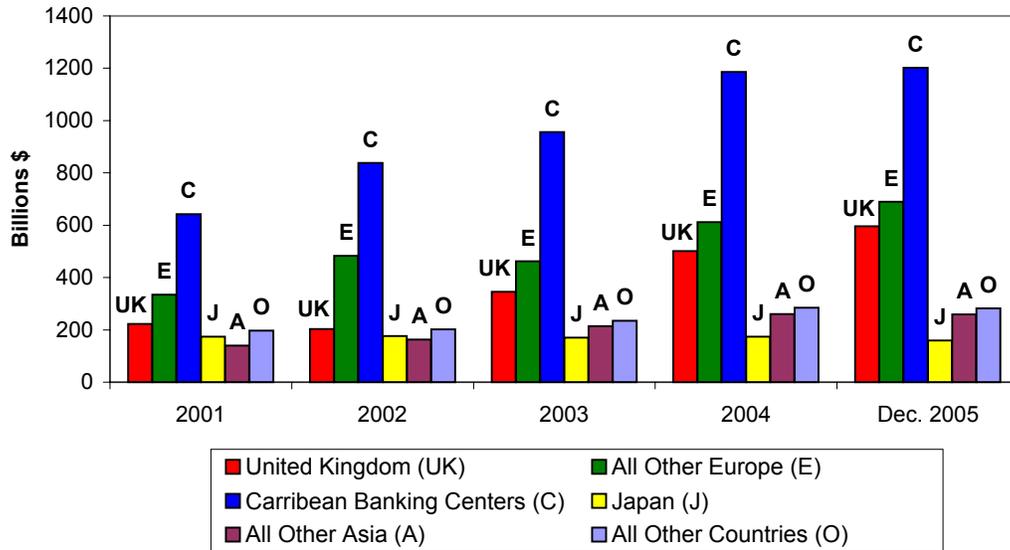


**Chart CM-A -- U.S. Liabilities to Foreigners Reported by U.S. Banks, Brokers and Dealers with Respect to Selected Countries**



Country	2001	2002	2003	2004	Dec. 2005
United Kingdom.....	222,032	203,237	345,235	501,721	595,863
All other Europe.....	334,586	483,421	462,334	611,774	690,132
Caribbean banking ctrs\1 \2	641,952	837,771	955,536	1,186,221	1,202,192
Japan.....	173,640	176,331	170,315	173,872	159,212
All other Asia.....	140,329	162,938	214,276	260,142	258,807
Subtotal.....	1,512,539	1,863,698	2,147,696	2,733,730	2,906,206
All other countries.....	197,241	202,433	234,774	284,143	282,485
Grand total.....	1,709,780	2,066,131	2,382,470	3,017,873	3,188,691

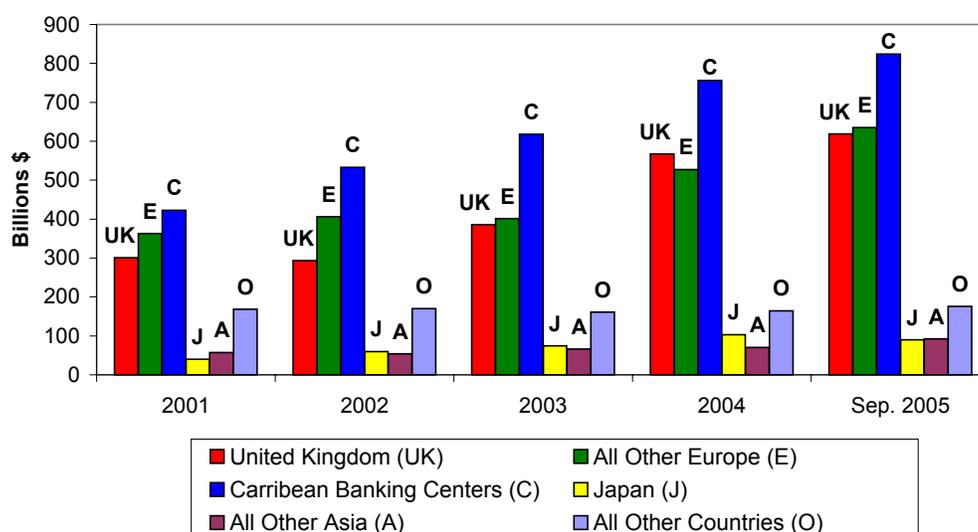
\1 Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama.

\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 \$3.2 trillion in December 2005, an increase of \$171 billion from yearend 2004. U.S. banking liabilities increased about \$635 billion in 2004 and about \$316 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 \$136 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. Foreigners domiciled in the rest of Europe and in Asia account for about one-third 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	2001	2002	2003	2004	Sep. 2005
United Kingdom.....	300,665	293,642	385,701	567,001	618,968
All other Europe.....	362,960	406,139	401,355	527,615	635,416
Caribbean banking ctrs\1 \2	422,615	533,194	618,367	755,954	824,345
Japan.....	40,047	59,792	74,174	102,859	89,766
All other Asia.....	57,326	53,952	65,922	70,601	92,394
Subtotal.....	1,183,613	1,346,719	1,545,519	2,024,030	2,260,889
All other countries.....	167,986	170,023	160,919	164,411	175,483
Grand total.....	1,351,599	1,516,742	1,706,438	2,188,441	2,436,372

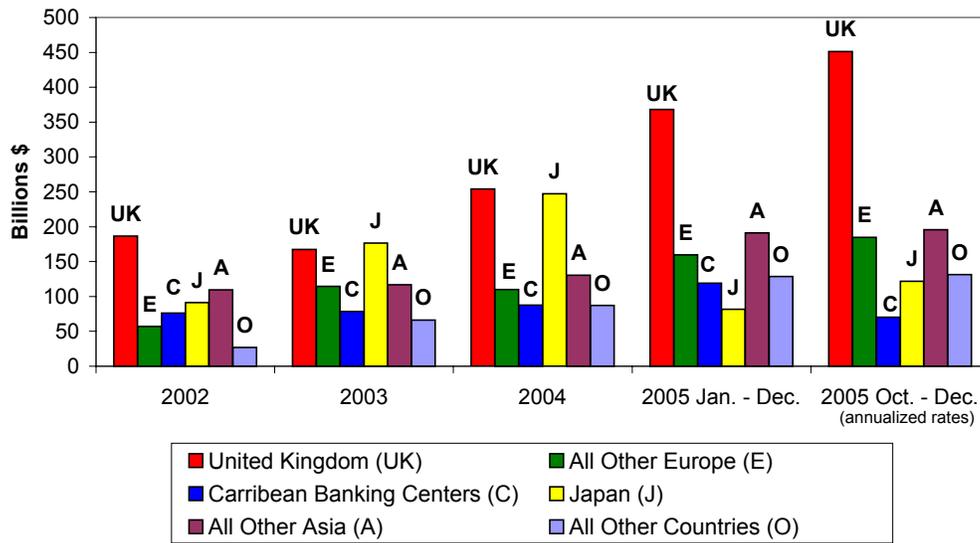
\1 Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama.

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

In September 2005, U.S. banking claims on foreigners, excluding long-term securities, amounted to about \$2.4 trillion, an increase of \$248 billion from the level recorded at yearend 2004. U.S. banking claims increased \$482 billion in 2004 and \$190 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 \$18 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. 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**



Country	2002	2003	2004	2005 Jan. - Dec.	2005 Oct. - Dec.
United Kingdom.....	186,691	167,329	254,112	368,040	112,789
All other Europe.....	57,064	114,433	110,153	159,701	46,140
Caribbean banking ctrs\1 \2..	76,144	78,538	87,638	119,047	17,618
Japan.....	91,412	176,587	247,114	81,602	30,413
All other Asia.....	109,314	116,980	130,399	191,282	48,929
Subtotal.....	520,625	653,867	829,416	919,672	255,889
All other countries.....	26,940	65,993	87,040	128,804	32,813
Grand total.....	547,565	719,860	916,456	1,048,476	288,702

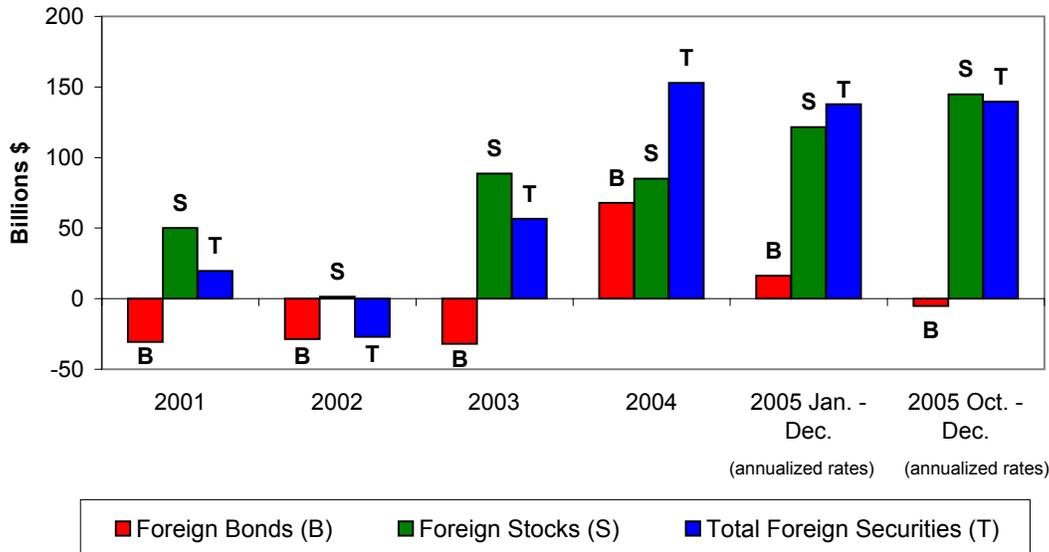
\1 Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama.

\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 and reincorporations that involve stock swaps. Net foreign acquisitions of U.S. equities through stock swaps have been modest, amounting to about \$7 billion in both 2001 and 2002, \$2 billion in 2003, \$36 billion in 2004, and \$6 billion in 2005. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.) These stock swaps and certain other adjustments for principal repayment flows of asset-backed securities are not reported under the TIC reporting system, but are now available on the TIC web site.

Annual net foreign purchases of U.S. securities first surpassed \$100 billion in 1993. In 2004, net foreign acquisitions (including stock swaps) of U.S. securities totaled a record \$953 billion. Net acquisitions in the 2005 were even stronger, reaching a new record of \$1,055 billion.

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



Type	2001	2002	2003	2004	2005 Jan. - Dec.	2005 Oct. - Dec.
Foreign Bonds.....	-30,502	-28,492	-32,046	67,872	16,234	-1,307
Foreign Stocks.....	50,113	1,493	88,587	84,970	121,585	36,182
Total.....	19,611	-26,999	56,541	152,842	137,819	34,875

\* 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. In addition, when foreign firms reincorporate in the United States, the associated stock swap reduces U.S. holdings of foreign equity. Net acquisitions through stock swaps amounted to \$80 billion in 2000, \$47 billion in 2001, \$3 billion in 2002, \$17 billion in 2003, -\$12 billion in 2004, and \$4 billion in 2005. (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. U.S. investors' acquisitions of foreign securities (including stock swaps) then slowed over the 2001-2003 period before rebounding to \$141 billion in 2004 and \$142 billion in 2005.