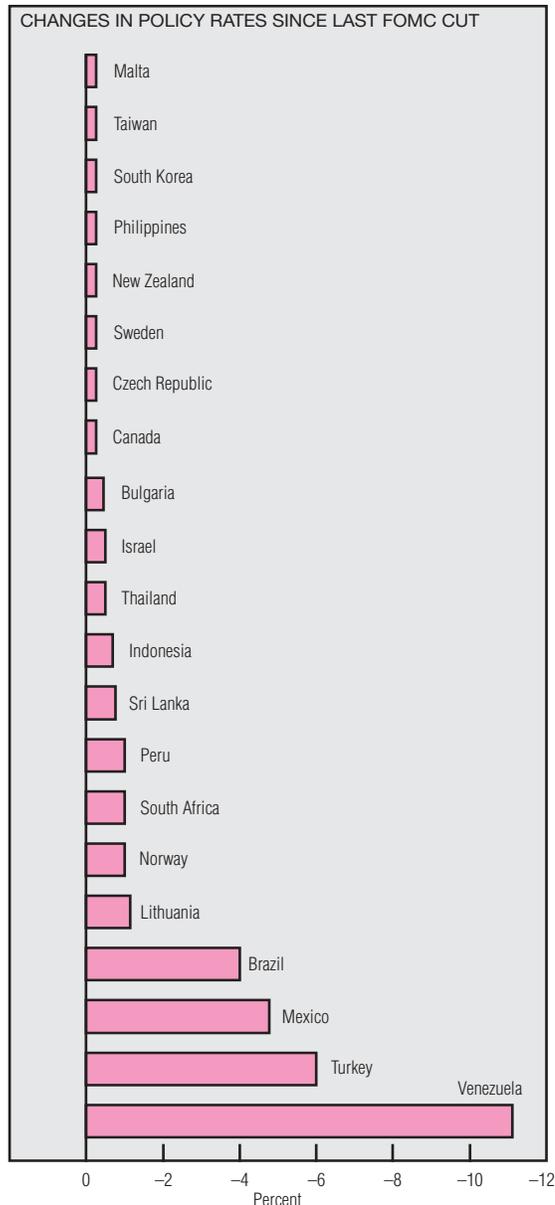
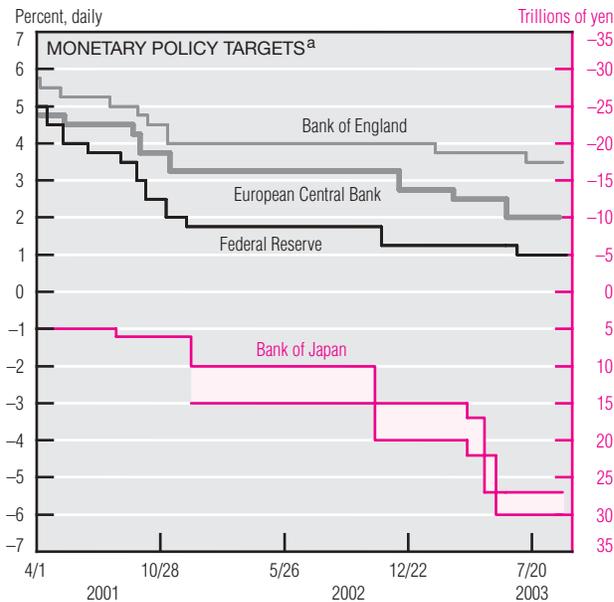


Foreign Central Banks



Members of the Bank for International Settlements

Argentina	Hungary	Saudi Arabia
Australia	Iceland	Singapore
Bosnia and Herzegovina	India	Slovakia
Brazil	Japan	Slovenia
Bulgaria	Latvia	South Africa
Canada	Lithuania	South Korea
China	Macedonia	Sweden
Croatia	Malaysia	Switzerland
Czech Republic	Mexico	Thailand
Denmark	New Zealand	Turkey
Estonia	Poland	United Kingdom
European Central Bank ^b	Romania	United States
Hong Kong	Russia	Yugoslavia ^c

a. Federal Reserve: overnight interbank rate. Bank of Japan: a quantity of current account balances (since December 19, 2001, a range of quantity of current account balances). Bank of England and European Central Bank: two-week repo rate.
 b. European Central Bank plus each of its 12 constituent nations' central banks.
 c. Constitutional changes in February 2003 transformed the Federal Republic of Yugoslavia into the State Union of Serbia and Montenegro, with two separate central banks. The legal status of the Yugoslav issue of the capital of the Bank for International Settlements is currently under review.
 SOURCES: Board of Governors of the Federal Reserve System; Bank of Japan; European Central Bank; Bank of England; Wholesale Markets Brokers Association; and Bloomberg Financial Information Services.

None of the four major central banks has changed its operating target since July 10, when the Monetary Policy Committee of the Bank of England reduced its policy rate from 3.75% to 3.5%. On balance, since the Federal Open Market Committee's last rate reduction, most of the other rate-setting central banks tracked by Bloomberg also have lowered their operating targets at least 25 basis points.

A central bank typically acts as the bank for a nation's banks, which use central bank deposit transfers to settle their debts to one another. The Bank

for International Settlements (BIS) is a central bank for central banks, established in 1930 to facilitate payment of international reparations from World War I. In addition to its banking functions, the BIS is an important center for economic and financial research that facilitates international discussion and helps coordinate decision making among central banks.

The Reserve Bank of New Zealand announced in August that it has accepted an invitation to join the BIS, becoming the sixteenth new member since 1996. The BIS has been

enlarging its membership to "underpin its increasingly global activities and the regional interests of its shareholding members." New Zealand's central bank says that it expects benefits to include "increased access to foreign currency funding, which in a crisis could enhance the Bank's capabilities to intervene in markets to maintain stability. Being a BIS shareholder also more generally strengthens the Reserve Bank's connections with the international central banking community, which in a period of financial stress could be very useful."