

April 2002

To the Depository Institutions in the
Second Federal Reserve District:

It is my privilege to send to you the *2001 Annual Report* of the Federal Reserve Bank of New York.

In this year's "Report from the President," tribute is paid to those individuals at our Bank and at other New York City business and financial institutions who worked to keep the U.S. financial system functioning and secure following the September 11 attacks on the World Trade Center and the Pentagon. My report details the challenges the Bank's staff faced as they sought to provide liquidity to money market participants, manage the critical electronic funds and securities wires, and meet international demand for U.S. currency. I also discuss the Bank's collaborative efforts with other financial institutions during this period and the assistance we provided to those involved in the rescue and recovery effort. My report concludes with a discussion of the impact of the attacks and their aftermath on the New York regional economy.

Following the account of the New York Fed's role in the financial system recovery, the *Annual Report* presents detailed tables, with extensive notes, on the Bank's financial condition.

I hope that you will find the *2001 Annual Report* to be an informative account of the Bank's actions in the weeks following the September 11 tragedy.



William J. McDonough
President