1. UNO National Bank has the following assets and liabilities( all amount in millions)

Assets Liabilities

Reserves $20 Transaction Deposits ?

Loans $250 Nontransaction Deposits $190

Securities $45 Equity Capital $35

1. Calculate the bank’s excess reserves( the requirement ratio 10% ). You’re your work including any formulas.
2. Suppose UNO National Bank makes a loan to a customer in the amount of its excess reserves. Show the bank’s balance sheet after this transaction. Calculate the bank’s excess reserves *before* the customer spends the proceeds of the loan. Show your work including any formulas.
3. Now suppose the customer spends the proceeds of the loan. Show the bank’s balance sheet after this transaction. Calculate the bank’s excess reserves. Show your work including any formulas.