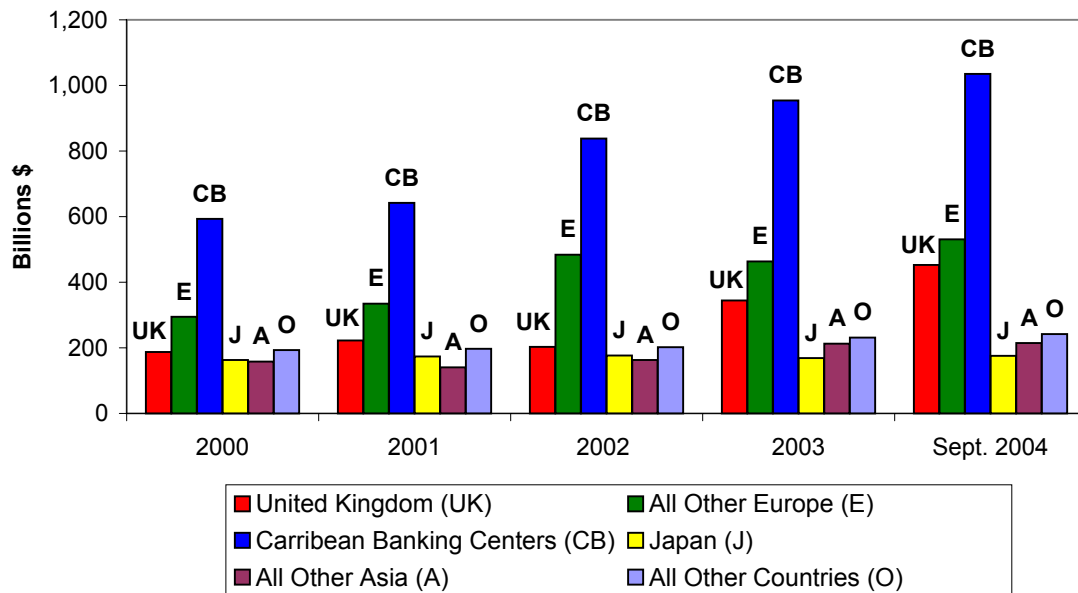


**Chart CM-A -- U.S. Liabilities to Foreigners Reported by U.S. Banks,
Brokers and Dealers with Respect to Selected Countries**



(In millions of dollars. Source: Treasury International Capital Reporting System)

| Country | 2000 | 2001 | 2002 | 2003 | Sept. 2004 |
|-----------------------------|-----------|-----------|-----------|-----------|------------|
| United Kingdom..... | 187,145 | 222,032 | 203,237 | 344,189 | 452,208 |
| All other Europe..... | 294,716 | 334,586 | 483,421 | 463,853 | 531,205 |
| Caribbean banking ctrs\1 \2 | 593,499 | 641,952 | 837,771 | 953,896 | 1,034,956 |
| Japan..... | 162,449 | 173,640 | 176,331 | 168,469 | 175,667 |
| All other Asia..... | 158,524 | 140,329 | 162,938 | 212,862 | 214,473 |
| Subtotal..... | 1,396,333 | 1,512,539 | 1,863,698 | 2,143,269 | 2,408,509 |
| All other countries..... | 192,856 | 197,241 | 202,433 | 231,662 | 242,409 |
| Grand total..... | 1,589,189 | 1,709,780 | 2,066,131 | 2,374,931 | 2,650,918 |

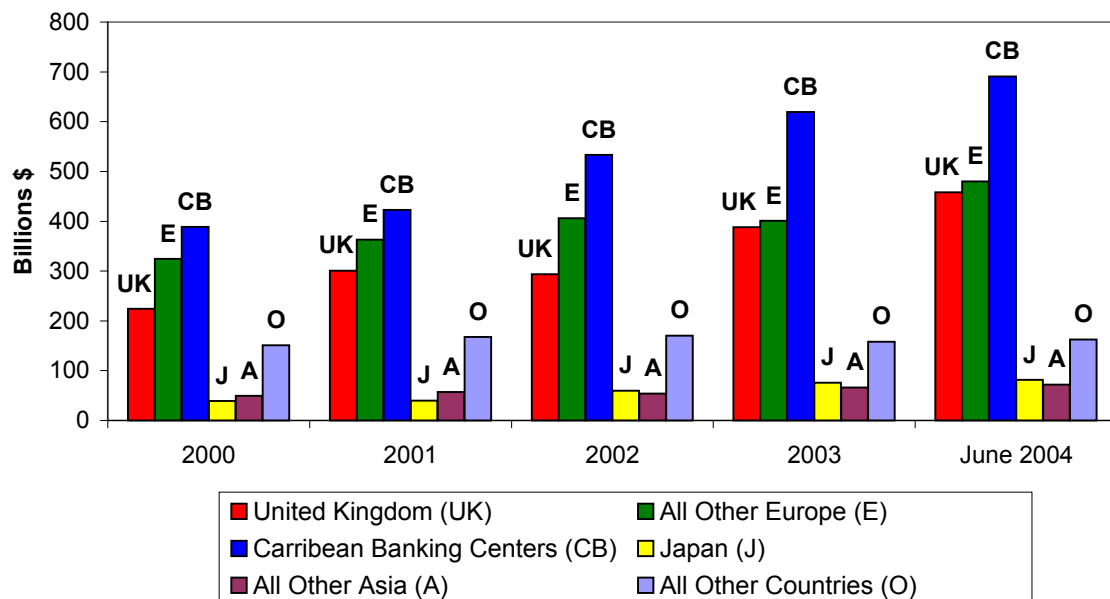
\1 Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama.

\2 Beginning January 2001, Cayman Islands replaced British West Indies in reporting format.

U.S. banking liabilities to foreigners, excluding long-term securities, were recorded at about \$2.7 trillion in September 2004, an increase of about \$276 billion from yearend 2003. U.S. banking liabilities increased about \$309 billion in 2003. Much of the increase in liabilities to foreigners in 2003 reflects changes to the reporting scope of the TIC reporting system effective February 2003. Between March and December of 2003, when data are reported on a consistent basis, banking liabilities increased about \$127 billion.

U.S. banking liabilities are concentrated in international financial centers. The data on this page show that more than half of U.S. banking liabilities is currently recorded against the United Kingdom and banking centers in the Caribbean. These financial centers have recorded most of the growth in banking liabilities in recent years, and also recorded most of the reported increase in liabilities in 2003. Foreigners domiciled in the rest of Europe and in Asia account for about 35 percent of U.S. banking liabilities.

**Chart CM-B -- U.S. Claims on Foreigners Reported by U.S. Banks,
Brokers and Dealers with Respect to Selected Countries**



(In millions of dollars. Source: Treasury International Capital Reporting System)

| Country | 2000 | 2001 | 2002 | 2003 | June 2004 |
|--|-----------|-----------|-----------|-----------|-----------|
| United Kingdom..... | 223,976 | 300,665 | 293,642 | 388,141 | 457,905 |
| All other Europe..... | 324,734 | 362,960 | 406,139 | 400,970 | 479,707 |
| Caribbean banking ctrs ¹ ² ... | 388,987 | 422,615 | 533,194 | 619,533 | 690,481 |
| Japan..... | 39,179 | 40,047 | 59,792 | 75,607 | 81,658 |
| All other Asia..... | 49,440 | 57,326 | 53,952 | 65,868 | 72,261 |
| Subtotal..... | 1,026,316 | 1,183,613 | 1,346,719 | 1,550,119 | 1,782,012 |
| All other countries..... | 150,876 | 167,986 | 170,023 | 158,254 | 162,777 |
| Grand total..... | 1,177,192 | 1,351,599 | 1,516,742 | 1,708,373 | 1,944,789 |

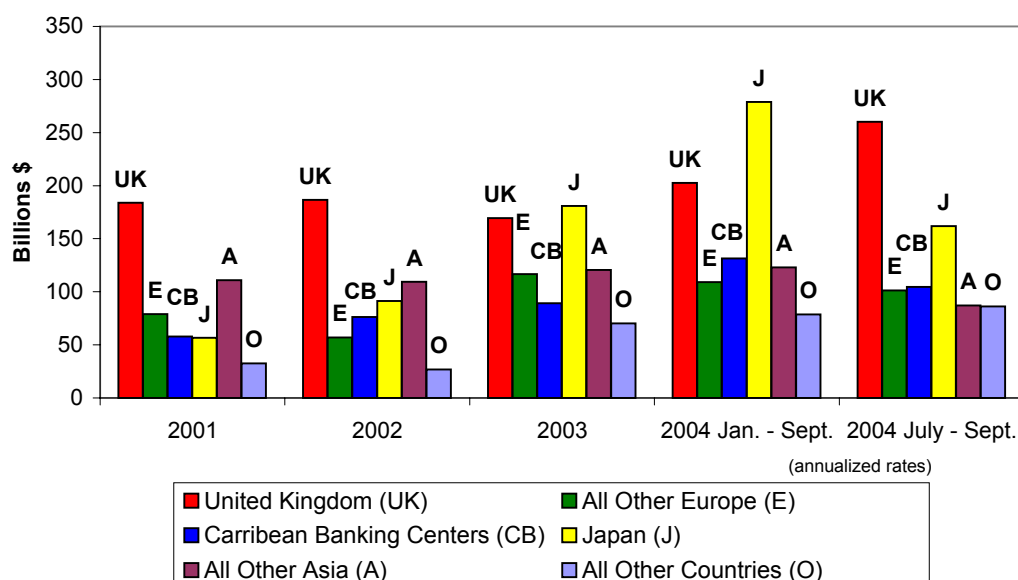
¹ Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama.

² Beginning January 2001, Cayman Islands replaced British West Indies in reporting format.

In June 2004, U.S. banking claims, excluding long-term securities, amounted to about \$1.9 trillion, an increase of about \$236 billion from yearend 2003. U.S. banking claims increased \$192 billion in 2003. In large part, the increase in claims in 2003 reflects changes to the reporting scope of the TIC reporting system effective February 2003. Between March and December of 2003, when data are reported on a consistent basis, banking claims increased \$11 billion.

As with U.S. banking liabilities, U.S. banking claims on foreigners are concentrated in international financial centers. About 60 percent of these claims are reported opposite the United Kingdom and banking centers in the Caribbean. These financial centers also accounted for most of the increase in U.S. banking claims in 2003. The share of claims against foreigners domiciled in Asia has declined over the past several years from about 20 percent at the end of 1996 to less than 10 percent currently.

Chart CM-C -- Net Purchases of Long-Term Domestic Securities by Foreigners, Selected Countries



(In millions of dollars. Source: Treasury International Capital Reporting System)

| Country | 2001 | 2002 | 2003 | 2004 Jan. - Sept. | 2004 July - Sept. |
|-------------------------------|---------|---------|---------|----------------------|----------------------|
| United Kingdom..... | 183,986 | 186,691 | 169,468 | 151,994 | 65,076 |
| All other Europe..... | 78,921 | 57,064 | 116,522 | 81,750 | 25,306 |
| Caribbean banking ctrs\1 \2.. | 57,817 | 76,144 | 89,322 | 98,619 | 26,118 |
| Japan..... | 56,589 | 91,412 | 180,901 | 209,062 | 40,488 |
| All other Asia..... | 110,995 | 109,314 | 120,634 | 92,260 | 21,810 |
| Subtotal..... | 488,308 | 520,625 | 676,847 | 633,685 | 178,798 |
| All other countries..... | 32,541 | 26,940 | 70,251 | 58,963 | 21,575 |
| Grand total..... | 520,849 | 547,565 | 747,098 | 692,648 | 200,373 |

\1 Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama.

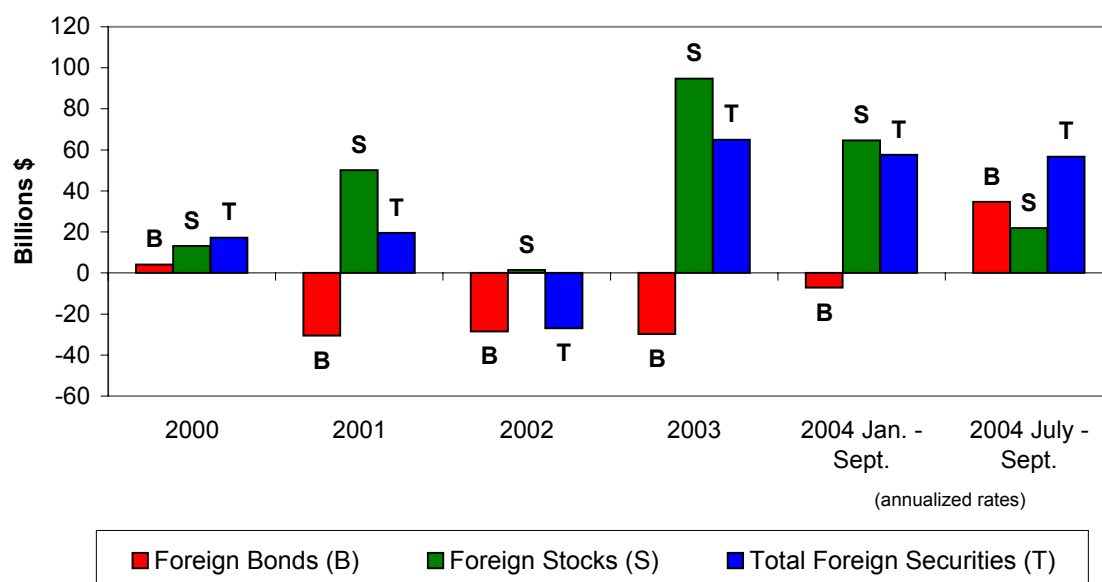
\2 Beginning January 2001, Cayman Islands replaced British West Indies in reporting format.

The data on this page represent foreign investors' purchases and sales of long-term U.S. securities (that is, U.S. Treasury and Government agency bonds and notes, and U.S. corporate bonds and stocks) as reported to the Treasury International Capital (TIC) reporting system. Foreign investors also acquired U.S. equities through mergers that involve stock swaps. Net foreign acquisitions of U.S. equities through stock swaps have been modest, amounting to \$7 billion in both 2001 and 2002, \$2 billion in 2003, and \$14 billion in the first three quarters of 2004. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.) These stock swaps are not reported under the TIC reporting system, but are now available on the TIC web site.

The data present aggregate net purchases for 2001 through the third quarter of 2004. The figures show that foreigners' annual net purchases (gross purchases minus gross sales) of U.S. securities have maintained an extremely high level since 2001.

Annual net foreign purchases of U.S. securities first surpassed \$100 billion in 1993. In 2003, net acquisitions (including stock swaps) of U.S. securities totaled a record \$749 billion. Net acquisitions in the first three quarters of 2004 were even stronger at \$707 billion.

Chart CM-D -- Net Purchases of Long-Term Foreign Securities by U.S. Investors*



(In millions of dollars. Source: Treasury International Capital Reporting System)

| Type | 2000 | 2001 | 2002 | 2003 | 2004 Jan. - Sept. | 2004 July - Sept. |
|---------------------|--------|---------|---------|---------|----------------------|----------------------|
| Foreign Bonds..... | 4,054 | -30,502 | -28,492 | -22,338 | -5,349 | 8,674 |
| Foreign Stocks..... | 13,088 | 50,113 | 1,493 | 71,005 | 48,503 | 5,480 |
| Total..... | 17,142 | 19,611 | -26,999 | 48,667 | 43,154 | 14,154 |

* Net purchases by U.S. investors equal net sales by foreigners, or gross sales minus gross purchases of securities.

The data on this page represent U.S. investors' purchases and sales of long-term foreign securities as reported to the Treasury International Capital (TIC) reporting system. However, in the past several years, U.S. investors also have acquired a substantial amount of foreign stocks, mostly European, through mergers that involve stock swaps. Net acquisitions through stock swaps amounted to \$80 billion in 2000, \$47 billion in 2001, \$3 billion in 2002, \$17 billion in 2003, and \$14 billion in the first three quarters of 2004. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.) These stock swaps are not reported under the TIC reporting system, but are now available on the TIC web site.

Including the stock swaps, annual U.S. net purchases of long-term foreign securities averaged about \$100 billion from the mid-1990s through 2000, without much variation from year to year. Since then, however, U.S. investors' acquisitions of foreign securities (including stock swaps) have been more modest, with acquisitions of \$67 billion in 2001, net sales of \$24 billion in 2002, and acquisitions of \$66 billion in 2003. In the first three quarters of 2004, acquisitions amounted to \$57 billion.