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

Total assets of reporting bank holding companies increased slightly (0.7 percent, or \$77.8 billion) over the fourth quarter of 2005, to \$11.3 trillion, as robust growth in loans—particularly real estate loans—was nearly offset by a scaling back of money market assets and investment securities portfolios. Non-interest income fell somewhat after a particularly strong third quarter, contributing to a modest decline in earnings. However, profitability ratios remained high and the nonperforming assets ratio held steady at a low level.

Loans continued to grow briskly, increasing 2.5 percent, or \$135 billion, over the quarter. Real estate loans accounted for almost two-thirds of that expansion. Single-family mortgage loans increased \$50 billion, or 3.4 percent (compared with 4.7 percent in the preceding quarter), with most of the growth reported to have been in fixed-rate products. Home equity lines of credit (most of which take the form of variable-rate loans) fell for the first time since early 1999 as short-term rates escalated. Commercial real estate lending increased \$41 billion, spurred by a sharp rise in construction and land development loans up (7.7 percent, or \$27 billion). Commercial and industrial (C&I) loans advanced (up 3.4 percent, or \$33 billion), while unused commitments to lend grew 3.6 percent (\$191 billion), to \$5.4 trillion.

Reporting bank holding companies reduced their holdings of securities and money market assets \$89 billion over the quarter. The declines in money market assets (down \$70 billion) and money market liabilities (down \$61 billion) were due mostly to changes at one of the four large bank holding companies at which banking operations account for a small proportion of the consolidated entity.¹ Downsized investment securities portfolios reflected the adverse

effect of interest rate hikes on the market value of available-for-sale securities and efforts by bank holding companies to restructure their interest rate risk positions.

Banking organizations funded asset growth with deposits (mainly time deposits), which increased 2.5 percent (\$138.5 billion). They reduced borrowings \$80 billion over the same period, to \$3.6 trillion. Tier 1 and total risk-based capital ratios remained largely unchanged at 9.14 percent and 11.86 percent respectively. The leverage ratio was also stable at 6.50 percent.

Net income for the fourth quarter was \$33 billion, 5 percent less than for the third quarter, as trading revenues at large bank holding companies dropped modestly after a strong third quarter. Net interest income edged up somewhat despite a 2 basis point drop in the net interest margin—a decline attributable to further flattening in the term structure, increased reliance on higher cost deposits, and competitive loan pricing. Reflecting overall strong asset quality, loan-loss provisions declined moderately despite the effects of a spike in personal bankruptcy filings in October related to changes in the bankruptcy code. For 2005 as a whole, net income grew 16.8 percent, to a record \$133.5 billion.

The nonperforming assets ratio improved for the sixth consecutive quarter, falling 1 basis point, to 0.69 percent, in the fourth quarter of 2005 despite a modest increase in nonaccrual loans. The rise of nonaccrual loans largely reflected a midyear clarification of regulatory reporting instructions such that bank holding companies were required to recognize on their balance sheets certain delinquent and nonaccruing residential mortgage loans that had been previously securitized and sold in connection with the issuance of Government National Mortgage Association (GNMA) mortgage-backed securities. Excluding the effect of the rebooked GNMA loans, nonaccrual loans would have fallen.

1. Financial information for four large bank holding companies (BHCs) at which banking operations represent only a small component of the consolidated entity is included in the data for all reporting bank holding companies shown in table 1 but not in the data for the fifty large bank holding companies (table 2) or for all other reporting bank holding companies (table 3). For background information on the institutions included in each table, see Board of Governors of the Federal Reserve System (2004), "Report on the Condition of the

Banking Industry: Third Quarter, 2003," *Federal Reserve Bulletin*, vol. 90 (Winter), pp. 47–51.

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	2001	2002	2003	2004	2005	2004			2005			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Balance sheet</i>												
Total assets	7,486,952	7,991,161	8,880,661	10,339,840	11,335,031	9,711,532	9,959,686	10,339,840	10,710,585	10,956,178	11,257,216	11,335,031
Loans	3,832,553	4,079,878	4,435,683	5,109,517	5,661,179	4,802,958	4,948,873	5,109,517	5,187,006	5,357,361	5,525,769	5,661,179
Securities and money market	2,566,252	2,863,294	3,297,932	3,804,003	4,157,644	3,576,044	3,622,986	3,804,003	4,115,227	4,144,578	4,246,879	4,157,644
Allowance for loan losses	-68,833	-74,784	-73,817	-74,589	-73,048	-76,533	-76,045	-74,589	-73,384	-72,954	-74,091	-73,048
Other	1,156,980	1,122,774	1,220,864	1,500,910	1,589,256	1,409,065	1,463,872	1,500,910	1,481,737	1,527,193	1,558,659	1,589,256
Total liabilities	6,901,281	7,350,380	8,177,651	9,453,247	10,395,315	8,938,467	9,107,754	9,453,247	9,820,042	10,035,271	10,328,190	10,395,315
Deposits	4,025,769	4,357,245	4,705,043	5,249,489	5,702,150	5,005,101	5,064,670	5,249,489	5,349,232	5,447,870	5,563,613	5,702,150
Borrowings	2,073,869	2,245,146	2,630,386	3,158,539	3,587,786	2,956,594	3,055,917	3,158,539	3,424,839	3,526,569	3,668,250	3,587,786
Other	801,644	747,990	842,222	1,045,219	1,105,378	976,771	987,168	1,045,219	1,045,972	1,060,833	1,096,328	1,105,378
Total equity	585,671	640,781	703,010	886,594	939,716	773,066	851,931	886,594	890,543	920,907	929,026	939,716
<i>Off-balance-sheet</i>												
Unused commitments to lend	3,481,744	3,650,670	4,097,531	4,823,334	5,438,639	4,426,497	4,574,267	4,823,334	4,930,902	5,065,563	5,247,569	5,438,639
Securitizations outstanding	276,717	295,001	298,348	353,978	389,504	314,258	313,436	353,978	366,430	367,639	374,909	389,504
Derivatives (notional value, billions)	48,261	57,865	72,883	89,115	99,072	83,079	84,693	89,115	92,623	96,658	98,282	99,072
<i>Income statement</i>												
Net income	66,510	85,732	107,939	114,291	133,536	25,414	29,303	28,853	32,909	32,708	34,834	33,085
Net interest income	224,470	246,048	257,537	280,621	296,375	70,719	70,594	71,675	72,815	73,179	74,899	75,483
Provisions for loan losses	40,661	45,086	33,052	28,605	32,618	6,750	6,897	7,792	6,577	6,823	9,969	9,249
Non-interest income	218,984	221,516	250,608	271,467	295,263	72,269	64,150	67,661	73,557	71,933	77,484	72,290
Non-interest expense	302,141	296,966	316,338	357,711	370,959	99,804	84,759	90,009	91,505	91,436	94,062	93,957
<i>MEMO</i>												
Realized security gains or losses	4,338	4,598	5,771	5,491	1,333	1,012	2,022	480	417	1,478	484	-1,046
<i>Ratios (percent)</i>												
Return on average equity	11.86	14.11	16.28	14.48	14.73	13.26	14.13	13.37	14.86	14.58	15.18	14.32
Return on average assets	.91	1.11	1.26	1.17	1.21	1.05	1.19	1.12	1.24	1.20	1.25	1.16
Net interest margin	3.61	3.74	3.51	3.39	3.09	3.44	3.37	3.29	3.16	3.08	3.07	3.05
Efficiency ratio	66.93	62.41	61.76	63.45	61.69	67.26	62.50	64.34	60.50	61.72	61.64	63.82
Nonperforming assets to loans and related assets	1.44	1.44	1.15	.82	.69	.96	.89	.82	.76	.71	.70	.69
Net charge-offs to average loans	.91	1.04	.84	.67	.62	.66	.60	.71	.57	.52	.65	.72
Loans to deposits	95.20	93.63	94.28	97.33	99.28	95.96	97.71	97.33	96.97	98.34	99.32	99.28
<i>Regulatory capital ratios</i>												
Tier 1 risk-based	8.92	9.22	9.58	9.33	9.14	9.39	9.34	9.33	9.27	9.26	9.17	9.14
Total risk-based	11.92	12.28	12.60	12.21	11.86	12.25	12.17	12.21	12.14	12.02	11.90	11.86
Leverage	6.68	6.72	6.87	6.58	6.50	6.67	6.72	6.58	6.48	6.52	6.53	6.50
Number of reporting bank holding companies	1,842	1,979	2,134	2,254	2,269	2,211	2,240	2,254	2,282	2,296	2,290	2,269

Footnotes appear on p. B11.

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	2001	2002	2003	2004	2005	2004			2005			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Balance sheet</i>												
Total assets	5,896,628	6,258,073	6,917,002	7,952,942	8,631,229	7,551,049	7,752,394	7,952,942	8,217,299	8,429,140	8,504,118	8,631,229
Loans	2,966,220	3,149,737	3,397,895	3,940,022	4,345,561	3,693,983	3,801,975	3,940,022	3,990,831	4,109,294	4,235,596	4,345,561
Securities and money market	2,052,602	2,281,310	2,625,476	2,909,448	3,180,371	2,836,307	2,874,450	2,909,448	3,144,864	3,206,210	3,196,071	3,180,371
Allowance for loan losses	-56,742	-61,326	-59,501	-59,632	-57,200	-61,709	-61,098	-59,632	-58,262	-57,568	-58,340	-57,200
Other	934,547	888,352	953,131	1,163,104	1,162,497	1,082,468	1,137,067	1,163,104	1,139,866	1,171,205	1,130,792	1,162,497
Total liabilities	5,447,009	5,770,085	6,385,249	7,262,665	7,904,519	6,960,480	7,094,073	7,262,665	7,522,981	7,716,021	7,787,215	7,904,519
Deposits	3,036,139	3,274,459	3,527,010	3,962,539	4,287,130	3,773,663	3,807,661	3,962,539	4,032,396	4,094,428	4,163,829	4,287,130
Borrowings	1,876,798	2,039,878	2,356,069	2,709,429	3,074,410	2,640,035	2,739,587	2,709,429	2,894,633	3,023,279	3,096,579	3,074,410
Other	534,072	455,748	502,170	590,698	542,979	546,782	546,825	590,698	595,952	598,314	526,807	542,979
Total equity	449,619	487,988	531,753	690,277	726,710	590,569	658,321	690,277	694,318	713,120	716,903	726,710
<i>Off-balance-sheet</i>												
Unused commitments to lend	3,241,683	3,391,297	3,807,416	4,490,154	5,049,642	4,117,409	4,245,962	4,490,154	4,583,393	4,703,627	4,868,253	5,049,642
Securitizations outstanding	271,825	289,905	293,046	348,986	384,774	307,878	307,325	348,986	361,524	362,973	370,284	384,774
Derivatives (notional value, billions)	48,143	57,745	72,692	88,671	98,742	82,812	84,429	88,671	92,136	96,303	97,994	98,742
<i>Income statement</i>												
Net income	52,713	68,483	87,764	91,114	106,471	19,049	23,227	23,598	26,418	24,955	28,019	27,079
Net interest income	167,191	184,340	192,829	208,826	215,608	51,844	52,366	53,599	53,617	54,178	54,218	54,218
Provisions for loan losses	35,763	39,397	28,567	25,218	29,132	5,967	6,110	6,747	5,764	6,034	9,030	8,304
Non-interest income	174,694	172,960	195,988	211,609	231,103	55,141	48,477	54,501	57,940	54,527	60,388	58,248
Non-interest expense	225,064	216,487	229,974	261,557	266,632	73,420	60,203	66,816	66,508	65,638	66,637	67,848
<i>MEMO</i>												
Realized security gains or losses	4,320	5,027	5,159	4,589	1,678	698	1,765	520	211	1,426	464	-423
<i>Ratios (percent)</i>												
Return on average equity	12.23	14.70	17.46	14.97	15.11	12.99	14.42	14.01	15.27	14.28	15.74	15.15
Return on average assets	.92	1.13	1.31	1.20	1.26	1.00	1.20	1.19	1.29	1.18	1.32	1.25
Net interest margin	3.39	3.56	3.36	3.23	2.92	3.23	3.20	3.17	3.01	2.91	2.89	2.85
Efficiency ratio	64.64	59.60	58.78	60.68	58.70	65.20	59.04	61.67	57.23	59.12	58.15	61.19
Nonperforming assets to loans and related assets	1.56	1.56	1.21	.84	.70	1.00	.90	.84	.78	.72	.71	.70
Net charge-offs to average loans	1.04	1.20	.97	.80	.74	.78	.71	.83	.69	.62	.78	.86
Loans to deposits	97.70	96.19	96.34	99.43	101.36	97.89	99.85	99.43	98.97	100.36	101.72	101.36
<i>Regulatory capital ratios</i>												
Tier 1 risk-based	8.24	8.52	8.81	8.57	8.44	8.62	8.59	8.57	8.53	8.46	8.47	8.44
Total risk-based	11.58	11.95	12.19	11.84	11.56	11.87	11.81	11.84	11.80	11.60	11.61	11.56
Leverage	6.25	6.26	6.37	6.17	6.15	6.15	6.22	6.17	6.09	6.07	6.16	6.15

Footnotes appear on p. B11.

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

Millions of dollars except as noted, not seasonally adjusted

Account	2001	2002	2003	2004	2005	2004			2005			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Balance sheet</i>												
Total assets	1,277,090	1,401,228	1,536,518	1,697,136	1,863,085	1,623,811	1,662,071	1,697,136	1,727,381	1,778,877	1,827,312	1,863,085
Loans	812,179	875,986	958,468	1,087,194	1,230,065	1,023,789	1,059,260	1,087,194	1,114,556	1,161,896	1,200,814	1,230,065
Securities and money market	357,366	406,771	448,872	474,175	474,176	464,121	466,412	474,175	471,898	468,280	472,613	474,176
Allowance for loan losses	-11,727	-13,021	-13,900	-14,558	-15,380	-14,470	-14,639	-14,558	-14,686	-14,932	-15,274	-15,380
Other	119,273	131,492	143,077	150,325	174,223	150,371	151,038	150,325	155,613	163,634	169,159	174,223
Total liabilities	1,162,232	1,271,930	1,396,070	1,540,709	1,694,289	1,479,852	1,508,954	1,540,709	1,571,149	1,616,599	1,661,621	1,694,289
Deposits	975,514	1,064,805	1,155,468	1,267,038	1,408,702	1,213,850	1,239,043	1,267,038	1,297,151	1,333,287	1,379,003	1,408,702
Borrowings	161,450	176,225	206,549	233,036	238,985	227,544	229,077	233,036	231,121	240,583	236,361	238,985
Other	25,267	30,900	34,054	40,635	46,602	38,458	40,835	40,635	42,877	42,729	46,256	46,602
Total equity	114,859	129,299	140,447	156,427	168,795	143,958	153,117	156,427	156,232	162,278	165,691	168,795
<i>Off-balance-sheet</i>												
Unused commitments to lend	229,887	247,466	277,202	319,808	368,764	294,070	310,987	319,808	333,109	346,354	360,557	368,764
Securitizations outstanding	4,567	4,358	4,159	2,877	2,885	3,000	2,757	2,877	2,792	2,667	2,697	2,885
Derivatives (notional value, billions)	89	88	95	144	104	112	121	144	99	101	102	104
<i>Income statement</i>												
Net income	13,659	16,460	17,774	19,512	21,457	4,812	5,018	4,888	5,214	5,440	5,650	5,153
Net interest income	45,676	50,485	52,608	56,844	63,028	13,883	14,408	14,821	15,124	15,560	16,189	16,155
Provisions for loan losses	4,461	5,058	4,268	3,156	3,188	787	801	763	683	735	890	880
Non-interest income	22,118	24,257	27,403	26,119	26,500	6,603	6,514	6,329	6,603	6,633	6,957	6,307
Non-interest expense	43,828	46,388	50,855	52,848	56,583	12,977	13,146	13,737	13,835	13,902	14,386	14,460
MEMO												
Realized security gains or losses	727	651	1,020	564	61	111	133	9	114	61	72	-186
<i>Ratios (percent)</i>												
Return on average equity	12.54	13.55	13.16	13.29	13.27	13.35	13.55	12.70	13.35	13.67	13.76	12.35
Return on average assets	1.13	1.25	1.21	1.21	1.21	1.21	1.23	1.17	1.22	1.24	1.26	1.12
Net interest margin	4.20	4.26	3.99	3.93	3.96	3.89	3.92	3.94	3.96	3.97	3.99	3.93
Efficiency ratio	63.75	61.06	62.85	62.56	61.88	62.66	62.72	63.93	62.54	61.84	61.53	62.68
Nonperforming assets to loans and related assets	.99	1.04	.99	.78	.69	.88	.86	.78	.75	.72	.70	.69
Net charge-offs to average loans	.44	.46	.39	.25	.20	.25	.24	.29	.17	.18	.21	.24
Loans to deposits	83.26	82.27	82.95	85.81	87.32	84.34	85.49	85.81	85.92	87.15	87.08	87.32
<i>Regulatory capital ratios</i>												
Tier 1 risk-based	12.24	12.47	12.60	12.46	12.16	12.50	12.48	12.46	12.33	12.16	12.12	12.16
Total risk-based	13.80	14.08	14.28	14.08	13.71	14.15	14.11	14.08	13.92	13.72	13.67	13.71
Leverage	8.78	8.91	9.05	9.15	9.18	9.09	9.14	9.15	9.12	9.11	9.14	9.18
Number of other reporting bank holding companies	1,778	1,915	2,070	2,198	2,215	2,148	2,181	2,198	2,226	2,240	2,234	2,215

Footnotes appear on p. B11.

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

Millions of dollars except as noted, not seasonally adjusted

Account	2001	2002	2003	2004	2005	2004			2005			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Bank holding companies that qualify as financial holding companies</i>												
<i>Domestic</i>												
Number	389	435	452	474	462	471	477	474	472	470	472	462
Total assets	5,440,842	5,921,493	6,610,429	7,462,622	8,191,459	7,082,367	7,279,238	7,462,622	7,650,658	7,905,412	8,075,295	8,191,459
<i>Foreign-owned</i>												
Number	10	11	12	14	14	14	14	14	15	15	15	14
Total assets	621,442	616,254	710,441	1,376,333	1,561,559	1,117,266	1,193,984	1,376,333	1,526,168	1,516,408	1,625,281	1,561,559
Total U.S. commercial bank assets	6,416,080	6,897,215	7,397,903	8,207,714	8,843,309	7,850,587	8,041,199	8,207,714	8,403,920	8,534,534	8,715,545	8,843,309
<i>By ownership</i>												
Reporting bank holding companies ..	5,942,670	6,429,231	6,941,106	7,785,988	8,420,308	7,409,187	7,599,697	7,785,988	7,991,887	8,119,026	8,293,342	8,420,308
Other bank holding companies	230,467	227,016	219,222	209,115	219,983	211,725	208,697	209,115	204,739	206,203	211,674	219,983
Independent banks	242,944	240,968	237,575	212,611	203,018	229,675	232,805	212,611	207,294	209,306	210,529	203,018
<i>Assets associated with nonbanking activities</i>												
Insurance	426,462	372,405	437,503	579,111	594,847	583,073	579,785	579,111	574,466	582,023	594,068	594,847
Securities broker-dealers	n.a.	630,851	656,775	892,571	1,170,659	710,485	756,869	892,571	1,168,482	1,165,688	1,231,410	1,170,659
Thrift institutions	91,170	107,422	133,056	191,201	220,819	156,033	162,396	191,201	194,267	201,317	210,811	220,819
Foreign nonbank institutions	138,977	145,344	170,630	216,758	242,408	226,094	230,569	216,758	219,829	231,566	242,333	242,408
Other nonbank institutions	1,674,267	561,712	678,088	954,849	976,208	862,230	887,848	954,849	898,420	927,425	961,269	976,208
<i>Number of bank holding companies engaged in nonbanking activities</i>												
Insurance	143	96	102	97	97	101	98	97	97	99	98	97
Securities broker-dealers	n.a.	47	50	44	46	48	45	44	43	45	46	46
Thrift institutions	38	32	27	27	26	27	25	27	27	27	25	26
Foreign nonbank institutions	32	37	42	39	35	41	40	39	38	37	38	35
Other nonbank institutions	743	880	1,042	1,026	845	1,030	1,050	1,026	926	886	873	845
<i>Foreign-owned bank holding companies</i>												
Number	23	26	27	29	29	28	28	29	29	30	30	29
Total assets	764,411	762,901	934,085	1,537,208	1,747,765	1,271,378	1,349,900	1,537,208	1,690,119	1,698,197	1,811,451	1,747,765
Employees of reporting bank holding companies (full-time equivalent) ..	1,985,981	1,992,559	2,034,358	2,162,179	2,241,443	2,085,733	2,133,299	2,162,179	2,168,165	2,199,910	2,221,004	2,241,443
<i>Assets of fifty large bank holding companies</i>												
Fixed panel (from table 2)	5,896,628	6,258,073	6,917,002	7,952,942	8,631,229	7,551,049	7,752,394	7,952,942	8,217,299	8,429,140	8,504,118	8,631,229
Fifty large as of reporting date	5,732,621	6,032,000	6,666,488	7,940,955	8,631,229	7,385,384	7,644,504	7,940,955	8,206,462	8,417,847	8,489,633	8,631,229
Percent of all reporting bank holding companies	76.60	75.50	75.10	76.80	76.10	76.00	76.80	76.80	76.60	76.80	75.40	76.10

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 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.

Copyright of Federal Reserve Bulletin is the property of Board of Governors of the Federal Reserve System and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.