

Table 18  
Computation of 2004 Proposed Capital Adequacy  
for Federal Reserve Priced Services  
(millions of dollars)

	<u>Assets</u>	<u>Risk weight</u>	<u>Weighted assets</u>
Imputed reserve requirement on clearing balances	\$1,175.6	0.0	\$0.0
Imputed investments:			
Fed Funds <sup>32</sup>	10.2	0.2	2.0
1 – Year Treasury note <sup>32</sup>	5,043.3	0.0	0.0
Commercial paper (3 months) <sup>32</sup>	3,527.3	1.0	3,527.3
Short term corporate bond (Aa3) <sup>33</sup>	30.5	1.0	30.5
Money market mutual fund <sup>33</sup>	1,081.1	1.0	1,081.1
GNMA mutual fund <sup>33</sup>	480.5	0.2	96.1
Total imputed investments	<u>\$10,172.9</u>		
Receivables	74.0	0.2	14.8
Materials and supplies	2.6	1.0	2.6
Prepaid expenses	25.4	1.0	25.4
Items in process of collection	4,244.7	0.2	848.9
Premises	433.7	1.0	433.7
Furniture and equipment	173.3	1.0	173.3
Leases, leasehold improvements & long-term prepayments	95.4	1.0	95.4
Prepaid pension costs	<u>818.2</u>	1.0	<u>818.2</u>
Total	<u>\$17,215.8</u>		<u>\$7,149.3</u>
Imputed equity for 2004	\$860.8		
Capital to risk-weighted assets	12.0%		
Capital to total assets	5.0%		

<sup>32</sup> The imputed investments are assumed to be similar to those for which rates are available on the Federal Reserve's H.15 report, which can be located at <http://www.federalreserve.gov/releases/h15/data.htm>.

<sup>33</sup> The imputed mutual fund investments are based on Vanguard's S/T Corporate Inv, Prime MMF, and Fund Investor Shares funds, which were chosen based on the investment strategies as articulated in their prospectuses. These fund returns can be located at [http://flagship4.vanguard.com/VGApp/hnw/FundsByFundType#Bond\\_Funds](http://flagship4.vanguard.com/VGApp/hnw/FundsByFundType#Bond_Funds).