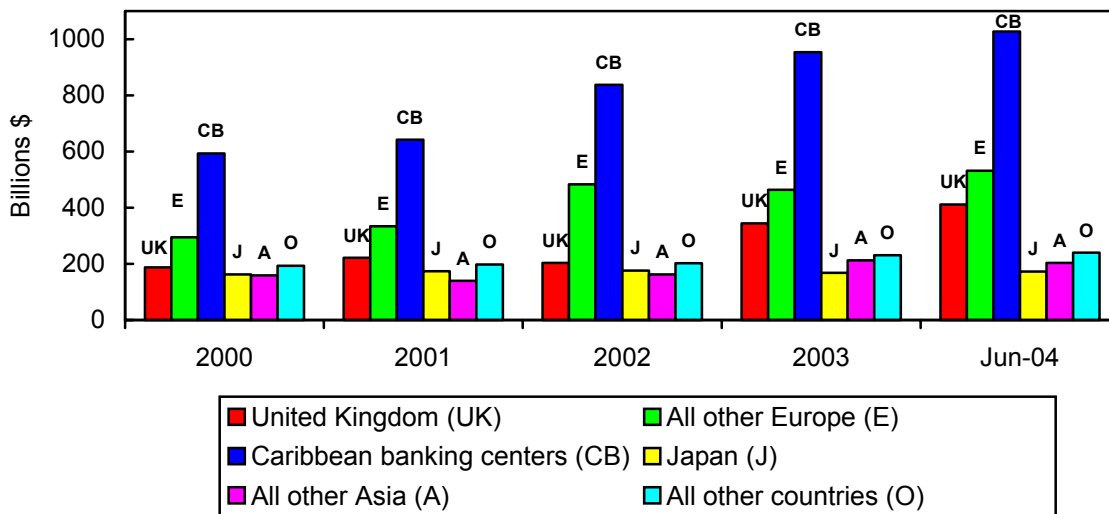


Chart CM-A -- U.S. Liabilities to Foreigners Reported by U.S. Banks, Brokers and Dealers with Respect to Selected Countries



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

Country	2000	2001	2002	2003	June 2004
United Kingdom.....	187,145	222,032	203,237	344,189	411,033
All other Europe.....	294,716	334,586	483,421	463,853	531,634
Caribbean banking ctrs <sup>1</sup> <sup>2</sup>	593,499	641,952	837,771	953,896	1,027,255
Japan.....	162,449	173,640	176,331	168,469	173,037
All other Asia.....	158,524	140,329	162,938	212,870	203,718
Subtotal.....	1,396,333	1,512,539	1,863,698	2,143,277	2,346,677
All other countries.....	192,856	197,241	202,433	231,205	239,710
Grand total.....	1,589,189	1,709,780	2,066,131	2,374,482	2,586,387

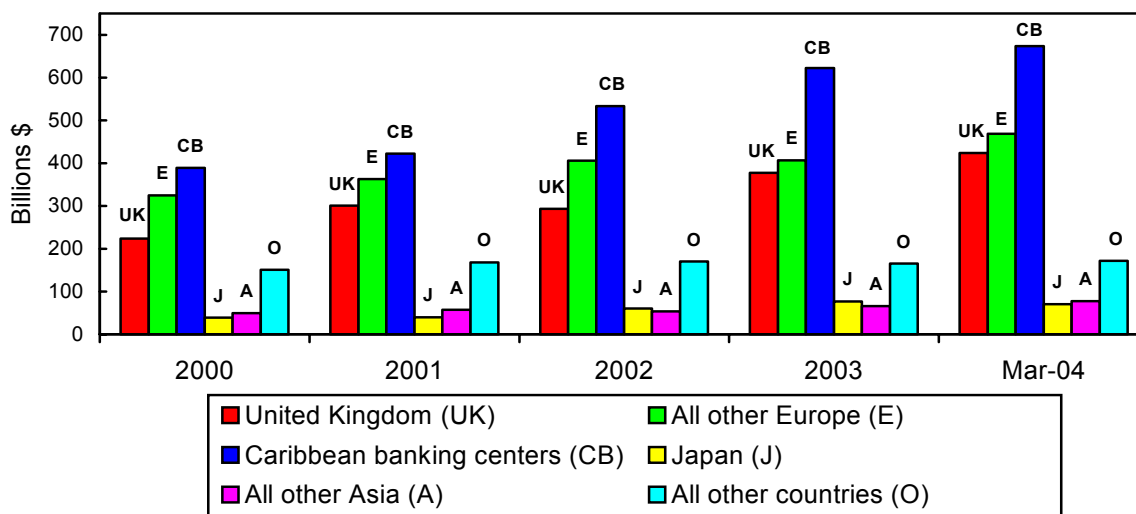
<sup>1</sup> Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama.

<sup>2</sup> 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 \$2.6 trillion in June 2004, an increase of about \$212 billion from yearend 2003. U.S. banking liabilities increased about \$308 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	March 2004
United Kingdom.....	223,976	300,665	293,642	377,547	424,097
All other Europe.....	324,734	362,960	406,139	406,684	468,596
Caribbean banking ctrs\1 \2...	388,987	422,615	533,194	622,294	673,890
Japan.....	39,179	40,047	59,792	76,671	70,482
All other Asia.....	49,440	57,326	53,952	66,075	77,814
Subtotal.....	1,026,316	1,183,613	1,346,719	1,549,271	1,714,879
All other countries.....	150,876	167,986	170,023	165,346	171,394
Grand total.....	1,177,192	1,351,599	1,516,742	1,714,617	1,886,273

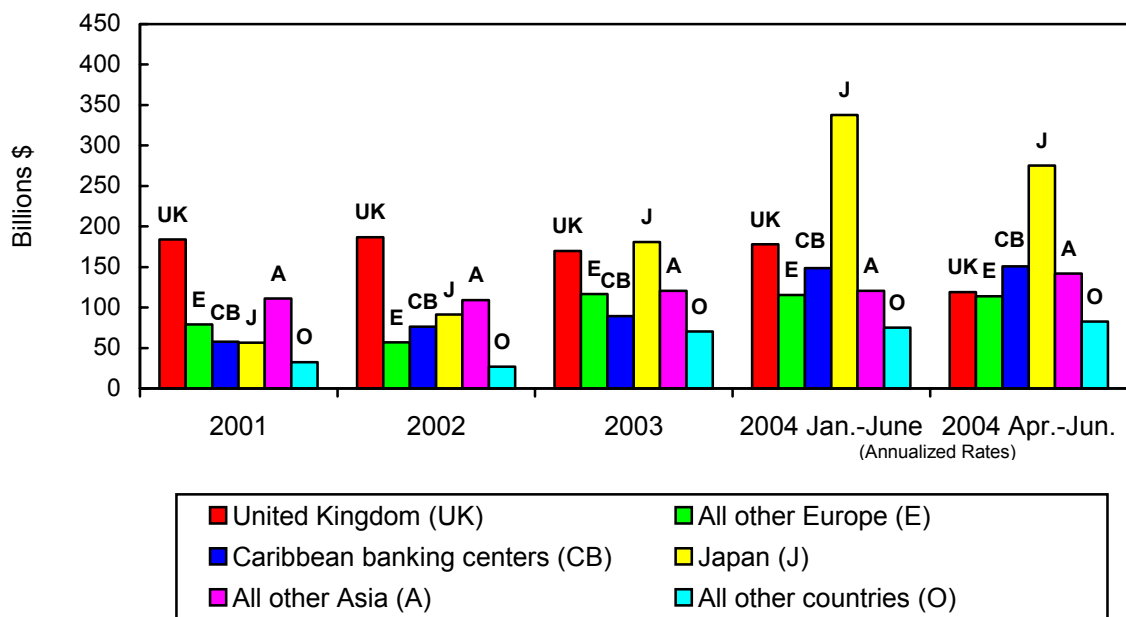
\1 Includes Bahamas, Bermuda, British West Indies, Netherlands Antilles, and Panama

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

In March 2004, U.S. banking claims, excluding long-term securities, amounted to about \$1.9 trillion, an increase of about \$172 billion from yearend 2003. U.S. banking claims increased \$198 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 \$15 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: Office of International Financial Analysis)

Country	2001	2002	2003	2004 Jan. - June	2004 Apr. - June
United Kingdom.....	183,986	186,691	169,468	88,942	29,746
All other Europe.....	78,921	57,064	116,522	57,784	28,516
Caribbean banking ctrs\1 \2..	57,817	76,144	89,322	74,356	37,706
Japan.....	56,589	91,412	180,901	168,836	68,818
All other Asia.....	110,995	109,314	120,634	70,906	44,529
Subtotal.....	488,308	520,625	676,847	460,824	209,315
All other countries.....	32,541	26,940	70,251	37,554	20,658
Grand total.....	520,849	547,565	747,098	498,378	229,973

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

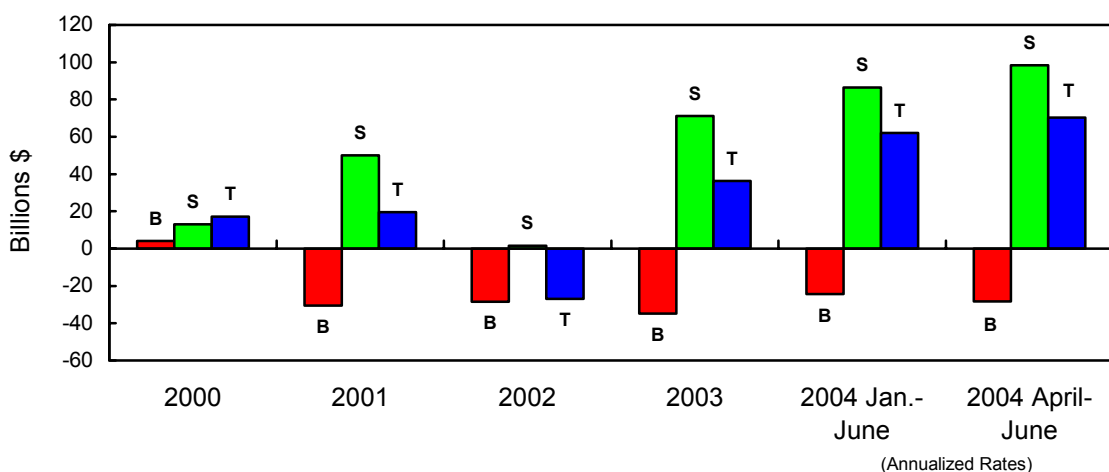
\2 Beginning January 2001, Cayman Islands replaced British West Indies in reporting format.

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 \$12 billion in the first half 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 second 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 half of 2004 were even stronger at \$510 billion.

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



■ Foreign bonds (B) ■ Foreign stocks (S) ■ Total foreign securities (T)

(In millions of dollars. Source: Office of International Financial Analysis)

Type	2000	2001	2002	2003	2004 Jan. - June	2004 April - June
Foreign Bonds.....	4,054	-30,502	-28,492	-34,733	-12,167	-7,068
Foreign Stocks.....	13,088	50,113	1,493	71,113	43,170	24,619
Total.....	17,142	19,611	-26,999	36,380	31,003	17,551

\* 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 \$11 billion in the first half 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 \$53 billion in 2003. In the first half of 2004, acquisitions amounted to \$42 billion.