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

Assets of reporting bank holding companies rose $365 billion (3.9 percent) in the second quarter, to $9.65 trillion. Loans accounted for the majority of this overall growth (up $194 billion, or 4.3 percent). Loan growth was primarily in consumer categories, while commercial lending activity remained weak. Reflecting this weakness in business loans, unused commitments to lend grew only $70 billion, or one-third of the growth seen in each of the two previous quarters. The increase in total assets was significantly influenced by the addition of a new insurance-oriented financial holding company (John Hancock) with consolidated assets of $115 billion, mostly in other assets.

Even with the addition of the new insurance-oriented financial holding company, securities and money market assets rose only $41 billion, or 1.1 percent. The overall growth masked significant differences across the population of reporting bank holding companies. Holdings of these assets declined $16 billion, or 0.6 percent, at the fifty large bank holding companies as these institutions sought to position their balance sheets for possible future interest rate increases. In contrast, such assets rose slightly at the generally smaller "all other reporting companies" and more significantly at the few large bank holding companies excluded from the "fifty large" panel, because commercial banking operations account for only a small portion of their assets and earnings.

Deposits grew strongly (up $165 billion, or 3.4 percent), attributable in part to continued healthy increases in core deposits. Borrowings rose at a slower pace ($55 billion, or 1.9 percent). The remarkable growth in other assets and other liabilities—10.7 percent and 12.0 percent, respectively—was influenced significantly by insurance-related items associated with the addition of the new insurance-oriented financial holding company.

Strong asset growth was also reflected in slightly lower aggregate capital ratios during the quarter. Although these ratios remained well above minimum requirements, each of the three aggregate regulatory measures—the Tier 1 risk-based, total risk-based, and leverage capital ratios—fell about 20 basis points.

Net income fell $5 billion (18.0 percent), to $25 billion, related to widely publicized one-time litigation charges at two of the largest bank holding companies. Including these one-time charges, aggregate non-interest expenses rose $17 billion (20.0 percent) despite a slight decline in total employment at reporting bank holding companies (down 13,000, or 0.6 percent) that in turn was attributable to a falloff in mortgage origination activity. Net interest income and non-interest income each rose $4 billion, or about 6.0 percent. Net interest income was supported by an increase in interest-earning assets and a slight widening of the net interest margin (up 3 basis points, to 3.48 percent), while non-interest income benefited from stronger market-sensitive revenues. Realized securities gains fell 50.0 percent, or $1 billion, as rising long-term interest rates negatively affected the market value of investment securities.

Asset quality continued to improve with nonperforming assets falling below 1.00 percent of loans and related assets for the first time in four years, reaching 0.97 percent. Net charge-offs declined to 0.64 percent of average loans, about on par with the loss rate experienced in 2000. With these indications of improvement, the aggregate allowance for loan losses remained unchanged at $75 billion despite the significant growth in loans noted earlier.

Tables start on page 459.

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	2002	2003				2004	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
Balance sheet												
Total assets	**6,223,157**	**6,716,171**	**7,447,463**	**7,940,580**	**8,819,567**	**7,940,580**	**8,176,401**	**8,671,732**	**8,693,481**	**8,819,567**	**9,283,681**	**9,649,142**
Loans	3,386,343	3,706,547	3,804,665	4,044,387	4,393,702	4,044,387	4,112,535	4,265,235	4,336,327	4,393,702	4,563,721	4,758,106
Securities and money market	2,082,428	2,191,024	2,558,749	2,853,808	3,285,962	2,853,808	3,007,215	3,214,738	3,172,499	3,285,962	3,573,028	3,613,913
Allowance for loan losses	−54,875	−59,284	−67,343	−72,451	−72,220	−72,451	−72,145	−72,476	−71,871	−72,220	−75,228	−75,230
Other	809,261	877,884	1,151,392	1,114,836	1,212,123	1,114,836	1,128,795	1,264,236	1,256,527	1,212,123	1,222,160	1,352,353
Total liabilities	**5,756,993**	**6,201,163**	**6,866,122**	**7,305,495**	**8,123,757**	**7,305,495**	**7,526,957**	**7,998,206**	**8,012,947**	**8,123,757**	**8,547,359**	**8,882,600**
Deposits	3,500,012	3,756,389	4,005,863	4,332,313	4,674,255	4,332,313	4,426,402	4,571,789	4,576,475	4,674,255	4,813,814	4,978,928
Borrowings	1,776,587	1,981,783	2,061,127	2,228,020	2,610,400	2,228,020	2,315,467	2,508,601	2,553,019	2,610,400	2,846,872	2,901,852
Other [3]	480,394	462,991	799,132	745,162	839,103	745,162	785,089	917,815	883,454	839,103	886,673	1,001,820
Total equity	**466,164**	**515,008**	**581,341**	**635,085**	**695,810**	**635,085**	**649,444**	**673,526**	**680,534**	**695,810**	**736,322**	**766,542**
Off-balance-sheet												
Unused commitments to lend [4]	3,093,729	3,297,511	3,481,744	3,650,669	4,097,531	3,650,669	3,714,160	3,756,486	3,887,356	4,097,531	4,350,950	4,420,713
Securitizations outstanding [5]	n.a.	n.a.	276,717	295,001	298,348	295,001	284,429	285,286	290,328	298,348	308,543	314,259
Derivatives (notional value, billions) [6]	37,924	43,599	48,261	57,864	72,877	57,864	64,116	68,330	69,416	72,877	79,233	83,071
Income statement												
Net income [7]	76,966	72,580	65,488	84,678	106,656	18,732	24,777	26,348	27,265	28,373	30,325	24,968
Net interest income	187,211	195,780	221,626	242,923	254,518	61,700	62,278	63,168	63,898	65,359	67,971	71,910
Provisions for loan losses	20,032	26,874	39,522	42,928	31,532	11,545	8,574	8,428	7,110	7,421	6,934	6,554
Non-interest income	174,795	197,707	214,093	215,879	244,814	56,758	57,426	61,698	61,380	64,342	66,488	70,386
Non-interest expense	225,364	254,800	297,196	292,050	311,095	79,033	74,222	77,554	78,017	81,368	82,944	99,684
Security gains or losses	3,117	−614	4,297	4,503	5,764	1,644	1,854	2,675	583	664	1,980	1,025
Ratios (percent)												
Return on average equity	17.44	15.15	11.76	14.05	16.24	12.13	15.65	16.13	16.42	16.74	17.03	13.14
Return on average assets	1.30	1.12	.90	1.10	1.26	.94	1.22	1.25	1.26	1.30	1.33	1.03
Net interest margin [8]	3.71	3.56	3.58	3.72	3.50	3.63	3.58	3.50	3.43	3.48	3.45	3.48
Efficiency ratio [7]	61.32	62.57	66.04	62.72	61.72	65.76	62.03	62.59	62.06	62.42	61.88	62.30
Nonperforming assets to loans and related assets	.85	1.09	1.45	1.46	1.16	1.46	1.43	1.34	1.24	1.16	1.10	.97
Net charge-offs to average loans	.54	.65	.89	1.02	.81	1.02	.84	.80	.75	.83	.70	.64
Loans to deposits	96.75	98.67	94.98	93.35	94.00	93.35	92.91	93.29	94.75	94.00	94.80	95.56
Regulatory capital ratios												
Tier 1 risk-based	8.80	8.83	8.91	9.21	9.55	9.21	9.33	9.29	9.51	9.55	9.49	9.33
Total risk-based	11.73	11.80	11.91	12.29	12.58	12.29	12.42	12.29	12.52	12.58	12.44	12.23
Leverage	7.00	6.80	6.66	6.70	6.84	6.70	6.72	6.75	6.74	6.84	6.84	6.62
Number of reporting bank holding companies	1,647	1,727	1,842	1,979	2,134	1,979	2,036	2,064	2,120	2,134	2,192	2,210

Footnotes appear on p. 462.

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	2002	2003				2004	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
Balance sheet												
Total assets	**5,054,896**	**5,430,376**	**5,788,065**	**6,130,535**	**6,771,655**	**6,130,535**	**6,300,884**	**6,687,514**	**6,699,934**	**6,771,655**	**7,201,957**	**7,385,384**
Loans	2,646,916	2,881,205	2,891,509	3,061,630	3,298,862	3,061,630	3,108,860	3,213,795	3,268,050	3,298,862	3,450,031	3,579,264
Securities and money market	1,746,808	1,830,949	2,028,947	2,254,041	2,594,012	2,254,041	2,367,484	2,533,061	2,498,520	2,594,012	2,866,218	2,850,165
Allowance for loan losses	−44,578	−47,654	−54,547	−58,193	−57,022	−58,193	−57,472	−57,409	−56,593	−57,022	−59,658	−59,312
Other	705,750	765,877	922,156	873,057	935,804	873,057	882,012	998,066	989,958	935,804	945,365	1,015,267
Total liabilities	**4,687,865**	**5,026,161**	**5,348,303**	**5,654,767**	**6,254,732**	**5,654,767**	**5,816,536**	**6,187,285**	**6,192,507**	**6,254,732**	**6,649,235**	**6,810,685**
Deposits	2,634,891	2,798,809	2,968,425	3,196,624	3,437,937	3,196,624	3,255,374	3,370,704	3,364,213	3,437,937	3,552,847	3,678,320
Borrowings	1,599,841	1,792,392	1,849,911	2,006,800	2,319,535	2,006,800	2,081,047	2,230,869	2,276,595	2,319,535	2,567,757	2,591,833
Other [3]	453,132	434,960	529,968	451,342	497,260	451,342	480,115	585,712	551,700	497,260	528,632	540,533
Total equity	**367,031**	**404,215**	**439,762**	**475,768**	**516,923**	**475,768**	**484,348**	**500,229**	**507,427**	**516,923**	**552,723**	**574,699**
Off-balance-sheet												
Unused commitments to lend [4]	2,867,877	3,063,974	3,225,542	3,371,618	3,786,413	3,371,618	3,423,887	3,455,716	3,579,420	3,786,413	4,033,475	4,085,732
Securitizations outstanding [5]	n.a.	n.a.	271,825	289,320	292,312	289,320	278,633	279,083	284,134	292,312	304,545	307,878
Derivatives (notional value, billions) [6]	37,882	43,532	48,140	57,740	72,680	57,740	63,969	68,153	69,234	72,680	78,995	82,793
Income statement												
Net income [7]	64,044	59,234	50,884	66,519	85,499	14,273	19,714	20,876	21,996	23,020	24,573	18,248
Net interest income	144,975	149,966	162,048	178,692	186,969	45,911	45,804	46,322	47,244	47,784	50,512	51,903
Provisions for loan losses	17,120	23,148	34,447	37,012	26,826	9,841	7,447	7,193	5,886	6,302	6,113	5,716
Non-interest income	156,233	177,773	168,777	166,158	189,071	42,623	44,364	47,504	47,408	49,827	52,331	52,937
Non-interest expense	186,578	212,297	218,197	209,482	222,462	56,743	53,053	55,434	56,192	57,849	60,260	72,435
Security gains or losses	2,224	−611	4,229	4,866	5,129	1,754	1,729	2,308	474	629	1,592	707
Ratios (percent)												
Return on average equity	18.61	15.80	12.06	14.63	17.47	12.32	16.67	17.22	17.76	18.21	18.34	12.79
Return on average assets	1.33	1.13	.90	1.12	1.30	.93	1.25	1.29	1.31	1.37	1.38	.98
Net interest margin [8]	3.58	3.42	3.34	3.52	3.33	3.48	3.40	3.32	3.28	3.30	3.29	3.25
Efficiency ratio [7]	60.97	62.49	63.46	59.96	58.66	63.05	59.15	59.52	59.12	58.92	58.97	58.47
Nonperforming assets to loans and related assets	.90	1.19	1.59	1.59	1.24	1.59	1.53	1.43	1.31	1.24	1.16	1.02
Net charge-offs to average loans	.61	.74	1.02	1.19	.94	1.17	1.01	.94	.86	.95	.85	.76
Loans to deposits	100.46	102.94	97.41	95.78	95.95	95.78	95.50	95.34	97.14	95.95	97.11	97.31
Regulatory capital ratios												
Tier 1 risk-based	8.09	8.18	8.19	8.48	8.75	8.48	8.57	8.50	8.76	8.75	8.69	8.54
Total risk-based	11.32	11.45	11.56	11.94	12.14	11.94	12.05	11.88	12.14	12.14	11.99	11.80
Leverage	6.61	6.41	6.20	6.20	6.30	6.20	6.22	6.23	6.23	6.30	6.30	6.06

Footnotes appear on p. 462.

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	2002	2003				2004	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
Balance sheet												
Total assets	**1,139,481**	**1,252,272**	**1,357,591**	**1,492,331**	**1,637,803**	**1,492,331**	**1,542,977**	**1,592,260**	**1,601,862**	**1,637,803**	**1,661,742**	**1,727,090**
Loans	728,145	812,354	864,958	935,559	1,024,315	935,559	955,062	983,697	998,611	1,024,315	1,043,110	1,093,656
Securities and money market	319,683	341,392	378,714	431,331	476,099	431,331	461,219	475,557	469,580	476,099	485,059	488,118
Allowance for loan losses	–10,120	–11,420	–12,456	–13,846	–14,807	–13,846	–14,257	–14,561	–14,819	–14,807	–15,186	–15,576
Other	101,772	109,946	126,374	139,287	152,197	139,287	140,953	147,567	148,490	152,197	148,759	160,892
Total liabilities	**1,042,264**	**1,143,488**	**1,236,362**	**1,355,581**	**1,488,723**	**1,355,581**	**1,401,217**	**1,446,066**	**1,456,009**	**1,488,723**	**1,509,303**	**1,573,834**
Deposits	865,120	957,497	1,031,189	1,126,759	1,224,061	1,126,759	1,161,786	1,190,063	1,200,684	1,224,061	1,246,986	1,284,808
Borrowings	155,172	159,704	177,746	195,779	228,247	195,779	203,750	218,533	219,588	228,247	220,065	248,848
Other[3]	21,971	26,288	27,427	33,043	36,416	33,043	35,681	37,471	35,737	36,416	42,253	40,178
Total equity	**97,217**	**108,784**	**121,229**	**136,750**	**149,080**	**136,750**	**141,760**	**146,194**	**145,853**	**149,080**	**152,439**	**153,256**
Off-balance-sheet												
Unused commitments to lend[4]	214,524	225,188	246,518	267,702	298,678	267,702	279,012	289,060	295,792	298,678	304,093	319,963
Securitizations outstanding[5]	n.a.	n.a.	4,567	4,942	4,893	4,942	4,994	5,205	5,116	4,893	2,875	3,001
Derivatives (notional value, billions)[6]	29	54	92	92	100	92	104	110	105	100	128	123
Income statement												
Net income[7]	12,773	13,326	14,547	17,491	18,885	4,270	4,688	4,915	4,798	4,484	5,059	5,165
Net interest income	42,152	45,820	48,263	53,397	55,851	13,450	13,691	13,881	13,799	14,480	14,443	14,839
Provisions for loan losses	2,818	3,584	4,641	5,286	4,489	1,501	1,060	1,146	1,104	1,179	856	846
Non-interest income	16,761	18,000	23,148	25,431	28,556	6,829	6,891	7,579	7,260	6,826	6,989	7,026
Non-interest expense	37,270	40,763	45,883	48,640	53,300	12,813	12,788	13,427	13,180	13,906	13,579	13,767
Security gains or losses	825	–9	777	720	1,068	187	300	431	135	202	328	114
Ratios (percent)												
Return on average equity	13.23	13.05	12.42	13.62	13.21	12.73	13.47	13.74	13.43	12.22	13.61	13.48
Return on average assets	1.16	1.12	1.12	1.24	1.21	1.17	1.24	1.26	1.21	1.11	1.24	1.22
Net interest margin[8]	4.28	4.26	4.14	4.23	3.98	4.10	4.04	3.98	3.89	3.99	3.96	3.90
Efficiency ratio[7]	62.45	62.20	63.31	60.68	62.37	62.89	61.48	63.23	62.32	65.20	62.67	62.36
Nonperforming assets to loans and related assets	.68	.76	.96	1.01	.97	1.01	1.12	1.08	1.02	.97	.96	.86
Net charge-offs to average loans	.30	.32	.43	.46	.39	.53	.32	.37	.35	.50	.24	.26
Loans to deposits	84.17	84.84	83.88	83.03	83.68	83.03	82.21	82.66	83.17	83.68	83.65	85.12
Regulatory capital ratios												
Tier 1 risk-based	12.31	11.95	12.22	12.43	12.55	12.43	12.58	12.53	12.55	12.55	12.52	12.36
Total risk-based	13.76	13.43	13.84	14.09	14.29	14.09	14.28	14.24	14.28	14.29	14.25	14.07
Leverage	8.64	8.58	8.76	8.87	9.00	8.87	8.96	8.92	8.94	9.00	9.06	9.03
Number of other reporting bank holding companies	1,569	1,662	1,787	1,924	2,079	1,924	1,981	2,009	2,065	2,079	2,137	2,155

Footnotes appear on p. 462.

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	2002	2003				2004	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
Bank holding companies that qualify as financial holding companies[11, 12]												
Domestic												
Number	n.a.	299	388	434	451	434	437	440	448	451	463	469
Total assets	n.a.	4,494,270	5,436,785	5,916,859	6,605,639	5,916,859	6,061,696	6,433,736	6,447,130	6,605,639	6,839,971	7,063,919
Foreign-owned[13]												
Number	n.a.	9	10	11	12	11	11	11	11	12	13	14
Total assets	n.a.	502,506	621,442	616,254	710,441	616,254	648,017	732,695	729,244	710,441	995,454	1,117,729
Total U.S. commercial bank assets[14]	**5,673,702**	**6,129,534**	**6,415,909**	**6,897,447**	**7,397,810**	**6,897,447**	**7,031,274**	**7,325,350**	**7,293,920**	**7,397,810**	**7,614,351**	**7,850,548**
By ownership												
Reporting bank holding companies	5,226,027	5,657,210	5,942,575	6,429,738	6,940,984	6,429,738	6,577,712	6,863,154	6,842,727	6,940,984	7,165,497	7,408,873
Other bank holding companies	226,916	229,274	230,464	227,017	219,222	227,017	222,670	222,998	217,035	219,222	213,194	211,958
Independent banks	220,759	243,050	242,870	240,692	237,604	240,692	230,893	239,198	234,157	237,604	235,660	229,717
Assets associated with nonbanking activities[12, 15]												
Insurance	n.a.	n.a.	426,462	350,633	411,926	350,633	359,968	383,999	398,378	411,926	428,132	543,492
Securities broker–dealers	n.a.	n.a.	n.a.	630,851	656,775	630,851	709,839	659,701	686,049	656,775	713,794	710,485
Thrift institutions	117,699	102,218	91,170	107,422	133,056	107,422	126,375	124,640	143,578	133,056	139,713	156,033
Foreign nonbank institutions	78,712	132,629	138,977	145,344	170,600	145,344	154,812	160,515	162,789	170,600	195,472	226,055
Other nonbank institutions	879,793	1,234,714	1,674,267	561,712	686,353	561,712	524,709	737,434	736,515	686,353	837,470	861,311
Number of bank holding companies engaged in nonbanking activities[12, 15]												
Insurance	n.a.	n.a.	143	86	101	86	90	91	100	101	99	101
Securities broker–dealers	n.a.	n.a.	n.a.	47	50	47	48	50	46	50	49	48
Thrift institutions	57	50	38	32	27	32	31	31	29	27	29	27
Foreign nonbank institutions	25	25	32	37	41	37	38	40	39	41	41	40
Other nonbank institutions	559	633	743	880	1,041	880	913	945	992	1,041	1,022	1,039
Foreign-owned bank holding companies[13]												
Number	18	21	23	26	28	26	26	27	28	28	28	29
Total assets	535,024	636,669	764,411	762,901	934,781	762,901	799,540	946,847	947,932	934,781	1,146,963	1,272,561
Employees of reporting bank holding companies (full-time equivalent)	1,775,418	1,859,930	1,985,981	1,992,559	2,034,358	1,992,559	2,000,168	2,019,953	2,031,029	2,034,358	2,099,073	2,085,671
Assets of fifty large bank holding companies[9, 17]												
Fixed panel (from table 2)	5,054,896	5,430,376	5,788,065	6,130,535	6,771,655	6,130,535	6,300,884	6,687,514	6,699,934	6,771,655	7,201,957	7,385,384
Fifty large as of reporting date	4,809,785	5,319,129	5,732,621	6,032,000	6,666,488	6,032,000	6,203,000	6,587,000	6,602,255	6,666,488	7,045,844	7,385,384
Percent of all reporting bank holding companies	77.30	79.20	77.00	76.00	75.60	76.00	75.90	76.00	75.90	75.60	75.90	76.50

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.