
Report on the Condition of the U.S. Banking Industry: Fourth Quarter, 2004

Total assets of reporting bank holding companies rose \$393.2 billion (or 4.0 percent) in the fourth quarter of 2004, to \$10.3 trillion—the first time that this total has exceeded \$10 trillion. The two largest asset categories—loans, and securities and money market assets—each increased roughly \$170 billion, accounting for most of total asset growth.

For loans, this increase represented growth of 3.5 percent, with \$152.3 billion of the increase occurring at the fifty large bank holding companies. Growth was most pronounced in the commercial real estate, home equity, and credit card categories. A sign of the invigorated lending market, reporting bank holding companies increased their unused commitments to lend \$253.4 billion (5.5 percent) for the quarter and \$725.8 billion (17.7 percent) for the full year. Over both intervals, nearly all the growth took place at the fifty large institutions.

The increase of 4.7 percent in securities and money market assets was largely attributable to a large foreign-owned securities-oriented firm (Barclay's Group US, Inc.) with total assets of \$180.7 billion becoming a bank holding company in the fourth quarter. This event coincided with the exit of a smaller foreign-owned securities-oriented firm (CIBC Delaware Holdings, Inc., with \$37.4 billion in assets) that ceased being a bank holding company with the sale during the period of its U.S. bank subsidiary. The entering firm had a larger trading portfolio (\$42.0 billion) and much larger holdings of short-term money market assets (\$90.0 billion), contributing considerably to aggregate growth. These effects aside, the fifty large bank holding companies added \$30.6 billion (1.0 percent) to their holdings of securities and money market assets, while all other bank holding companies added \$7.4 billion (1.6 percent).

Deposits increased significantly but less rapidly than assets, growing \$186.2 billion (3.7 percent). Core deposits rose over the quarter, but large-denomination time deposits increased more sharply. Borrowings increased \$76.8 billion (2.5 percent) overall, also influenced by developments at a few firms. The addition of the large securities-oriented

bank holding company (and exit of a smaller one) added \$58.3 billion, and increased borrowing at a large insurance-oriented bank holding company (MetLife) added \$35.4 billion. Similarly, the aforementioned change in the population of reporting bank holding companies was the primary reason that other liabilities increased \$94.2 billion. Risk-based regulatory capital ratios remained steady over the quarter. Although the leverage ratio declined 12 basis points, to 6.64 percent, all three regulatory capital ratios remained considerably above the standards for well-capitalized companies.

Net income fell off modestly in the fourth quarter, declining 1.4 percent from the previous quarter, to \$28.8 billion. Net interest income fell despite the increases in loans and other interest-earning assets, as a flatter yield curve and heightened competitive pressure in loan pricing eroded net interest margins to 3.26 percent (down 0.21 percent). Non-interest expense rose a modest 1.0 percent, even including expenses related to 2004's many mergers. Cushioning the negative factors, non-interest income rose 1.2 percent (reflecting better trading and mortgage-servicing revenues), and provisions for loan losses declined 2 percent.¹

Asset quality improved yet again in the quarter as nonperforming assets fell to 0.82 percent of loans and related assets. Despite the decline in provisions, improved asset quality allowed reporting bank holding companies to reduce their allowance for loan losses by a further \$1.3 billion.

For the full year, net income of reporting bank holding companies reached \$113.5 billion, an increase of 5.1 percent over 2003 despite an 11-basis-point narrowing of net interest margins. Return on average assets and return on average equity declined somewhat, reflecting robust asset growth and merger-related expansion of stockholder's equity respectively.

1. To better reflect the components of net income, the accompanying tables have been adjusted so that non-interest income no longer includes realized gains and losses on securities.

1. Financial characteristics of all reporting bank holding companies in the United States

Millions of dollars except as noted, not seasonally adjusted

Account or ratio ^{1, 2}	2000	2001	2002	2003	2004	2003			2004			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Balance sheet</i>												
Total assets	6,745,836	7,486,952	7,990,945	8,880,545	10,339,429	8,726,133	8,751,183	8,880,545	9,348,190	9,699,421	9,946,162	10,339,429
Loans	3,728,570	3,832,553	4,080,049	4,435,863	5,111,690	4,301,114	4,376,319	4,435,863	4,606,523	4,792,622	4,937,021	5,111,690
Securities and money market	2,197,434	2,568,705	2,866,857	3,302,240	3,850,580	3,230,018	3,190,602	3,302,240	3,592,416	3,628,469	3,678,595	3,850,580
Allowance for loan losses	-60,376	-68,833	-74,798	-73,835	-74,610	-74,627	-73,926	-73,835	-76,617	-76,398	-75,902	-74,610
Other	880,209	1,154,528	1,118,837	1,216,278	1,451,770	1,269,628	1,258,189	1,216,278	1,225,867	1,354,729	1,406,448	1,451,770
Total liabilities	6,227,975	6,901,281	7,350,200	8,177,562	9,450,301	8,046,202	8,063,922	8,177,562	8,603,836	8,925,650	9,093,036	9,450,301
Deposits	3,771,749	4,025,769	4,357,245	4,705,043	5,249,255	4,599,696	4,605,545	4,705,043	4,846,062	5,003,107	5,063,083	5,249,255
Borrowings	1,991,564	2,073,770	2,244,331	2,630,168	3,091,158	2,525,842	2,572,084	2,630,168	2,867,443	2,917,437	3,014,311	3,091,158
Other ³	464,662	801,743	748,624	842,351	1,109,889	920,664	886,293	842,351	890,331	1,005,107	1,015,641	1,109,889
Total equity	517,861	585,671	640,745	702,983	889,128	679,932	687,261	702,983	744,354	773,771	853,126	889,128
<i>Off-balance-sheet</i>												
Unused commitments to lend ⁴	3,297,511	3,481,744	3,650,669	4,097,531	4,823,303	3,756,486	3,887,357	4,097,531	4,350,930	4,420,733	4,569,881	4,823,303
Securitizations outstanding ⁵	n.a.	276,717	295,001	298,348	353,978	285,286	290,328	298,348	308,543	314,258	313,436	353,978
Derivatives (notional value, billions) ⁶	43,608	48,276	57,886	72,914	89,124	68,353	69,452	72,914	79,271	83,107	84,721	89,124
<i>Income statement</i>												
Net income ⁷	73,168	66,510	85,731	107,950	113,497	26,983	28,177	29,545	30,826	25,808	29,186	28,767
Net interest income	197,759	224,535	246,048	257,537	286,253	64,685	66,120	68,072	68,769	73,217	73,755	72,246
Provisions for loan losses	27,699	40,758	45,107	33,075	28,784	9,197	8,246	8,944	7,163	6,989	7,489	7,846
Non-interest income	200,903	219,016	221,532	250,639	273,524	64,372	65,423	69,991	68,023	73,195	67,714	68,549
Non-interest expense	258,213	302,146	296,964	316,330	364,862	79,972	81,678	86,323	84,262	102,042	90,373	91,263
Security gains or losses	-606	4,352	4,598	5,771	5,524	2,694	596	655	1,987	997	1,960	508
<i>Ratios (percent)</i>												
Return on average equity	15.19	11.86	14.11	16.28	14.27	16.37	16.81	17.25	17.13	13.47	14.06	13.31
Return on average assets	1.13	.91	1.11	1.26	1.16	1.27	1.29	1.34	1.34	1.06	1.18	1.11
Net interest margin ⁸	3.58	3.61	3.74	3.51	3.41	3.56	3.53	3.59	3.46	3.52	3.47	3.26
Efficiency ratio ⁷	62.77	66.03	62.50	61.67	62.60	62.36	61.91	62.33	61.69	62.11	63.54	64.21
Nonperforming assets to loans and related assets	1.09	1.44	1.44	1.15	.82	1.33	1.23	1.15	1.09	.97	.89	.82
Net charge-offs to average loans	.66	.91	1.04	.84	.67	.88	.86	.98	.72	.66	.61	.71
Loans to deposits	98.86	95.20	93.64	94.28	97.38	93.51	95.02	94.28	95.06	95.79	97.51	97.38
<i>Regulatory capital ratios</i>												
Tier 1 risk-based	8.84	8.92	9.22	9.58	9.41	9.31	9.53	9.58	9.53	9.38	9.40	9.41
Total risk-based	11.80	11.92	12.28	12.60	12.28	12.32	12.54	12.60	12.48	12.28	12.30	12.28
Leverage	6.81	6.68	6.72	6.87	6.64	6.79	6.77	6.87	6.88	6.67	6.76	6.64
Number of reporting bank holding companies	1,727	1,842	1,979	2,134	2,253	2,064	2,120	2,134	2,192	2,210	2,240	2,253

Footnotes appear on p. 240.

2. Financial characteristics of fifty large bank holding companies in the United States

Millions of dollars except as noted, not seasonally adjusted

Account or ratio ^{2, 9}	2000	2001	2002	2003	2004	2003			2004			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Balance sheet</i>												
Total assets	5,507,787	5,882,246	6,243,212	6,901,577	7,940,955	6,806,767	6,825,187	6,901,577	7,338,392	7,528,335	7,726,752	7,940,955
Loans	2,934,979	2,953,665	3,136,678	3,381,963	3,925,111	3,290,399	3,348,415	3,381,963	3,534,690	3,668,300	3,772,804	3,925,111
Securities and money market	1,849,888	2,054,945	2,285,222	2,633,690	2,968,226	2,567,101	2,538,590	2,633,690	2,910,826	2,895,327	2,937,667	2,968,226
Allowance for loan losses	-49,186	-56,512	-61,091	-59,233	-59,380	-60,138	-59,235	-59,233	-61,757	-61,338	-60,692	-59,380
Other	772,107	930,150	882,404	945,157	1,106,999	1,009,406	997,418	945,157	954,633	1,026,046	1,076,974	1,106,999
Total liabilities	5,096,893	5,433,581	5,756,182	6,370,790	7,251,931	6,294,212	6,304,621	6,370,790	6,770,661	6,938,022	7,069,330	7,251,931
Deposits	2,845,631	3,021,096	3,257,657	3,508,261	3,942,375	3,435,534	3,431,483	3,508,261	3,624,929	3,754,261	3,787,308	3,942,375
Borrowings	1,813,934	1,878,921	2,042,479	2,360,766	2,721,165	2,267,749	2,316,577	2,360,766	2,610,435	2,637,680	2,735,250	2,721,165
Other ³	437,329	533,564	456,046	501,764	588,392	590,929	556,561	501,764	535,297	546,082	546,772	588,392
Total equity	410,894	448,665	487,030	530,787	689,025	512,555	520,567	530,787	567,731	590,313	657,423	689,025
<i>Off-balance-sheet</i>												
Unused commitments to lend ⁴	3,075,664	3,238,472	3,386,455	3,802,454	4,489,800	3,470,355	3,594,931	3,802,454	4,049,808	4,106,493	4,240,809	4,489,800
Securitizations outstanding ⁵	n.a.	271,825	289,320	292,312	348,986	279,083	284,134	292,312	304,545	307,878	307,325	348,986
Derivatives (notional value, billions) ⁶	43,559	48,195	57,801	72,750	88,744	68,213	69,308	72,750	79,090	82,887	84,512	88,744
<i>Income statement</i>												
Net income ⁷	60,436	52,619	68,451	87,857	90,492	21,760	23,169	24,498	25,364	19,490	23,171	23,557
Net interest income	153,462	166,608	183,719	192,171	213,810	48,327	49,963	51,206	51,864	54,023	55,177	54,478
Provisions for loan losses	24,108	35,852	39,380	28,563	25,338	8,010	7,070	7,871	6,394	6,205	6,698	6,744
Non-interest income	181,707	174,504	172,705	195,908	213,393	50,465	51,758	55,618	54,154	56,152	52,088	54,954
Non-interest expense	216,969	224,451	215,807	229,270	267,909	58,241	60,254	63,204	61,979	75,404	65,503	68,101
Security gains or losses	-601	4,316	5,008	5,190	4,634	2,349	483	632	1,636	677	1,707	541
<i>Ratios (percent)</i>												
Return on average equity	15.86	12.24	14.72	17.52	14.77	17.52	18.27	18.88	18.43	13.31	14.42	14.02
Return on average assets	1.14	.92	1.13	1.32	1.19	1.32	1.35	1.43	1.40	1.03	1.20	1.19
Net interest margin ⁸	3.44	3.39	3.56	3.35	3.25	3.40	3.40	3.47	3.31	3.32	3.32	3.16
Efficiency ratio ⁷	62.67	63.43	59.65	58.59	59.51	59.29	59.03	58.97	58.72	58.27	60.50	61.60
Nonperforming assets to loans and related assets	1.17	1.57	1.56	1.22	.84	1.41	1.30	1.22	1.14	1.00	.91	.84
Net charge-offs to average loans	.75	1.04	1.21	.97	.80	1.04	1.00	1.13	.88	.78	.72	.83
Loans to deposits	103.14	97.77	96.29	96.40	99.56	95.78	97.58	96.40	97.51	97.71	99.62	99.56
<i>Regulatory capital ratios</i>												
Tier 1 risk-based	8.21	8.24	8.52	8.83	8.59	8.57	8.83	8.83	8.79	8.64	8.64	8.59
Total risk-based	11.46	11.59	11.95	12.20	11.85	11.93	12.19	12.20	12.06	11.89	11.86	11.85
Leverage	6.43	6.25	6.26	6.38	6.17	6.31	6.30	6.38	6.38	6.15	6.24	6.17

Footnotes appear on p. 240.

3. Financial characteristics of all other reporting bank holding companies in the United States

Millions of dollars except as noted, not seasonally adjusted

Account ¹ 10	2000	2001	2002	2003	2004	2003			2004			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Balance sheet</i>												
Total assets	1,179,815	1,291,472	1,415,874	1,551,826	1,708,712	1,511,952	1,518,413	1,551,826	1,589,816	1,634,419	1,674,192	1,708,712
Loans	769,242	824,735	889,216	974,580	1,104,277	936,117	950,786	974,580	1,001,254	1,039,136	1,076,582	1,104,277
Securities and money market	319,020	357,476	406,422	444,967	466,243	448,650	439,584	444,967	459,839	457,512	458,796	466,243
Allowance for loan losses	-10,922	-11,957	-13,269	-14,185	-14,830	-13,957	-14,206	-14,185	-14,475	-14,718	-14,915	-14,830
Other	102,476	121,218	133,505	146,464	153,022	141,141	142,249	146,464	143,199	152,489	153,729	153,022
Total liabilities	1,078,257	1,175,659	1,285,653	1,410,440	1,551,059	1,372,657	1,379,967	1,410,440	1,444,354	1,489,548	1,519,841	1,551,059
Deposits	914,290	990,558	1,081,607	1,174,218	1,286,968	1,143,286	1,152,364	1,174,218	1,207,152	1,233,046	1,259,508	1,286,968
Borrowings	143,028	159,229	172,810	201,634	223,481	194,844	194,470	201,634	197,959	218,586	220,193	223,481
Other ³	20,939	25,873	31,237	34,589	40,609	34,528	33,133	34,589	39,244	37,916	40,140	40,609
Total equity	101,558	115,813	130,221	141,385	157,653	139,294	138,446	141,385	145,462	144,870	154,351	157,653
<i>Off-balance-sheet</i>												
Unused commitments to lend ⁴	212,784	233,098	252,308	282,164	320,132	273,591	278,701	282,164	287,740	299,222	311,754	320,132
Securitizations outstanding ⁵	n.a.	4,567	4,942	4,893	2,877	5,205	5,116	4,893	2,875	3,000	2,757	2,877
Derivatives (notional value, billions) ⁶	32	51	53	67	79	74	67	67	71	65	67	79
<i>Income statement</i>												
Net income ⁷	12,436	13,752	16,492	17,692	19,340	4,633	4,506	4,144	4,770	4,763	4,956	4,851
Net interest income	43,566	46,324	51,106	53,266	57,492	13,295	13,207	13,665	13,888	14,026	14,582	14,996
Provisions for loan losses	3,420	4,469	5,094	4,295	3,215	1,098	1,056	1,133	804	792	805	814
Non-interest income	16,090	22,339	24,528	27,514	26,392	7,282	6,944	6,679	6,700	6,620	6,530	6,542
Non-interest expense	38,132	44,446	47,066	51,551	53,647	12,995	12,735	13,461	13,178	13,157	13,347	13,965
Security gains or losses	-10	745	670	989	552	400	131	187	291	117	129	15
<i>Ratios (percent)</i>												
Return on average equity	13.09	12.50	13.47	13.00	13.08	13.59	13.24	11.91	13.44	13.14	13.27	12.51
Return on average assets	1.11	1.12	1.23	1.19	1.19	1.25	1.20	1.08	1.22	1.19	1.20	1.15
Net interest margin ⁸	4.32	4.21	4.26	4.00	3.94	4.02	3.93	3.98	3.98	3.90	3.93	3.96
Efficiency ratio ⁷	62.27	63.86	61.26	63.10	62.85	63.69	62.84	65.98	63.19	63.11	63.15	63.88
Nonperforming assets to loans and related assets	.77	.97	1.02	.98	.77	1.09	1.03	.98	.96	.87	.85	.77
Net charge-offs to average loans	.32	.43	.46	.39	.25	.37	.36	.51	.22	.25	.23	.31
Loans to deposits	84.14	83.26	82.21	83.00	85.80	81.88	82.51	83.00	82.94	84.27	85.48	85.80
<i>Regulatory capital ratios</i>												
Tier 1 risk-based	11.76	12.18	12.42	12.47	12.35	12.51	12.46	12.47	12.51	12.38	12.36	12.35
Total risk-based	13.24	13.76	14.06	14.20	14.01	14.21	14.18	14.20	14.23	14.08	14.03	14.01
Leverage	8.49	8.76	8.87	8.99	9.11	8.93	8.91	8.99	9.04	9.05	9.09	9.11
Number of other reporting bank holding companies	1,652	1,779	1,916	2,071	2,198	2,001	2,057	2,071	2,130	2,148	2,182	2,198

Footnotes appear on p. 240.

4. Nonfinancial characteristics of all reporting bank holding companies in the United States

Millions of dollars except as noted, not seasonally adjusted

Account	2000	2001	2002	2003	2004	2003			2004			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Bank holding companies that qualify as financial holding companies^{11,12}</i>												
<i>Domestic</i>												
Number	300	389	435	452	474	441	449	452	465	471	477	474
Total assets	4,497,781	5,440,842	5,921,277	6,610,312	7,462,510	6,438,319	6,451,785	6,610,312	6,845,700	7,069,908	7,264,913	7,462,510
<i>Foreign-owned¹³</i>												
Number	9	10	11	12	14	11	11	12	13	14	14	14
Total assets	502,506	621,442	616,254	710,441	1,376,325	732,695	729,244	710,441	995,454	1,117,732	1,194,542	1,376,325
Total U.S. commercial bank assets¹⁴	6,129,534	6,415,909	6,897,447	7,397,818	8,207,170	7,325,350	7,293,920	7,397,818	7,614,504	7,850,644	8,040,967	8,207,170
<i>By ownership</i>												
Reporting bank holding companies	5,657,210	5,942,575	6,429,738	6,940,992	7,785,424	6,863,154	6,842,727	6,940,992	7,165,651	7,409,186	7,599,384	7,785,424
Other bank holding companies	229,274	230,464	227,017	219,222	209,251	222,998	217,035	219,222	213,193	211,725	208,764	209,251
Independent banks	243,050	242,870	240,692	237,604	212,495	239,198	234,157	237,604	235,660	229,733	232,819	212,495
<i>Assets associated with nonbanking activities^{12,15}</i>												
Insurance	n.a.	426,462	372,405	437,503	579,113	405,297	419,575	437,503	468,168	583,073	579,785	579,113
Securities broker-dealers	n.a.	n.a.	630,851	656,775	719,242	659,701	686,049	656,775	713,794	710,485	756,869	719,242
Thrift institutions	102,218	91,170	107,422	133,056	191,201	124,640	143,578	133,056	139,713	156,033	162,396	191,201
Foreign nonbank institutions	132,629	138,977	145,344	170,600	216,758	160,515	162,789	170,600	195,472	226,055	230,566	216,758
Other nonbank institutions	1,234,714	1,674,267	561,712	686,367	1,128,279	737,434	736,515	686,367	837,269	861,333	873,677	1,128,279
<i>Number of bank holding companies engaged in nonbanking activities^{12,15}</i>												
Insurance	n.a.	143	96	102	99	93	102	102	100	101	98	99
Securities broker-dealers	n.a.	n.a.	47	50	43	50	46	50	49	48	45	43
Thrift institutions	50	38	32	27	27	31	29	27	29	27	25	27
Foreign nonbank institutions	25	32	37	41	39	40	39	41	41	40	40	39
Other nonbank institutions	633	743	880	1,042	1,031	945	992	1,042	1,009	1,030	1,049	1,031
<i>Foreign-owned bank holding companies¹³</i>												
Number	21	23	26	27	29	27	27	27	27	28	28	29
Total assets	636,669	764,411	762,901	934,088	1,537,203	946,847	947,254	934,088	1,146,258	1,271,844	1,350,458	1,537,203
Employees of reporting bank holding companies (full-time equivalent)	1,859,930	1,985,981	1,992,559	2,034,358	2,162,036	2,019,953	2,031,029	2,034,358	2,099,072	2,085,671	2,133,267	2,162,036
<i>Assets of fifty large bank holding companies^{9,17}</i>												
Fixed panel (from table 2)	5,507,787	5,882,246	6,243,212	6,901,577	7,940,955	6,806,767	6,825,187	6,901,577	7,338,392	7,528,335	7,726,752	7,940,955
Fifty large as of reporting date	5,319,129	5,732,621	6,032,000	6,666,488	7,940,955	6,587,000	6,602,255	6,666,488	7,045,844	7,385,384	7,644,504	7,940,955
Percent of all reporting bank holding companies	78.90	76.60	75.50	75.10	76.80	75.50	75.40	75.10	75.40	76.10	76.90	76.80

NOTE. All data are as of the most recent period shown. The historical figures may not match those in earlier versions of this table because of mergers, significant acquisitions or divestitures, or revisions or restatements to bank holding company financial reports. Data for the most recent period may not include all late-filing institutions.

1. Covers top-tier bank holding companies except (1) those with consolidated assets of less than \$150 million and with only one subsidiary bank and (2) multibank holding companies with consolidated assets of less than \$150 million, with no debt outstanding to the general public and not engaged in certain nonbanking activities.

2. Data for all reporting bank holding companies and the fifty large bank holding companies reflect merger adjustments to the fifty large bank holding companies. Merger adjustments account for mergers, acquisitions, other business combinations and large divestitures that occurred during the time period covered in the tables so that the historical information on each of the fifty underlying institutions depicts, to the greatest extent possible, the institutions as they exist in the most recent period. In general, adjustments for mergers among bank holding companies reflect the combination of historical data from predecessor bank holding companies.

The data for the fifty large bank holding companies have also been adjusted as necessary to match the historical figures in each company's most recently available financial statement.

In general, the data are not adjusted for changes in generally accepted accounting principles.

3. Includes minority interests in consolidated subsidiaries.

4. Includes credit card lines of credit as well as commercial lines of credit.

5. Includes loans sold to securitization vehicles in which bank holding companies retain some interest, whether through recourse or seller-provided credit enhancements or by servicing the underlying assets. Securitization data were first collected on the FR Y-9C report for June 2001.

6. The notional value of a derivative is the reference amount of an asset on which an interest rate or price differential is calculated. The total notional value of a bank holding company's derivatives holdings is the sum of the notional values of each derivative contract regardless of whether the bank holding company is a payor or recipient of payments under the contract. The actual cash flows and fair market values associated with these derivative contracts are generally only a small fraction of the contract's notional value.

7. Income statement subtotals for all reporting bank holding companies and the fifty large bank holding companies exclude extraordinary items, the cumulative effects of changes in accounting principles, and discontinued operations at the fifty large institutions and therefore will not sum to Net income. The efficiency ratio is calculated excluding nonrecurring income and expenses.

8. Calculated on a fully-taxable-equivalent basis.

9. In general, the fifty large bank holding companies are the fifty largest bank holding companies as measured by total consolidated assets for the latest period shown. Excludes a few large bank holding companies whose commercial banking operations account for only a small portion of assets and earnings.

10. Excludes predecessor bank holding companies that were subsequently merged into other bank holding companies in the panel of fifty large bank holding companies. Also excludes those bank holding companies excluded from the panel of fifty large bank holding companies because commercial banking operations represent only a small part of their consolidated operations.

11. Exclude qualifying institutions that are not reporting bank holding companies.

12. No data related to financial holding companies and only some data on nonbanking activities were collected on the FR Y-9C report before implementation of the Gramm-Leach-Bliley Act in 2000.

13. A bank holding company is considered "foreign-owned" if it is majority-owned by a foreign entity. Data for foreign-owned companies do not include data for branches and agencies of foreign banks operating in the United States.

14. Total assets of insured commercial banks in the United States as reported in the commercial bank Call Report (FFIEC 031 or 041, Reports of Condition and Income). Excludes data for a small number of commercial banks owned by other commercial banks that file separate call reports yet are also covered by the reports filed by their parent banks. Also excludes data for mutual savings banks.

15. Data for thrift, foreign nonbank, and other nonbank institutions are total assets of each type of subsidiary as reported in the FR Y-9LP report. Data cover those subsidiaries in which the top-tier bank holding company directly or indirectly owns or controls more than 50 percent of the outstanding voting stock and that has been consolidated using generally accepted accounting principles. Data for securities broker-dealers are net assets (that is, total assets, excluding intercompany transactions) of broker-dealer subsidiaries engaged in activities pursuant to the Gramm-Leach-Bliley Act, as reported on schedule HC-M of the FR Y-9C report. Data for insurance activities are all insurance-related assets held by the bank holding company as reported on schedule HC-I of the FR Y-9C report.

Beginning in 2002:Q1, insurance totals exclude intercompany transactions and subsidiaries engaged in credit-related insurance or those engaged principally in insurance agency activities. Beginning in 2002:Q2, insurance totals include only newly authorized insurance activities under the Gramm-Leach-Bliley Act.

16. Aggregate assets of thrift subsidiaries were affected significantly by the conversion of Charter One's thrift subsidiary (with assets of \$37 billion) to a commercial bank in the second quarter of 2002 and the acquisition by Citigroup of Golden State Bancorp (a thrift institution with assets of \$55 billion) in the fourth quarter of 2002.

17. Changes over time in the total assets of the time-varying panel of fifty large bank holding companies are attributable to (1) changes in the companies that make up the panel and (2) to a small extent, restatements of financial reports between periods.

n.a. Not available

SOURCE: Federal Reserve Reports FRY-9C and FR Y-9LP, Federal Reserve National Information Center, and published financial reports.