingdom	9.56	5.88	5.45	5.83	5.98	6.30	6.50	6.68	6.61	6.64
3 Canada	6.76	5.14	5.57	5.56	5.77	6.75	7.86	8.14	8.32	8.16
4 Germany	9.42	7.17	5.25	5.12	5.10	5.29	5.04	5.00	4.96	4.58
5 Switzerland	7.67	4.79	4.03	4.02	3.86	4.07	3.95	3.77	3.62	3.33
6 Netherlands	9.25	6.73	5.09	5.12	5.15	5.35	5.09	5.03	5.03	4.60
7 France	10.14	8.30	5.72	5.52	5.49	5.82	5.76	5.70	7.77	7.60
8 Italy	13.91	10.09	8.45	8.80	8.72	8.98	9.10	9.07	10.98	10.94
9 Belgium	9.31	8.10	5.65	5.15	5.09	5.42	5.29	5.33	6.21	5.22
10 Japan	4.39	2.96	2.24	2.33	2.33	2.34	2.31	2.27	2.11	1.55

1. Rates are for three-month interbank loans, with the following exceptions: Canada, finance company paper; Belgium, three-month Treasury bills; and Japan, CD rate.

3.28 FOREIGN EXCHANGE RATES[1]

Currency units per dollar except as noted

Country/currency unit	1992	1993	1994	1994		1995			
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 Australia/dollar[2]	73.521	67.993	73.161	75.492	77.389	76.469	74.473	73.452	73.564
2 Austria/schilling	10.992	11.639	11.409	10.838	11.063	10.769	10.573	9.898	9.720
3 Belgium/franc	32.148	34.581	33.426	31.694	32.329	31.542	30.908	29.035	28.419
4 Canada/dollar	1.2085	1.2902	1.3664	1.3647	1.3893	1.4132	1.4005	1.4077	1.3762
5 China, P.R./yuan	5.5206	5.7795	8.6404	8.5370	8.5119	8.4608	8.4553	8.4483	8.4421
6 Denmark/krone	6.0372	6.4863	6.3561	6.0268	6.1614	6.0311	5.9302	5.6281	5.4391
7 Finland/markka	4.4865	5.7251	5.2340	4.7388	4.8590	4.7506	4.6547	4.3967	4.2884
8 France/franc	5.2935	5.6669	5.5459	5.2867	5.4132	5.2912	5.2252	4.9756	4.8503
9 Germany/deutsche mark	1.5618	1.6545	1.6216	1.5396	1.5716	1.5302	1.5022	1.4061	1.3812
10 Greece/drachma	190.81	229.64	242.50	237.38	242.96	238.21	236.17	228.53	225.19
11 Hong Kong/dollar	7.7402	7.7357	7.7290	7.7306	7.7379	7.7439	7.7314	7.7318	7.7336
12 India/rupee	28.156	31.291	31.394	31.394	31.389	31.374	31.380	31.587	31.407
13 Ireland/pound[2]	170.42	146.47	149.69	156.39	153.36	155.67	156.20	159.76	162.80
14 Italy/lira	1,232.17	1,573.41	1,611.49	1,583.81	1,633.71	1,611.53	1,620.58	1,688.99	1,710.89
15 Japan/yen	126.78	111.08	102.18	98.04	100.18	99.77	98.24	90.52	83.69
16 Malaysia/ringgit	2.5463	2.5738	2.6237	2.5604	2.5626	2.5556	2.5526	2.5464	2.4787
17 Netherlands/guilder	1.7587	1.8585	1.8190	1.7261	1.7601	1.7159	1.6844	1.5774	1.5474
18 New Zealand/dollar[2]	53.792	54.127	59.358	62.093	63.726	64.018	63.448	64.598	66.723
19 Norway/krone	6.2142	7.1009	7.0553	6.7297	6.8561	6.6968	6.5974	6.2730	6.2050
20 Portugal/escudo	135.07	161.08	165.93	157.27	161.21	157.86	155.36	147.92	145.89
21 Singapore/dollar	1.6294	1.6158	1.5275	1.4682	1.4657	1.4532	1.4541	1.4216	1.3986
22 South Africa/rand	2.8524	3.2729	3.5526	3.5256	3.5614	3.5404	3.5629	3.6013	3.6035
23 South Korea/won	784.66	805.75	806.93	799.46	794.81	793.08	793.19	781.81	770.61
24 Spain/peseta	102.38	127.48	133.88	128.34	132.31	132.62	130.52	128.58	124.14
25 Sri Lanka/rupee	44.013	48.211	49.170	49.163	49.531	49.870	49.895	49.627	49.371
26 Sweden/krona	5.8258	7.7956	7.7161	7.3637	7.5161	7.4775	7.3914	7.2787	7.3455
27 Switzerland/franc	1.4064	1.4781	1.3667	1.2956	1.3289	1.2863	1.2715	1.1709	1.1384
28 Taiwan/dollar	25.160	26.416	26.465	26.188	26.381	26.300	26.339	26.102	25.491
29 Thailand/baht	25.411	25.333	25.161	24.992	25.109	25.133	25.020	24.760	24.572
30 United Kingdom/pound[2]	176.63	150.16	153.19	158.92	155.87	157.46	157.20	160.02	160.73
MEMO									
31 United States/dollar[3]	86.61	93.18	91.32	87.71	89.64	88.30	87.29	83.69	81.81

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. Value in U.S. cents.
3. Index of weighted-average exchange value of U.S. dollar against the currencies of ten industrial countries. The weight for each of the ten countries is the 1972–76 average world trade of that country divided by the average world trade of all ten countries combined. Series revised as of August 1978 (see *Federal Reserve Bulletin*, vol. 64 (August 1978), p. 700).

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INDUSTRIAL PRODUCTION—1986 EDITION. December 1986. 440 pp. $9.00 each.

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Short pamphlets suitable for classroom use. Multiple copies are available without charge.

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Studies and papers on economic and financial subjects that are of general interest. Requests to obtain single copies of the full text or to be added to the mailing list for the series may be sent to Publications Services.

Staff Studies 1–157 are out of print.

158. THE ADEQUACY AND CONSISTENCY OF MARGIN REQUIREMENTS IN THE MARKETS FOR STOCKS AND DERIVATIVE PRODUCTS, by Mark J. Warshawsky with the assistance of Dietrich Earnhart. September 1989. 23 pp.
159. NEW DATA ON THE PERFORMANCE OF NONBANK SUBSIDIARIES OF BANK HOLDING COMPANIES, by Nellie Liang and Donald Savage. February 1990. 12 pp.
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166. THE ECONOMICS OF THE PRIVATE PLACEMENT MARKET, by Mark Carey, Stephen Prowse, John Rea, and Gregory Udell. January 1994. 111 pp.
167. A SUMMARY OF MERGER PERFORMANCE STUDIES IN BANKING, 1980–93, AND AN ASSESSMENT OF THE "OPERATING PERFORMANCE" AND "EVENT STUDY" METHODOLOGIES, by Stephen A. Rhoades. July 1994. 37 pp.

Anticipated Schedule of Release Dates for Periodic Releases—Board of Governors of the Federal Reserve System (Payment must accompany requests)

Weekly Releases [1]	*Annual rate*	*Approximate release days* [2]	*Date of period to which data refer*
☐ Aggregate Reserves of Depository Institutions and the Monetary Base. H.3 (502) [1.20]	$20.00	Thursday	Week ended previous Wednesday
☐ Actions of the Board: Applications and Reports Received. H.2 (501)	$55.00	Friday	Week ended previous Saturday
☐ Assets and Liabilities of Commercial Banks in the United States. H.8 (510) [1.26]	$30.00	Friday	Week ended previous Wednesday
☐ Factors Affecting Reserves of Depository Institutions and Condition Statement of Federal Reserve Banks. H.4.1 (503) [1.11, 1.18]	$20.00	Thursday	Week ended previous Wednesday
☐ Foreign Exchange Rates. H.10 (512) [3.28]	$20.00	Monday	Week ended previous Friday
☐ Money Stock, Liquid Assets, and Debt Measures. H.6 (508) [1.21]	$35.00	Thursday	Week ended Monday of previous week
☐ Selected Borrowings in Immediately Available Funds of Large Commercial Banks. H.5 (507) [1.13]	$20.00	Wednesday	Week ended Thursday of previous week
☐ Selected Interest Rates. H.15 (519) [1.35]	$20.00	Monday	Week ended previous Saturday
☐ Weekly Consolidated Condition Report of Large Commercial Banks in the United States. H.4.2 (504) [1.26, 1.27, 1.28]	$20.00	Friday	Wednesday, one week earlier

Monthly Releases [1]			
☐ Consumer Installment Credit. G.19 (421) [1.55, 1.56]	$ 5.00	Fifth working day of month	Second month previous
☐ Debits and Deposit Turnover at Commercial Banks. G.6 (406) [1.23]	$ 5.00	Twelfth of month	Previous month
☐ Finance Companies. G.20 (422) [1.51, 1.52]	$ 5.00	Fifth working day of month	Second month previous
☐ Foreign Exchange Rates. G.5 (405) [3.28]	$ 5.00	First of month	Previous month
☐ Industrial Production and Capacity Utilization. G.17 (419) [2.12, 2.13]	$15.00	Midmonth	Previous month
☐ Research Library—Recent Acquisitions. G.15 (417)	Free of charge	First of month	Previous month
☐ Selected Interest Rates. G.13 (415) [1.35]	$ 5.00	First Tuesday of month	Previous month

1. The data in some releases are also reported in the *Bulletin* statistical appendix, and the *Bulletin* table numbers are shown in brackets.
2. 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.

Quarterly Releases[1]	Annual rate	Approximate release days[2]	Date of period to which data refer
☐ Agricultural Finance Databook. E.15 (125)	$ 5.00	End of March, June, September, and December	January, April, July, and October
☐ Country Exposure Lending Survey. E.16 (126)	$ 5.00	January, April, July, and October	Previous quarter
☐ Flow of Funds Accounts: Seasonally Adjusted and Unadjusted. Z.1 (780) [1.57, 1.58]	$25.00	23rd of February, May, August, and November	Previous quarter
☐ Flow of Funds Summary Statistics. Z.7 (788) [1.59, 1.60]	$ 5.00	15th of February, May, August, and November	Previous quarter
☐ Geographical Distribution of Assets and Liabilities of Major Foreign Branches of U.S. Banks. E.11 (121)	$ 5.00	15th of March, June, September, and December	Previous quarter
☐ Survey of Terms of Bank Lending to Business. E.2 (111) [4.23]	$ 5.00	Midmonth of March, June, September, and December	February, May, August, and November
☐ List of OTC Margin Stocks. E.7 (117)	Free of charge	January, April, July, and October	February, May, August, and November

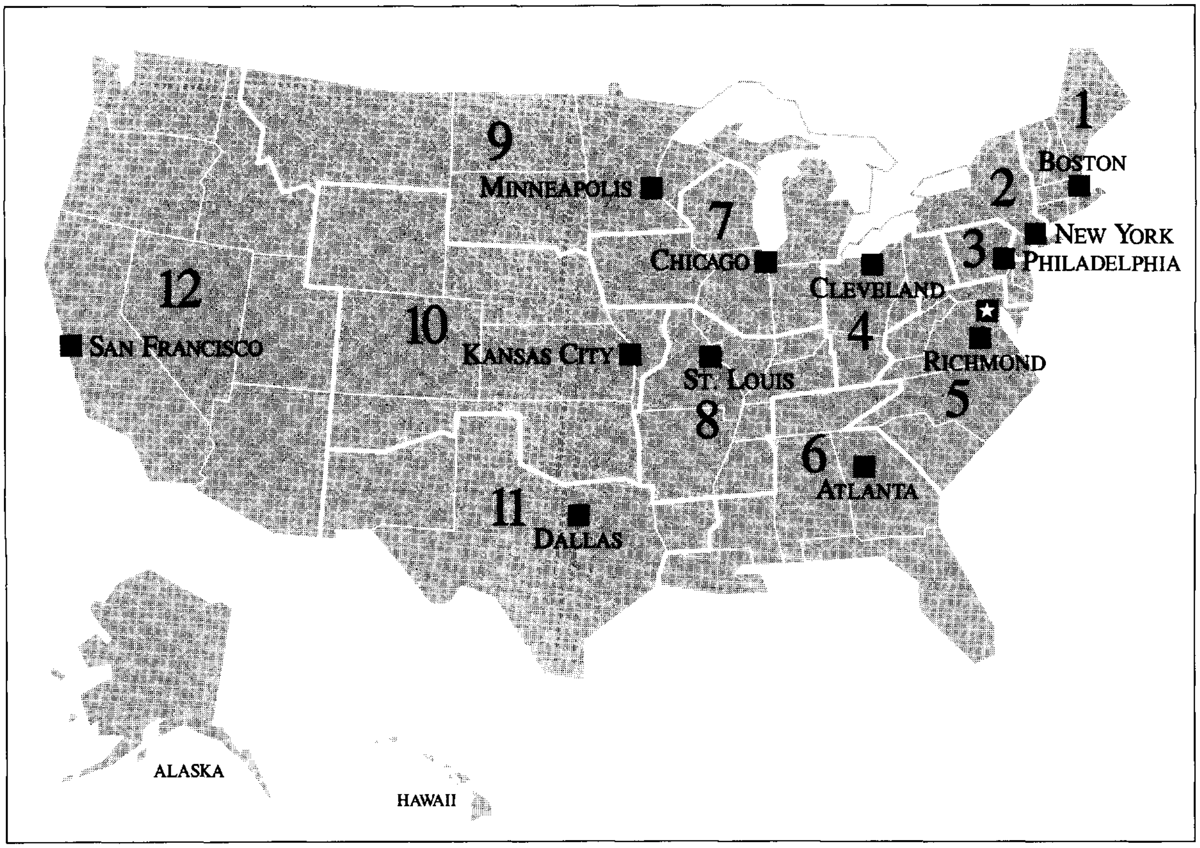
Semiannual Releases

☐ Balance Sheets for the U.S. Economy. C.9 (108)	$ 5.00	October and April	Previous year

Annual Releases

☐ Aggregate Summaries of Annual Surveys of Securities Credit Extension. C.2 (101)	$ 5.00	February	End of previous June

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

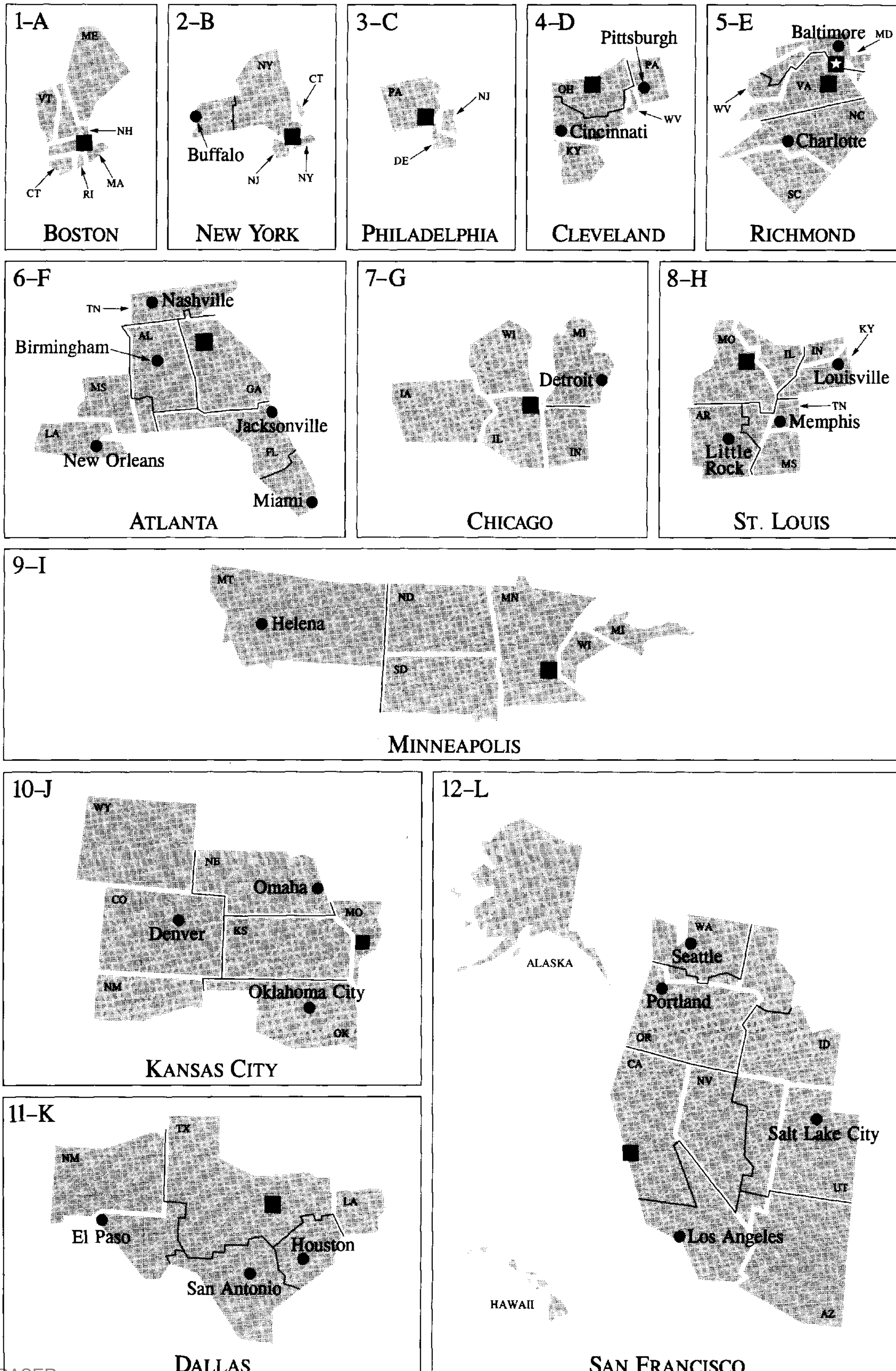
- • Federal Reserve Branch city
- — Branch boundary

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 December 1991.


1–A
ME
VT
NH
CT
RI
MA
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
Birmingham
AL
MS
GA
Jacksonville
LA
New Orleans
FL
Miami
ATLANTA
7–G
WI
MI
Detroit
IA
IL
IN
CHICAGO
8–H
MO
KY
IL
IN
Louisville
TN
AR
Memphis
Little Rock
MS
ST. LOUIS
9–I
MT
ND
MN
Helena
MI
WI
SD
MINNEAPOLIS
10–J
WY
NE
Omaha
CO
MO
Denver
KS
NM
Oklahoma City
OK
KANSAS CITY
11–K
TX
NM
LA
El Paso
Houston
San Antonio
DALLAS
12–L
ALASKA
WA
Seattle
Portland
OR
ID
CA
NV
Salt Lake City
UT
Los Angeles
HAWAII
AZ
SAN FRANCISCO

Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK branch, or *facility*	Zip	Chairman / Deputy Chairman	President / First Vice President	Vice President in charge of branch
BOSTON*	02106	Jerome H. Grossman	Cathy E. Minehan	
		William C. Brainard	Paul M. Connolly	
NEW YORK*	10045	Maurice R. Greenberg	William J. McDonough	
		David A. Hamburg	Ernest T. Patrikis	
Buffalo	14240	Joseph J. Castiglia		Carl W. Turnipseed[1]
PHILADELPHIA	19105	James M. Mead	Edward G. Boehne	
		Donald J. Kennedy	William H. Stone, Jr.	
CLEVELAND*	44101	A. William Reynolds	Jerry L. Jordan	
		G. Watts Humphrey, Jr.	Sandra Pianalto	
Cincinnati	45201	John N. Taylor, Jr.		Charles A. Cerino[1]
Pittsburgh	15230	Robert P. Bozzone		Harold J. Swart[1]
RICHMOND*	23219	Henry J. Faison	J. Alfred Broaddus, Jr.	
		Claudine B. Malone	Walter A. Varvel	
Baltimore	21203	Michael R. Watson		Ronald B. Duncan[1]
Charlotte	28230	James O. Roberson		Dan M. Bechter[1]
Culpeper	22701			Julius Malinowski, Jr.[2]
ATLANTA	30303	Leo Benatar	Robert P. Forrestal	
		Hugh M. Brown	Jack Guynn	Donald E. Nelson[1]
Birmingham	35283	Patricia B. Compton		Fred R. Herr[1]
Jacksonville	32231	Lana Jane Lewis-Brent		James D. Hawkins[1]
Miami	33152	Michael T. Wilson		James T. Curry III
Nashville	37203	James E. Dalton, Jr.		Melvyn K. Purcell
New Orleans	70161	Jo Ann Slaydon		Robert J. Musso
CHICAGO*	60690	Robert M. Healey	Michael H. Moskow	
		Richard G. Cline	William C. Conrad	
Detroit	48231	John D. Forsyth		Roby L. Sloan[1]
ST. LOUIS	63166	Robert H. Quenon	Thomas C. Melzer	
		John F. McDonnell	James R. Bowen	
Little Rock	72203	Janet M. Jones		Karl W. Ashman
Louisville	40232	Daniel L. Ash		Howard Wells
Memphis	38101	Woods E. Eastland		John P. Baumgartner
MINNEAPOLIS	55480	Gerald A. Rauenhorst	Gary H. Stern	
		Jean D. Kinsey	Colleen K. Strand	
Helena	59601	Matthew J. Quinn		John D. Johnson
KANSAS CITY	64198	Herman Cain	Thomas M. Hoenig	
		A. Drue Jennings	Richard K. Rasdall	
Denver	80217	Sandra K. Woods		Kent M. Scott[1]
Oklahoma City	73125	Ernest L. Holloway		Mark L. Mullinix
Omaha	68102	Sheila Griffin		Harold L. Shewmaker
DALLAS	75201	Cece Smith	Robert D. McTeer, Jr.	
		Roger R. Hemminghaus	Tony J. Salvaggio	
El Paso	79999	W. Thomas Beard III		Sammie C. Clay
Houston	77252	Isaac H. Kempner III		Robert Smith, III[1]
San Antonio	78295	Carol L. Thompson		James L. Stull[1]
SAN FRANCISCO	94120	Judith M. Runstad	Robert T. Parry	
		James A. Vohs	Patrick K. Barron	
Los Angeles	90051	Anita E. Landecker		John F. Moore[1]
Portland	97208	Ross R. Runkel		Raymond H. Laurence
Salt Lake City	84125	Gerald R. Sherratt		Andrea P. Wolcott
Seattle	98124	George F. Russell, Jr.		Gordon Werkema[1]

*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; East Rutherford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

1. Senior Vice President.
2. Assistant Vice President.