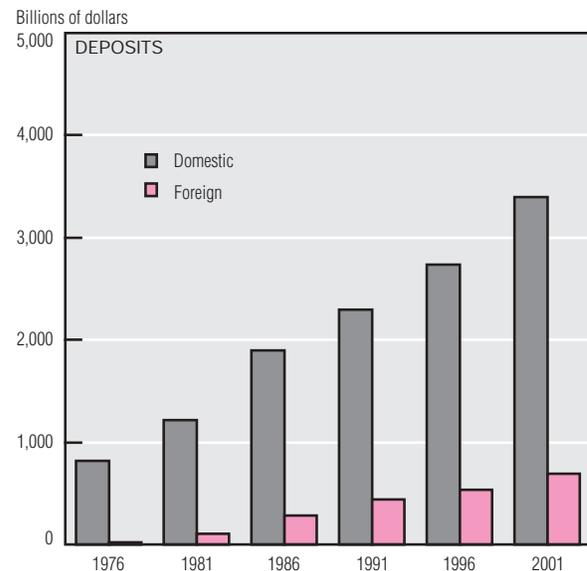
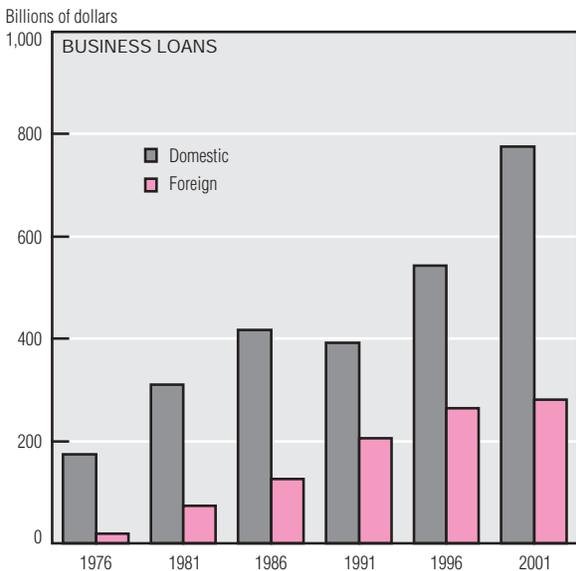
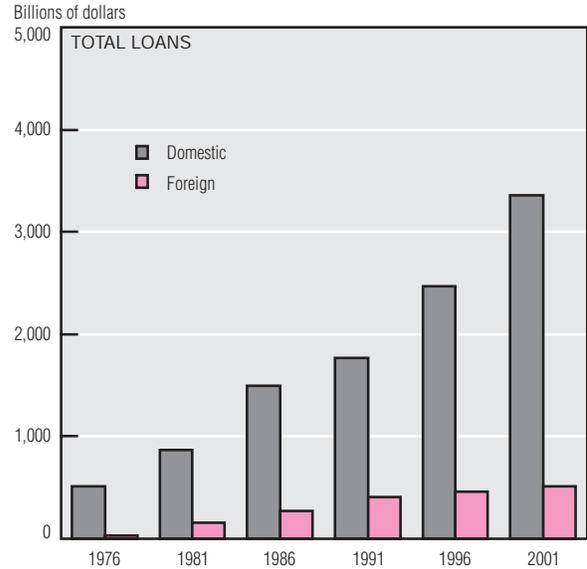
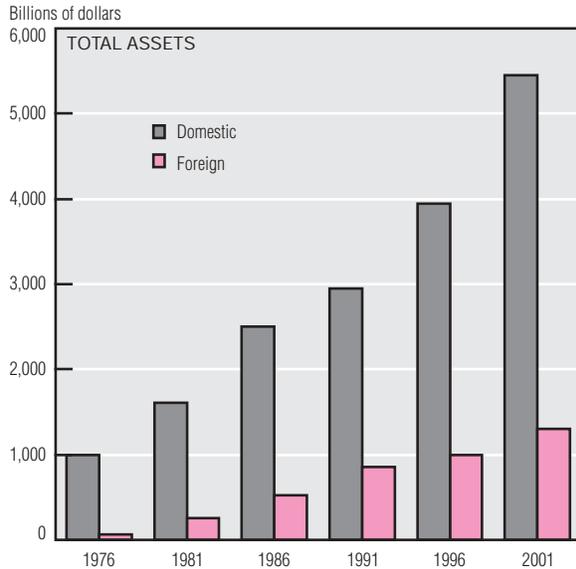


Foreign Banking Organizations



NOTE: Observations are year-end except the last one, which is 2001:IIIQ in all charts.
 SOURCE: Federal Deposit Insurance Corporation, *Quarterly Banking Profile*, various issues.

The impact of financial markets' increasing globalization is evident in the U.S. banking industry. The numbers clearly indicate that foreign banks are becoming an increasingly important part of the U.S. banking system. Total U.S. banking assets held by foreign banks rose steadily from \$61 billion in 1976 to nearly \$1,305 billion in 2001. This means that the share of assets held by foreign banking organizations more than tripled—from 5.8% to 19.3%—over that period.

Similar patterns are apparent in foreign banking organizations' market share of total loans, which increased from \$35 billion in 1976 to \$513 billion in 2001; this increase more than doubled their share from 6.4% to 13.3%. Their holdings of business loans also increased over the same period from \$20 billion to \$281 billion, which represented an increase in share from 10.2% to 26.6%. The greater share of business loans held by foreign banking organizations relative to their share of

total loans and total assets indicates their focus on commercial lending.

Comparable increases can be seen in deposits held by foreign banking organizations, which now stand at \$696 billion or a 17.0% deposit share. These data confirm that foreign banking organizations are important competitors in the U.S. banking system.