
Report on the Condition of the U.S. Banking Industry: First Quarter, 2005

Assets and earnings of reporting bank holding companies continued to show healthy growth in the first quarter of 2005. Total assets reached \$10.7 trillion, an increase of \$355.0 billion from year-end 2004, while net income rose 13.8 percent, to \$32.9 billion over the same period.

Securities and money market assets accounted for more than two-thirds of the total growth in assets. Most of this increase occurred at the fifty large bank holding companies (up \$185.4 billion, an increase of 6.4 percent) as these large companies added to their holdings of mortgage-backed securities. These acquisitions were made in large part to investment portfolios as companies adjusted their interest rate risk exposures—responding to long-term interest rates that remained unexpectedly low through the quarter despite significant increases in short-term rates—although some firms expanded the securities and other assets they held in trading portfolios. In addition to the fifty large bank holding companies, insurance-oriented financial holding companies added significantly to their securities holdings (up \$76.6 billion, an increase of 18.4 percent).

Loans grew somewhat less robustly, rising \$71.6 billion, or 1.4 percent, as did unused commitments to lend (up \$83.4 billion, or 1.7 percent). Residential mortgage loans, including home equity lines of credit, contributed significantly to this increase. Commercial loans also increased modestly, although some of that rise was due to one-time technical factors and reclassifications. Weakness was evident in credit card balances, attributable to a seasonal slowdown in new credit card spending and significantly accelerated repayments as households shifted some credit card balances to the rapidly growing

home-equity loan category. Commercial real estate lending, especially for construction, again was a significant source of growth for the industry.

Nondeposit borrowings increased sharply, rising 6.8 percent (\$209.2 billion), as strong asset growth outstripped deposit increases (up \$95.7 billion, or 1.8 percent). Although long-term rates remained low, the increase in borrowings was mostly in short-maturity instruments. Regulatory capital ratios remained strong but tightened slightly during the quarter, as Tier 1 and leverage ratios declined 8 basis points and 11 basis points respectively.

Problem assets continued to decline from already-low levels, reaching 0.76 percent of loans and related assets. Net charge-offs also declined to 0.57 percent of average loans, and provisions for loan losses followed suit.

Fueled by asset growth and improved asset quality, net income rose to \$32.9 billion, representing a return of 14.84 percent on average equity and 1.24 percent on average assets. Net interest margins narrowed significantly to 3.18 percent compared with 3.28 percent in the fourth quarter of 2004, a constriction that was attributable to the flattening of the yield curve and, to a lesser extent, competitive pressures on loan and deposit spreads. Non-interest income surged, supported by strong trading revenues and mortgage servicing income.

Assets of the securities broker-dealer subsidiaries of reporting bank holding companies jumped 29.8 percent (or \$214.2 billion), to \$933.4 billion. Nearly all of that increase was from a single large bank holding company (Citigroup), resulting from a clarification of reporting instructions rather than a change in the underlying volumes.

Tables start on page 396.

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				2005
						Q3	Q4	Q1	Q2	Q3	Q4	
<i>Balance sheet</i>												
Total assets	6,745,836	7,486,951	7,990,945	8,880,547	10,339,734	8,751,182	8,880,547	9,358,869	9,712,116	9,960,476	10,339,734	10,694,696
Loans	4,728,569	3,842,554	4,080,049	4,445,863	5,109,788	4,376,319	4,435,863	4,615,601	4,804,609	4,949,498	5,109,788	5,181,498
Securities and money market	2,197,434	2,568,705	2,866,857	3,302,240	3,799,443	3,190,602	3,302,240	3,542,873	3,580,335	3,628,275	3,799,443	4,047,682
Allowance for loan losses	60,476	68,844	74,798	73,845	74,619	74,926	73,835	76,629	76,415	75,917	74,619	73,464
Other	880,209	1,154,528	1,118,837	1,216,279	1,505,123	1,258,187	1,216,279	1,277,024	1,404,588	1,458,620	1,505,123	1,538,981
Total liabilities	6,227,975	6,901,281	7,350,200	8,177,563	9,450,580	8,063,922	8,177,563	8,614,689	8,938,434	9,107,551	9,450,580	9,803,120
Deposits	3,771,749	4,025,769	4,357,245	4,705,043	5,249,505	4,605,545	4,705,043	4,847,914	5,005,099	5,064,773	5,249,505	5,345,178
Borrowings	1,991,564	2,073,770	2,244,351	2,630,168	3,088,885	2,572,084	2,630,168	2,902,949	2,955,221	3,054,677	3,088,885	3,298,122
Other ³	464,662	801,742	748,604	842,352	1,112,190	886,293	842,352	863,826	978,114	988,102	1,112,190	1,159,820
Total equity	517,861	585,670	640,745	702,984	889,154	687,260	702,984	744,180	773,682	852,925	889,154	891,576
<i>Off-balance-sheet</i>												
Unused commitments to lend ⁴	3,297,511	3,481,745	3,650,669	4,097,531	4,823,337	3,887,356	4,097,531	4,350,963	4,420,773	4,569,881	4,823,337	4,906,709
Securitized assets outstanding ⁵	n.a.	276,717	295,001	298,348	354,978	290,328	298,348	408,544	314,258	413,446	354,978	466,430
Derivatives (notional value, billions) ⁶	43,608	48,276	57,886	72,914	89,115	69,452	72,914	79,273	83,109	84,723	89,115	92,601
<i>Income statement</i>												
Net income ⁷	73,168	66,510	85,751	107,949	114,483	28,177	29,545	40,674	25,895	29,097	28,910	32,902
Net interest income	197,695	224,470	246,048	257,537	284,745	66,120	68,072	67,441	71,815	72,426	71,485	72,764
Provisions for loan losses	27,604	40,661	45,107	43,075	28,788	8,246	8,944	7,165	6,994	7,489	7,844	6,574
Non-interest income	200,872	218,964	221,532	250,639	273,677	65,423	69,991	67,724	73,698	67,657	68,389	73,536
Non-interest expense	358,213	302,140	296,964	316,340	360,961	81,678	86,423	83,247	101,051	89,118	90,479	91,436
Security gains or losses	-606	4,328	4,598	5,771	5,524	596	655	1,980	1,011	1,981	480	413
<i>Ratios (percent)</i>												
Return on average equity	15.19	11.86	14.11	16.28	14.27	16.81	17.25	17.05	14.52	14.04	13.37	14.84
Return on average assets	1.13	.91	1.11	1.26	1.16	1.29	1.34	1.33	1.07	1.18	1.12	1.24
Net interest margin ⁸	3.58	3.61	3.74	3.51	3.39	3.53	3.59	3.42	3.49	3.46	3.28	3.18
Efficiency ratio ⁹	63.95	66.92	62.38	61.72	63.67	63.44	62.62	61.37	67.01	63.34	64.51	60.79
Nonperforming assets to loans and related assets	1.09	1.44	1.44	1.15	.82	1.24	1.15	1.09	.96	.89	.82	.76
Net charge-offs to average loans	.64	.89	1.04	.84	.67	.86	.98	.72	.66	.61	.71	.57
Loans to deposits	98.86	95.20	93.64	94.28	97.34	95.02	94.28	95.21	95.97	97.72	97.34	96.94
<i>Regulatory capital ratios</i>												
Tier 1 risk-based	8.84	8.92	9.22	9.58	9.41	9.53	9.58	9.55	9.40	9.38	9.41	9.34
Total risk-based	11.80	11.92	12.28	12.60	12.28	12.54	12.60	12.47	12.36	12.22	12.28	12.21
Leverage	6.81	6.68	6.72	6.87	6.64	6.77	6.87	6.88	6.67	6.75	6.64	6.54
Number of reporting bank holding companies	1,727	1,842	1,979	2,134	2,254	2,120	2,134	2,193	2,211	2,240	2,254	2,280

Footnotes appear on p. 399.

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	2000	2001	2002	2003	2004	2003		2004				2005
						Q3	Q4	Q1	Q2	Q3	Q4	
<i>Balance sheet</i>												
Total assets	5,509,329	5,883,032	6,244,695	6,903,426	7,940,887	6,826,533	6,903,426	7,348,179	7,539,139	7,741,040	7,940,887	8,206,462
Loans	2,936,756	2,956,272	3,140,427	3,487,295	3,929,885	3,354,598	3,487,295	3,548,140	3,684,748	3,791,894	3,929,885	3,979,943
Securities and money market	1,849,393	2,053,128	2,282,894	2,629,416	2,909,296	2,534,530	2,629,416	2,855,674	2,841,338	2,880,574	2,909,296	3,094,734
Allowance for loan losses	49,224	56,575	61,180	59,343	59,484	59,344	59,343	61,854	61,434	60,811	59,484	58,123
Other	772,404	930,207	882,553	946,058	1,161,189	997,748	946,058	1,006,218	1,075,487	1,129,382	1,161,189	1,189,918
Total liabilities	5,098,769	5,434,925	5,758,200	6,373,455	7,252,392	6,306,793	6,373,455	6,781,436	6,949,713	7,084,305	7,252,392	7,513,951
Deposits	2,847,117	3,022,829	3,261,241	3,512,801	3,948,310	3,436,283	3,512,801	3,629,595	3,759,012	3,793,285	3,948,310	4,019,042
Borrowings	1,814,179	1,878,346	2,040,891	2,458,645	2,714,445	2,314,486	2,458,645	2,614,744	2,642,532	2,742,512	2,714,445	2,898,498
Other ¹	437,474	533,750	456,068	502,010	590,637	556,024	502,010	537,099	548,170	548,509	590,637	596,411
Total equity	410,560	448,107	486,496	529,971	688,495	519,740	529,971	566,743	589,426	656,735	688,495	692,511
<i>Off-balance sheet</i>												
Unused commitments to lend	3,072,864	3,235,807	3,385,143	3,800,219	4,485,138	3,595,070	3,800,219	4,047,520	4,104,527	4,236,822	4,485,138	4,557,059
Securitizations outstanding ²	n.a.	271,825	289,905	293,046	348,986	384,850	293,046	404,545	307,878	307,325	348,986	361,524
Derivatives (notional value, billions) ³	43,544	48,159	57,768	72,725	86,675	69,278	72,725	79,044	82,844	84,463	88,675	92,140
<i>Income statement</i>												
Net income ⁴	60,488	52,540	68,408	87,644	90,155	24,116	24,422	25,159	19,494	22,998	24,595	26,492
Net interest income	153,455	166,652	183,796	192,298	212,404	50,003	51,232	50,689	52,809	54,067	53,262	53,462
Provisions for loan losses	24,013	45,786	39,416	28,587	25,360	7,075	7,877	6,396	6,212	6,704	6,752	5,769
Non-interest income	181,585	174,378	172,642	195,668	213,283	51,693	55,543	53,732	56,466	51,882	54,995	57,844
Non-interest expense	216,983	224,502	215,915	229,346	264,069	60,379	69,226	61,045	74,500	64,488	67,059	66,332
Security gains or losses	-603	4,319	5,039	5,186	4,628	478	632	1,610	697	1,723	524	221
<i>Ratios (percent)</i>												
Return on average equity	15.86	12.22	14.71	17.49	14.73	18.24	18.85	18.31	14.34	14.44	14.05	15.30
Return on average assets	1.14	.91	1.13	1.31	1.18	1.35	1.42	1.39	1.03	1.19	1.19	1.29
Net interest margin ⁵	3.44	3.39	3.56	3.35	3.23	3.40	3.47	3.26	3.29	3.31	3.16	3.03
Efficiency ratio ⁶	64.09	64.61	59.55	58.70	60.96	59.72	59.40	58.34	64.90	60.29	61.89	57.57
Nonperforming assets to loans and related assets	1.17	1.57	1.56	1.22	.84	1.30	1.22	1.14	1.00	.91	.84	.78
Net charge-offs to average loans	.73	1.01	1.21	.97	.80	1.00	1.13	.88	.78	.72	.83	.69
Loans to deposits	103.15	97.80	96.50	96.43	97.53	97.59	96.43	97.76	98.00	99.96	99.53	99.03
<i>Regulatory capital ratios</i>												
Tier 1 risk-based	8.20	8.22	8.51	8.80	8.57	8.81	8.80	8.77	8.63	8.60	8.57	8.52
Total risk-based	11.45	11.57	11.94	12.18	11.84	12.17	12.18	12.05	11.88	11.82	11.84	11.79
Leverage	6.43	6.34	6.25	6.36	6.16	6.29	6.36	6.36	6.14	6.22	6.16	6.09

¹Footnotes appear on p. 399.

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

Millions of dollars except as noted, not seasonally adjusted

Account ^{1,2,3,4}	2000	2001	2002	2003	2004	2003		2004				2005
						Q3	Q4	Q1	Q2	Q3	Q4	
<i>Balance sheet</i>												
Total assets	1,178,273	1,290,686	1,414,391	1,549,979	1,709,085	1,517,067	1,549,979	1,590,705	1,636,305	1,674,216	1,709,085	1,722,328
Loans	767,464	822,127	885,466	969,249	1,097,601	945,604	969,249	996,874	1,034,675	1,069,966	1,097,601	1,119,845
Securities and money market	319,514	359,293	408,750	449,241	474,035	443,645	449,241	465,449	463,381	465,577	474,035	460,222
Allowance for loan losses	10,884	11,894	13,181	14,075	14,745	14,098	14,075	14,384	14,637	14,799	14,735	14,805
Other	102,179	121,160	133,355	145,565	152,184	141,917	145,565	142,765	152,875	153,471	152,184	157,066
Total liabilities	1,076,381	1,174,315	1,283,635	1,407,777	1,550,877	1,377,795	1,407,777	1,444,384	1,490,587	1,519,327	1,550,877	1,565,804
Deposits	912,804	988,825	1,078,022	1,169,677	1,281,283	1,147,564	1,169,677	1,202,669	1,228,499	1,253,522	1,281,283	1,306,451
Borrowings	142,782	159,804	174,398	203,755	228,929	196,562	203,755	201,409	224,675	224,913	228,929	217,206
Other ⁵	20,794	25,687	31,214	34,345	40,665	33,669	34,345	40,306	38,413	40,893	40,665	42,147
Total equity	101,892	116,371	130,756	142,202	158,208	139,272	142,202	146,321	145,718	154,889	158,208	156,525
<i>Off-balance-sheet</i>												
Unused commitments to lend	215,583	235,764	253,620	284,399	324,828	278,562	284,399	290,060	301,229	315,742	324,828	335,250
Securitized assets outstanding ⁶	n.a.	4,567	4,458	4,159	2,877	4,400	4,159	2,875	4,000	2,757	2,877	2,792
Derivatives (notional value, billions) ⁷	47	87	86	92	140	97	92	118	109	117	140	73
<i>Income statement</i>												
Net income ⁸	13,485	13,841	16,634	17,904	19,663	4,560	4,220	4,826	4,847	5,042	4,948	5,243
Net interest income	43,509	46,215	51,029	53,139	57,389	13,166	13,639	13,867	14,014	14,539	14,968	15,206
Provisions for loan losses	3,420	4,448	5,059	4,271	3,196	1,051	1,127	802	786	798	810	675
Non-interest income	16,181	22,424	24,591	27,754	26,654	7,009	6,754	6,768	6,707	6,616	6,562	6,679
Non-interest expense	38,118	44,389	46,957	51,486	54,586	12,711	13,440	13,160	13,145	13,319	13,964	13,941
Security gains or losses	-9	729	639	993	559	136	187	310	111	134	5	100
<i>Ratios (percent)</i>												
Return on average equity	13.09	12.53	13.53	13.10	13.23	13.35	12.06	13.52	13.29	13.45	12.71	13.38
Return on average assets	1.12	1.13	1.25	1.21	1.21	1.22	1.10	1.24	1.21	1.22	1.17	1.23
Net interest margin ⁹	4.31	4.20	4.26	4.00	3.93	3.92	3.97	3.97	3.89	3.92	3.95	3.99
Efficiency ratio ¹⁰	62.24	63.80	61.12	62.94	62.67	62.67	65.72	63.02	62.80	62.91	63.88	62.56
Nonperforming assets to loans and related assets	.77	.97	1.02	.98	.76	1.04	.98	.96	.87	.84	.76	.73
Net charge-offs to average loans	.32	.43	.46	.39	.25	.35	.51	.23	.25	.23	.31	.17
Loans to deposits	84.08	83.14	82.14	82.86	85.66	82.40	82.86	82.89	84.22	85.36	85.66	85.72
<i>Regulatory capital ratios</i>												
Tier 1 risk-based	11.83	12.27	12.50	12.59	12.45	12.59	12.59	12.62	12.48	12.46	12.45	12.30
Total risk-based	13.29	13.83	14.11	14.40	14.09	14.29	14.30	14.31	14.15	14.11	14.09	13.92
Leverage	8.52	8.81	8.93	9.06	9.16	8.99	9.06	9.17	9.10	9.15	9.16	9.13
Number of other reporting bank holding companies	1,652	1,779	1,916	2,071	2,199	2,057	2,071	2,131	2,149	2,182	2,199	2,225

Footnotes appear on p. 399.

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				2005
						Q3	Q4	Q1	Q2	Q3	Q4	
<i>Bank holding companies that qualify as financial holding companies^{1,4,5}</i>												
<i>Domestic</i>												
Number	300	389	435	452	474	449	452	465	471	477	474	471
Total assets	4,497,781	5,440,842	5,921,277	6,610,814	7,462,508	6,451,785	6,610,814	6,856,173	7,082,467	7,279,249	7,462,508	7,635,666
<i>Foreign-owned⁶</i>												
Number	9	10	11	13	14	11	12	13	14	14	14	15
Total assets	502,506	621,442	616,254	710,441	1,376,333	729,244	710,441	994,672	1,117,266	1,193,984	1,376,333	1,526,167
Total U.S. commercial bank assets⁷	6,129,534	6,415,909	6,897,447	7,397,818	8,207,991	7,293,920	7,397,818	7,614,504	7,850,644	8,040,967	8,207,991	8,400,147
<i>By ownership</i>												
Reporting bank holding companies	5,657,210	5,942,575	6,429,738	6,940,992	7,785,428	6,842,727	6,940,992	7,165,651	7,409,186	7,599,384	7,785,428	7,988,330
Other bank holding companies	229,274	240,464	227,017	219,223	209,181	217,035	219,223	213,193	217,235	208,696	209,181	204,799
Independent banks	243,050	243,870	240,693	247,604	312,482	344,157	237,604	245,660	329,735	242,887	212,482	207,019
<i>Assets associated with nonbanking activities^{8,9}</i>												
Insurance	n.a.	426,462	372,405	447,503	579,111	419,575	437,503	468,168	584,073	579,285	579,111	574,466
Securities broker-dealers	n.a.	n.a.	630,851	656,775	719,242	686,649	656,775	713,794	710,485	756,869	719,242	933,479
Thrift institutions ¹⁰	102,218	91,170	107,422	143,056	191,201	144,578	133,056	149,714	156,033	162,496	191,201	193,647
Foreign nonbank institutions	132,629	138,977	145,344	170,600	216,758	162,789	170,600	184,334	226,064	230,569	216,758	219,828
Other nonbank institutions	1,334,714	1,694,267	561,712	686,567	1,128,184	746,515	686,567	853,276	870,833	887,848	1,128,184	1,044,441
<i>Number of bank holding companies engaged in nonbanking activities^{11,12}</i>												
Insurance	n.a.	144	96	102	97	102	102	100	101	98	97	97
Securities broker-dealers	n.a.	n.a.	47	50	43	46	50	49	48	45	43	41
Thrift institutions	50	48	32	27	27	29	27	29	27	25	27	26
Foreign nonbank institutions	25	32	37	41	39	39	41	41	40	40	39	38
Other nonbank institutions	633	744	880	1,042	1,026	992	1,042	1,010	1,030	1,050	1,026	929
<i>Foreign-owned bank holding companies¹³</i>												
Number	21	23	26	27	29	27	27	27	28	28	29	29
Total assets	636,669	764,411	762,901	934,085	1,537,208	947,254	934,085	1,145,476	1,371,478	1,449,900	1,537,208	1,690,118
Employees of reporting bank holding companies (full-time equivalent)	1,859,930	1,985,981	1,992,559	2,034,358	2,162,118	2,031,029	2,034,358	2,099,126	2,085,733	2,133,267	2,162,118	2,165,347
<i>Assets of fifty large bank holding companies^{14,15}</i>												
Fixed panel (from table 2)	5,509,309	5,883,039	6,244,695	6,901,426	7,940,887	6,876,533	6,901,426	7,348,179	7,539,149	7,741,740	7,940,887	8,206,462
Fifty large as of reporting date	5,319,129	5,730,821	6,032,000	6,666,488	7,940,955	6,602,255	6,666,488	7,045,844	7,385,384	7,644,504	7,940,955	8,206,462
Percent of all reporting bank holding companies	78.90	76.60	75.50	75.10	76.80	75.40	75.10	75.30	76.00	76.70	76.80	76.70

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.

3. 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.

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

5. Includes minority interests in consolidated subsidiaries.

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

7. 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.

8. 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 buyer 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.

9. 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.

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

11. 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.

12. 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.

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

14. 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.

15. 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.

16. 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.

17. Data for thrift, foreign nonbank, and other nonbank institutions are total assets of each type of subsidiary as reported in the FR Y-9L 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 primarily in insurance agency activities. Beginning in 2002:Q2, insurance totals include only newly authorized insurance activities under the Gramm-Leach-Bliley Act.

18. Aggregate assets of limit subsidiaries were affected significantly by the conversion of Charter One's fifth 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 limit institution with assets of \$55 billion) in the fourth quarter of 2002.

19. 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 FR Y-9C and FR Y-9LR, Federal Reserve National Information Center, and published financial reports.