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

Total assets of reporting bank holding companies rose \$245 billion (2.5 percent), to just less than \$9.9 trillion, in a third quarter that was characterized by continuing merger activity among banking organizations, reactions to changes in the interest rate environment, and tepid financial markets. More than half of the increase in assets (\$144 billion) was accounted for by loans, primarily those secured by commercial real estate and those extended under home equity lines of credit and credit cards. The quarter's growth in commercial real estate loans was about evenly divided between construction lending and mortgage loans to finance existing nonfarm business properties. A significant portion of the growth in credit card loans was unrelated to the quarter's lending activity, reflecting instead a reclassification of credit-card-backed assets to loans from the securities portfolio at one large bank holding company as it merged with another company during the quarter. Commercial and industrial loans rose only modestly, primarily in the small-business and middle-market segments.

Other earning assets grew \$49 billion (1.4 percent), primarily in assets held for trading purposes but also in short-term and interbank money market instruments. Total holdings of investment securities declined slightly. Securities and money market holdings rose more rapidly at the fifty large companies than at "all other reporting companies" (1.4 percent, compared with 0.6 percent). These holdings have consistently represented a greater share of assets at the fifty large companies (38.0 percent of assets) than at "all other" companies (27.9 percent), a difference that has been attributable to the sizable trading portfolios maintained by the largest institutions.

Deposits grew \$166 billion (1.2 percent), with more rapid growth occurring at "all other" companies (2.2 percent, compared with 0.8 percent at the fifty large bank holding companies). Because deposits did not keep pace with growth in total assets, nondeposit borrowings rose \$97 billion (or 3.3 percent) overall, chiefly at the fifty large companies.

Equity rose sharply in the quarter (\$79 billion, or 10.3 percent), principally because of increases in the unrealized valuation gains on securities, assets denominated in foreign currencies, and certain derivatives holdings that hedge risks of longer-term loans and servicing assets. A lesser influence was revaluation of the assets of banks or other entities acquired during the quarter, accompanied by increases in intangible assets. Accordingly, regulatory capital ratios—which exclude both unrealized valuation changes and capital increases associated with acquisition-related intangible assets—remained largely steady for the quarter.

Net income rebounded to \$27.8 billion, an increase of \$2.9 billion, or 11.6 percent, from a second quarter that had included large nonrecurring, litigation-related expenses at two of the largest bank holding companies. This significant decline in non-interest expense (\$13.0 billion, or 13.0 percent) primarily reflected the presence of the large nonrecurring charges in the second quarter, although the third quarter included some notable nonrecurring expenses at bank holding companies that had recently completed major acquisitions. Non-interest income also fell sharply (\$7.0 billion, or 10.0 percent), reflecting weakness in market-sensitive business lines (such as trading, investment banking, venture capital, and asset management) and a continuing slowdown in mortgage banking revenues. Earnings were damped a bit by a modest narrowing of net interest margins (down 0.08 percent, to 3.39 percent of earning assets) attributable to higher short-term interest rates, a less-steep yield curve, and reduced holdings of longer-term (and thus higher-yielding) mortgage pass-through securities. Provisions for credit losses remained modest, as already low nonperforming asset and net charge-off ratios fell further during the quarter. Nonetheless, reporting bank holding companies increased their provisions slightly for the quarter and thus, for the first time in several quarters, their earnings did not benefit from lower credit costs.

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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}	1999	2000	2001	2002	2003	2003				2004		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
<i>Balance sheet</i>												
Total assets	6,233,038	6,726,947	7,458,768	7,953,470	8,834,162	8,190,176	8,685,673	8,707,637	8,834,162	9,298,924	9,649,224	9,893,922
Loans	3,393,034	3,713,457	3,811,632	4,052,705	4,403,012	4,121,366	4,274,266	4,345,701	4,403,012	4,573,448	4,758,146	4,901,751
Securities and money market	2,085,532	2,194,431	2,562,784	2,857,949	3,290,307	3,011,737	3,219,158	3,176,827	3,290,307	3,577,494	3,613,859	3,662,762
Allowance for loan losses	-55,289	-59,849	-67,993	-73,170	-72,343	-72,864	-73,131	-72,456	-72,343	-75,348	-75,188	-74,632
Other	809,762	878,909	1,152,346	1,115,987	1,213,186	1,129,936	1,265,380	1,257,565	1,213,186	1,223,330	1,352,408	1,404,042
Total liabilities	5,766,238	6,211,048	6,876,420	7,317,349	8,137,200	7,539,661	8,011,048	8,025,999	8,137,200	8,561,387	8,882,687	9,048,739
Deposits	3,506,462	3,763,370	4,012,930	4,339,919	4,682,627	4,434,185	4,579,874	4,584,608	4,682,627	4,822,452	4,978,928	5,037,590
Borrowings	1,779,292	1,984,686	2,064,538	2,232,500	2,615,355	2,320,727	2,513,618	2,558,226	2,615,355	2,852,001	2,901,847	2,998,907
Other ³	480,484	462,992	798,952	744,930	839,218	784,748	917,556	883,166	839,218	886,935	1,001,912	1,012,243
Total equity	466,800	515,899	582,348	636,121	696,962	650,516	674,625	681,638	696,962	737,537	766,537	845,183
<i>Off-balance-sheet</i>												
Unused commitments to lend ⁴	3,093,729	3,297,511	3,481,744	3,650,669	4,097,531	3,714,160	3,756,486	3,887,356	4,097,531	4,350,933	4,420,737	4,569,901
Securitizations outstanding ⁵	n.a.	n.a.	276,717	295,001	298,348	284,429	285,286	290,328	298,348	308,543	314,258	313,436
Derivatives (notional value, billions) ⁶	37,925	43,600	48,261	57,865	72,878	64,116	68,330	69,418	72,878	79,234	83,071	84,691
<i>Income statement</i>												
Net income ⁷	77,054	72,698	65,868	84,831	106,819	24,817	26,389	27,306	28,414	30,368	24,945	27,850
Net interest income	187,535	196,106	222,785	243,329	254,752	62,383	63,268	63,999	65,287	68,050	71,764	71,536
Provisions for loan losses	20,056	26,886	39,637	42,957	31,557	8,579	8,433	7,120	7,427	6,933	6,513	6,712
Non-interest income	174,855	197,838	214,556	216,065	245,226	57,479	61,757	61,445	64,578	66,566	70,367	63,332
Non-interest expense	225,584	255,066	298,083	292,379	311,473	74,315	77,647	78,111	81,466	83,037	99,590	86,605
Security gains or losses	3,122	-606	4,338	4,521	5,782	1,856	2,684	587	666	1,987	1,019	1,983
<i>Ratios (percent)</i>												
Return on average equity	17.44	15.15	11.81	14.05	16.24	15.65	16.13	16.42	16.73	17.02	13.13	13.53
Return on average assets	1.30	1.12	.91	1.10	1.26	1.22	1.25	1.26	1.30	1.33	1.03	1.13
Net interest margin ⁸	3.71	3.56	3.59	3.72	3.49	3.58	3.50	3.43	3.47	3.45	3.47	3.39
Efficiency ratio ⁷	61.40	62.67	66.04	62.62	61.71	61.95	62.50	62.08	62.52	61.79	62.32	63.86
Nonperforming assets to loans and related assets	.85	1.09	1.45	1.45	1.16	1.43	1.33	1.23	1.16	1.10	.97	.90
Net charge-offs to average loans	.54	.65	.89	1.01	.80	.84	.80	.75	.83	.70	.64	.58
Loans to deposits	96.77	98.67	94.98	93.38	94.03	92.95	93.33	94.79	94.03	94.84	95.57	97.30
<i>Regulatory capital ratios</i>												
Tier 1 risk-based	8.80	8.83	8.91	9.21	9.55	9.33	9.29	9.51	9.55	9.49	9.33	9.35
Total risk-based	11.73	11.80	11.91	12.28	12.58	12.42	12.29	12.52	12.58	12.45	12.24	12.25
Leverage	7.00	6.80	6.66	6.70	6.84	6.73	6.76	6.74	6.84	6.84	6.63	6.71
Number of reporting bank holding companies	1,647	1,727	1,842	1,979	2,134	2,036	2,064	2,120	2,134	2,192	2,210	2,239

Footnotes appear on p. 34.

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}	1999	2000	2001	2002	2003	2003				2004		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
<i>Balance sheet</i>												
Total assets	5,099,836	5,477,515	5,839,170	6,187,672	6,832,129	6,359,053	6,746,975	6,758,788	6,832,129	7,263,707	7,450,254	7,644,504
Loans	2,678,006	2,914,611	2,925,840	3,100,479	3,338,672	3,148,109	3,254,017	3,307,831	3,338,672	3,490,674	3,622,295	3,725,856
Securities and money market	1,757,559	1,841,370	2,041,939	2,268,185	2,610,066	2,382,270	2,548,039	2,513,575	2,610,066	2,882,756	2,865,953	2,905,381
Allowance for loan losses	-45,328	-48,578	-55,578	-59,340	-57,596	-58,631	-58,507	-57,624	-57,596	-60,227	-59,875	-59,267
Other	709,599	770,112	926,969	878,349	940,987	887,305	1,003,426	995,006	940,987	950,504	1,021,882	1,072,534
Total liabilities	4,729,467	5,069,521	5,395,194	5,707,108	6,310,076	5,869,841	6,241,733	6,246,408	6,310,076	6,705,660	6,870,009	6,998,052
Deposits	2,667,386	2,832,602	3,002,488	3,232,630	3,476,108	3,291,933	3,407,659	3,401,269	3,476,108	3,591,513	3,719,888	3,751,165
Borrowings	1,608,456	1,801,495	1,862,392	2,022,527	2,335,721	2,097,263	2,247,655	2,292,836	2,335,721	2,584,248	2,608,592	2,705,089
Other ³	453,626	435,425	530,314	451,950	498,247	480,645	586,419	552,303	498,247	529,900	541,529	541,798
Total equity	370,369	407,994	443,976	480,564	522,054	489,212	505,243	512,380	522,054	558,047	580,245	646,453
<i>Off-balance-sheet</i>												
Unused commitments to lend ⁴	2,878,837	3,073,838	3,236,770	3,384,138	3,800,034	3,436,066	3,467,715	3,592,127	3,800,034	4,046,999	4,103,786	4,233,162
Securitizations outstanding ⁵	n.a.	n.a.	271,825	289,320	292,312	278,633	279,083	284,134	292,312	304,545	307,878	307,325
Derivatives (notional value, billions) ⁶	37,885	43,534	48,142	57,744	72,683	63,973	68,157	69,239	72,683	78,999	82,799	84,420
<i>Income statement</i>												
Net income ⁷	64,586	59,815	51,747	67,222	86,248	19,895	21,061	22,186	23,213	24,769	18,477	21,653
Net interest income	146,555	151,564	164,525	180,568	188,901	46,282	46,804	47,724	48,277	50,997	52,405	52,783
Provisions for loan losses	17,228	23,245	34,666	37,161	26,976	7,483	7,231	5,927	6,336	6,136	5,704	5,931
Non-interest income	156,838	178,438	169,811	166,937	189,973	44,579	47,730	47,652	50,044	52,565	53,187	47,566
Non-interest expense	187,837	213,601	220,159	210,949	224,063	53,445	55,830	56,599	58,255	60,665	72,854	61,638
Security gains or losses	2,232	-609	4,288	4,894	5,160	1,735	2,323	480	633	1,616	715	1,720
<i>Ratios (percent)</i>												
Return on average equity	18.59	15.80	12.15	14.64	17.45	16.66	17.20	17.74	18.19	18.31	12.83	13.69
Return on average assets	1.33	1.13	.91	1.12	1.30	1.25	1.29	1.31	1.36	1.38	.99	1.14
Net interest margin ⁸	3.58	3.42	3.36	3.53	3.33	3.41	3.32	3.28	3.30	3.29	3.25	3.21
Efficiency ratio ⁷	61.04	62.58	63.43	59.79	58.63	59.04	59.39	59.14	59.04	58.86	58.49	60.83
Nonperforming assets to loans and related assets	.89	1.18	1.58	1.58	1.23	1.52	1.42	1.31	1.23	1.15	1.01	.92
Net charge-offs to average loans	.60	.74	1.02	1.18	.93	1.00	.94	.86	.94	.85	.76	.70
Loans to deposits	100.40	102.90	97.45	95.91	96.05	95.63	95.49	97.25	96.05	97.19	97.38	99.33
<i>Regulatory capital ratios</i>												
Tier 1 risk-based	8.11	8.19	8.21	8.49	8.77	8.59	8.52	8.78	8.77	8.71	8.55	8.54
Total risk-based	11.32	11.45	11.57	11.94	12.15	12.06	11.89	12.15	12.15	12.00	11.81	11.78
Leverage	6.62	6.41	6.21	6.22	6.31	6.24	6.26	6.25	6.31	6.31	6.07	6.16

Footnotes appear on p. 34.

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	1999	2000	2001	2002	2003	2003				2004		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
<i>Balance sheet</i>												
Total assets	1,104,423	1,215,909	1,317,791	1,448,084	1,591,924	1,498,582	1,546,740	1,557,164	1,591,924	1,615,235	1,662,302	1,704,200
Loans	703,746	785,858	837,595	905,028	993,814	924,644	952,506	968,204	993,814	1,012,195	1,050,666	1,088,259
Securities and money market	312,036	334,378	369,757	421,328	464,390	450,956	464,999	458,854	464,390	472,987	472,276	475,248
Allowance for loan losses	-9,784	-11,062	-12,075	-13,418	-14,357	-13,816	-14,118	-14,374	-14,357	-14,736	-14,971	-15,070
Other	98,425	106,734	122,514	135,146	148,077	136,799	143,352	144,480	148,077	144,789	154,331	155,762
Total liabilities	1,009,906	1,110,013	1,199,770	1,315,094	1,446,823	1,360,617	1,404,460	1,415,160	1,446,823	1,466,907	1,514,597	1,546,823
Deposits	839,076	930,685	1,004,192	1,098,359	1,194,262	1,133,011	1,161,193	1,171,761	1,194,262	1,216,958	1,243,241	1,270,158
Borrowings	149,263	153,503	168,676	184,531	217,017	192,795	206,763	208,553	217,017	208,703	232,083	234,951
Other ³	21,568	25,825	26,901	32,203	35,545	34,811	36,503	34,846	35,545	41,246	39,274	41,715
Total equity	94,516	105,896	118,021	132,990	145,102	137,965	142,280	142,004	145,102	148,328	147,705	157,377
<i>Off-balance-sheet</i>												
Unused commitments to lend ⁴	203,564	215,324	235,290	255,183	285,057	266,833	277,061	283,085	285,057	290,551	301,933	319,422
Securitizations outstanding ⁵	n.a.	n.a.	4,567	4,942	4,893	4,994	5,205	5,116	4,893	2,875	3,000	2,757
Derivatives (notional value, billions) ⁶	27	53	90	89	98	100	106	102	98	125	117	128
<i>Income statement</i>												
Net income ⁷	12,320	12,864	14,063	16,941	18,299	4,547	4,770	4,650	4,332	4,906	4,913	5,139
Net interest income	40,896	44,548	46,944	51,927	54,153	13,319	13,500	13,419	13,915	14,038	14,192	14,757
Provisions for loan losses	2,734	3,499	4,537	5,166	4,365	1,029	1,113	1,073	1,150	832	817	795
Non-interest income	16,216	17,468	22,577	24,837	28,066	6,730	7,411	7,080	6,844	6,834	6,758	6,671
Non-interest expense	36,231	39,726	44,808	47,501	52,077	12,488	13,124	12,867	13,598	13,267	13,255	13,445
Security gains or losses	821	-3	760	708	1,055	296	425	133	201	311	101	140
<i>Ratios (percent)</i>												
Return on average equity	13.12	12.95	12.32	13.56	13.15	13.43	13.69	13.37	12.13	13.55	13.28	13.49
Return on average assets	1.16	1.11	1.12	1.24	1.20	1.24	1.26	1.21	1.10	1.24	1.20	1.23
Net interest margin ⁸	4.29	4.27	4.15	4.23	3.97	4.05	3.99	3.89	3.95	3.96	3.88	3.91
Efficiency ratio ⁷	62.62	62.38	63.51	60.85	62.58	61.66	63.45	62.49	65.39	62.79	62.57	62.66
Nonperforming assets to loans and related assets	.69	.77	.97	1.02	.97	1.13	1.09	1.03	.97	.97	.88	.86
Net charge-offs to average loans	.30	.32	.43	.46	.39	.32	.37	.35	.50	.24	.26	.22
Loans to deposits	83.87	84.44	83.41	82.40	83.22	81.61	82.03	82.63	83.22	83.17	84.51	85.68
<i>Regulatory capital ratios</i>												
Tier 1 risk-based	12.39	12.02	12.31	12.51	12.60	12.66	12.60	12.60	12.60	12.58	12.45	12.42
Total risk-based	13.83	13.49	13.88	14.14	14.32	14.32	14.29	14.31	14.32	14.28	14.14	14.08
Leverage	8.68	8.61	8.79	8.89	9.02	8.99	8.95	8.96	9.02	9.08	9.08	9.11
Number of other reporting bank holding companies	1,564	1,657	1,783	1,920	2,075	1,977	2,005	2,061	2,075	2,134	2,151	2,184

Footnotes appear on p. 34.

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

Millions of dollars except as noted, not seasonally adjusted

Account	1999	2000	2001	2002	2003	2003				2004		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
<i>Bank holding companies that qualify as financial holding companies^{11,12}</i>												
<i>Domestic</i>												
Number	n.a.	299	388	434	451	437	440	448	451	463	469	475
Total assets	n.a.	4,494,270	5,436,785	5,916,859	6,605,565	6,061,696	6,433,736	6,447,130	6,605,565	6,839,976	7,063,960	7,258,996
<i>Foreign-owned¹³</i>												
Number	n.a.	9	10	11	12	11	11	11	12	13	14	14
Total assets	n.a.	502,506	621,442	616,254	710,441	648,017	732,695	729,244	710,441	995,454	1,117,732	1,194,645
Total U.S. commercial bank assets¹⁴	5,673,702	6,129,534	6,415,909	6,897,447	7,397,818	7,031,274	7,325,350	7,293,920	7,397,818	7,614,374	7,850,643	8,041,091
<i>By ownership</i>												
Reporting bank holding companies	5,226,027	5,657,210	5,942,575	6,429,738	6,940,992	6,577,712	6,863,154	6,842,727	6,940,992	7,165,521	7,409,184	7,599,349
Other bank holding companies	226,916	229,274	230,464	227,017	219,222	222,670	222,998	217,035	219,222	213,193	211,726	208,964
Independent banks	220,759	243,050	242,870	240,692	237,604	230,893	239,198	234,157	237,604	235,660	229,733	232,778
<i>Assets associated with nonbanking activities^{12,15}</i>												
Insurance	n.a.	n.a.	426,462	372,405	437,503	381,464	405,297	419,575	437,503	468,168	583,073	579,785
Securities broker-dealers	n.a.	n.a.	n.a.	630,851	656,775	709,839	659,701	686,049	656,775	713,794	710,485	756,870
Thrift institutions	117,699	102,218	91,170	107,422	133,056	126,375	124,640	143,578	133,056	139,713	156,033	162,396
Foreign nonbank institutions	78,712	132,629	138,977	145,344	170,600	154,812	160,515	162,789	170,600	195,472	226,055	230,066
Other nonbank institutions	879,793	1,234,714	1,674,267	561,712	686,367	524,709	737,434	736,515	686,367	837,298	861,366	874,295
<i>Number of bank holding companies engaged in nonbanking activities^{12,15}</i>												
Insurance	n.a.	n.a.	143	96	102	94	93	102	102	100	102	100
Securities broker-dealers	n.a.	n.a.	n.a.	47	50	48	50	46	50	49	48	46
Thrift institutions	57	50	38	32	27	31	31	29	27	29	27	25
Foreign nonbank institutions	25	25	32	37	41	38	40	39	41	41	40	40
Other nonbank institutions	559	633	743	880	1,042	913	945	992	1,042	1,016	1,038	1,068
<i>Foreign-owned bank holding companies¹³</i>												
Number	18	21	23	26	28	26	27	28	28	28	29	29
Total assets	535,024	636,669	764,411	762,901	934,781	799,540	946,847	947,932	934,781	1,146,963	1,272,564	1,351,302
Employees of reporting bank holding companies (full-time equivalent)	1,775,418	1,859,930	1,985,981	1,992,559	2,034,358	2,000,168	2,019,953	2,031,029	2,034,358	2,099,072	2,085,671	2,133,194
<i>Assets of fifty large bank holding companies^{9,17}</i>												
Fixed panel (from table 2)	5,099,836	5,477,515	5,839,170	6,187,672	6,832,129	6,359,053	6,746,975	6,758,788	6,832,129	7,263,707	7,450,254	7,644,504
Fifty large as of reporting date	4,809,785	5,319,129	5,732,621	6,032,000	6,666,488	6,203,000	6,587,000	6,602,255	6,666,488	7,045,844	7,385,384	7,644,504
Percent of all reporting bank holding companies	77.20	79.10	76.90	75.80	75.50	75.70	75.80	75.80	75.50	75.80	76.50	77.30

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. Excludes 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.