Quarterly Trends for Consolidated U.S. Banking Organizations

First Quarter 2013

Federal Reserve Bank of New York

Research and Statistics Group

This report presents consolidated financial statistics for the U.S. commercial banking industry, including both bank holding companies (BHCs) and banks. Statistics are based on quarterly regulatory filings.[1] Statistics are inclusive of BHCs' nonbank subsidiaries. Separate statistics are reported on a merger-adjusted basis for the subset of BHCs with > $500bn in total assets as of 2013:Q1[2], and for the remainder of the industry.

Highlights

- Banking industry capital, as measured by the ratio of tier 1 common equity to risk-weighted assets, decreased from 11.7% in 2012:Q4 to 11.4% in 2013:Q1. This decline reflects the implementation of revised capital requirements for market risk (commonly known as "Basel 2.5", effective as of January 1, 2013), which resulted in a significant increase in the ratio of risk weighted assets to total assets for BHCs with large trading portfolios.

- The leverage ratio, defined as the ratio of tier 1 risk-based capital to average total assets (as opposed to risk-weighted assets), increased slightly in 2013:Q1.

- Banking industry profitability increased slightly in 2013:Q1. Annualized return on assets (ROA) increased from 0.81% to 0.92%, while return on equity (ROE) increased from 7.8% to 8.7%. Both ROA and ROE were far above their 2008:Q4 lows, although neither exceeded its average value from the period prior to the financial crisis.

- Non-performing loans as a percentage of total loans decreased in 2013:Q1, continuing its downward trend. Loan loss provisions and net charge-offs, measured as percentages of total loans, also decreased. The net charge-off ratio for the industry is now at its lowest value since 2007. The non-performing loan ratio remained higher for BHCs with more than $500 billion in assets than for the remainder of the banking industry.

- Year-over-year asset growth was negative for the industry in 2013:Q1. While year-over-year loan growth was positive in 2013:Q1, the growth rate slowed to 1.9% for the industry.

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[1] Industry statistics are calculated by summing consolidated financial data across all reporting U.S. parent BHCs (from the FR Y-9C report), plus values for "standalone" banks not controlled by a BHC, or whose parent BHC does not report on a consolidated basis (from the FFIEC 031/041 reports). The data do not include savings bank holding companies, branches and agencies of foreign banks, or nonbanks that are not held by a U.S. BHC.

[2] Six BHCs exceed this $500bn size threshold: J.P. Morgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs, and Morgan Stanley.

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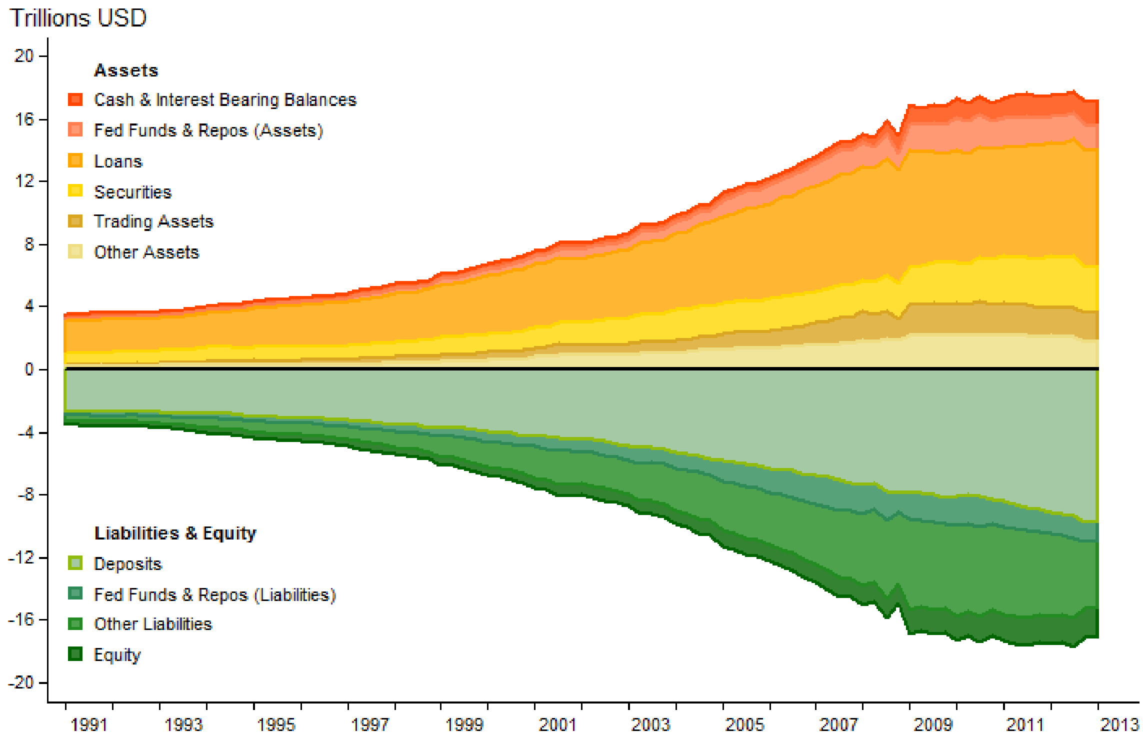
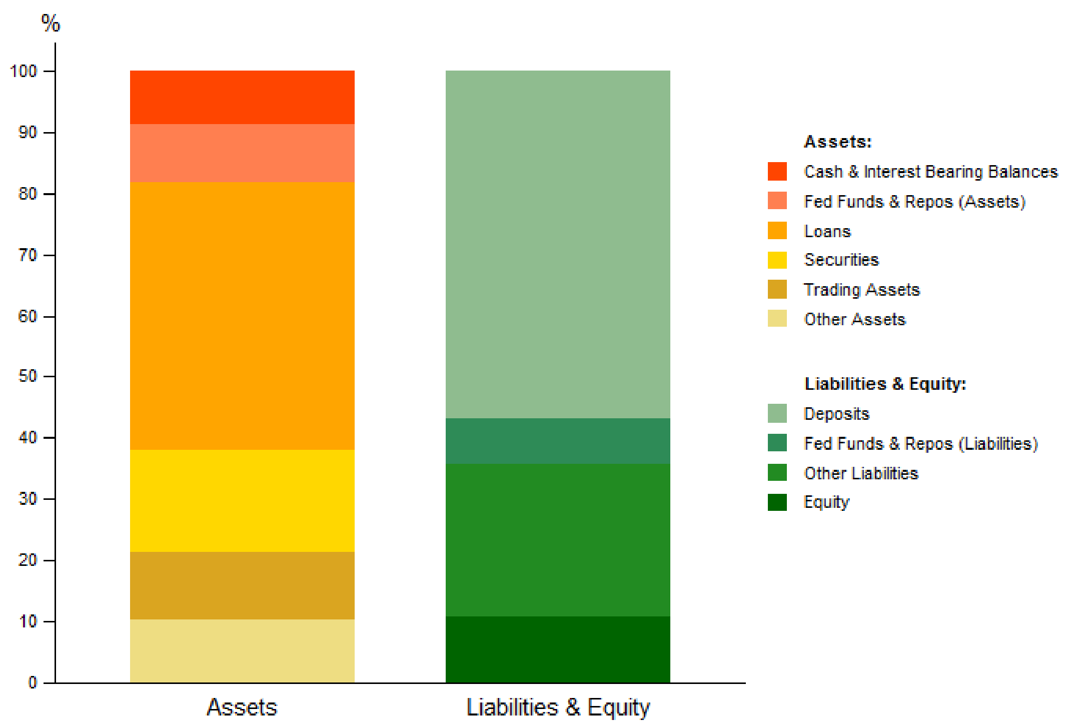
Balance Sheet Composition

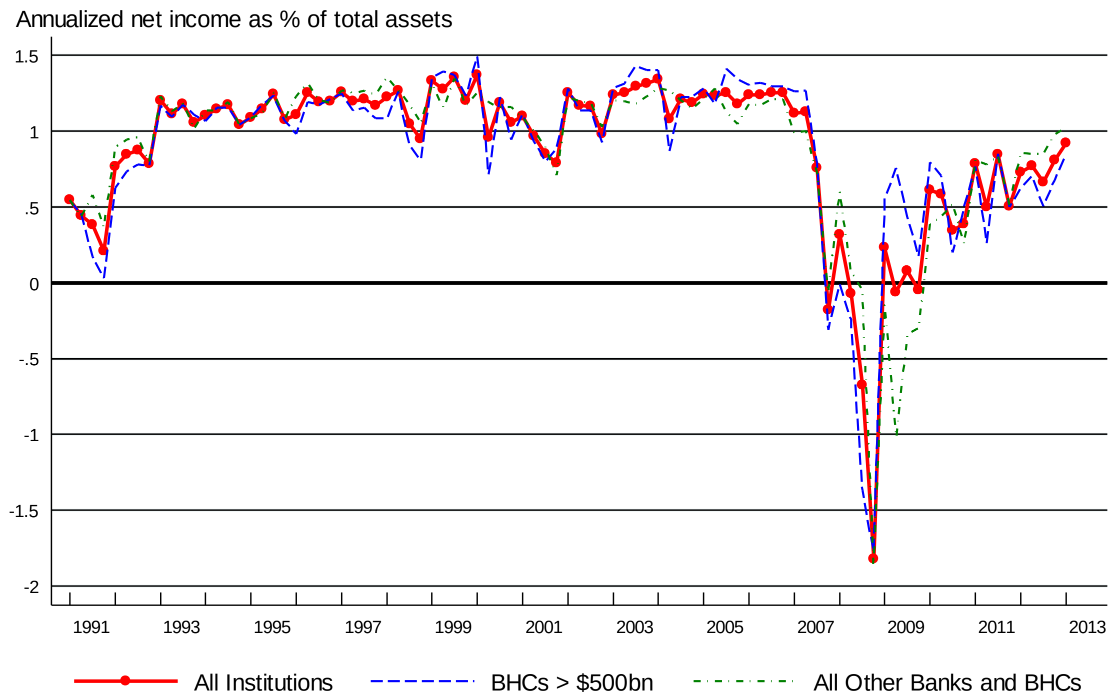


Balance Sheet Percentages

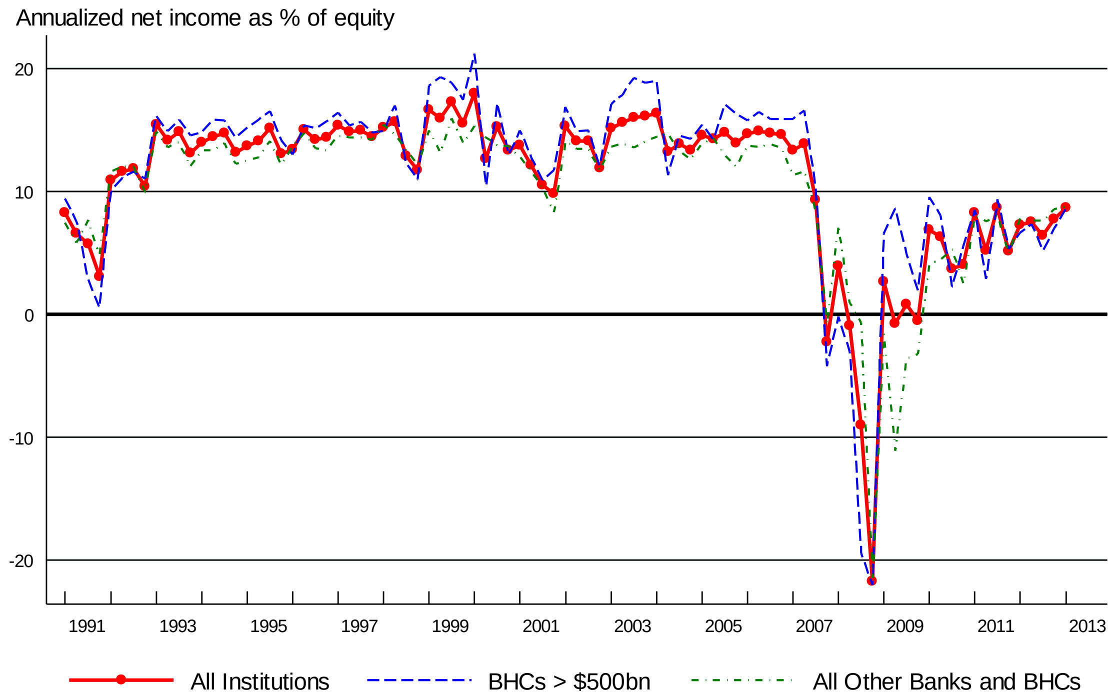


2. Earnings and Pre-Provision Net Revenue

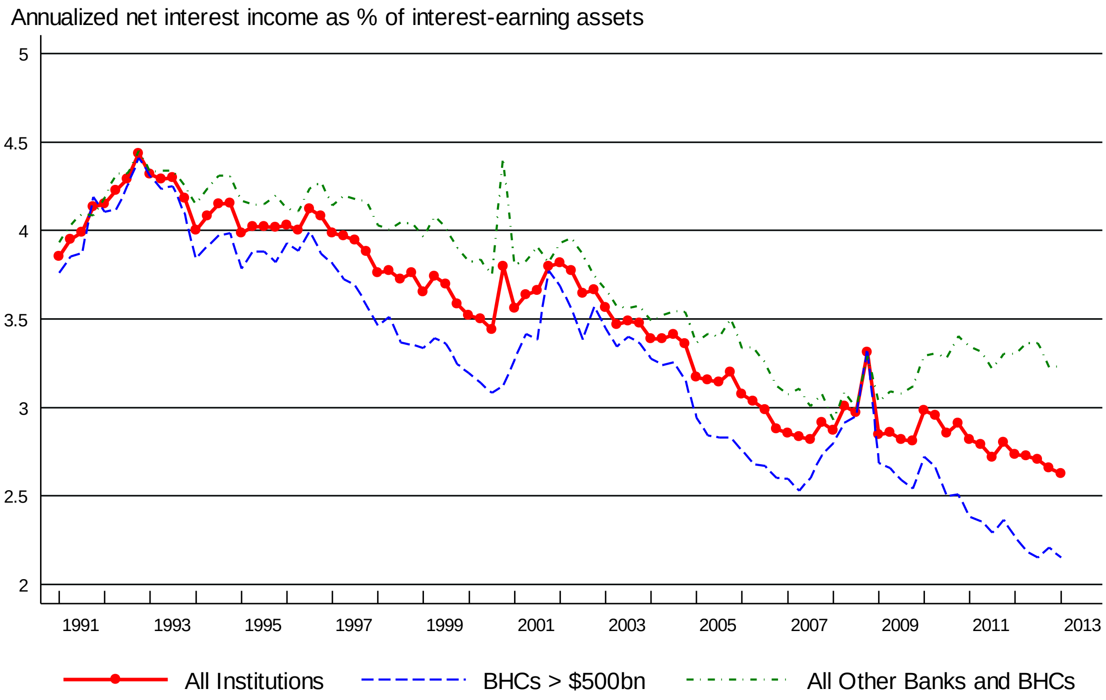
Return on Assets



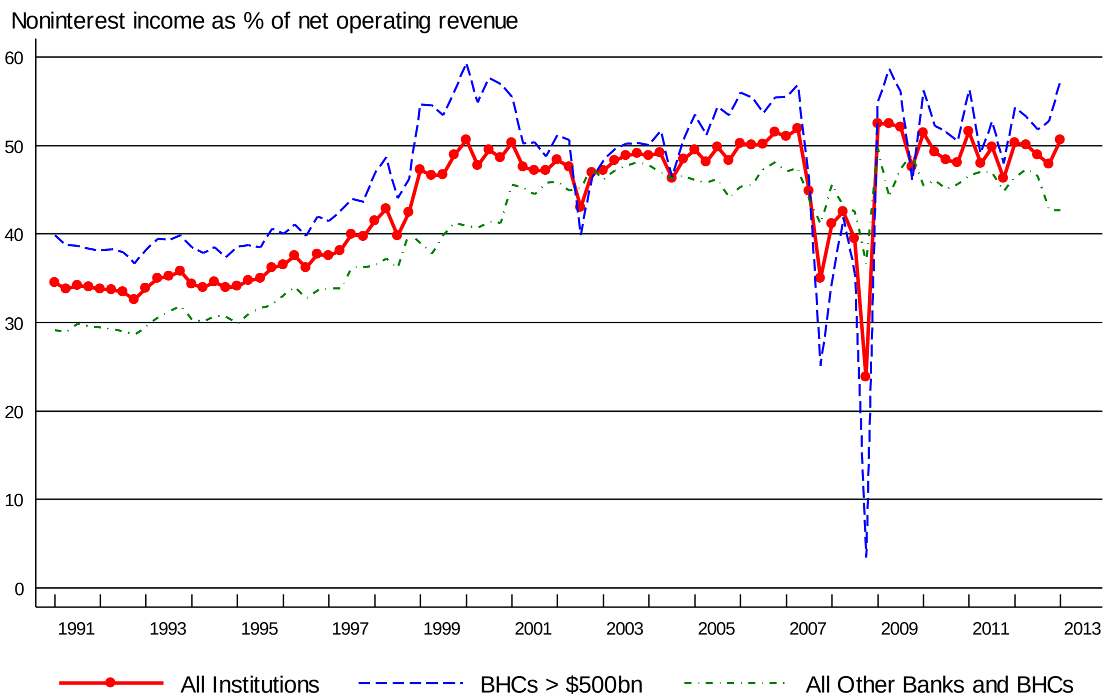
Return on Equity



Net Interest Margin

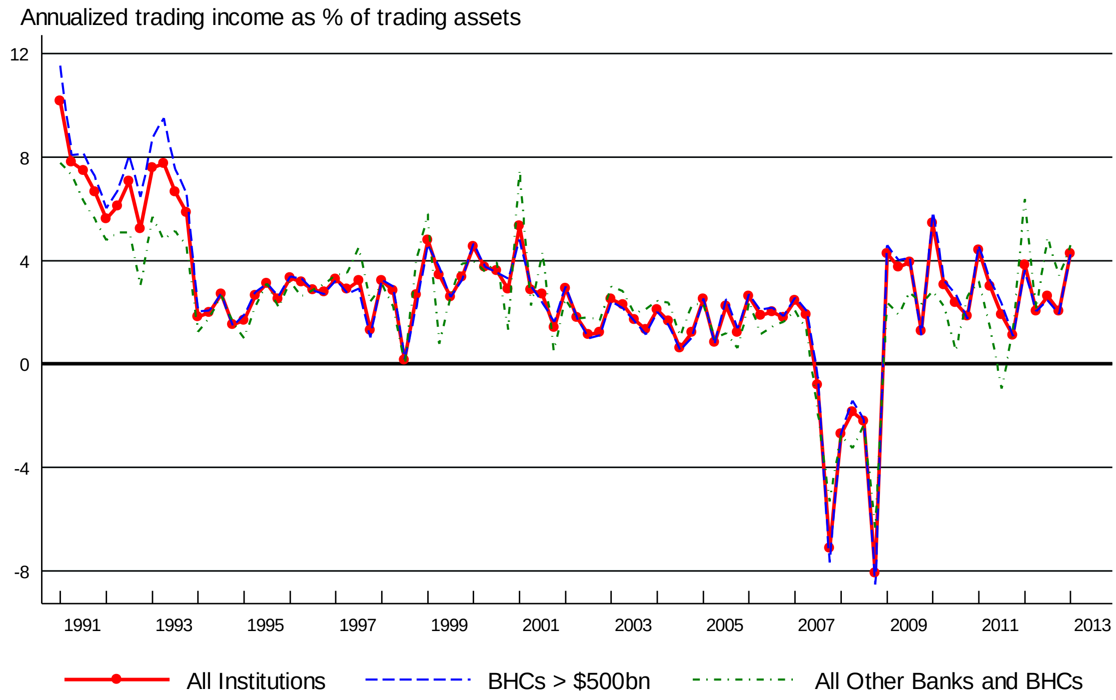


Noninterest Income Share

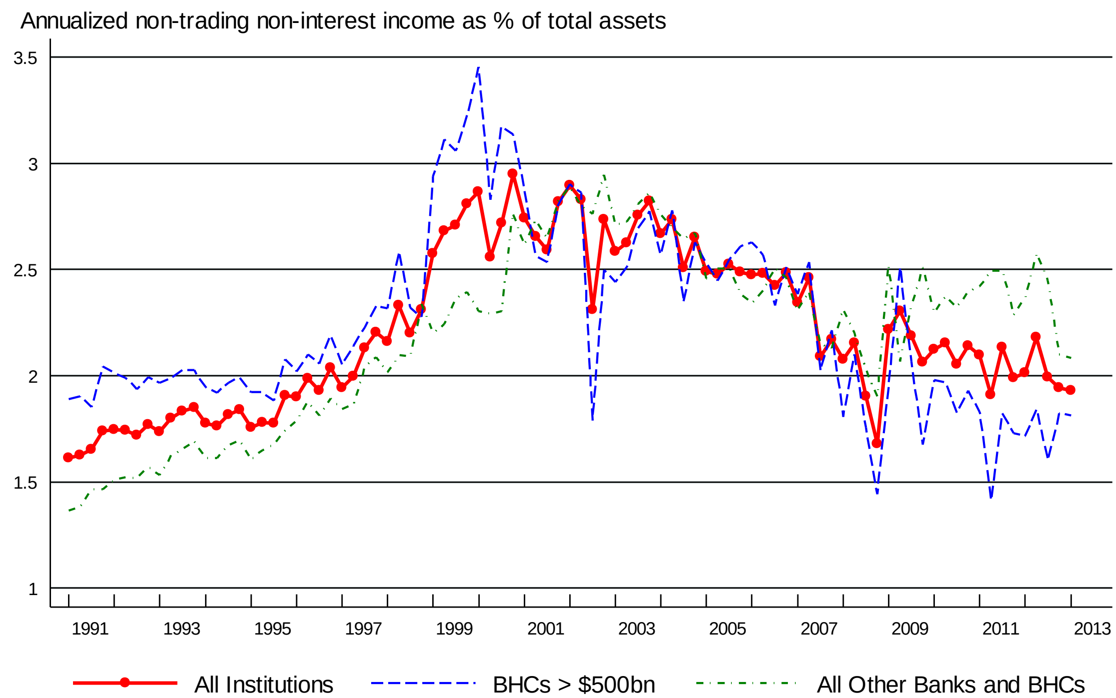


Note: Net operating revenue is defined as net interest income plus noninterest income.

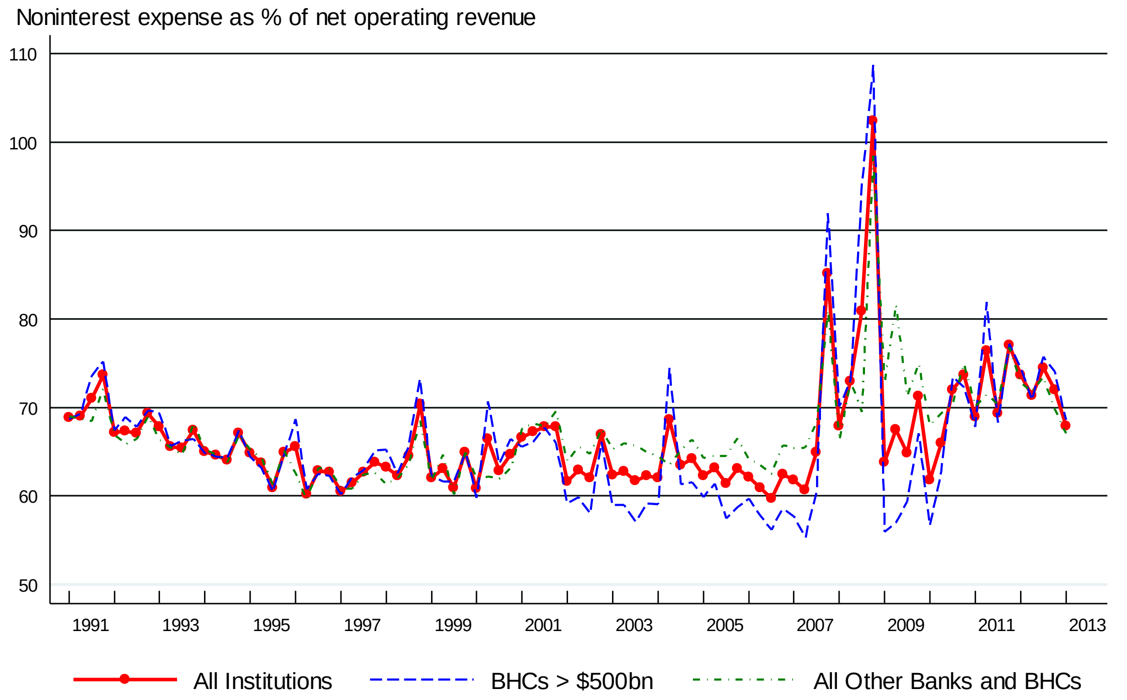
Return on Trading Assets



Non-Trading Non-Interest Income Ratio



Efficiency Ratio

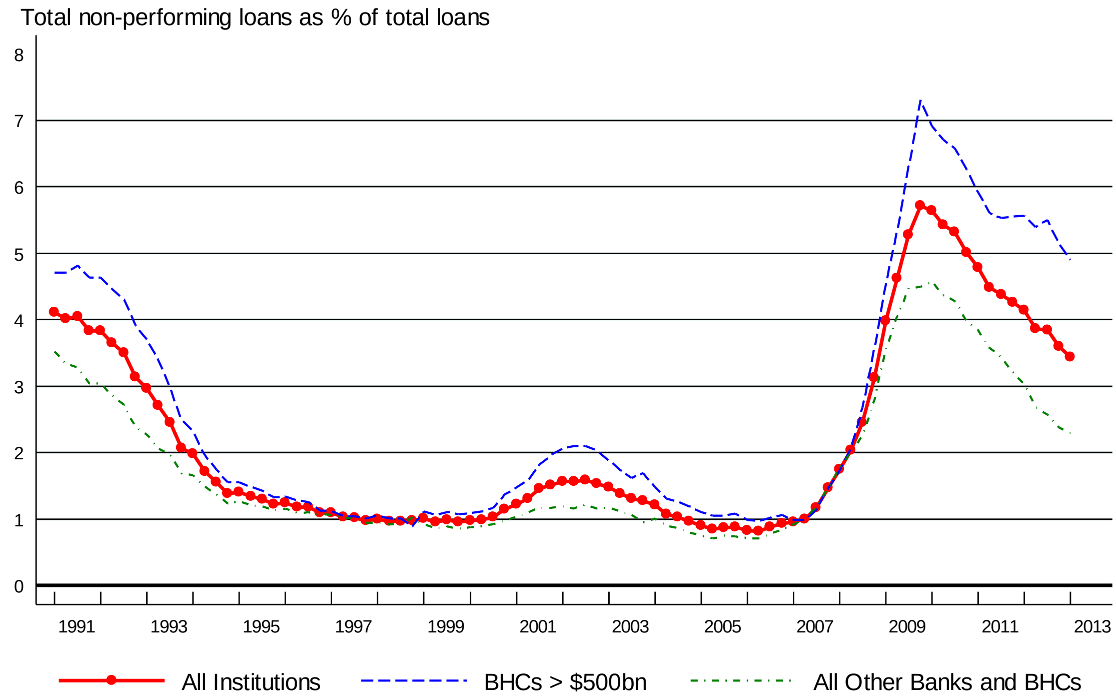


Note: Net operating revenue is defined as net interest income plus noninterest income.

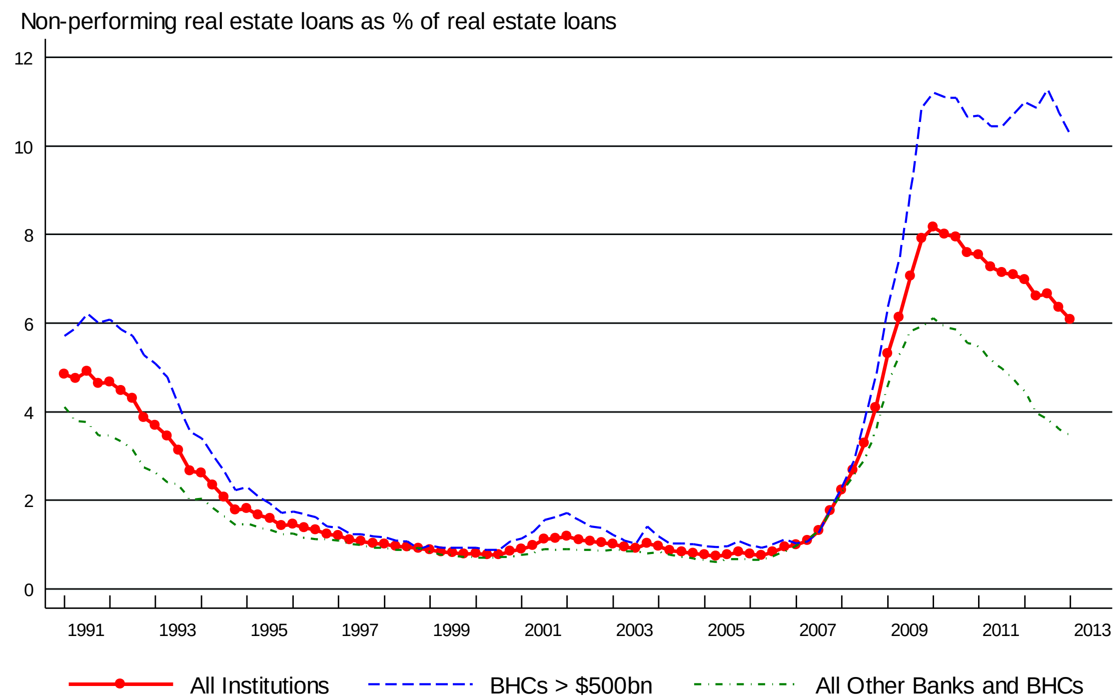
3. Asset Quality

<u>Note</u>: Non-performing loans include loans that are (1) 90 days or more past due and still accruing or (2) non-accrual.

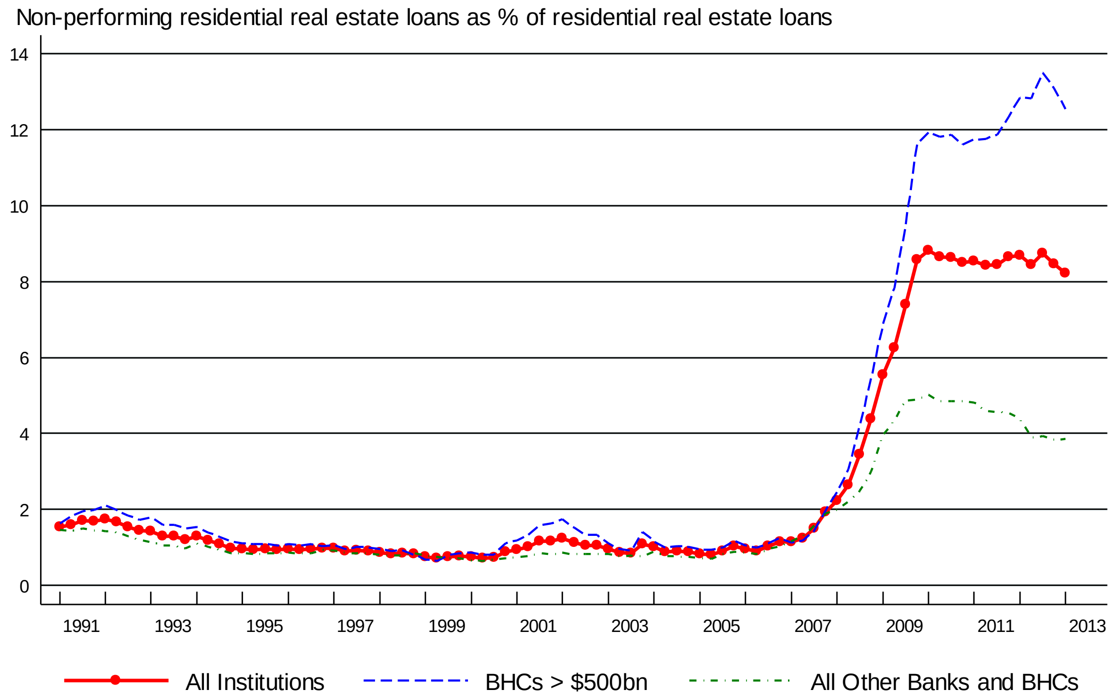
Non-performing Loans



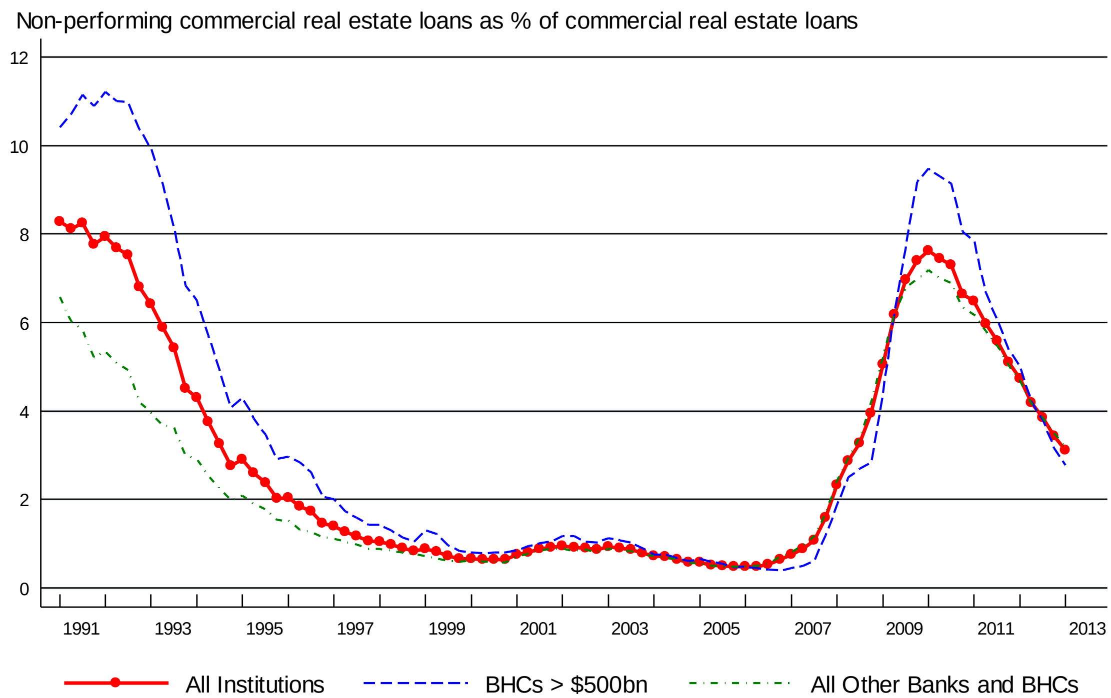
Non-performing Real Estate Loans



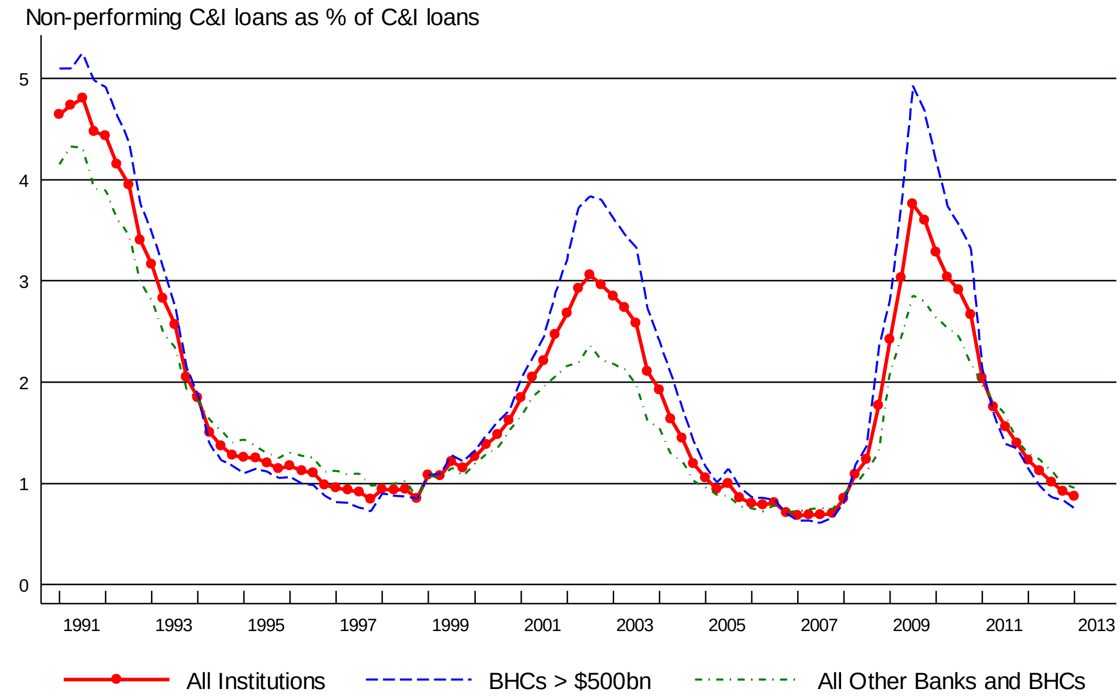
Non-performing Residential Real Estate Loans



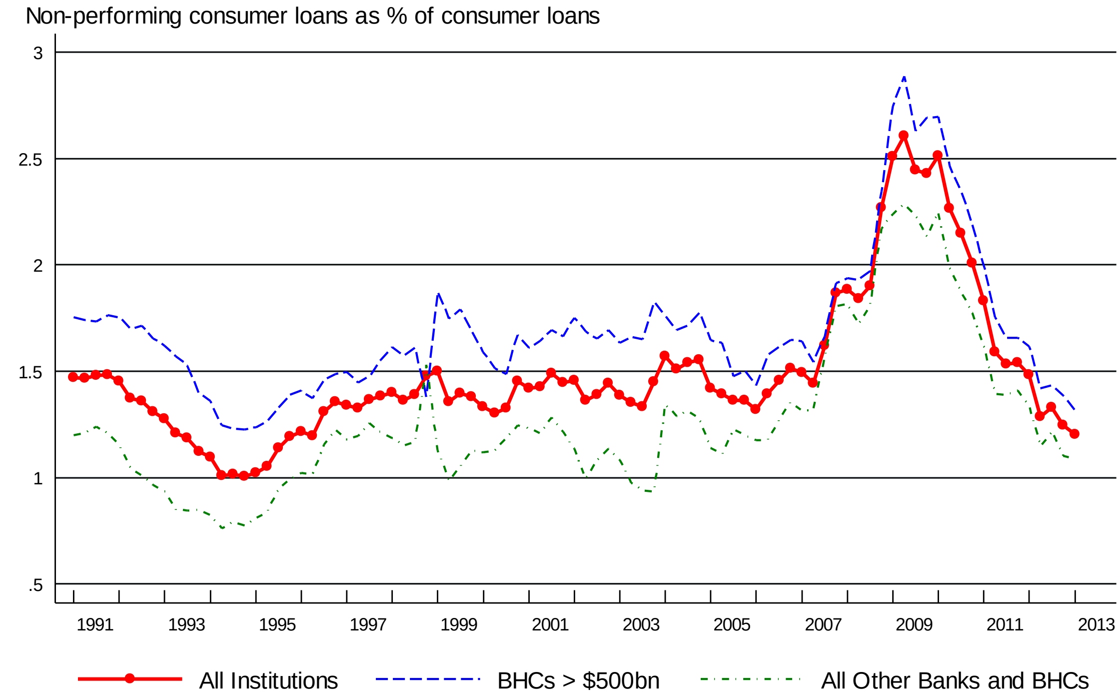
Non-performing Commercial Real Estate Loans



Non-performing Commercial and Industrial (C&I) Loans

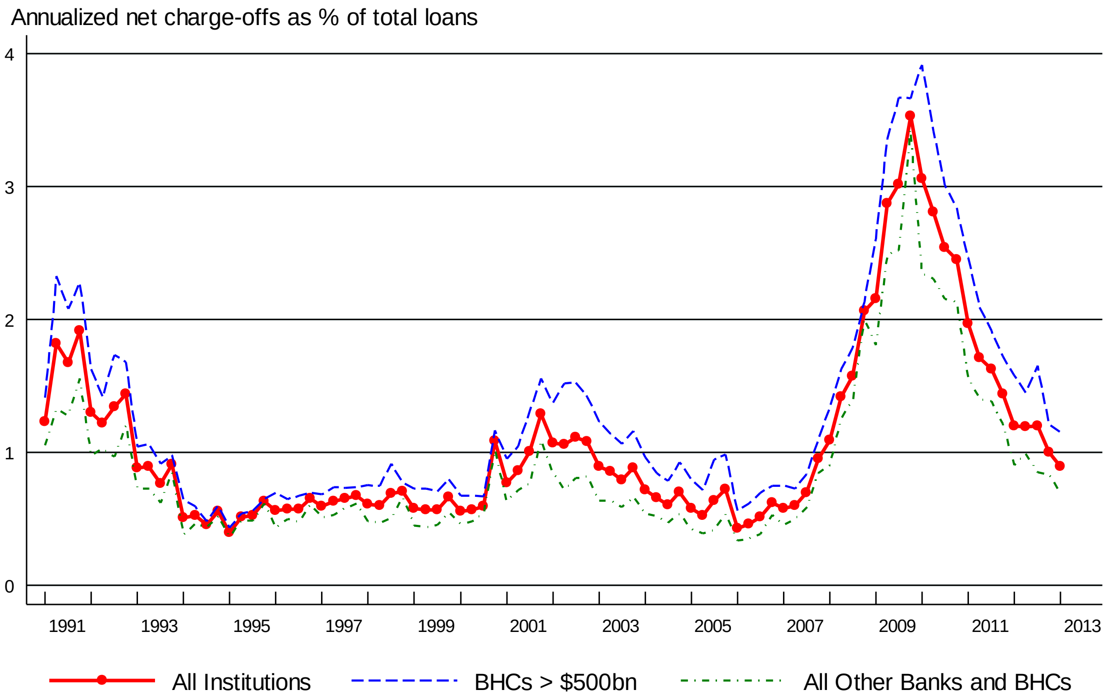


Non-performing Consumer Loans

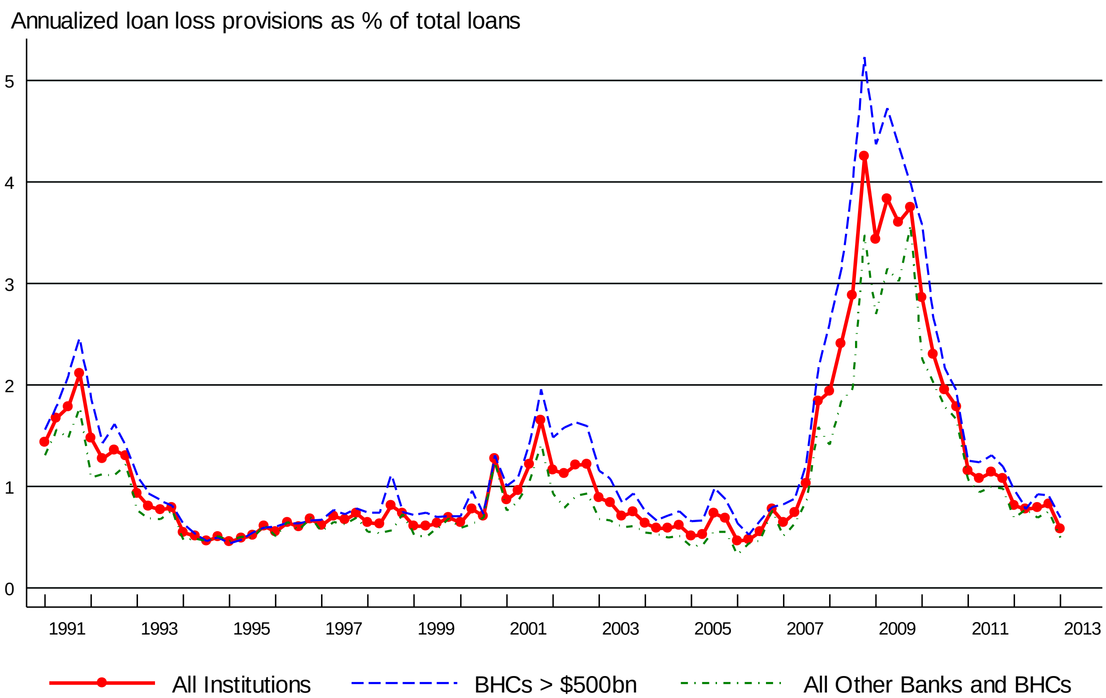


Note: Consumer loans are defined as the sum of credit card loans, other revolving credit plans, automobile loans, and other consumer loans.

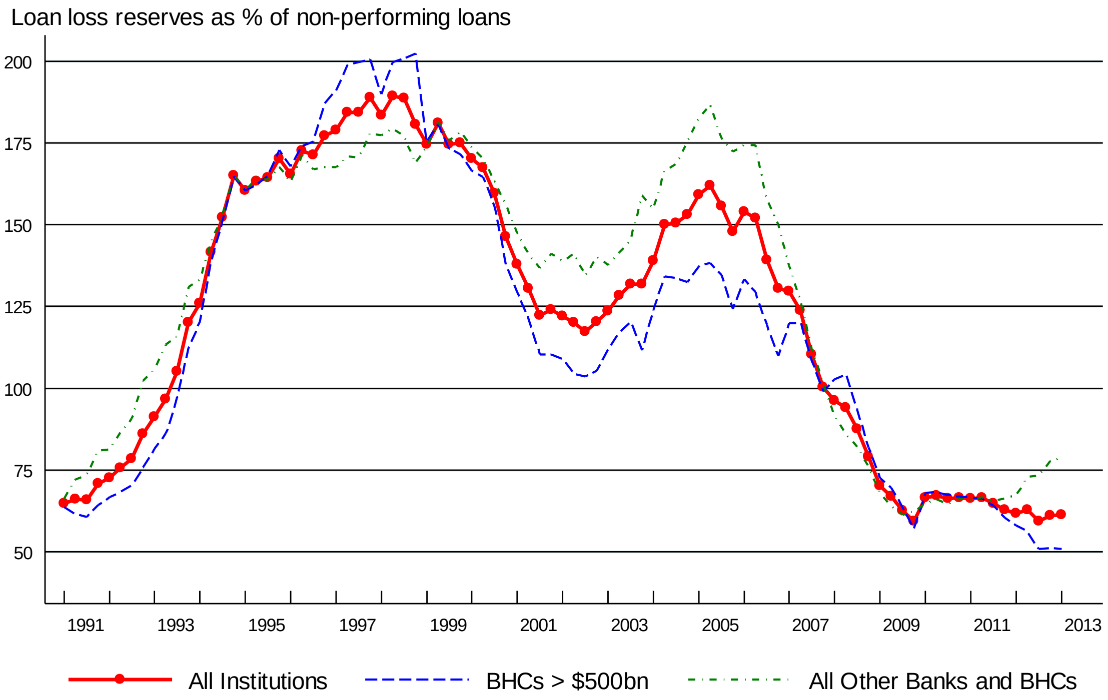
Net Charge-offs



Loan Loss Provisions

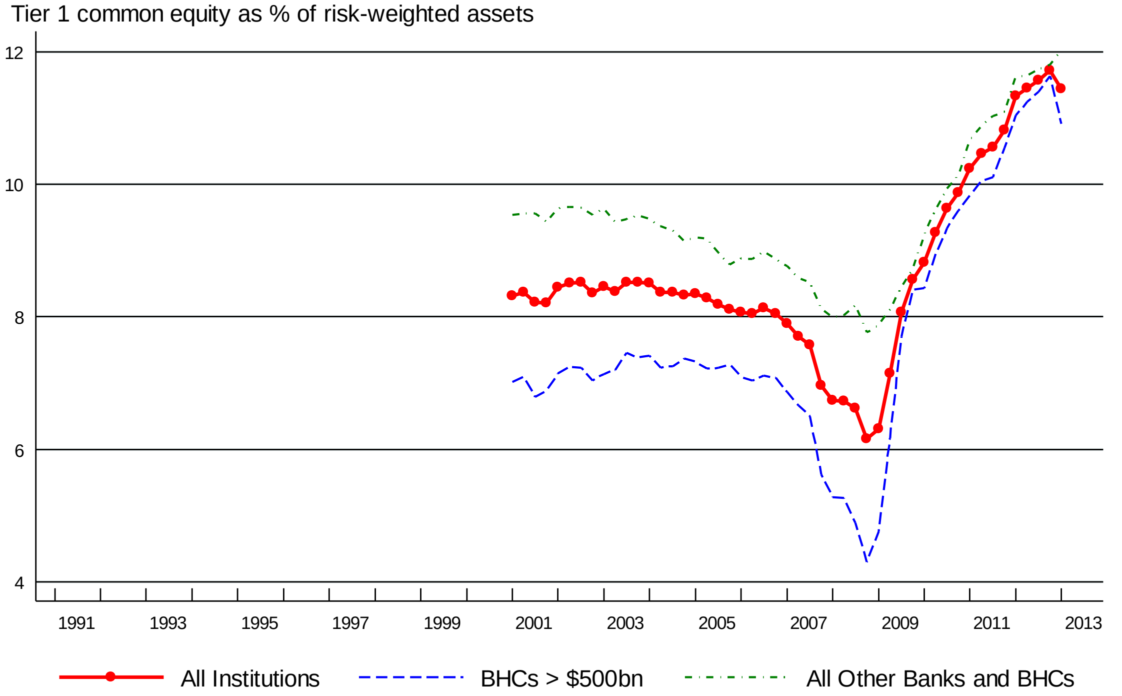


Loan Loss Reserves



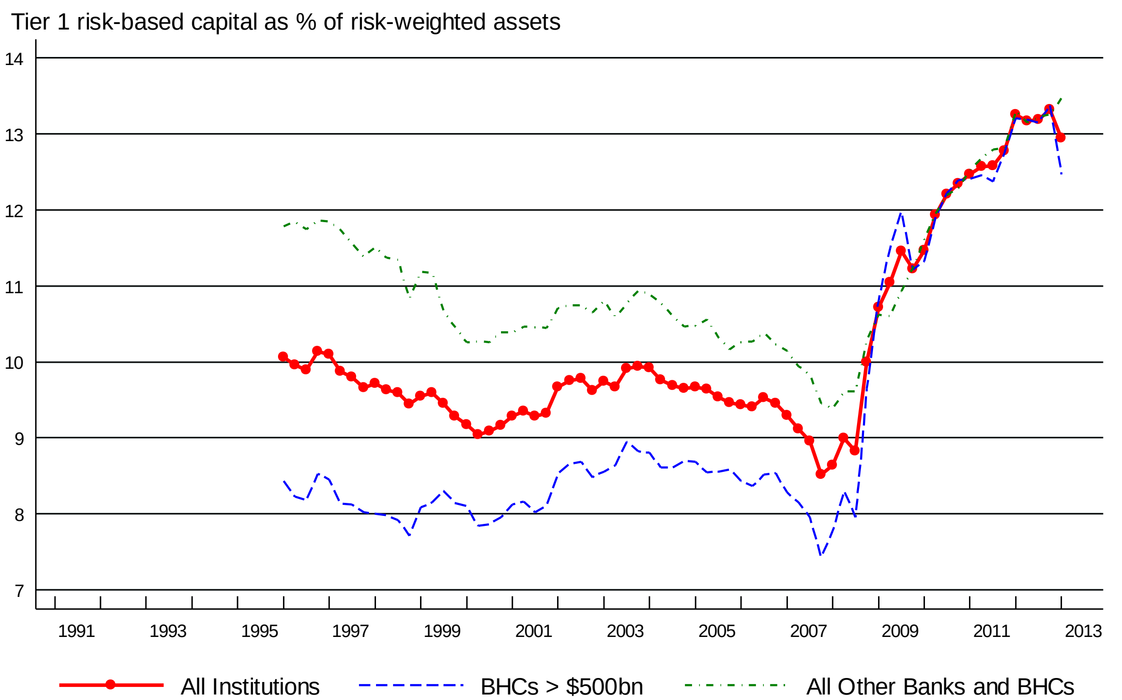
4. Capital Adequacy and Asset Growth

Tier 1 Common Equity Ratio



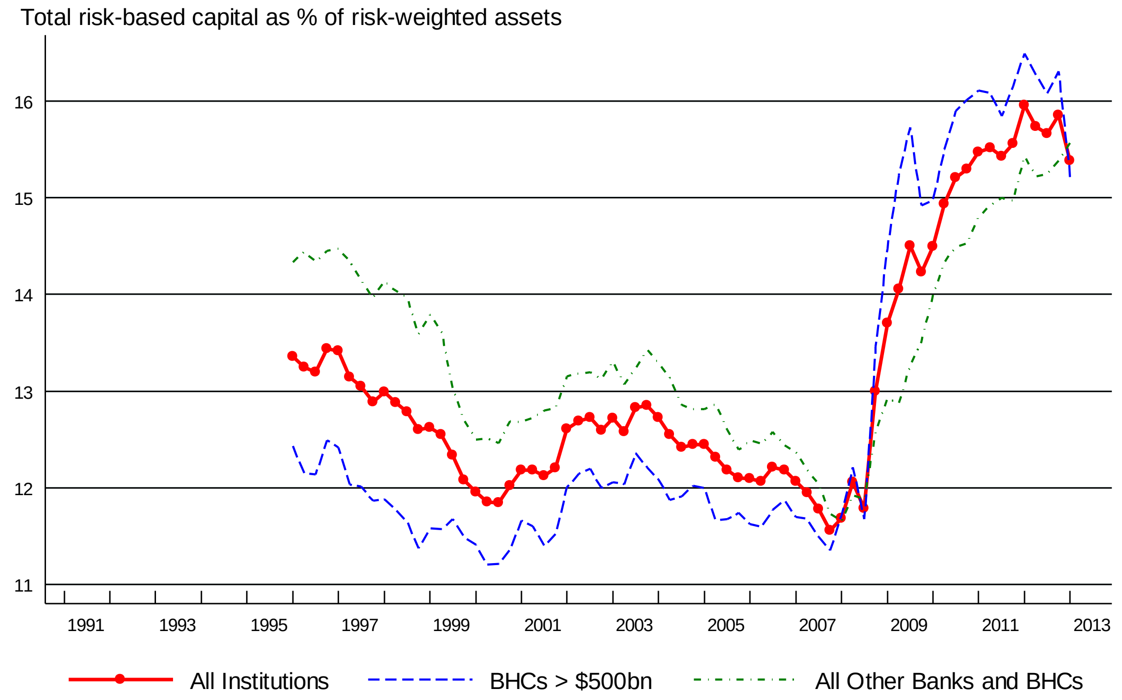
Notes: See data notes for the definition of tier 1 common equity. This chart starts in 2001q1 because data for tier 1 common equity are not available prior to this date.

Tier 1 Capital Ratio



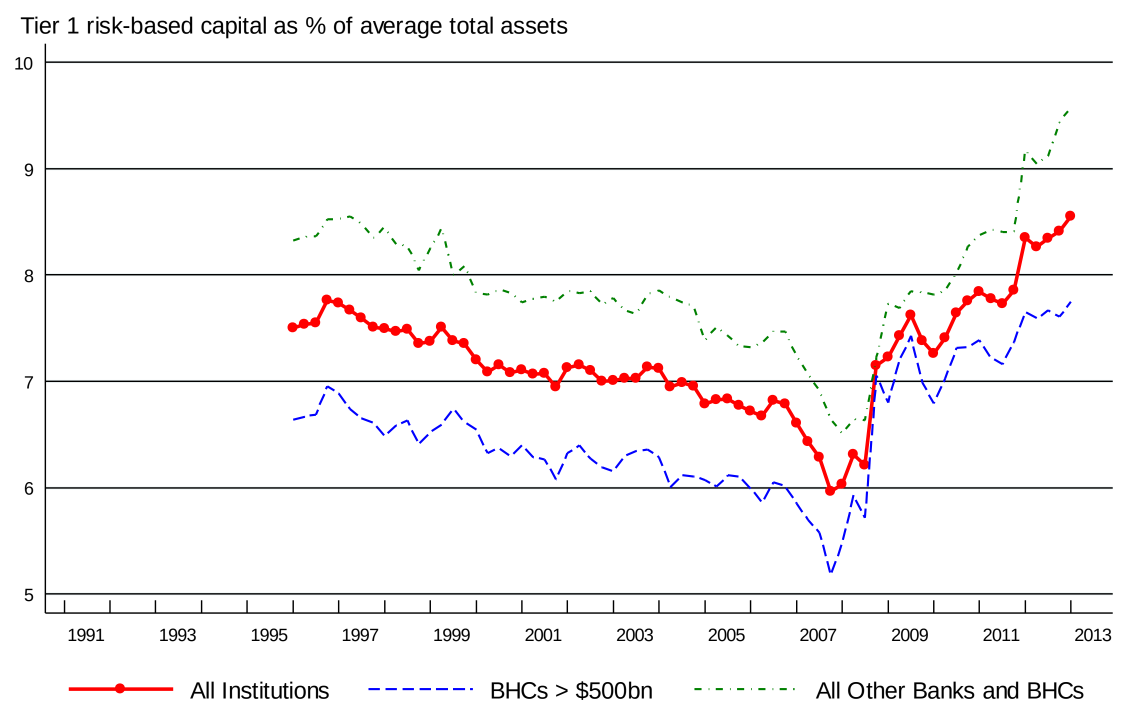
Note: This chart starts in 1996q1. Data underlying this chart are not available prior to this date.

Total Capital Ratio



Note: This chart starts in 1996q1 because data for the components of this ratio are not available prior to that date.

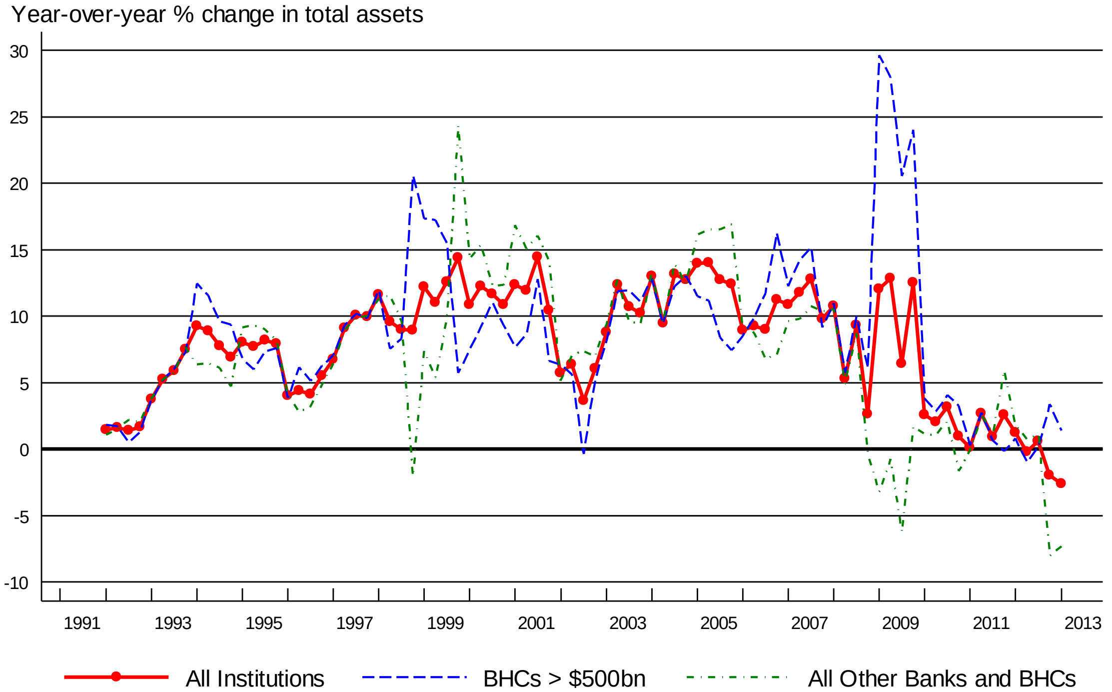
Leverage Ratio



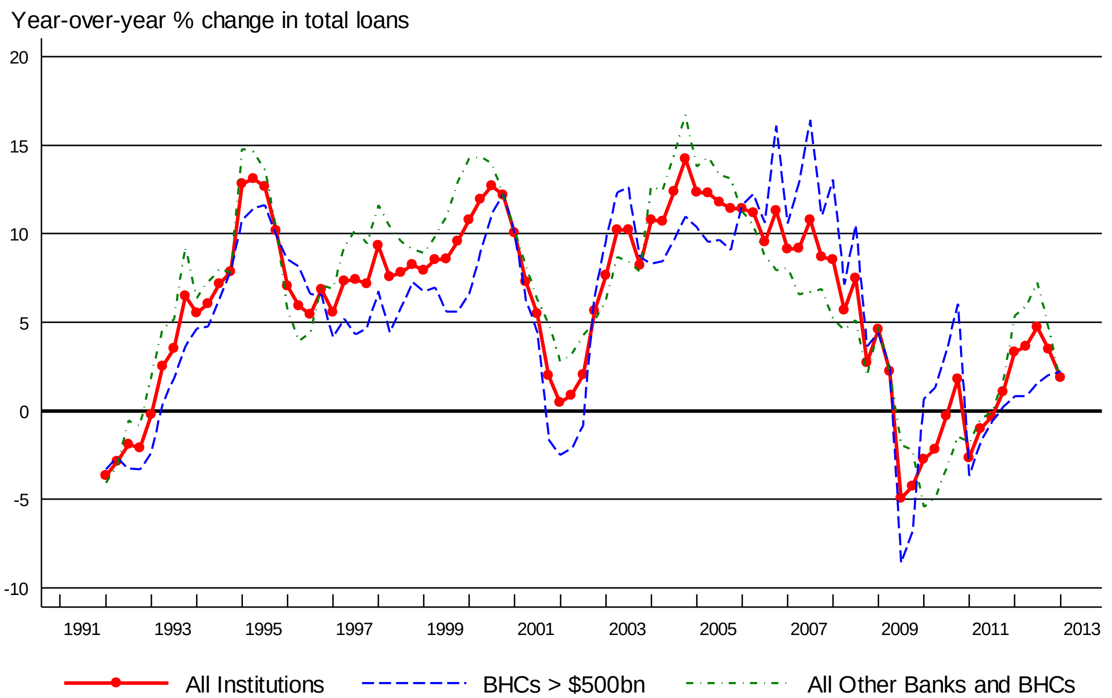
Note: This chart starts in 1996q1 because data for the components of this ratio are not available prior to that date.

Note: Asset, loan and deposit growth rates presented below are affected by mergers with nonbanking firms, and the conversion of some large nonbanks to a BHC charter during the sample period. This particularly affects the year-over-year growth rate for assets between 2009:Q1 and 2009:Q4, due to the entry of several new firms in 2009:Q1. See “Caveats and Limitations” for details.

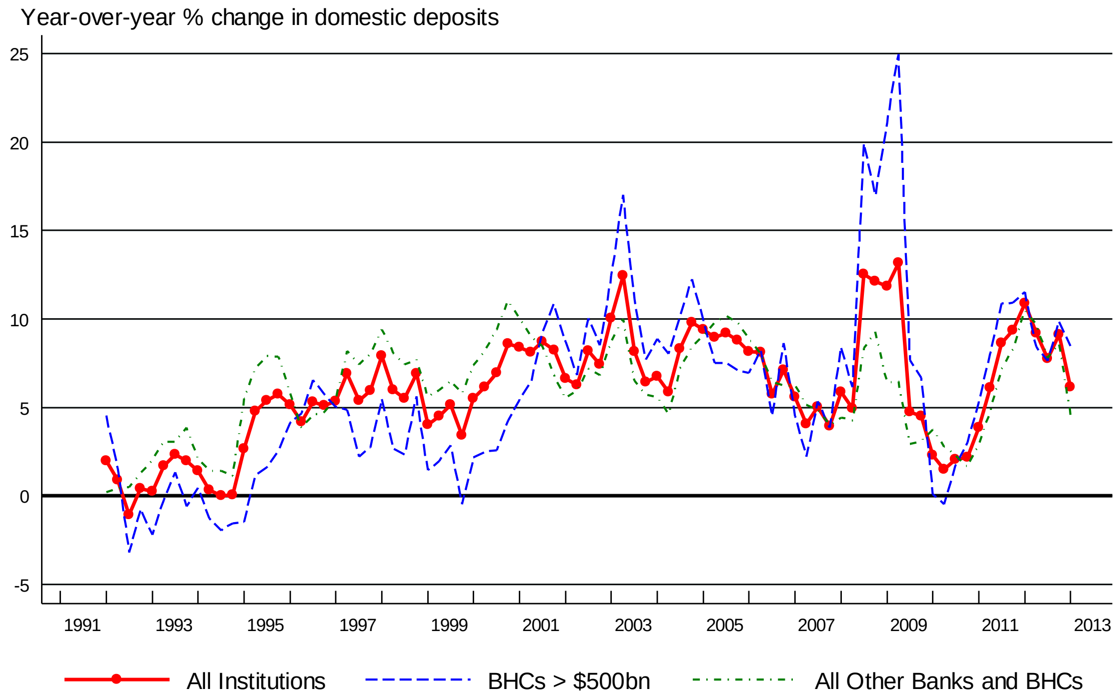
Asset Growth Rates



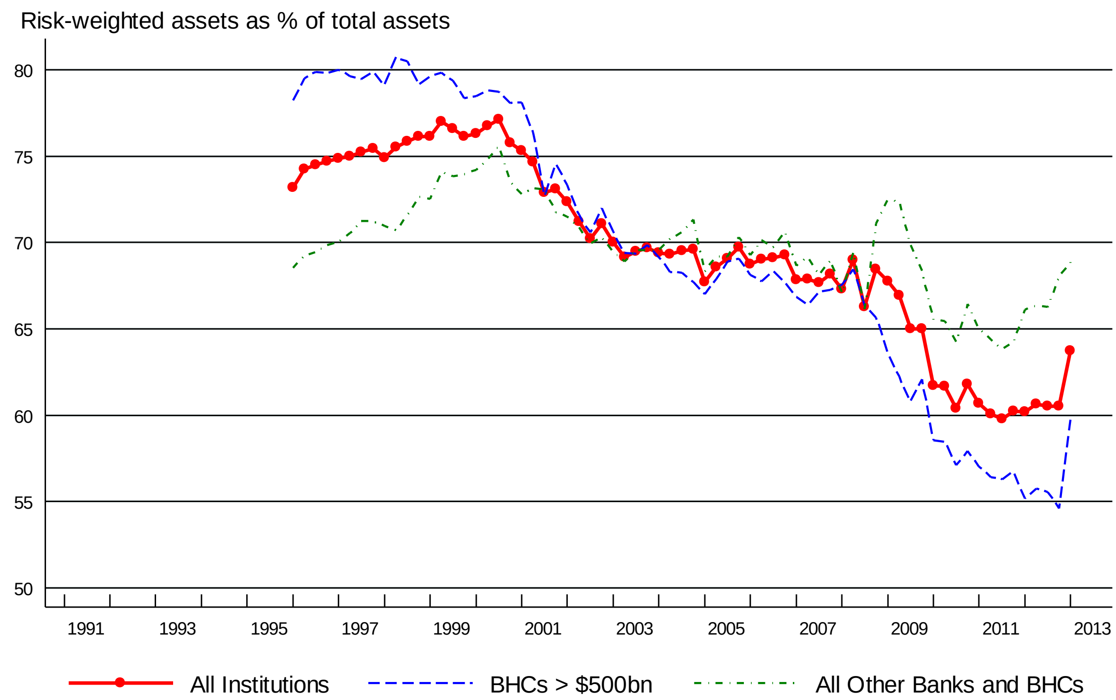
Loan Growth Rates



Domestic Deposit Growth Rates



Risk-Weighted Assets Ratio



Note: This chart starts in 1996q1 because data for the risk-weighted assets component of this ratio are not reported prior to that date.

5. Consolidated Financial Statistics for the Fifty Largest BHCs

Rank	Name of Institution	Total Assets (Bil USD)	Quarterly Net Income (Mil USD)	Bank Profitability		Capital Adequacy Ratios (%)		
				Annualized Return on Assets	Annualized Return on Equity	Tier 1 Common Ratio	Tier 1 Capital Ratio	Total Capital Ratio
1	JPMORGAN CHASE & CO	2,389.3	6,529.0	1.09	12.61	10.18	11.64	14.14
2	BANK OF AMER CORP	2,176.6	1,483.0	0.27	2.50	10.49	12.22	15.50
3	CITIGROUP	1,881.7	3,808.0	0.81	7.88	11.84	13.09	16.09
4	WELLS FARGO & CO	1,436.6	5,171.0	1.44	12.76	10.39	11.80	14.76
5	GOLDMAN SACHS GROUP THE	959.4	2,260.0	0.94	11.71	12.73	14.45	17.25
6	MORGAN STANLEY	801.4	962.0	0.48	6.14	11.53	13.92	14.48
7	BANK OF NY MELLON CORP	356.0	-253.0	-0.28	-2.84	12.19	13.59	14.66
8	U S BC	355.4	1,428.0	1.61	14.45	9.09	10.97	13.15
9	HSBC NORTH AMER HOLD	305.3	422.6	0.55	5.35	14.46	16.95	26.85
10	PNC FNCL SVC GROUP	300.9	1,013.5	1.35	10.22	9.78	11.65	14.92
11	CAPITAL ONE FC	300.3	1,065.7	1.42	10.32	11.79	12.18	14.43
12	T D BANK US HOLD CO	222.7	155.9	0.28	2.59	6.78	7.20	8.35
13	STATE STREET CORP	217.9	464.2	0.85	8.90	16.15	18.03	19.20
14	BB&T CORP	180.8	240.0	0.53	4.54	9.19	10.77	13.66
15	SUNTRUST BK	172.5	351.9	0.82	6.68	10.13	11.20	13.45
16	ALLY FNCL	166.2	1,093.0	2.63	21.35	7.89	14.59	15.59
17	AMERICAN EXPRESS CO	156.9	1,280.0	3.26	26.50	12.64	12.65	14.58
18	RBS CITIZENS FNCL GRP	126.3	183.1	0.58	3.03	14.24	14.54	16.15
19	BMO FNCL CORP	122.4	71.0	0.23	2.13	10.47	10.82	15.42
20	FIFTH THIRD BC	121.4	421.4	1.39	12.14	9.70	10.83	14.35
21	REGIONS FC	119.7	335.1	1.12	8.52	11.23	12.38	15.76
22	UNIONBANCAL CORP	97.0	146.9	0.61	4.67	12.45	12.54	14.02
23	NORTHERN TR CORP	93.2	164.0	0.70	8.62	12.82	13.29	14.68
24	KEYCORP	89.4	203.9	0.91	7.89	11.41	12.19	15.02
25	M&T BK CORP	82.8	274.1	1.32	10.52	7.93	10.62	13.81
26	SANTANDER HOLDS USA	82.7	285.5	1.38	8.48	13.03	13.69	15.96
27	BANCWEST CORP	78.9	164.1	0.83	5.68	10.50	10.69	11.96
28	DISCOVER FS	76.1	672.8	3.53	26.13	14.70	15.58	17.94
29	DEUTSCHE BK TR CORP	75.5	96.0	0.51	5.78	13.60	13.63	14.02
30	BBVA USA BSHRS	69.6	118.0	0.68	4.26	11.59	11.86	14.44
31	COMERICA	65.0	133.5	0.82	7.64	10.37	10.37	13.41
32	HUNTINGTON BSHRS	56.1	151.8	1.08	10.35	10.62	12.16	14.55
33	ZIONS BC	54.1	110.7	0.82	6.97	10.08	14.08	15.75
34	UTRECHT-AMERICA HOLDS	48.6	19.4	0.16	12.54	-1.13	2.83	3.27
35	CIT GROUP	44.6	162.6	1.46	7.66	16.35	16.35	17.12
36	NEW YORK CMNTY BC	44.5	118.7	1.07	8.38	11.98	13.26	14.00
37	POPULAR	36.9	-120.0	-1.30	-12.09	12.36	16.52	17.80
38	FIRST NIAGARA FNCL GROUP	36.9	67.3	0.73	5.44	7.64	9.45	11.38
39	BOK FC	27.4	88.0	1.28	11.68	13.16	13.35	15.68
40	CITY NAT CORP	27.4	51.5	0.75	8.06	8.71	9.64	12.71
41	SYNOVUS FC	26.2	29.6	0.45	3.31	8.93	13.50	16.45
42	FIRST HORIZON NAT CORP	25.2	42.2	0.67	7.32	10.62	13.54	16.06
43	ASSOCIATED BANC CORP	23.3	47.4	0.81	6.46	11.64	12.03	13.45
44	EAST W BC	23.1	72.1	1.25	12.31	12.86	14.12	15.61
45	SVB FNCL GRP	22.8	40.9	0.72	8.69	12.93	13.30	14.59
46	RAYMOND JAMES FNCL	22.7	80.0	1.41	9.22	17.13	17.17	18.08
47	CULLEN/FROST BKR	22.6	55.2	0.98	9.03	12.15	14.23	15.44
48	COMMERCE BSHRS	22.2	61.0	1.10	11.22	13.63	13.63	14.94
49	FIRST CITIZENS BSHRS	21.4	55.6	1.04	11.59	14.04	14.50	16.19
50	WEBSTER FNCL CORP	20.1	42.1	0.84	7.92	11.06	12.75	14.01
TOTALS*	TOP 50	14,286.4	31,920.3	0.89	8.57	10.92	12.45	15.11
	ALL INSTITUTIONS (BHCS AND BANKS)	17,091.1	39,259.5	0.92	8.70	11.43	12.94	15.38

*For the bank profitability and capital adequacy ratios, we aggregate the underlying data and then compute the ratios.

Notes and caveats

Methodology

The data used to construct the statistics in this report are drawn from the quarterly Consolidated Financial Statements for Bank Holding Companies (FR Y-9C), and Consolidated Reports of Condition and Income for commercial banks (FFIEC 031 and 041). Reported statistics are defined in a time-consistent way across reporting form vintages.

To calculate the “all institutions” quarterly series, we aggregate the data for top-tier bank holding companies (BHCs), including foreign-held BHCs, as well as commercial banks owned by BHCs that are too small to file Y-9C reports (the current reporting threshold is $500m of total assets), and unaffiliated (stand-alone) commercial banks. We identify “top-tier” BHCs (i.e. the U.S. parent entity) via the National Information Center (NIC, http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx), which provides data on firm attributes and structure. We identify commercial banks that are standalone firms or are owned by small BHCs by identifying all banks whose high holder does not submit a FR Y-9C report.

Separate statistics are also reported for the subset of BHCs with greater than $500 billion in total assets, and for the remainder of the industry. As of 2013:Q1, there were 6 BHCs that exceeded this threshold: JPMorgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs, and Morgan Stanley. For consistency, time-series graphs for the “> $500bn” group represent available historical values for this same subset of firms. Statistics for this subset of firms are prepared on a pro forma (merger-adjusted) basis; specifically, on the basis that all BHCs acquired by each of these firms over the sample period with US regulatory filings are part of the consolidated BHC from the start of the historical time period. Data values of acquired BHCs are then summed with acquirer data in the period before the acquisition. Merger events are identified using the NIC transformations table maintained by the Federal Reserve Board of Governors. After constructing the pro forma series for each firm, we aggregate the data to create the BHCs > $500bn series. Finally, the “all other banks and BHCs” quarterly series is constructed by subtracting the “BHCs > $500bn” series from the “all institutions” series.

The charts and tables presented in this report are grouped into the following five categories: composition of banking industry assets and liabilities, earnings and pre-provision net revenue, asset quality, capital adequacy and asset growth, and consolidated financial statistics for the fifty largest BHCs. Definitions of each plotted variable are presented on each chart.

Caveats and limitations

Statistics in this report are presented "as is", based on calculations conducted by Federal Reserve Bank of New York research staff. While significant efforts have been made to ensure accuracy, the statistics presented here may be subject to future revision, for example because of changes or improvements in the "pro forma" methodology used to calculate statistics for industry subgroups.

We highlight a number of important limitations of the statistics presented here:

- Statistics exclude financial firms that are not either commercial banks or part of a commercial bank holding company. This creates discontinuities in the time-series graphs when nonbanking firms are acquired or sold by banks or BHCs, or when firms switch to or from a bank or BHC charter. For example, in 2009:Q1, Goldman Sachs, Morgan Stanley, Ally Financial, and American Express each began filing a FR Y-9C due to the conversion of each of these firms to a commercial banking holding company charter. This largely accounts for the sharp 13% increase in total measured industry assets in 2009:Q1, and a corresponding discontinuous upward shift in the industry asset growth rate during 2009.

- For the same reason, only 4 of the 6 BHCs in the BHCs > $500bn group (described in the methodology section on the previous page) exist in the data for the entire sample period (1991:Q1 to 2013:Q1). These 4 BHCs are JPMorgan Chase, Bank of America, Wells Fargo, and Citigroup. Goldman Sachs and Morgan Stanley entered the sample in 2009:Q1.

- Flow variables in bank and BHC regulatory filings are reported on a year-to-date basis. Quarterly flow variables are derived by "quarterizing" the data, that is, by subtracting the variable at time t-1 from the variable at time t for Q2, Q3, and Q4 of each calendar year. This quarterization procedure can create discontinuities when a bank or BHC enters the sample any time other than in Q1. To account for this, we drop the firm's quarter of entry observation from the sample. This adjusted data is used to calculate all ratios in this report that are based on flow variables. However, to retain as much of the data as possible, unadjusted data is used to calculate ratios based only on stock variables, since stock variables do not need to be quarterized.

- Due to data limitations, industry statistics exclude nonbank subsidiaries of small BHCs that do not file a FR Y-9C (currently the FR Y-9C is filed only by firms with $500m in total assets). The effect of this exclusion on industry statistics is expected to be minor, however, since small BHCs generally do not have large nonbank subsidiaries.

Data notes

1. The definition of tier 1 common equity for BHCs used for this report is: tier 1 common equity = tier 1 capital – perpetual preferred stock and related surplus + nonqualifying perpetual preferred stock – qualifying Class A noncontrolling (minority) interests in consolidated subsidiaries – qualifying restricted core capital elements (other than cumulative perpetual preferred stock) – qualifying mandatory convertible preferred securities of internationally active bank holding companies. The definition of tier 1 common equity for banks is: tier 1 common equity = tier 1 capital – perpetual preferred stock and related surplus + nonqualifying perpetual preferred stock – qualifying noncontrolling (minority) interests in consolidated subsidiaries.

2. In the first quarter of 2010, banking organizations were required to transfer certain off-balance sheet items onto their balance sheets under FASB 166 and 167. These guidelines substantially affected loan balances, as large amounts of securitized loans were transferred onto bank balance sheets. This accounting change was likely a major factor influencing year-over-year growth rates of loans and total assets during this period, potentially causing these growth rates to appear larger than they would have otherwise been.

Quarterly Trends for Consolidated U.S. Banking Organizations

Second Quarter 2013

Federal Reserve Bank of New York

Research and Statistics Group

This report presents consolidated financial statistics for the U.S. commercial banking industry, including both bank holding companies (BHCs) and banks. Statistics are based on quarterly regulatory filings.[1] Statistics are inclusive of BHCs' nonbank subsidiaries. Separate statistics are reported on a merger-adjusted basis for the subset of BHCs with > $500bn in total assets as of 2013:Q2[2], and for the remainder of the industry.

Highlights

- Banking industry capital, as measured by the ratio of tier 1 common equity to risk-weighted assets, increased from 11.43% in 2013:Q1 to 11.65% in 2013:Q2. The leverage ratio, defined as the ratio of tier 1 risk-based capital to average total assets over the quarter, also increased.

- Annualized return on assets (ROA) for the industry was flat at 0.92%, while return on equity (ROE) increased slightly from 8.7% to 8.8%. As a point of reference, the industry ROA averaged 1.18% between 1997 and 2006, while the industry ROE averaged 14.5%. ROA and ROE increased in Q2 for the largest BHCs (> $500bn in assets), but declined for the remainder of the industry.

- Non-performing loans as a percentage of total loans decreased in 2013:Q2, from 3.4% to 3.1%. This ratio has now declined for 14 consecutive quarters. The non-performing loan ratio remained more than twice as high for BHCs with more than $500 billion in assets than for the remainder of the banking industry. Loan loss provisions and net charge-offs, measured as percentages of total loans, also decreased this quarter. The net charge-off ratio for the industry is now at its lowest value since 2007:Q3.

- Year-over-year loan growth for the industry was positive at 1.5%. Year-over-year asset growth was negative for the industry (-2.3%), reflecting the exit of MetLife from the universe of BHC filers after 2012:Q3. Industry year-over-year asset growth is calculated to be 2.6% if Metlife is excluded from the historical sample.

[1] Industry statistics are calculated by summing consolidated financial data across all reporting U.S. parent BHCs (from the FR Y-9C report), plus values for "standalone" banks not controlled by a BHC, or whose parent BHC does not report on a consolidated basis (from the FFIEC 031/041 reports). The data include foreign-owned BHCs, but exclude savings bank holding companies, branches and agencies of foreign banks, or nonbanks that are not held by a U.S. BHC.

[2] Six BHCs exceed this $500bn size threshold: J.P. Morgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs, and Morgan Stanley.

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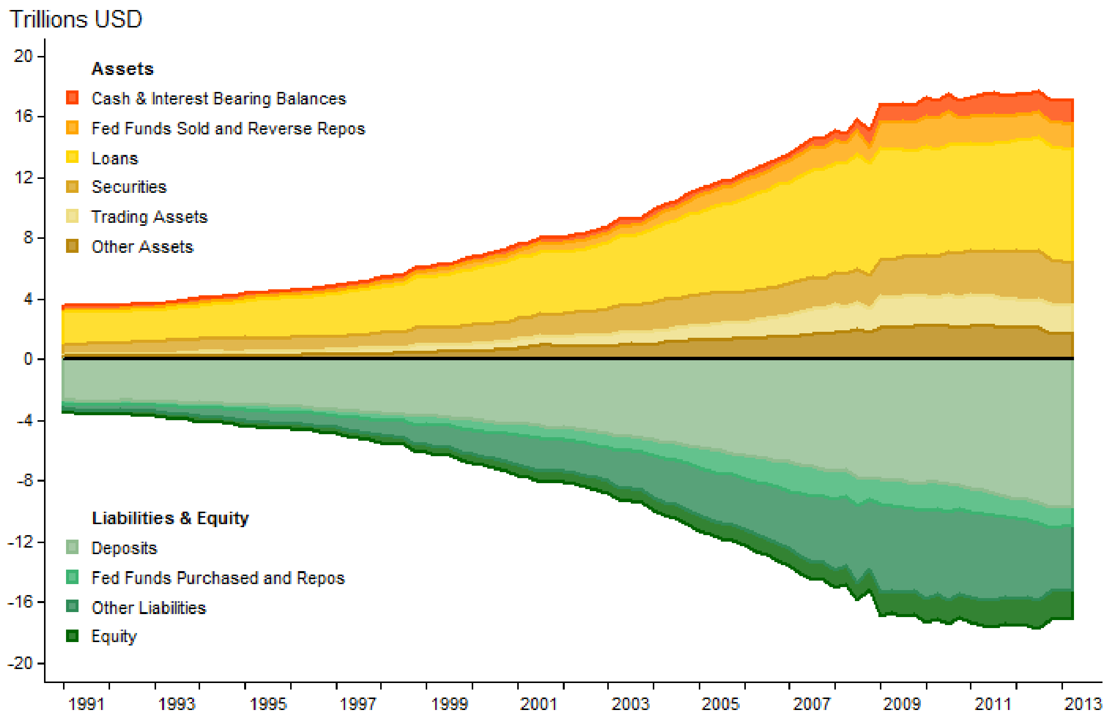
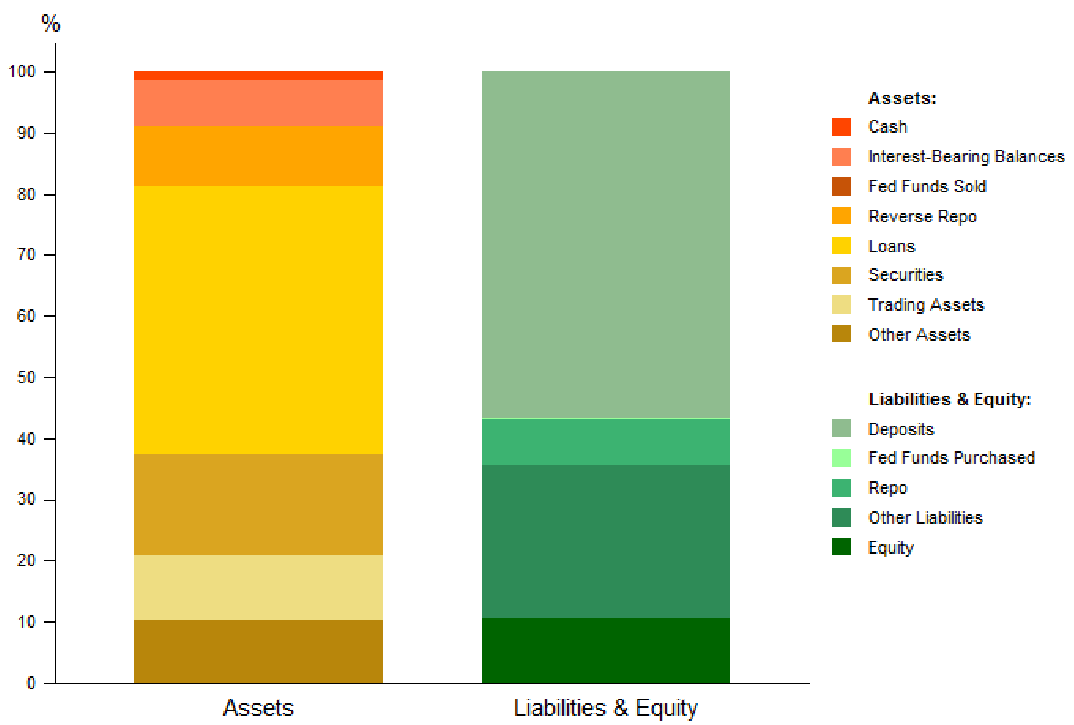
Charts and Tables

1. Composition of Banking Industry Assets and Liabilities

Balance Sheet Composition

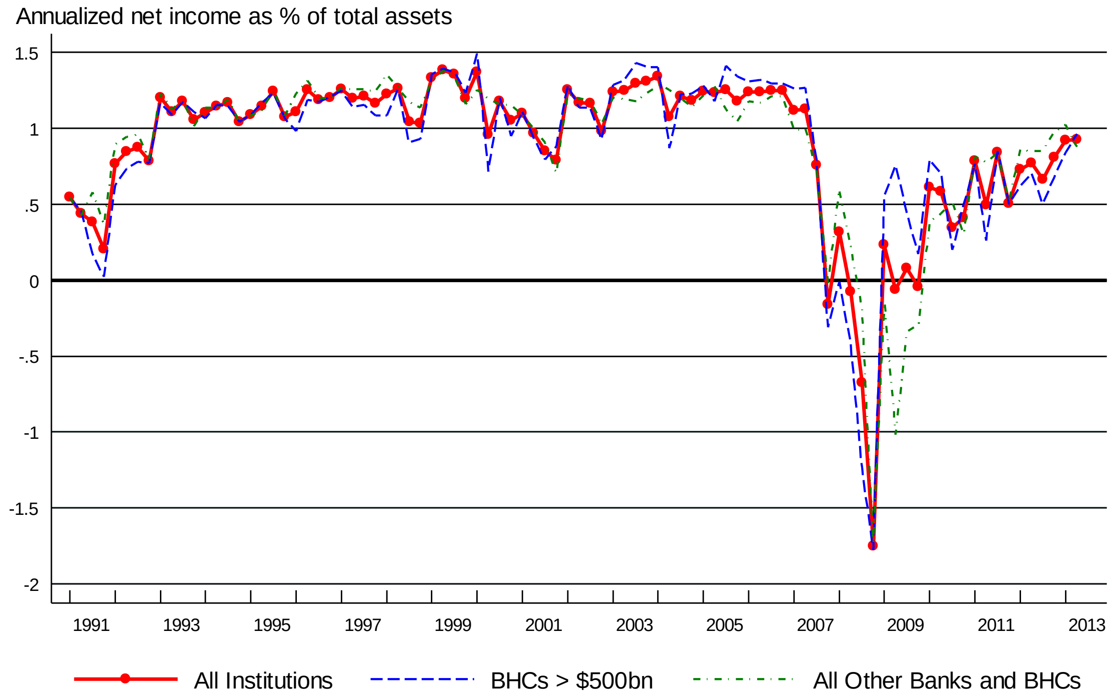


Balance Sheet Percentages

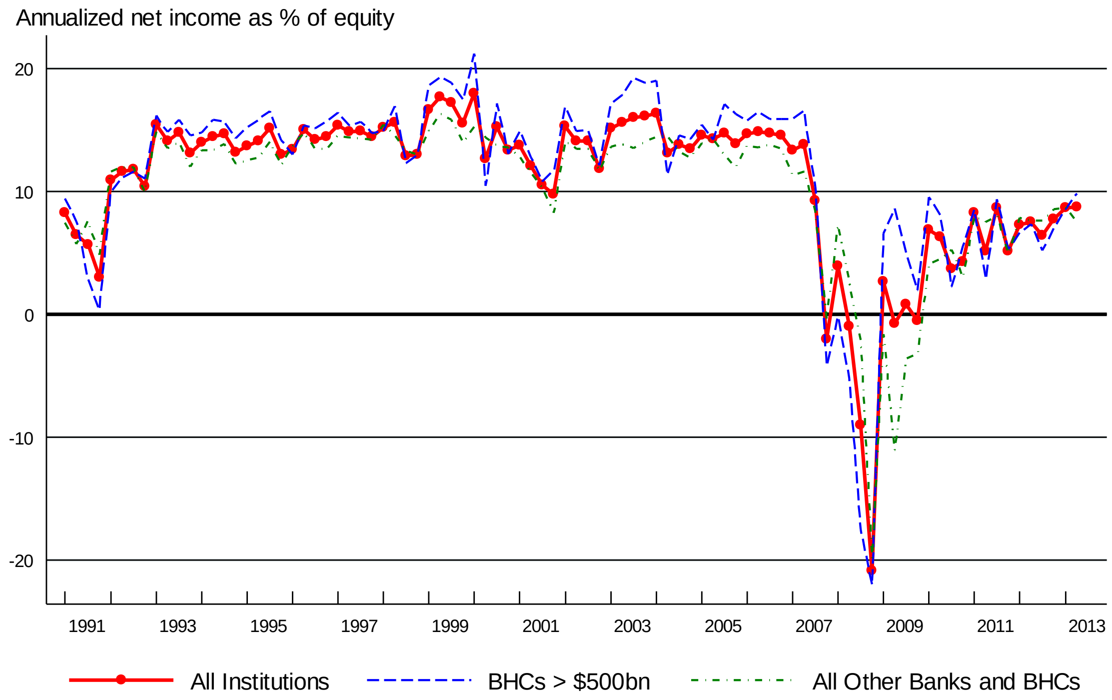


2. Earnings and Pre-Provision Net Revenue

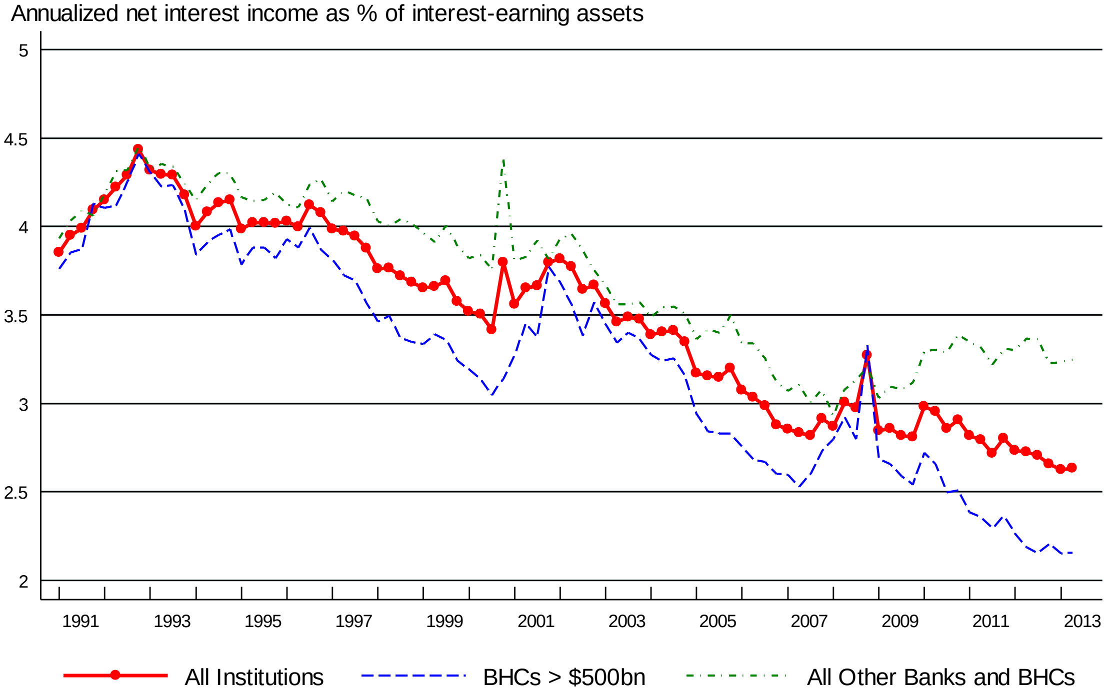
Return on Assets



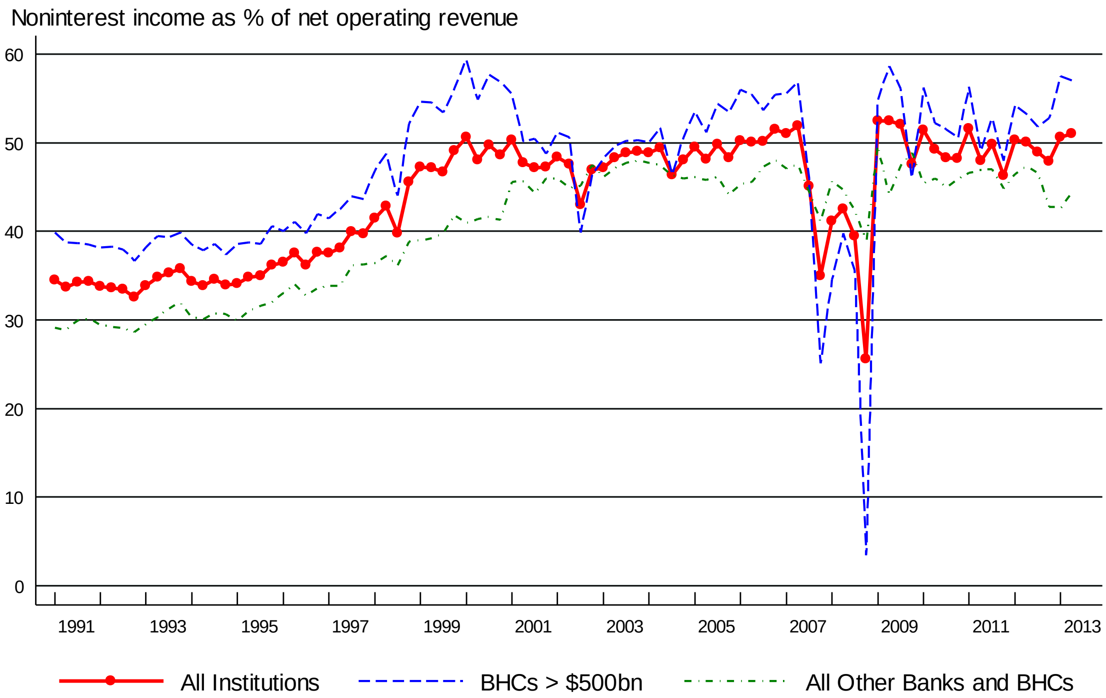
Return on Equity



Net Interest Margin

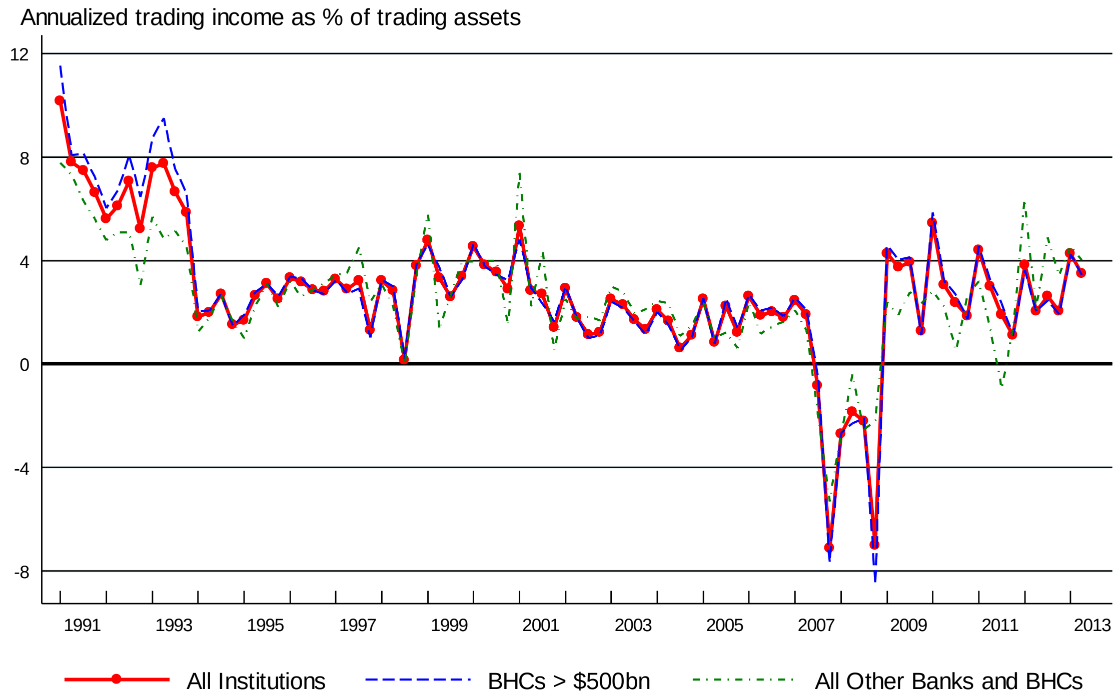


Noninterest Income Share

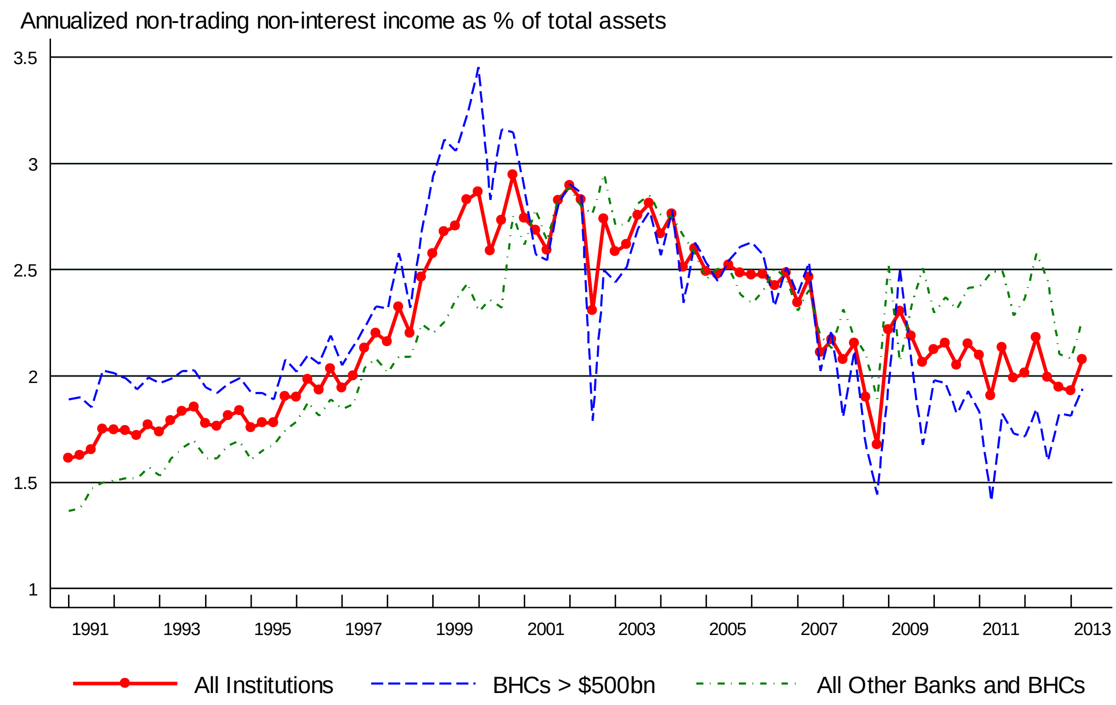


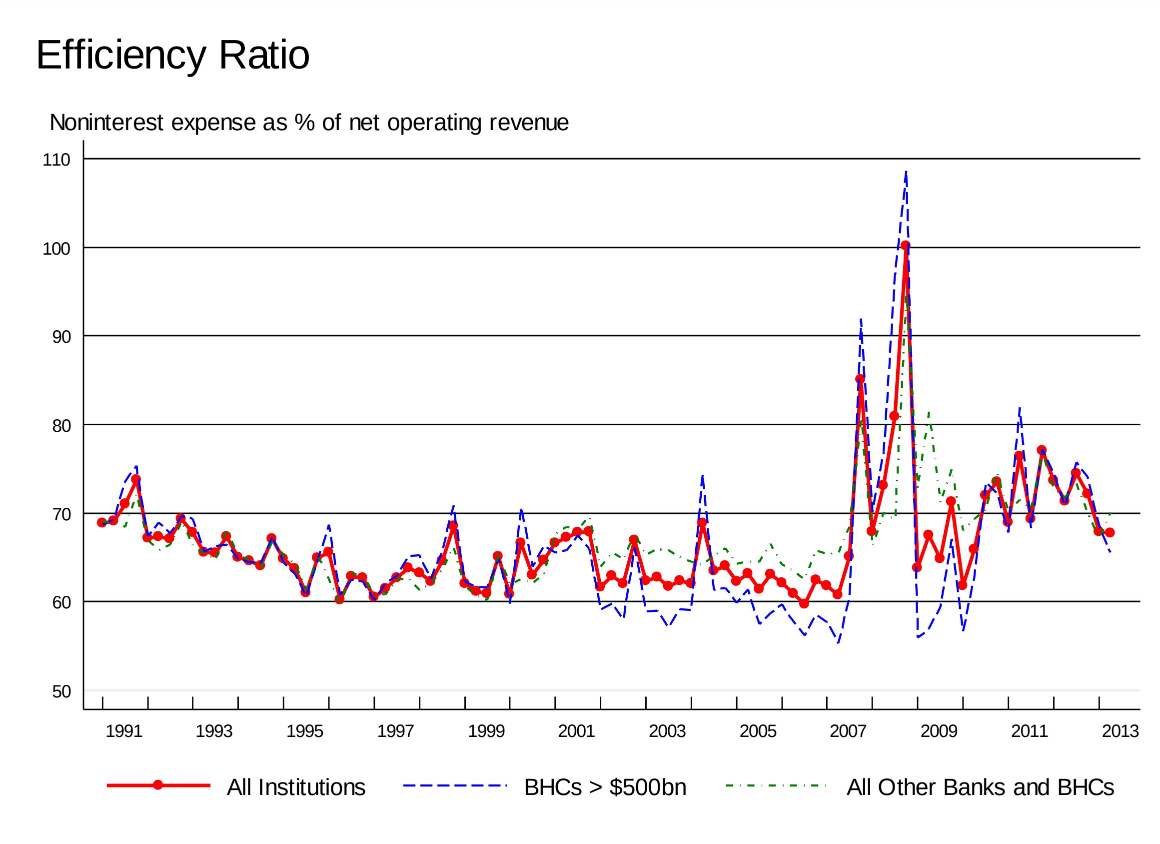
Note: Net operating revenue is defined as net interest income plus noninterest income.

Return on Trading Assets



Non-Trading Non-Interest Income Ratio



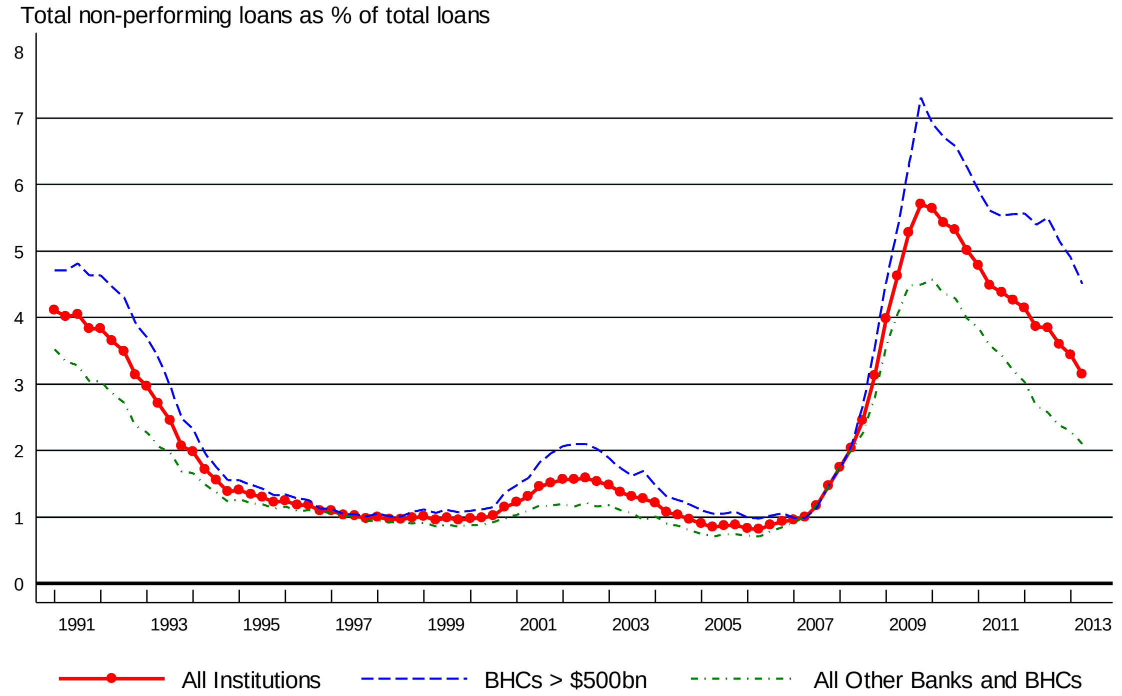


Note: Net operating revenue is defined as net interest income plus noninterest income.

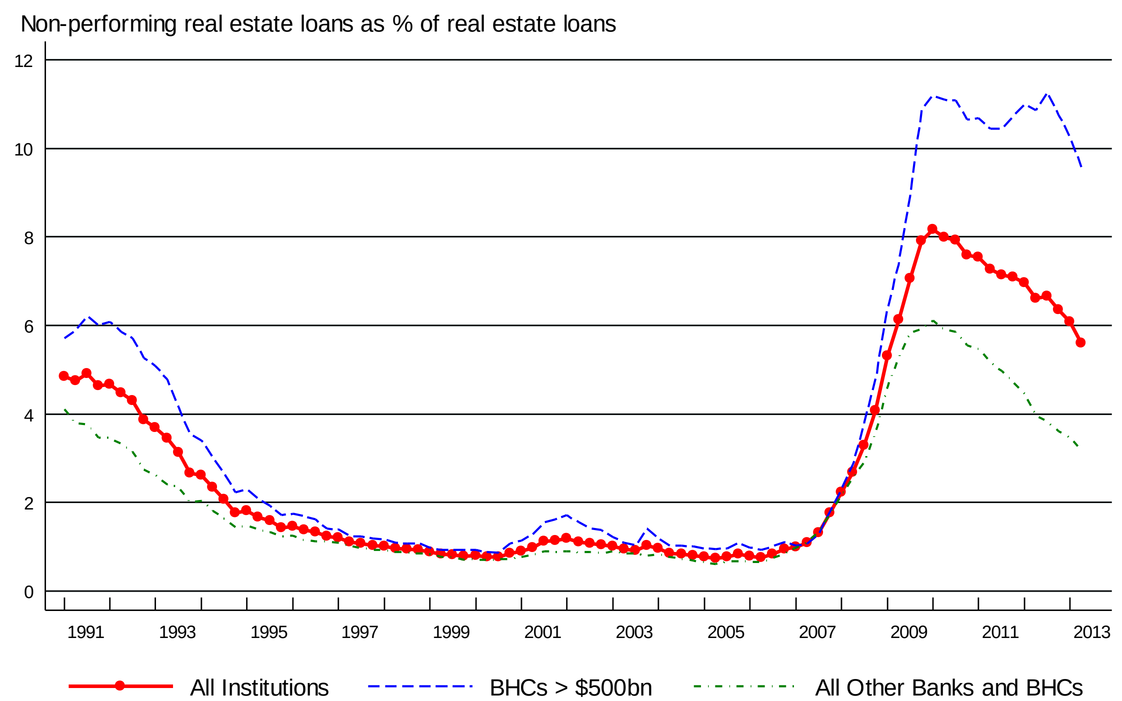
3. Asset Quality

Note: Non-performing loans include loans that are (1) 90 days or more past due and still accruing or (2) non-accrual.

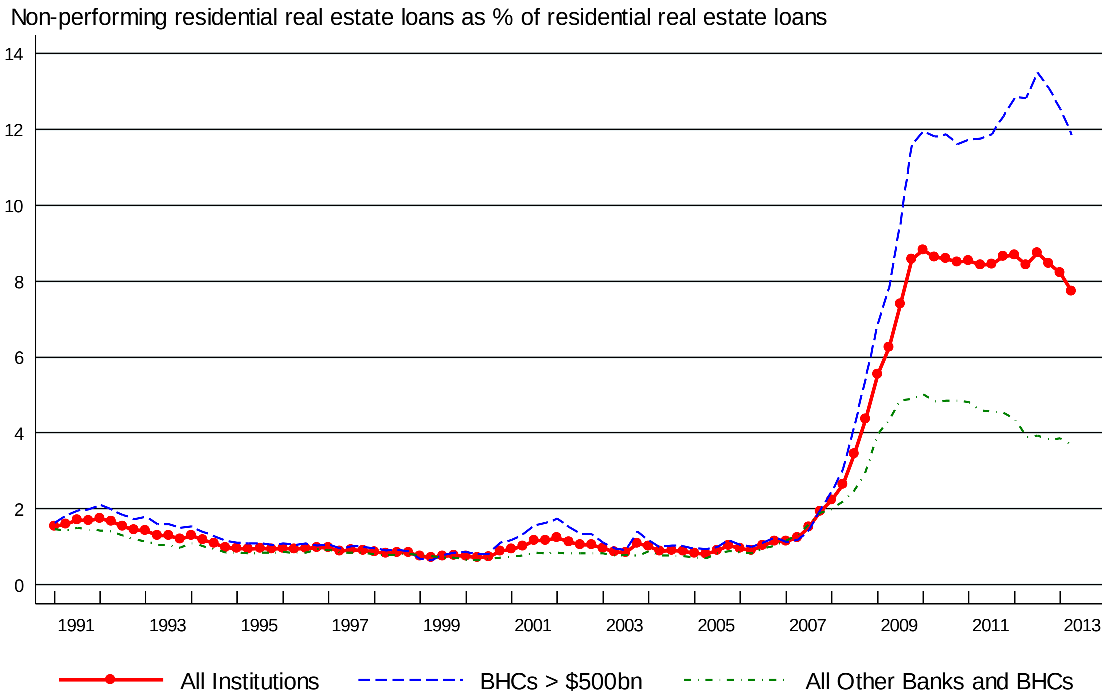
Non-performing Loans



Non-performing Real Estate Loans

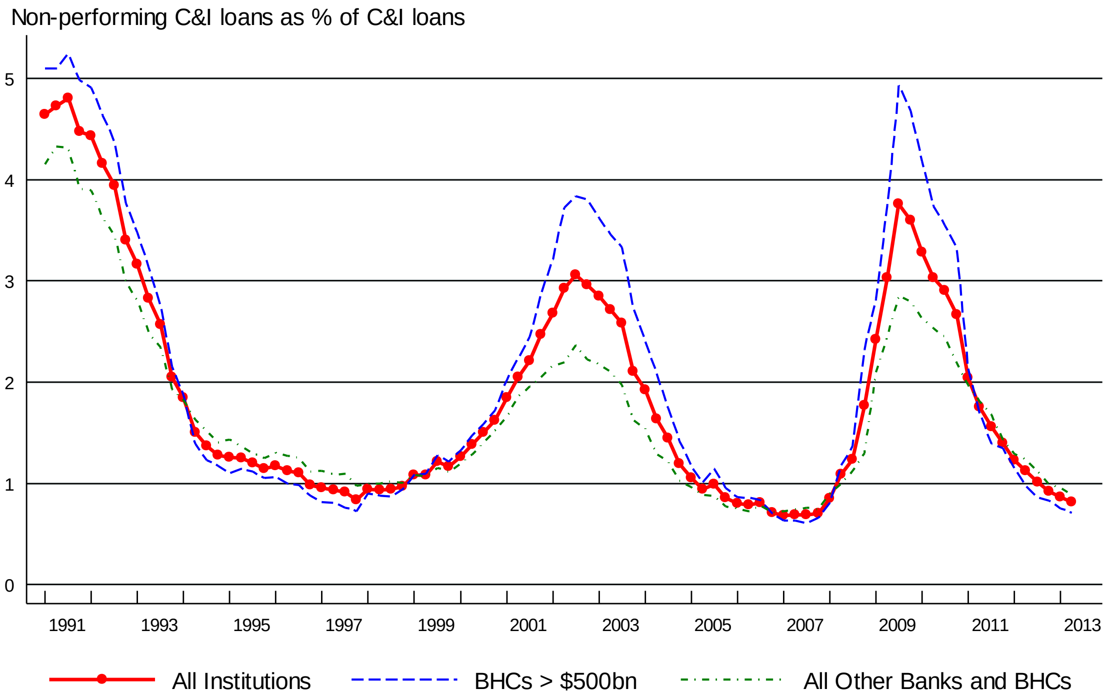


Non-performing Residential Real Estate Loans

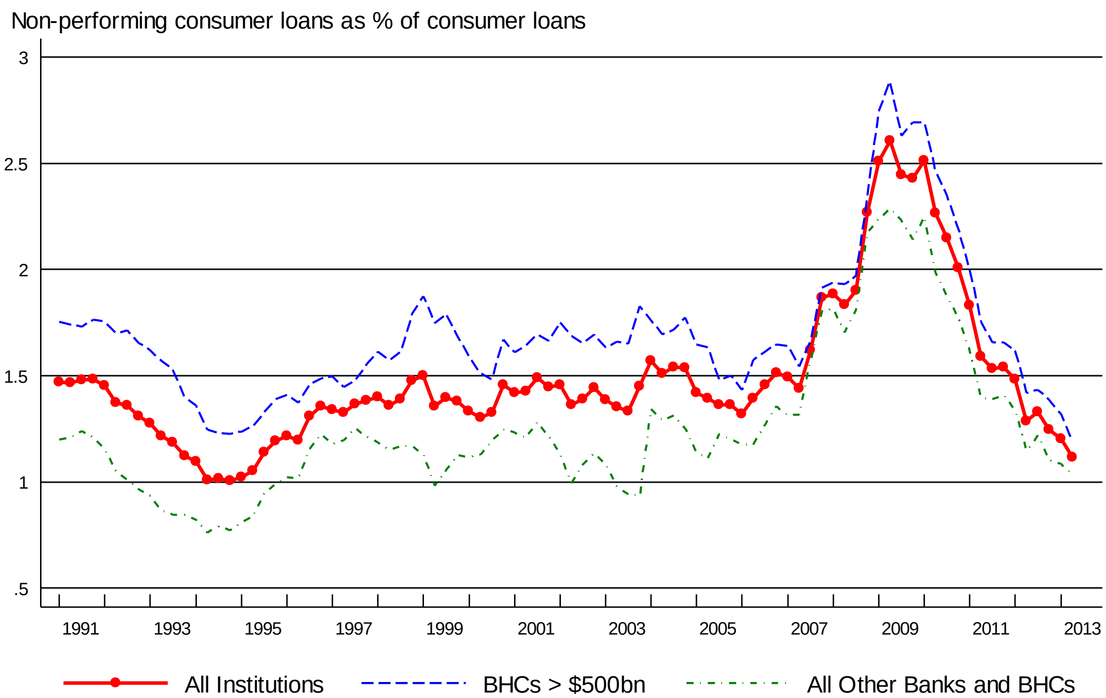


Non-performing Commercial Real Estate Loans

Non-performing Commercial and Industrial (C&I) Loans

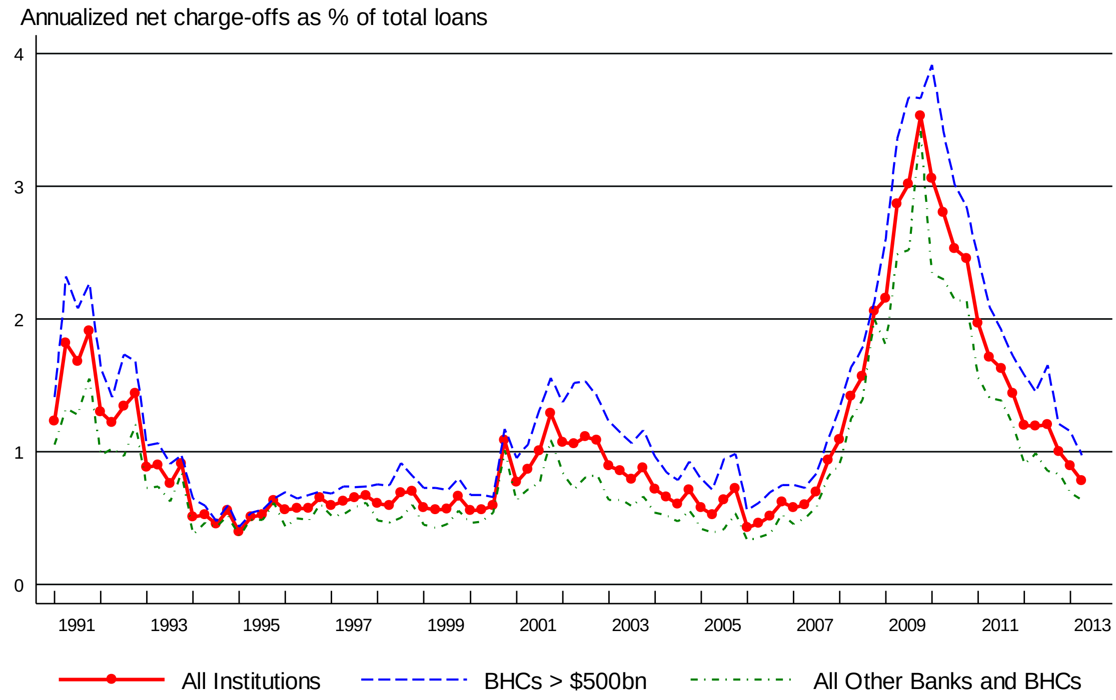


Non-performing Consumer Loans

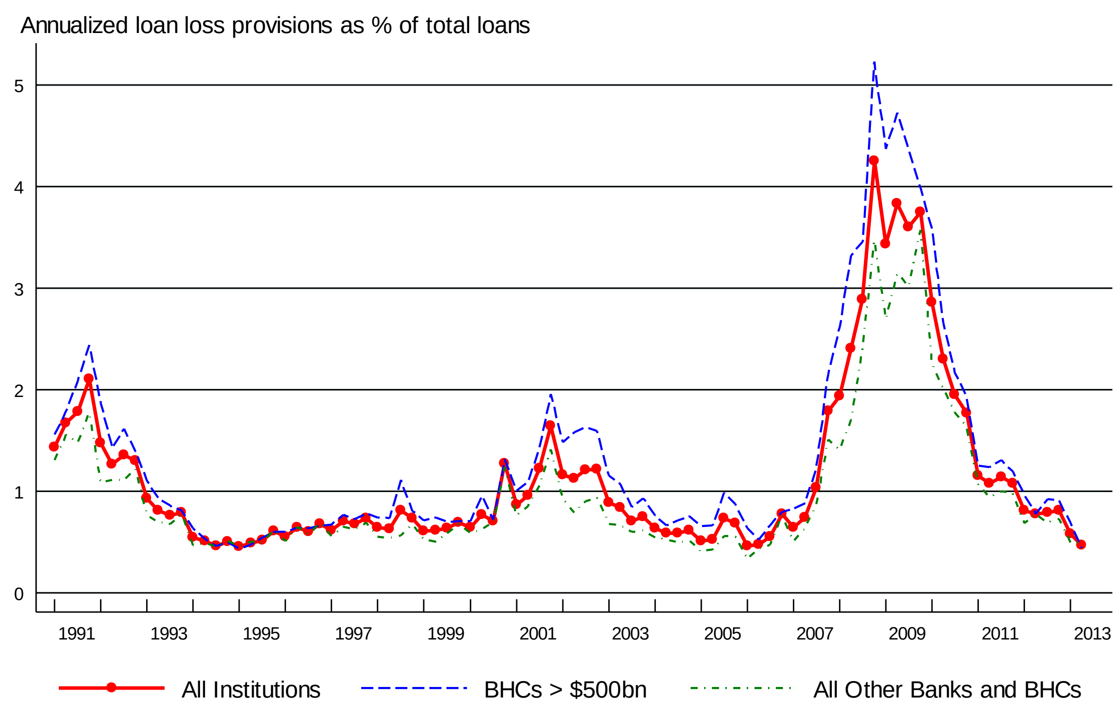


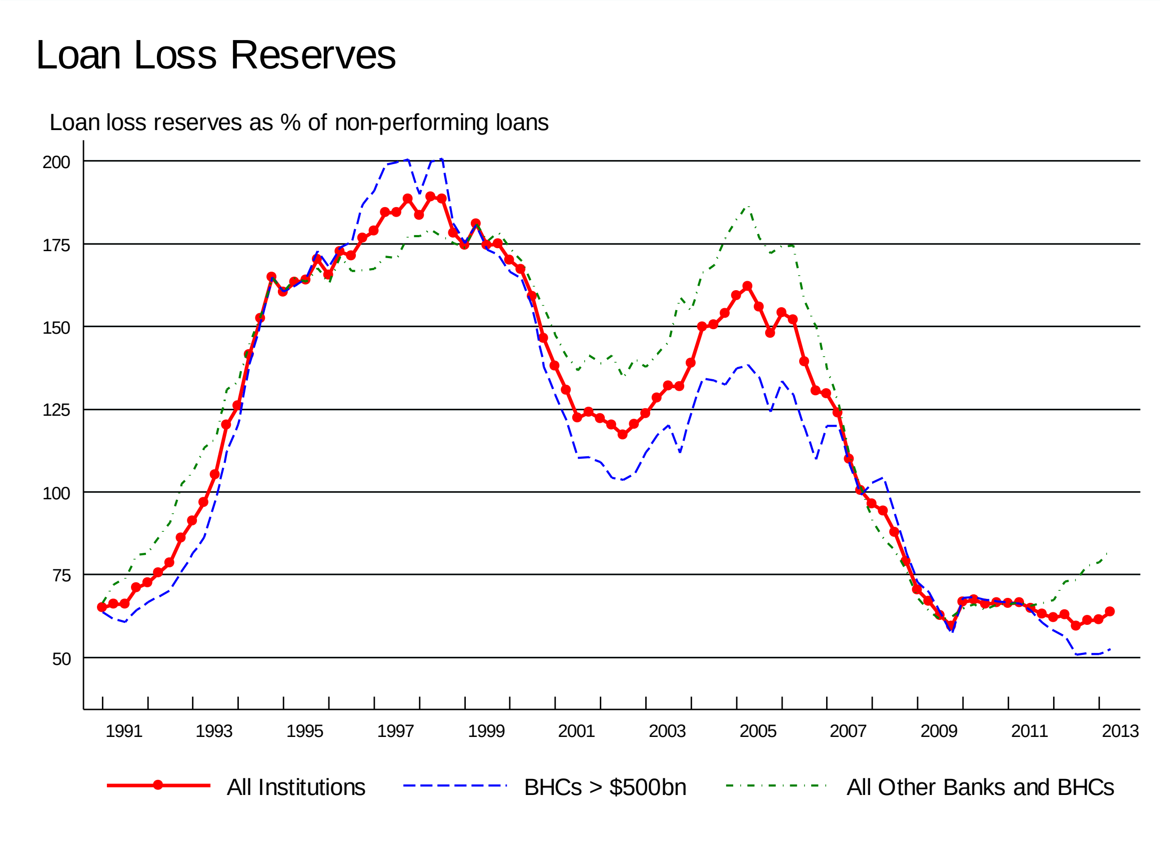
<u>Note</u>: Consumer loans are defined as the sum of credit card loans, other revolving credit plans, automobile loans, and other consumer loans.

Net Charge-offs



Loan Loss Provisions

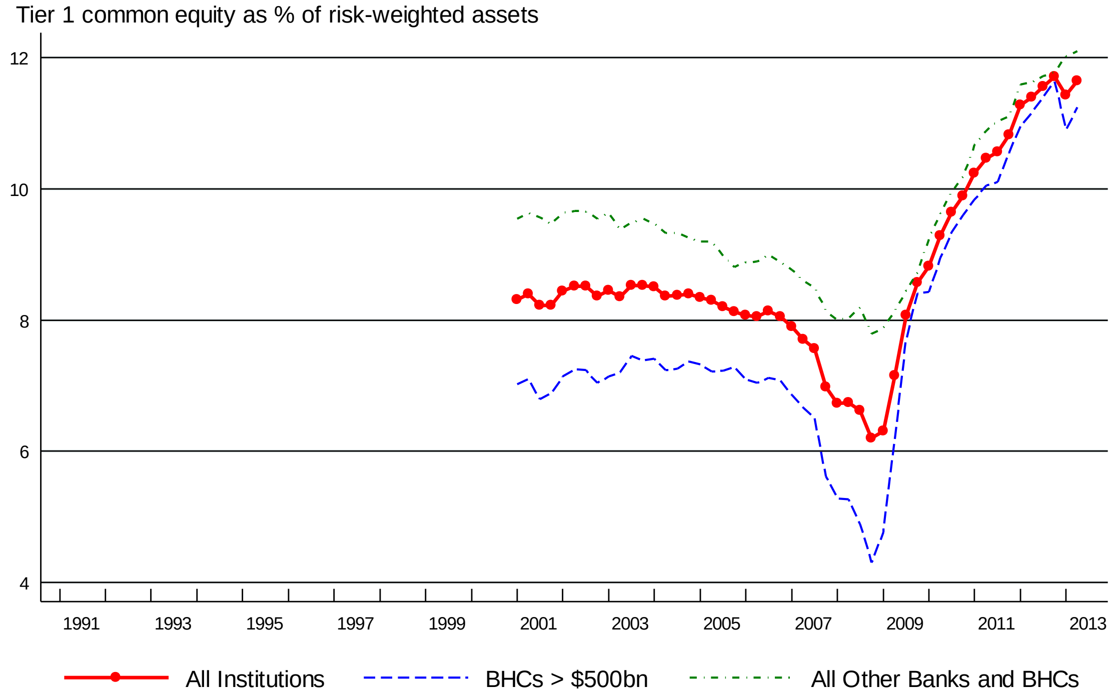




Loan Loss Reserves
Loan loss reserves as % of non-performing loans
200
175
150
125
100
75
50
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
All Institutions
BHCs > $500bn
All Other Banks and BHCs

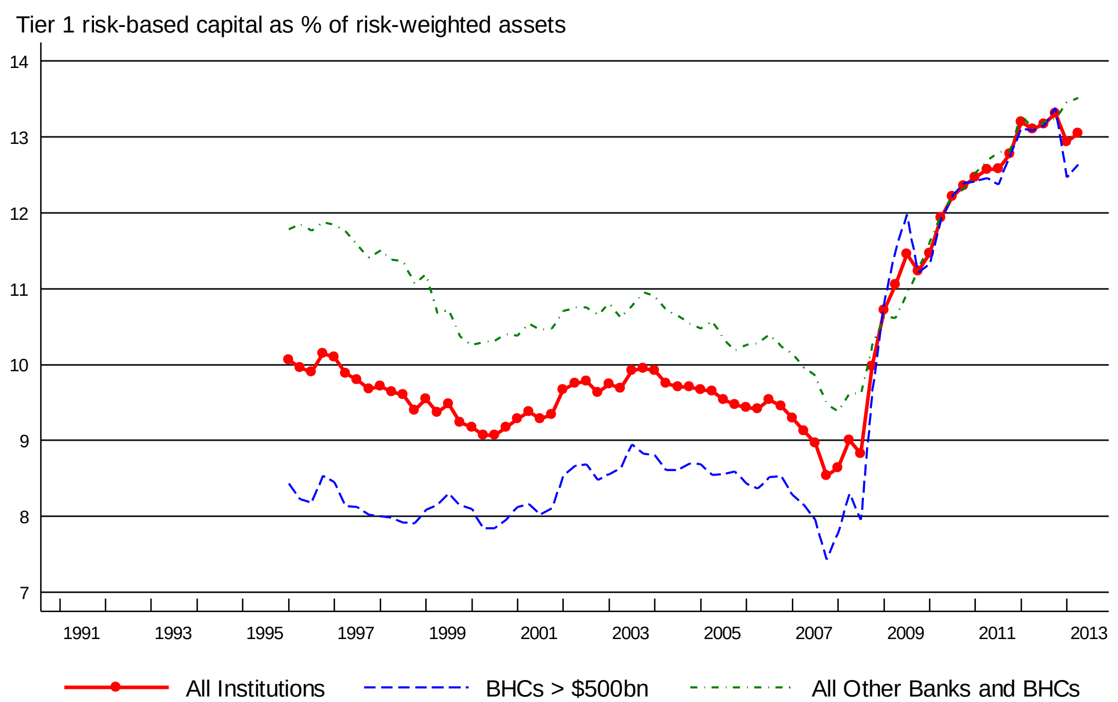
4. Capital Adequacy and Asset Growth

Tier 1 Common Equity Ratio



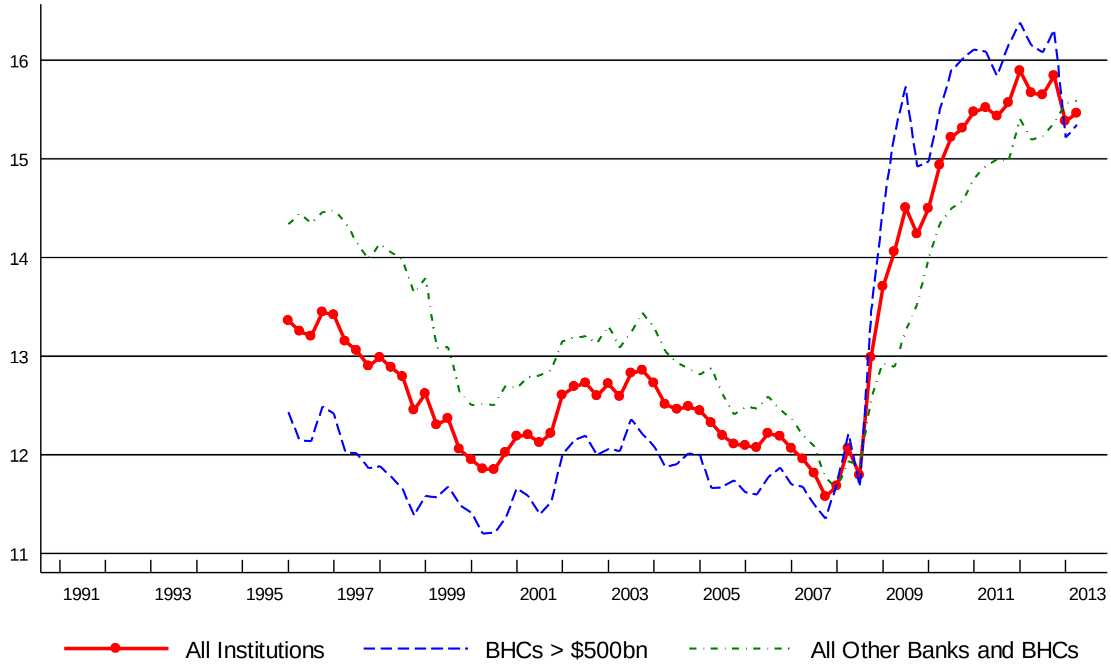
Notes: See data notes for the definition of tier 1 common equity. This chart begins in 2001q1 because data for tier 1 common equity are not available prior to this date.

Tier 1 Capital Ratio



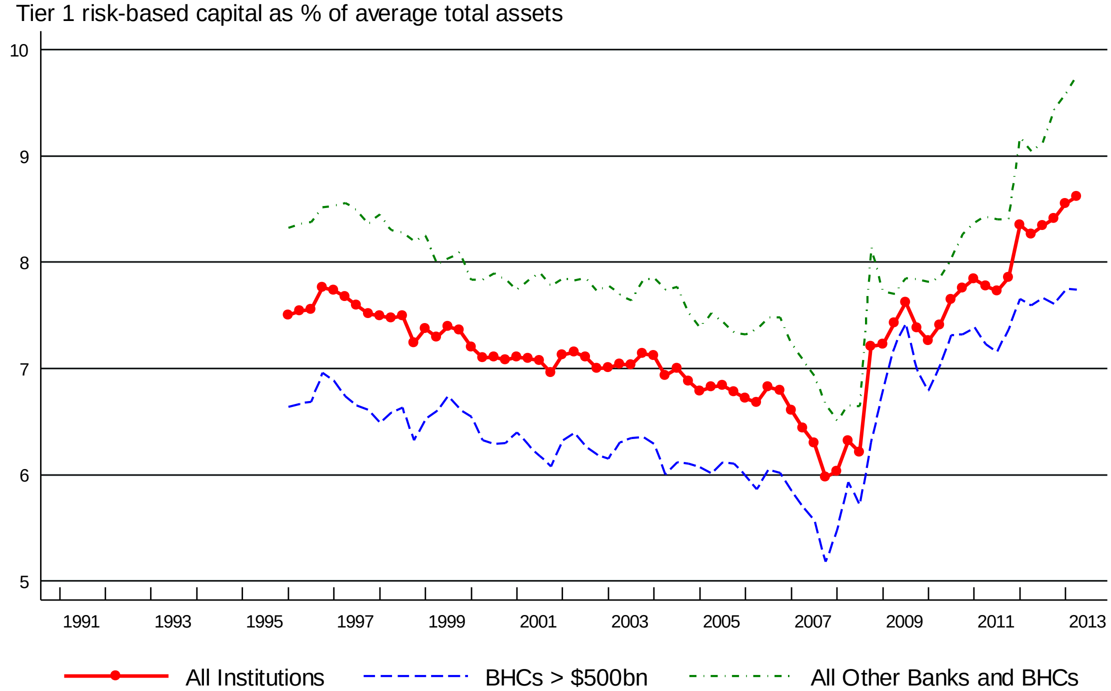
Total Capital Ratio

Total risk-based capital as % of risk-weighted assets



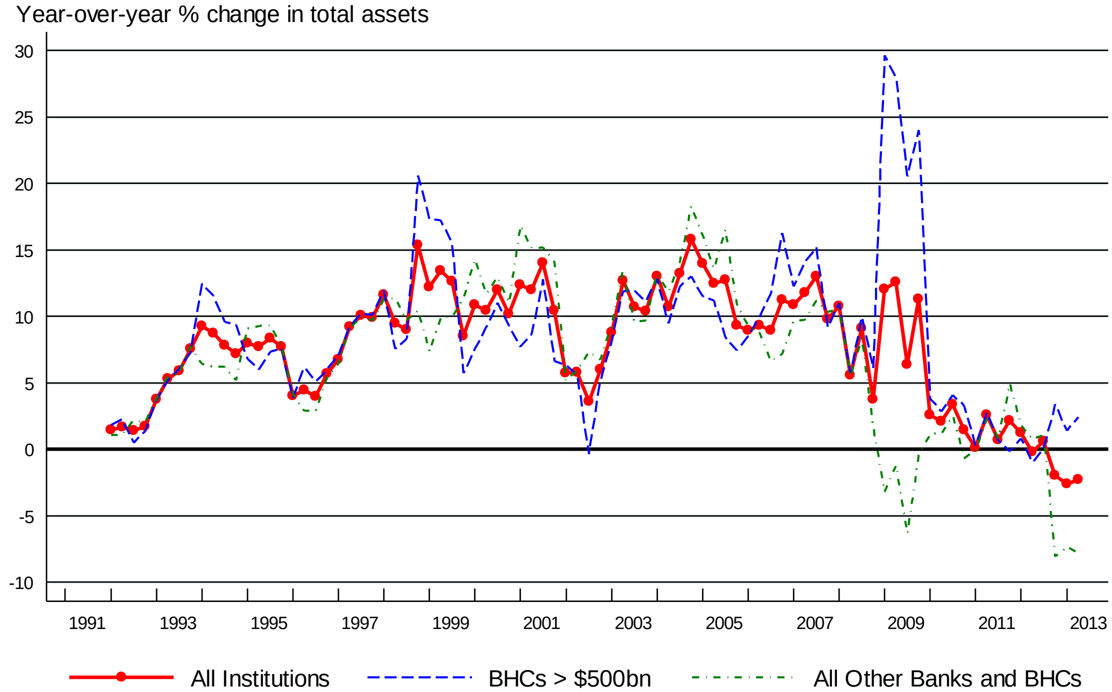
Leverage Ratio

Tier 1 risk-based capital as % of average total assets

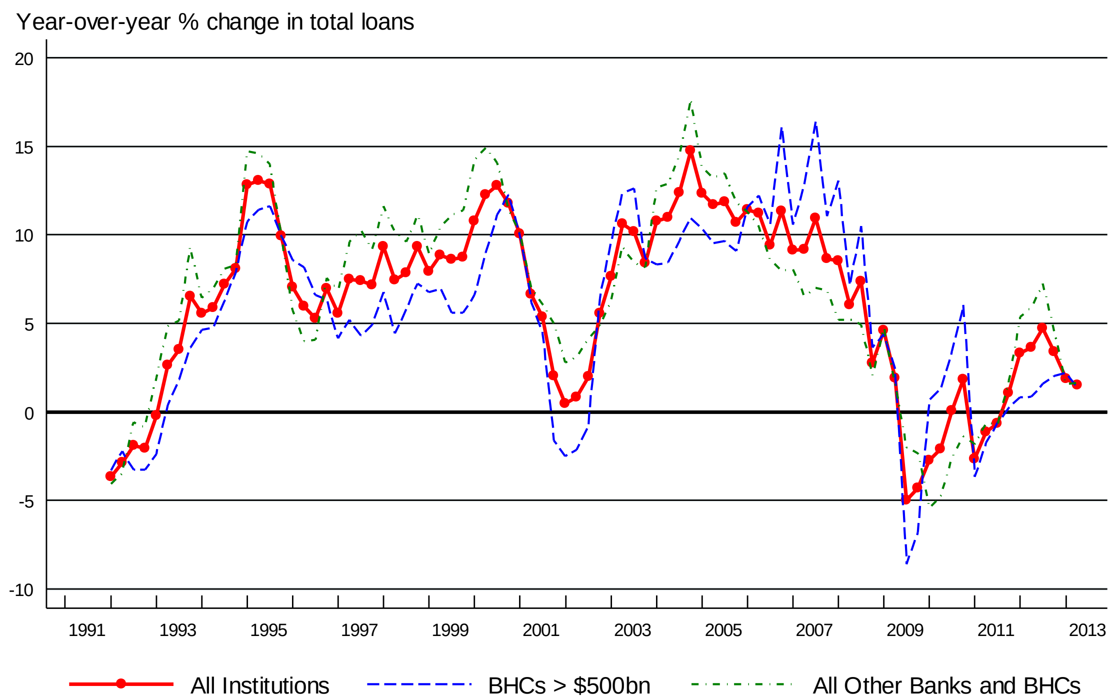


Note: Asset, loan and deposit growth rates presented below are affected by mergers with nonbanking firms, and conversions to and from a BHC charter during the sample period. This particularly affects the year-over-year growth rate for assets between 2009:Q1 and 2009:Q4, due to the entry of several new firms in 2009:Q1. See “Caveats and Limitations” for details.

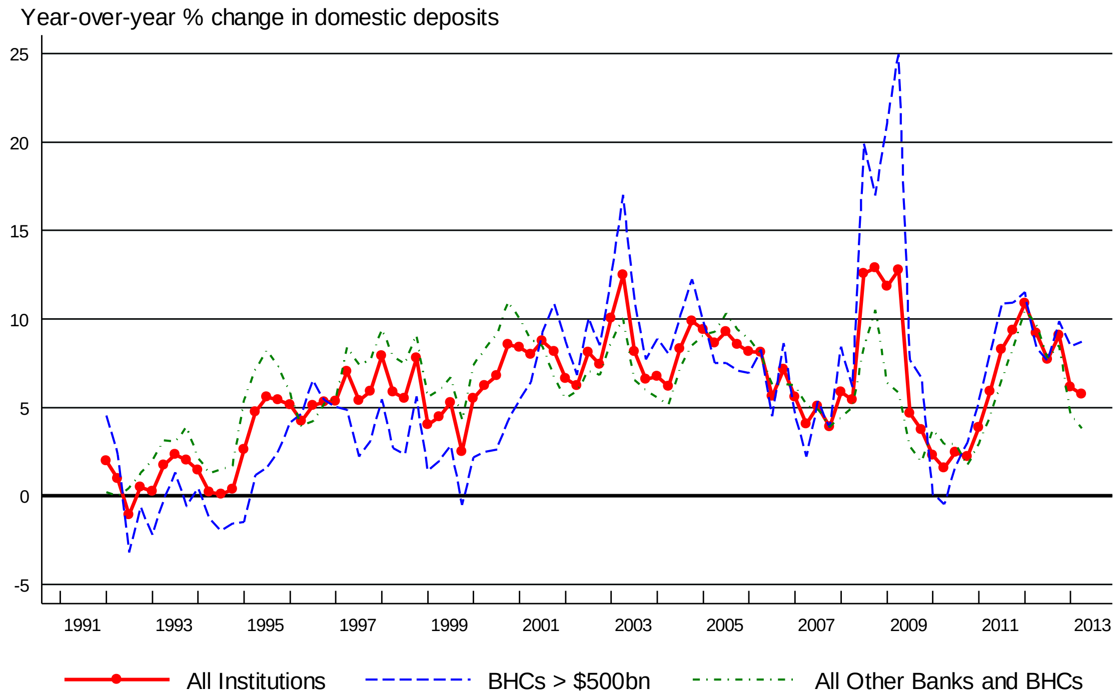
Asset Growth Rates



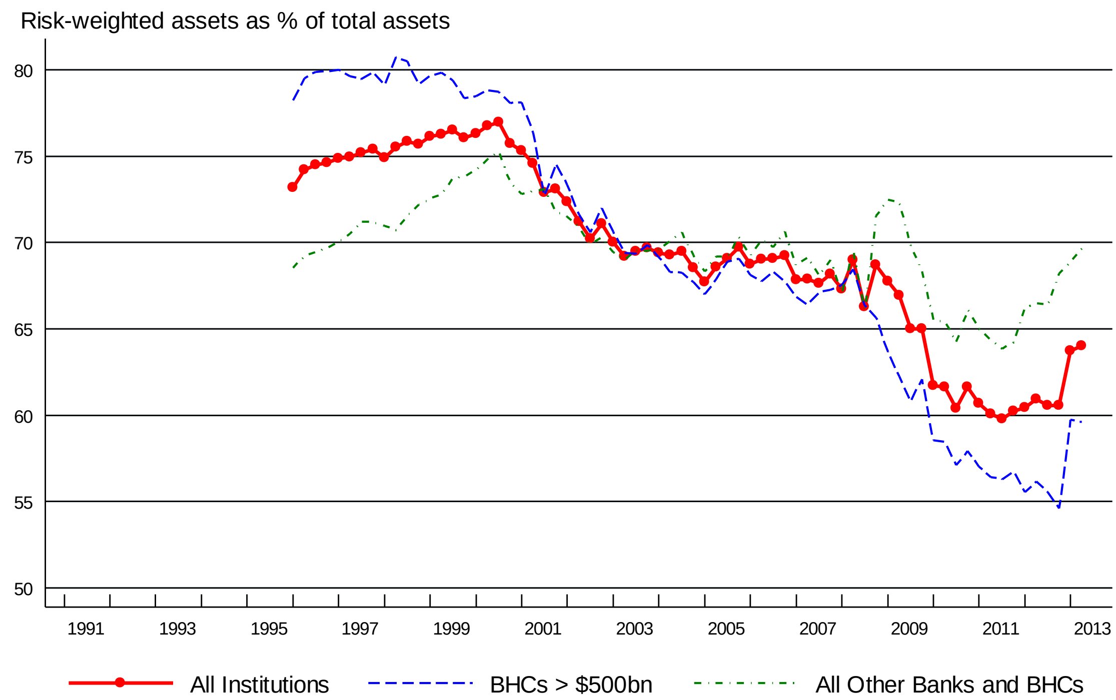
Loan Growth Rates



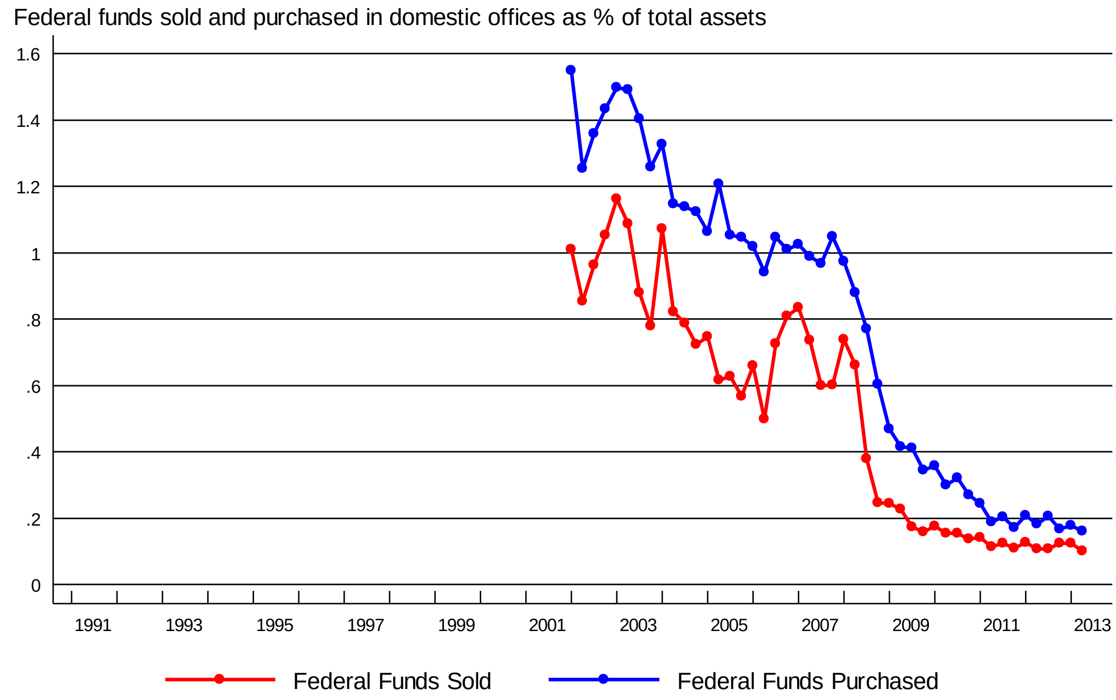
Domestic Deposit Growth Rates



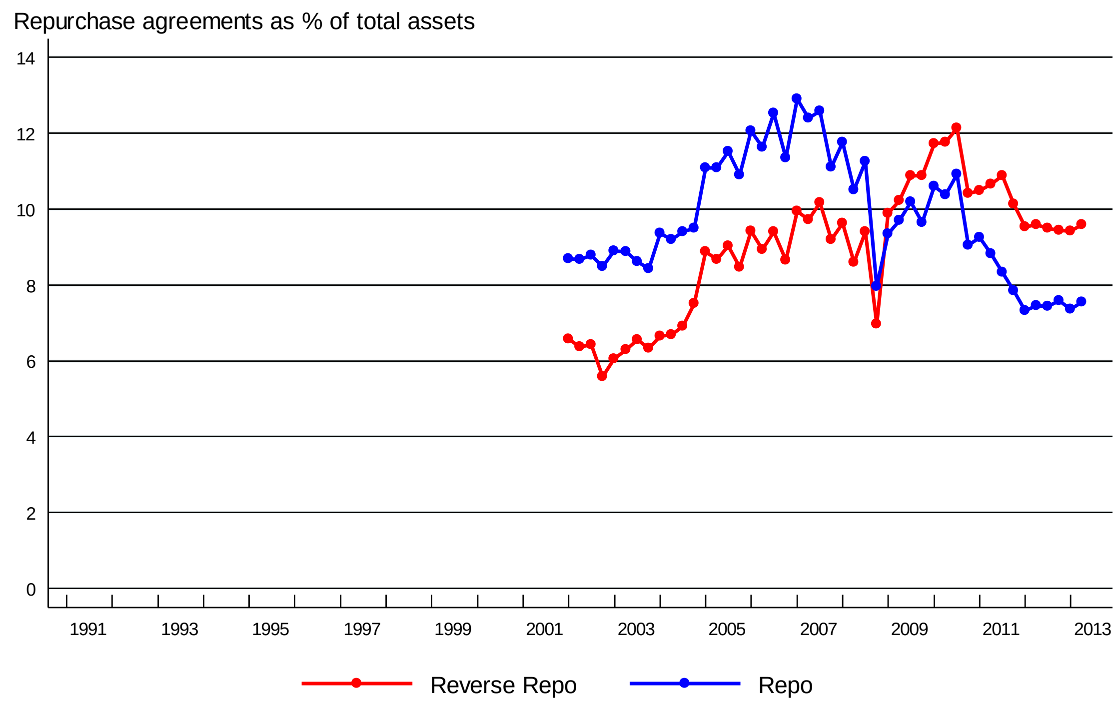
Risk-Weighted Assets Ratio



Federal Funds Sold and Purchased



Repurchase Agreements



Note: These charts begin in 2002q1 because data for repurchase agreements and federal funds are not consistently reported separately prior to that date.

5. Consolidated Financial Statistics for the Fifty Largest BHCs

Rank	Name of Institution	Total Assets (Bil USD)	Quarterly Net Income (Mil USD)	Bank Profitability		Capital Adequacy Ratios (%)		
				Annualized Return on Assets	Annualized Return on Equity	Tier 1 Common Ratio	Tier 1 Capital Ratio	Total Capital Ratio
1	JPMORGAN CHASE & CO	2,439.5	6,496.0	1.07	12.42	10.42	11.63	14.12
2	BANK OF AMER CORP	2,125.7	4,012.0	0.75	6.95	10.83	12.16	15.27
3	CITIGROUP	1,884.0	4,182.0	0.89	8.54	12.16	13.24	16.18
4	WELLS FARGO & CO	1,440.6	5,519.0	1.53	13.59	10.71	12.12	15.03
5	GOLDMAN SACHS GROUP THE	938.6	1,931.0	0.82	9.90	13.53	15.55	18.47
6	MORGAN STANLEY	802.7	980.0	0.49	6.20	11.80	14.07	14.87
7	BANK OF NY MELLON CORP	360.5	845.0	0.94	9.42	13.18	14.80	15.85
8	U S BC	353.4	1,484.0	1.68	14.96	9.25	11.12	13.25
9	HSBC NORTH AMER HOLD	322.0	370.5	0.46	4.71	15.20	17.70	27.43
10	PNC FNCL SVC GROUP	304.5	1,122.0	1.47	11.14	10.07	12.01	15.19
11	CAPITAL ONE FC	296.7	1,117.6	1.51	10.89	12.06	12.45	14.67
12	T D BANK US HOLD CO	228.9	227.4	0.40	3.84	6.95	7.34	8.54
13	STATE STREET CORP	227.0	579.4	1.02	11.54	14.88	16.63	19.06
14	BB&T CORP	182.7	560.0	1.23	10.21	9.25	11.14	13.88
15	SUNTRUST BK	171.6	376.9	0.88	7.22	10.19	11.24	13.43
16	AMERICAN EXPRESS CO	152.0	1,405.0	3.70	29.53	12.52	12.53	14.43
17	ALLY FNCL	150.6	-927.0	-2.46	-19.35	8.00	15.45	16.48
18	FIFTH THIRD BC	123.4	590.8	1.92	16.60	9.43	11.07	14.34
19	REGIONS FC	118.8	266.6	0.90	6.96	11.09	11.59	14.69
20	RBS CITIZENS FNCL GRP	118.1	-3,904.7	-13.22	-79.65	14.30	14.31	16.28
21	BMO FNCL CORP	112.3	144.2	0.51	4.30	10.64	10.64	15.03
22	UNIONBANCAL CORP	102.3	141.5	0.55	4.56	11.47	11.55	13.63
23	NORTHERN TR CORP	97.2	191.1	0.79	9.90	12.62	13.07	14.40
24	KEYCORP	90.9	204.2	0.90	7.99	11.18	11.93	14.65
25	M&T BK CORP	83.2	348.5	1.67	13.01	8.56	11.31	14.47
26	BANCWEST CORP	80.1	169.9	0.85	5.87	10.63	10.82	12.09
27	SANTANDER HOLDS USA	79.2	187.9	0.95	5.58	13.71	14.39	16.53
28	DISCOVER FS	74.9	602.3	3.21	23.06	14.62	15.48	17.82
29	DEUTSCHE BK TR CORP	72.0	109.0	0.61	6.47	14.67	14.67	15.10
30	BBVA COMPASS BSHRS	69.7	120.4	0.69	4.27	11.76	12.00	14.32
31	COMERICA	63.0	143.6	0.91	8.31	10.43	10.43	13.29
32	HUNTINGTON BSHRS	56.1	150.7	1.07	10.42	10.71	12.24	14.57
33	ZIONS BC	54.9	83.0	0.60	4.84	10.03	14.30	15.94
34	UTRECHT-AMERICA HOLDS	48.7	35.8	0.29	22.95	-1.01	2.94	3.40
35	CIT GROUP	44.6	183.6	1.65	8.46	16.32	16.32	17.03
36	NEW YORK CMNTY BC	44.2	122.5	1.11	8.62	12.09	13.38	14.13
37	FIRST NIAGARA FNCL GROUP	37.2	71.1	0.77	5.80	7.65	9.41	11.35
38	POPULAR	36.7	327.0	3.57	31.18	13.05	17.30	18.58
39	BOK FC	27.8	79.9	1.15	10.81	13.19	13.36	15.27
40	CITY NAT CORP	27.4	59.7	0.87	9.39	8.83	9.74	12.78
41	SYNOVUS FC	26.6	45.5	0.69	5.10	8.97	13.49	15.99
42	FIRST HORIZON NAT CORP	25.1	42.4	0.67	7.53	10.37	13.26	15.53
43	ASSOCIATED BANC-CORP	23.6	47.9	0.81	6.66	11.49	11.88	13.29
44	FIRSTMERIT CORP	23.5	48.5	0.82	7.31	10.32	11.40	13.91
45	EAST W BC	23.3	74.0	1.27	13.11	12.23	12.88	14.35
46	CULLEN/FROST BKR	22.6	59.7	1.06	9.83	12.20	14.22	15.39
47	RAYMOND JAMES FNCL	22.2	83.9	1.51	9.46	18.20	18.26	19.16
48	SVB FNCL GRP	22.2	48.6	0.88	10.52	12.50	12.84	14.03
49	COMMERCE BSHRS	21.9	65.8	1.20	12.52	13.58	13.58	14.85
50	FIRST CITIZENS BSHRS	21.3	43.9	0.82	9.06	14.23	14.91	16.41
TOTALS*	TOP 50	14,276.1	31,269.6	0.88	8.42	11.18	12.60	15.24
	ALL INSTITUTIONS (BHCS AND BANKS)	17,083.0	39,441.2	0.92	8.78	11.65	13.05	15.46

*For the industry net income and capital adequacy ratios, we sum the numerator and denominator across individual firms and then compute ratios.

Notes and caveats

Methodology

The data used to construct the statistics in this report are drawn from the quarterly Consolidated Financial Statements for Bank Holding Companies (FR Y-9C), and Consolidated Reports of Condition and Income for commercial banks (FFIEC 031 and 041). Reported statistics are defined in a time-consistent way across reporting form vintages.

To calculate the "all institutions" quarterly series, we aggregate the data for top-tier bank holding companies (BHCs), including foreign-held BHCs, as well as commercial banks owned by BHCs that are too small to file Y-9C reports (the current reporting threshold is $500m of total assets), and unaffiliated (stand-alone) commercial banks. We identify "top-tier" BHCs (i.e. the U.S. parent entity) via the National Information Center (NIC, http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx), which provides data on firm attributes and structure. We identify commercial banks that are standalone firms or are owned by small BHCs by identifying all banks whose high holder does not submit a FR Y-9C report.

Separate statistics are also reported for the subset of BHCs with greater than $500 billion in total assets, and for the remainder of the industry. In 2013:Q2, six BHCs exceed this threshold: JPMorgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs, and Morgan Stanley. For consistency, time-series graphs for the "> $500bn" group represent available historical values for this same subset of firms. Statistics for this subset of firms are prepared on a pro forma (merger-adjusted) basis; specifically, on the basis that all BHCs acquired by each of these firms over the sample period with US regulatory filings are part of the consolidated BHC from the start of the historical time period. Data values of acquired BHCs are then summed with acquirer data in the period before the acquisition. Merger events are identified using the NIC transformations table maintained by the Federal Reserve Board of Governors. After constructing the pro forma series for each firm, we aggregate the data to create the BHCs > $500bn series. Finally, the "all other banks and BHCs" quarterly series is constructed by subtracting the "BHCs > $500bn" series from the "all institutions" series.

The charts and tables presented in this report are grouped into the following five categories: composition of banking industry assets and liabilities, earnings and pre-provision net revenue, asset quality, capital adequacy and asset growth, and consolidated financial statistics for the fifty largest BHCs. Definitions of each plotted variable are presented on each chart.

Caveats and limitations

Statistics in this report are presented "as is", based on calculations conducted by Federal Reserve Bank of New York research staff. While significant efforts have been made to ensure accuracy, the statistics presented here may be subject to future revision, for example because of changes or improvements in the "pro forma" methodology used to calculate statistics for industry subgroups.

We highlight several limitations of the statistics presented here:

- Statistics exclude financial firms that are not either commercial banks or part of a commercial bank holding company. This creates discontinuities in the time-series graphs when nonbanking firms are acquired or sold by banks or BHCs, or when firms switch to or from a bank or BHC charter. For example, in 2009:Q1, Goldman Sachs, Morgan Stanley, Ally Financial, and American Express each began filing a FR Y-9C due to the conversion of each of these firms to a commercial banking holding company charter. This largely accounts for the sharp 13% increase in total measured industry assets in 2009:Q1, and a corresponding discontinuous upward shift in the industry asset growth rate during 2009. Similarly MetLife does not file a FR Y-9C from 2012:Q4 onwards, due to the fact that it no longer holds a commercial banking holding company charter.

- For the same reason, only four of the six BHCs in the BHCs > $500bn group (described in the methodology section on the previous page) exist in the data for the entire sample period (1991:Q1 to 2013:Q2). These are JPMorgan Chase, Bank of America, Wells Fargo, and Citigroup. Goldman Sachs and Morgan Stanley entered the sample in 2009:Q1.

- Flow variables in bank and BHC regulatory filings are reported on a year-to-date basis. Quarterly flow variables are derived by "quarterizing" the data, that is, by subtracting the variable at time t-1 from the variable at time t for Q2, Q3, and Q4 of each calendar year. This quarterization procedure can create discontinuities when a bank or BHC enters the sample any time other than in Q1. To account for this, we interpolate the value of flow variables for mid-year entrants using up to four subsequent consecutive quarters of data. If an institution is in the sample for only one or two quarters, we drop the firm's quarter of entry from the sample.

- Due to data limitations, industry statistics exclude nonbank subsidiaries of small BHCs that do not file a FR Y-9C (currently the FR Y-9C is filed only by firms with $500m in total assets). The effect of this exclusion on industry statistics is expected to be minor, however, since small BHCs generally do not have large nonbank subsidiaries.

Data notes

1. The definition of tier 1 common equity for BHCs used for this report is: tier 1 common equity = tier 1 capital – perpetual preferred stock and related surplus + nonqualifying perpetual preferred stock – qualifying Class A noncontrolling (minority) interests in consolidated subsidiaries – qualifying restricted core capital elements (other than cumulative perpetual preferred stock) – qualifying mandatory convertible preferred securities of internationally active bank holding companies. The definition of tier 1 common equity for banks is: tier 1 common equity = tier 1 capital – perpetual preferred stock and related surplus + nonqualifying perpetual preferred stock – qualifying noncontrolling (minority) interests in consolidated subsidiaries.

2. In the first quarter of 2010, banking organizations were required to transfer certain off-balance sheet items onto their balance sheets under FASB 166 and 167. These guidelines substantially affected loan balances, as large amounts of securitized loans were transferred onto bank balance sheets. This accounting change was likely a major factor influencing year-over-year growth rates of loans and total assets during this period, potentially causing these growth rates to appear larger than they would have otherwise been.

Quarterly Trends for Consolidated U.S. Banking Organizations
Third Quarter 2013

Federal Reserve Bank of New York
Research and Statistics Group

This report presents consolidated financial statistics for the U.S. commercial banking industry, including both bank holding companies (BHCs) and banks. Statistics are based on quarterly regulatory filings.[1] Statistics are inclusive of BHCs' nonbank subsidiaries. Separate statistics are reported on a merger-adjusted basis for the subset of BHCs with > $500bn in total assets as of 2013:Q3[2], and for the remainder of the industry.

Highlights

- Banking industry capital, as measured by the ratio of tier 1 common equity to risk-weighted assets, increased from 11.64% in 2013:Q2 to 11.85% in 2013:Q3. The leverage ratio, defined as the ratio of tier 1 risk-based capital to average total assets over the quarter, also increased.

- Annualized return on assets (ROA) for the industry decreased from 0.92% to 0.78%. Return on equity (ROE) also fell from 8.8% to 7.3%. ROA and ROE decreased for the largest BHCs (> $500bn in assets), but increased for the remainder of the industry.

- The efficiency ratio, defined as the ratio of noninterest expense to net operating revenue, increased significantly for the largest BHCs, reflecting higher litigation expenses in 2013:Q3.

- Non-performing loans as a percentage of total loans decreased in 2013:Q3, from 3.2% to 2.9%. This ratio has now declined for 15 consecutive quarters. The non-performing loan ratio remained more than twice as high for the largest BHCs than for the remainder of the banking industry. Loan loss provisions and net charge-offs as a percentage of total loans also decreased this quarter. The industry net charge-off ratio reached its lowest value since 2007:Q2, while the loan loss provision ratio reached its lowest value since at least 1990.

- Year-over-year loan growth for the industry was positive at 1.5%. Year-over-year asset growth was negative for the industry (-2.5%), reflecting the exit of MetLife from the universe of BHC filers after 2012:Q3. Industry year-over-year asset growth is calculated to be 2.4% if Metlife is excluded from the historical sample.

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[1] Industry statistics are calculated by summing consolidated financial data across all reporting U.S. parent BHCs (from the FR Y-9C report), plus values for "standalone" banks not controlled by a BHC, or whose parent BHC does not report on a consolidated basis (from the FFIEC 031/041 reports). The data do not include savings bank holding companies, branches and agencies of foreign banks, or nonbanks that are not held by a U.S. BHC.
[2] Six BHCs exceed this $500bn size threshold: J.P. Morgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs, and Morgan Stanley.

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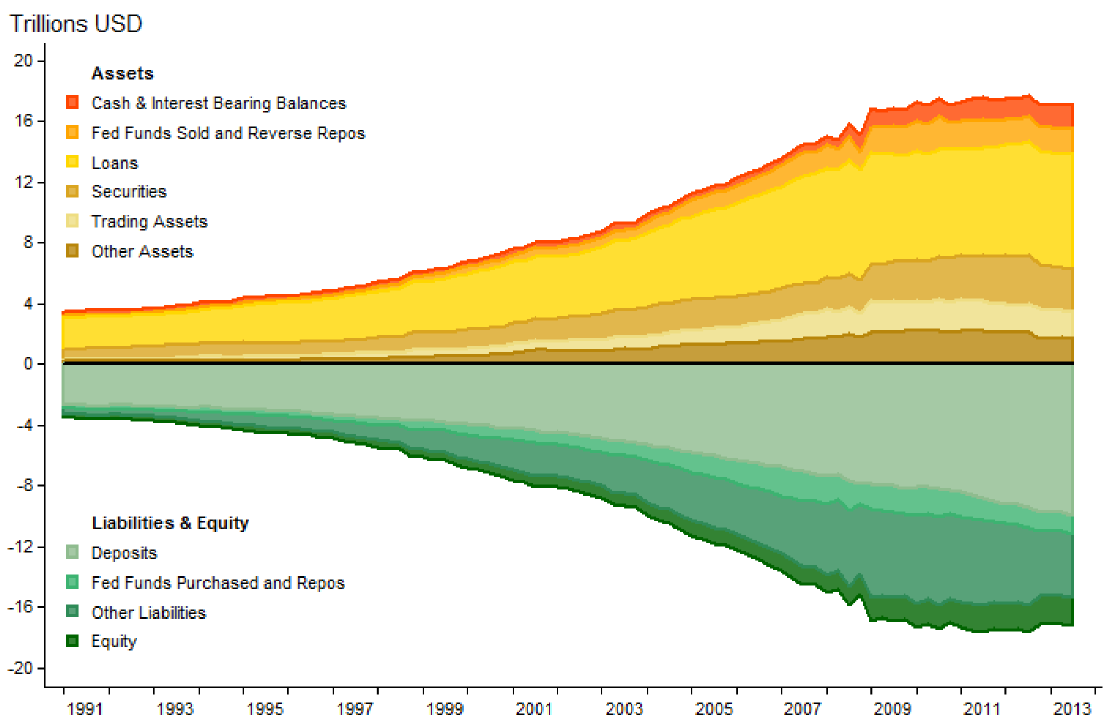
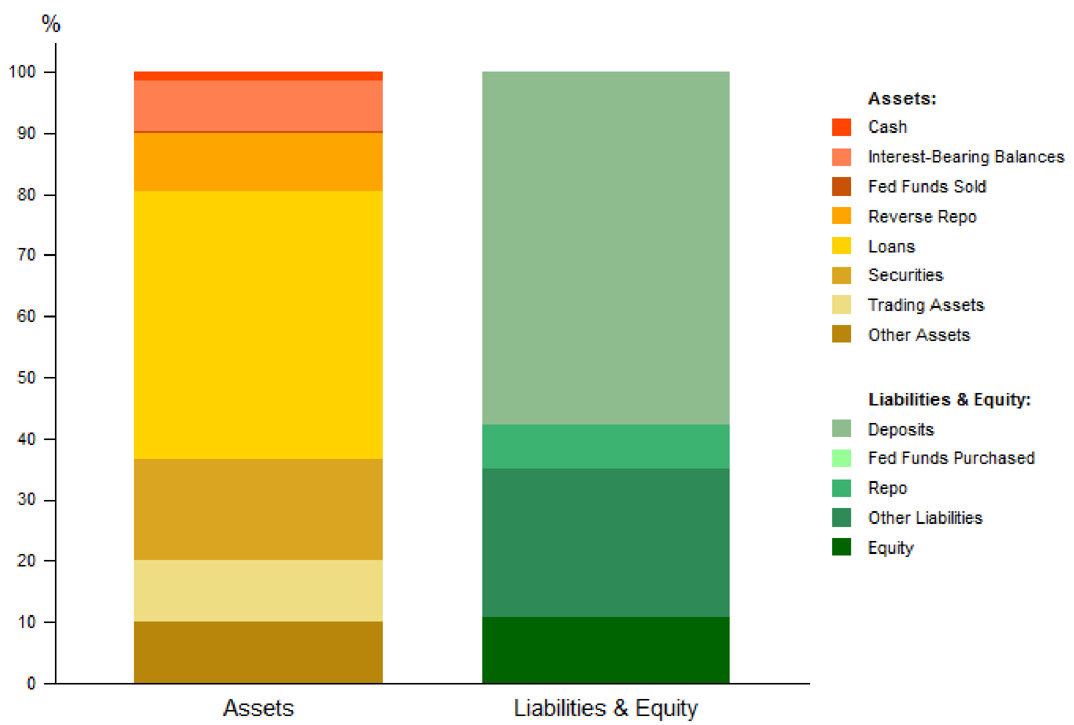
Charts and Tables

1. Composition of Banking Industry Assets and Liabilities

Balance Sheet Composition

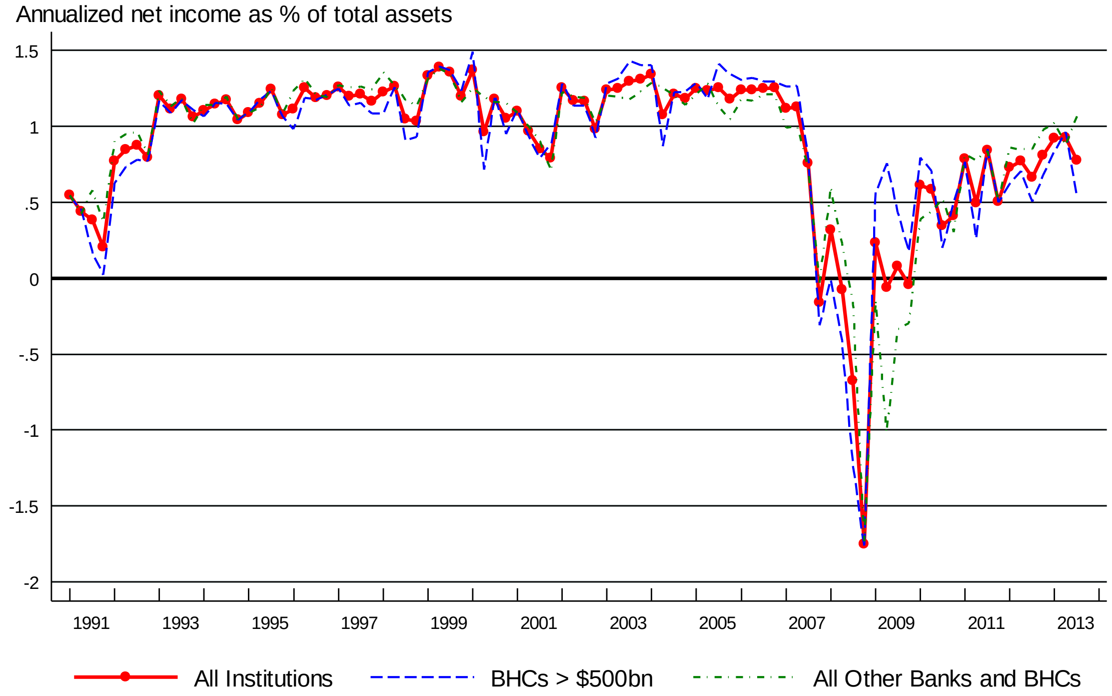


Balance Sheet Percentages

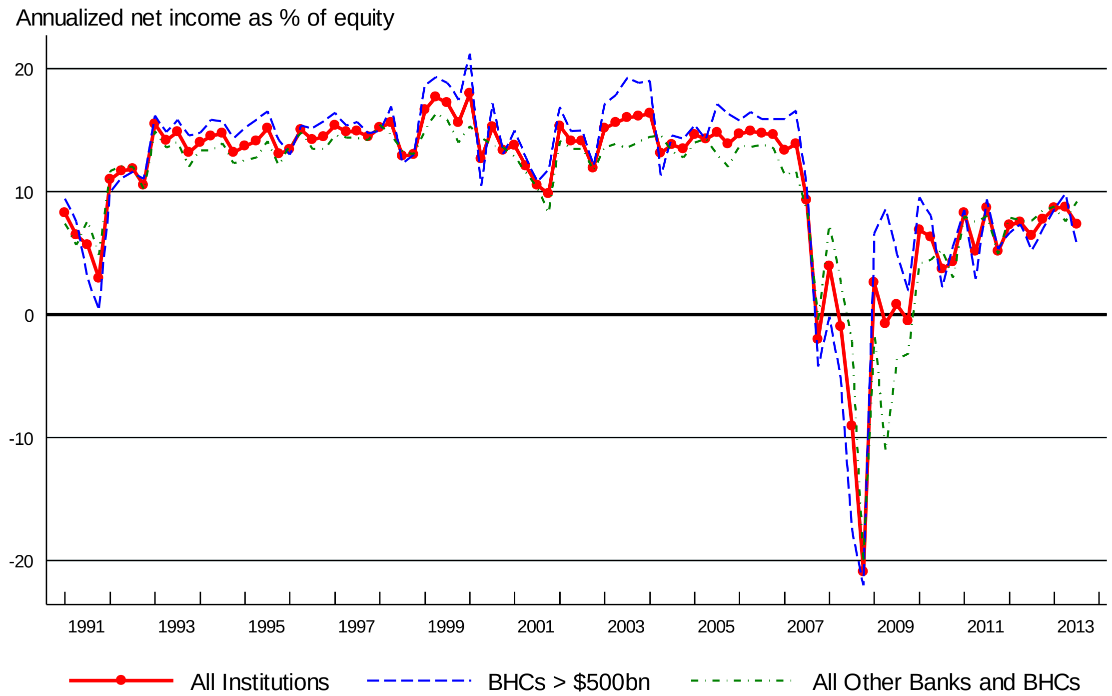


2. Earnings and Pre-Provision Net Revenue

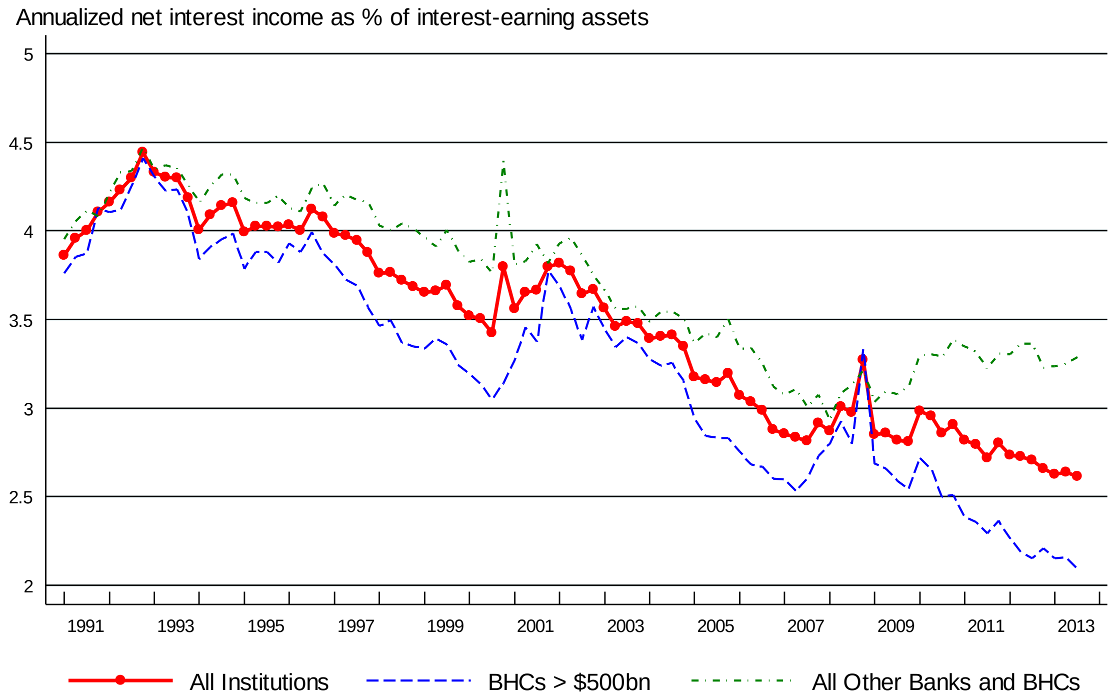
Return on Assets



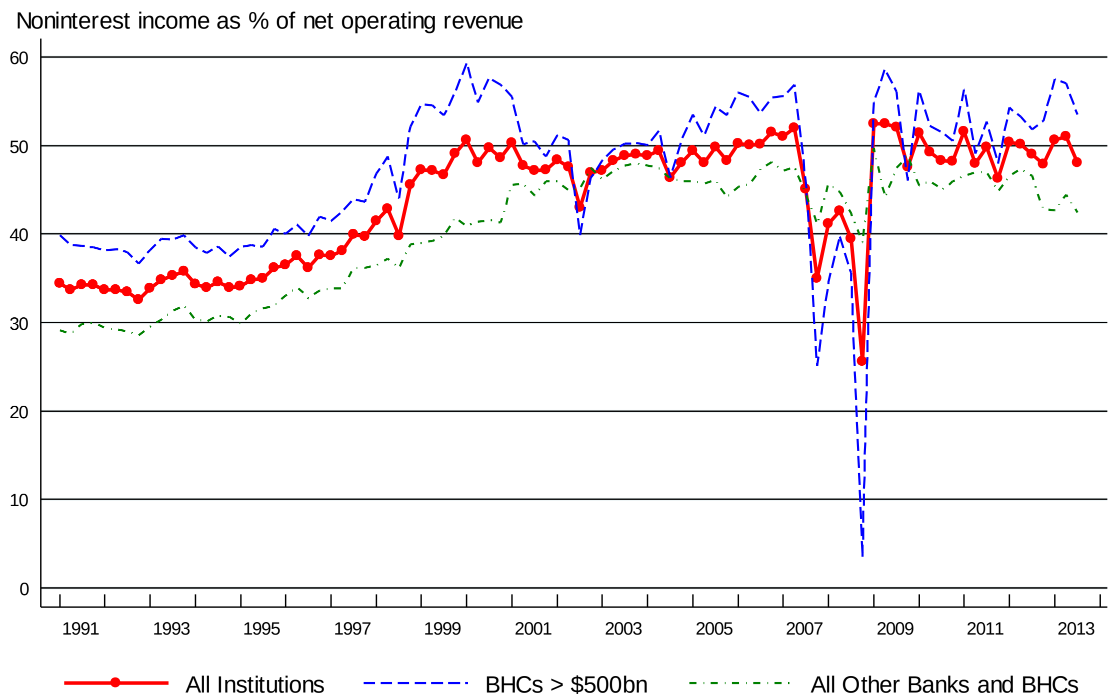
Return on Equity



Net Interest Margin

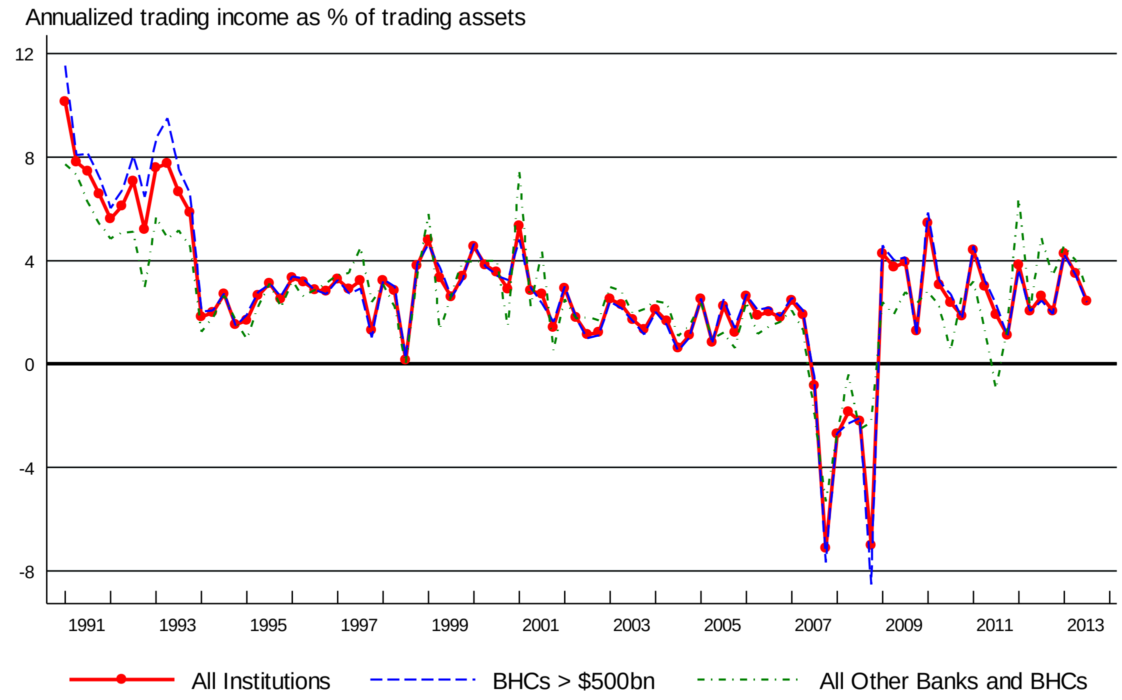


Noninterest Income Share

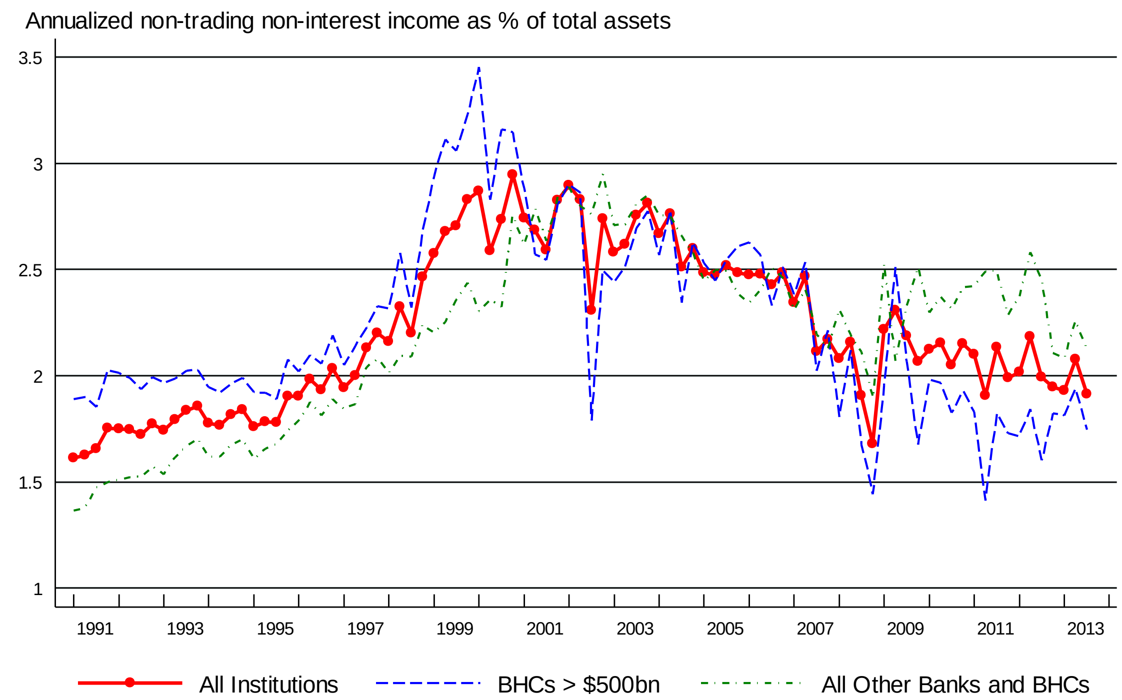


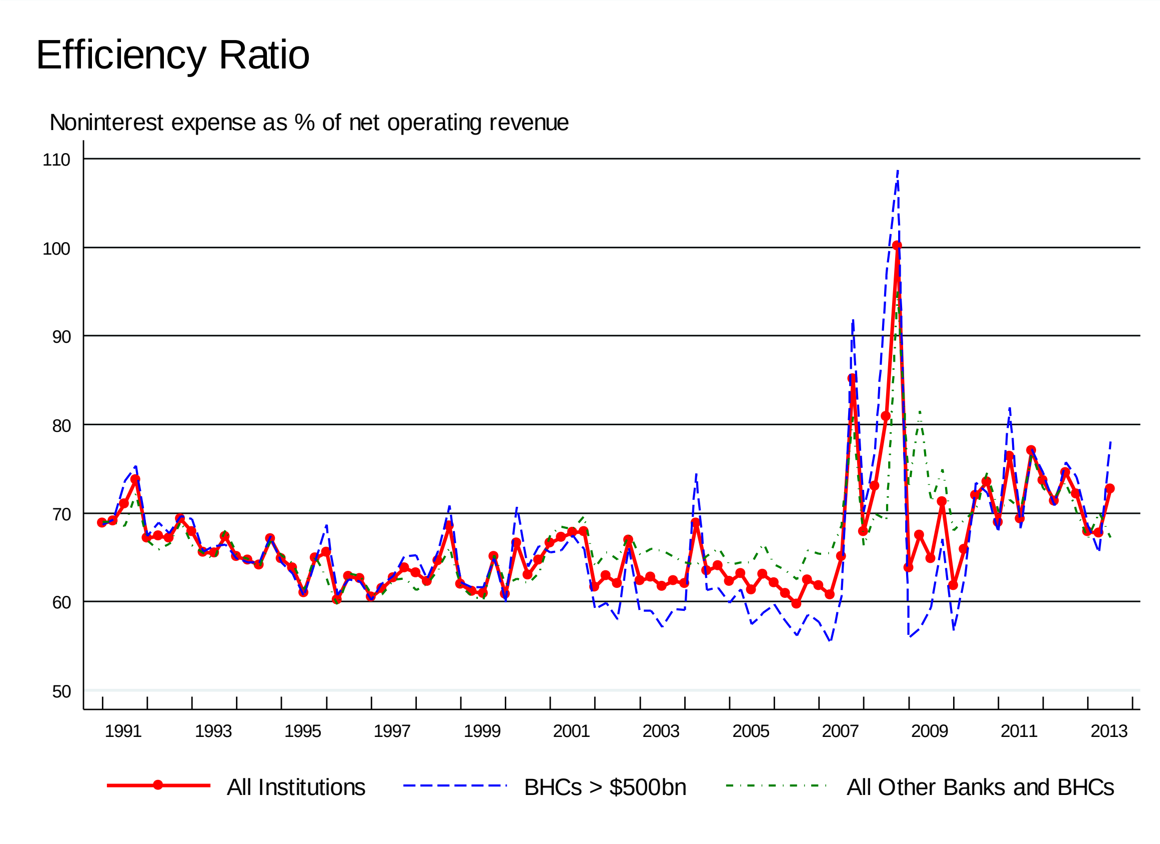
Note: Net operating revenue is defined as net interest income plus noninterest income.

Return on Trading Assets



Non-Trading Non-Interest Income Ratio



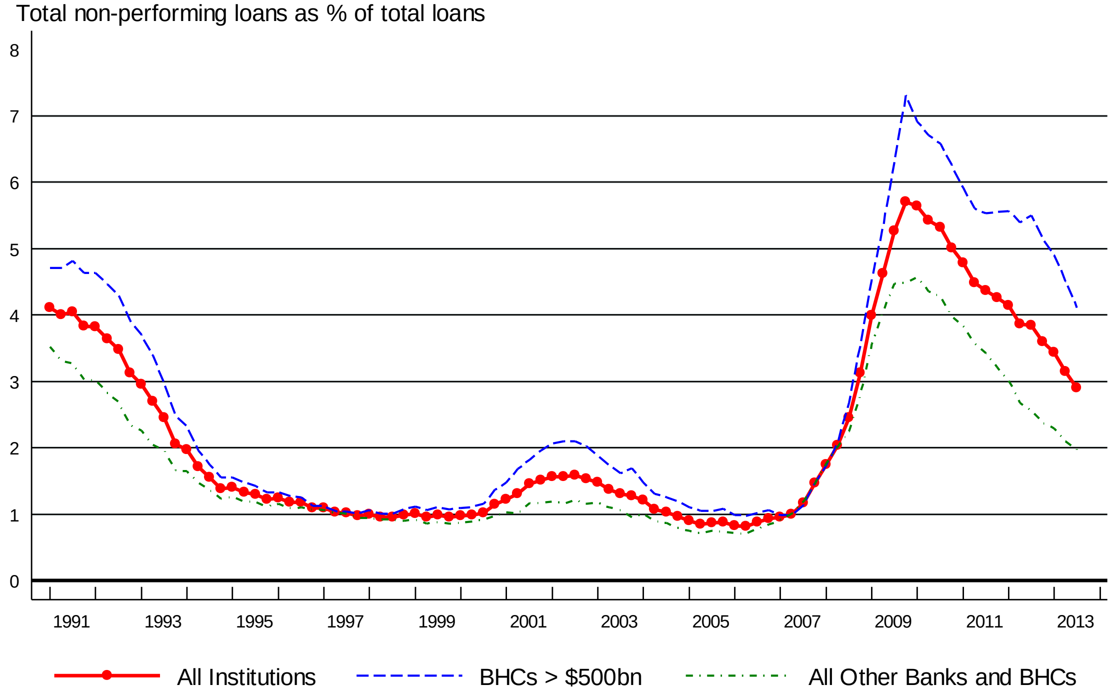


Note: Net operating revenue is defined as net interest income plus noninterest income.

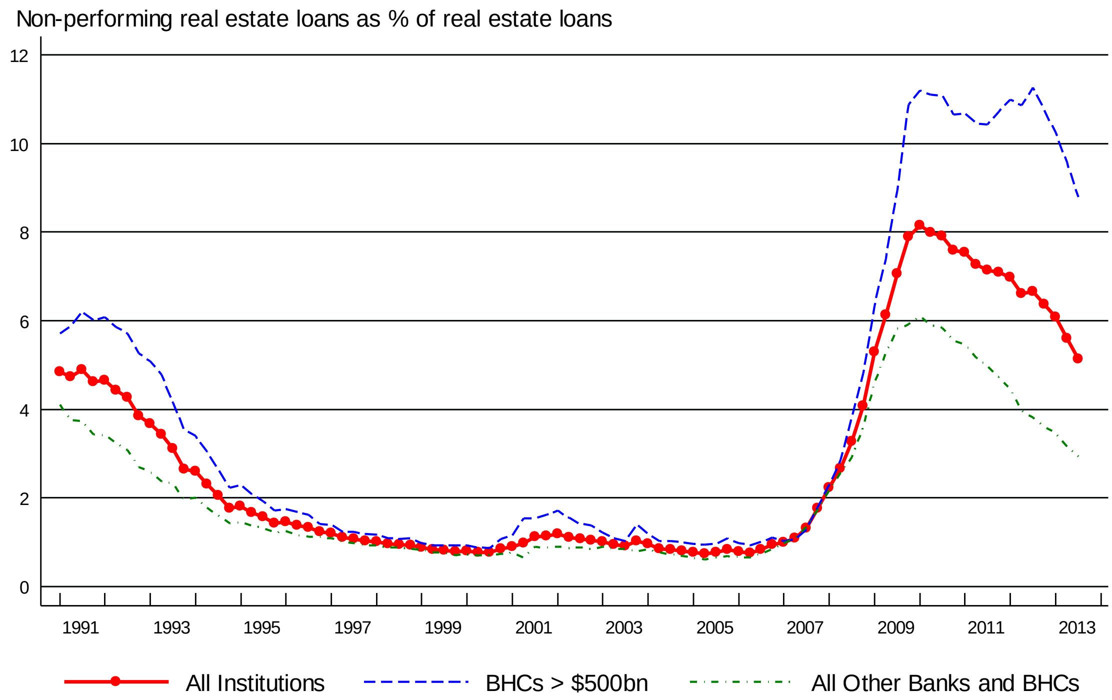
3. Asset Quality

<u>Note</u>: Non-performing loans include loans that are (1) 90 days or more past due and still accruing or (2) non-accrual.

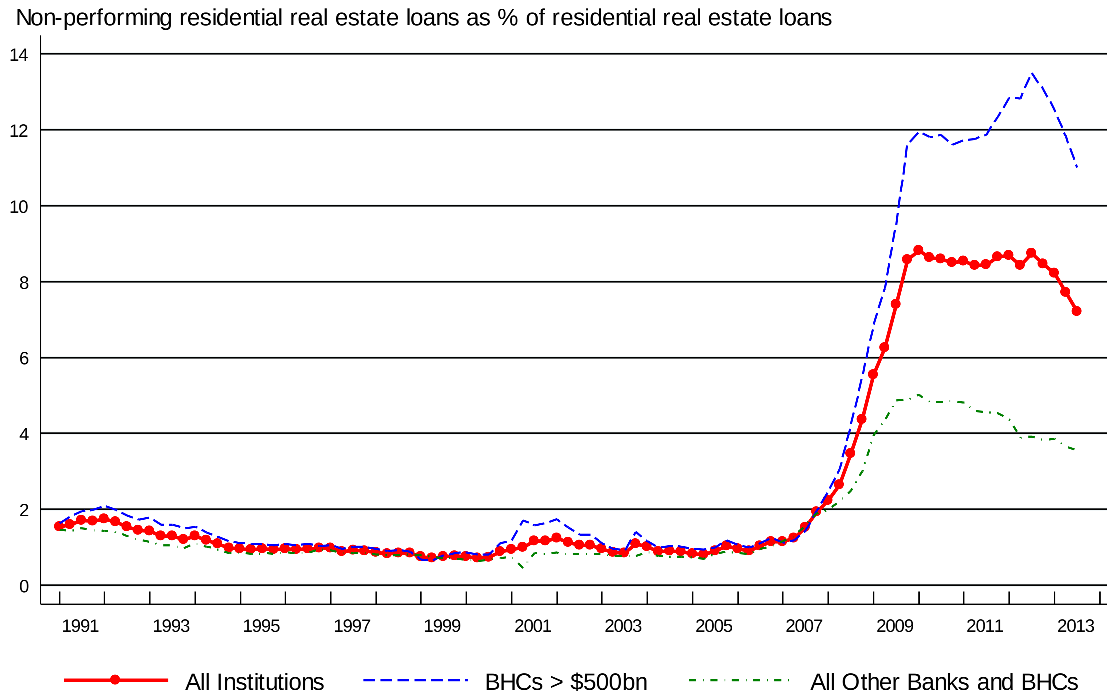
Non-performing Loans



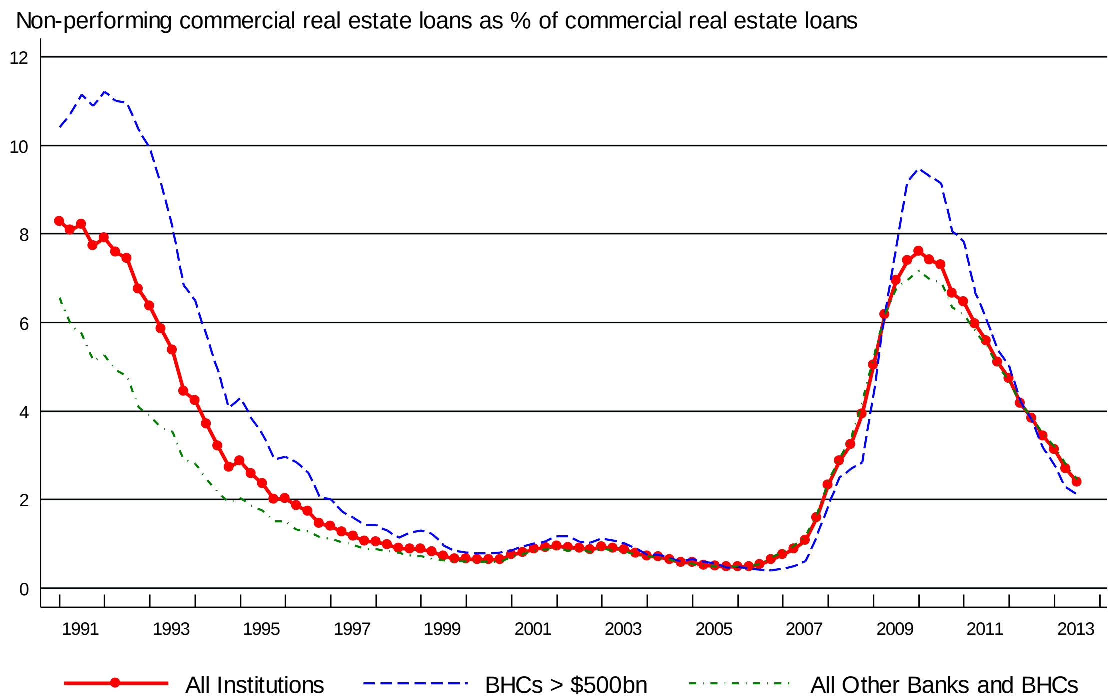
Non-performing Real Estate Loans



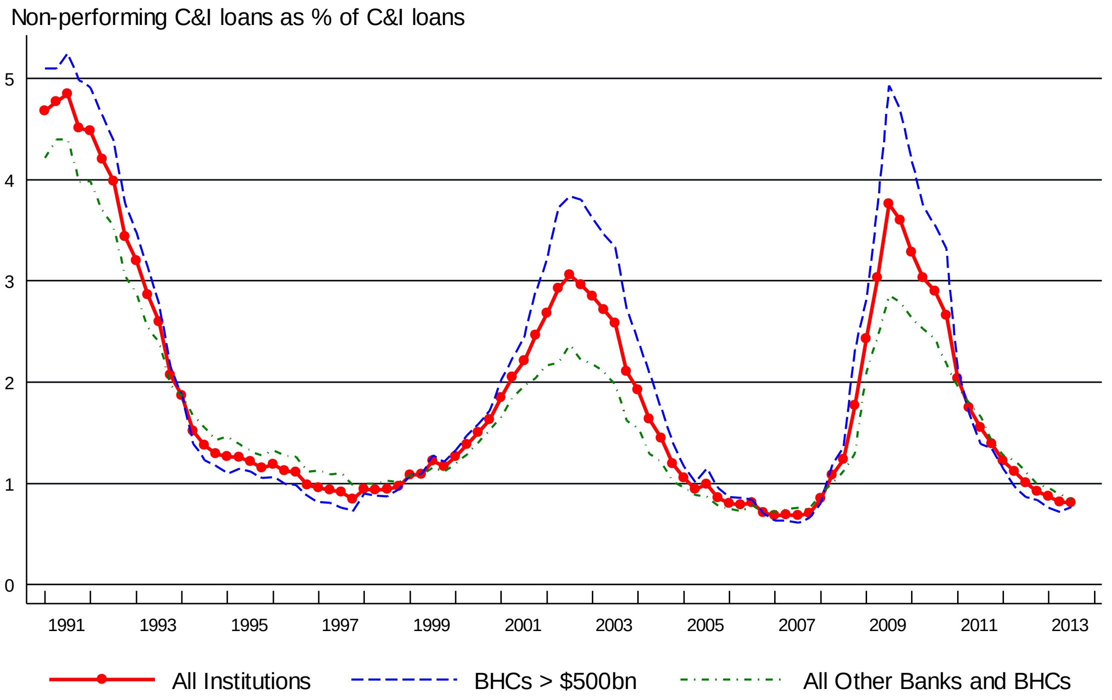
Non-performing Residential Real Estate Loans



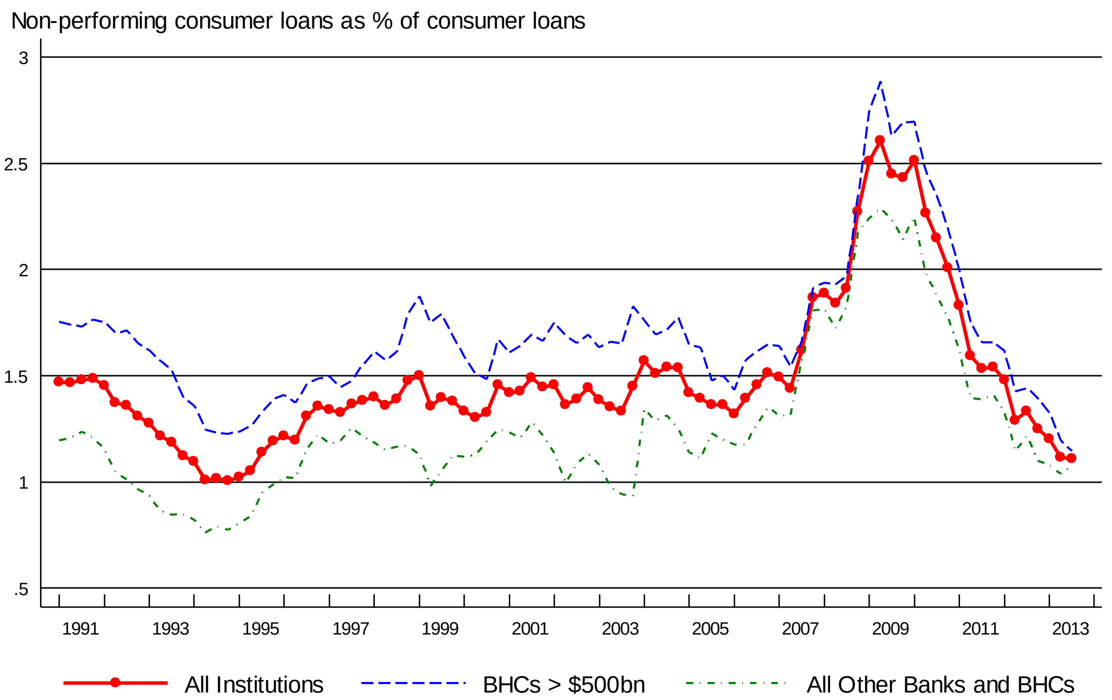
Non-performing Commercial Real Estate Loans



Non-performing Commercial and Industrial (C&I) Loans

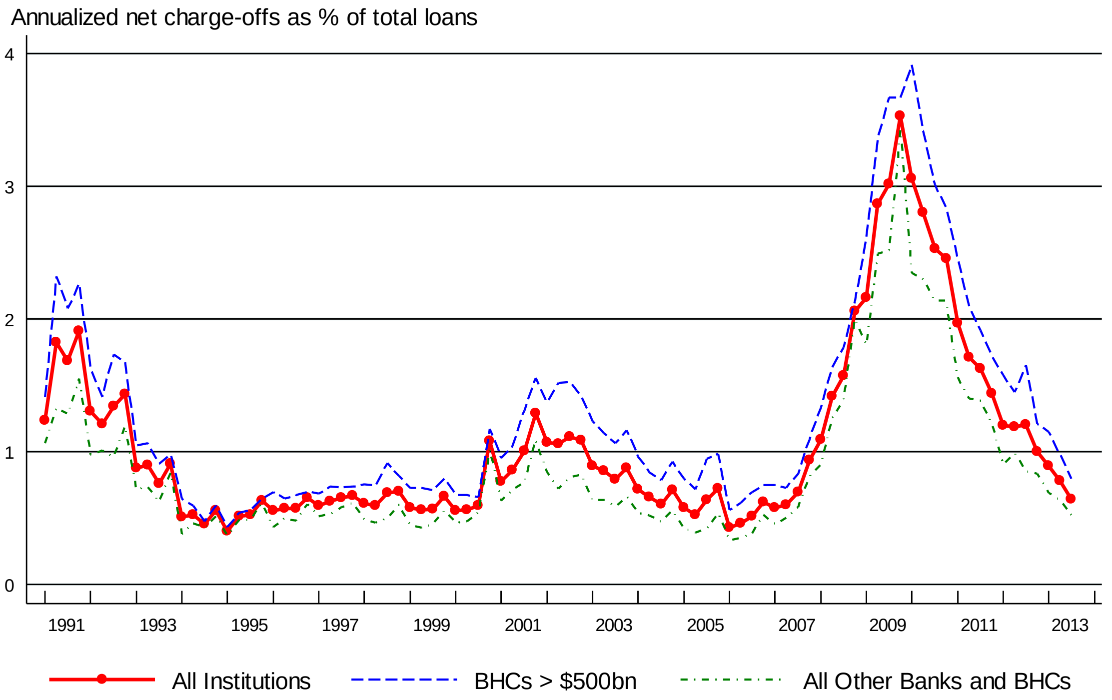


Non-performing Consumer Loans

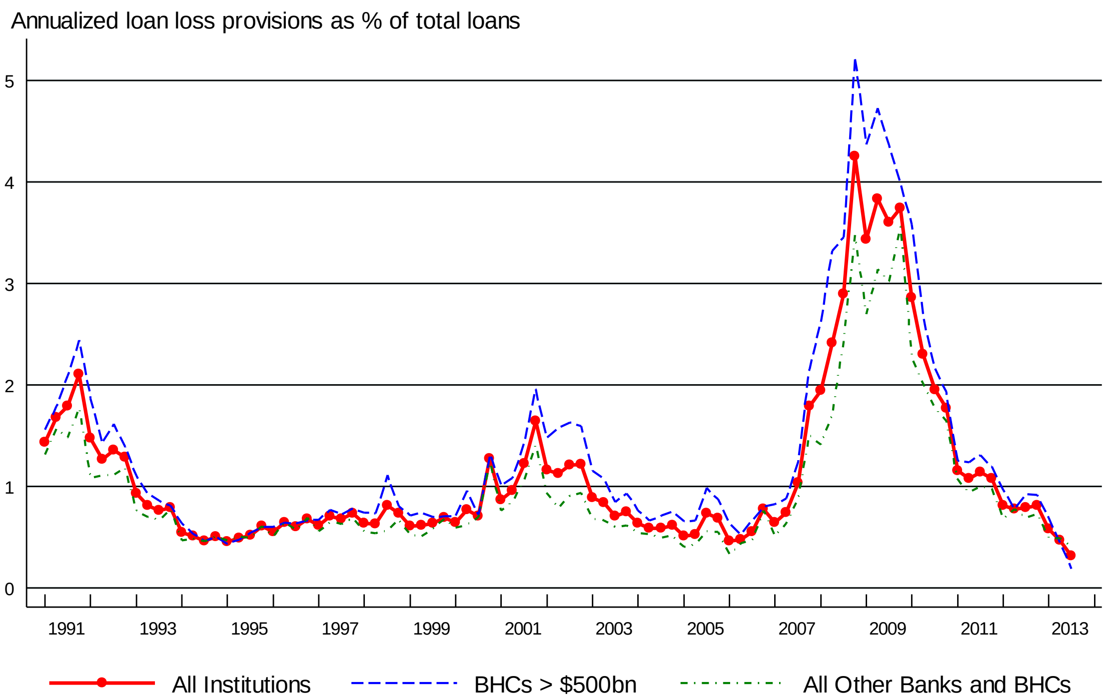


Note: Consumer loans are defined as the sum of credit card loans, other revolving credit plans, automobile loans, and other consumer loans.

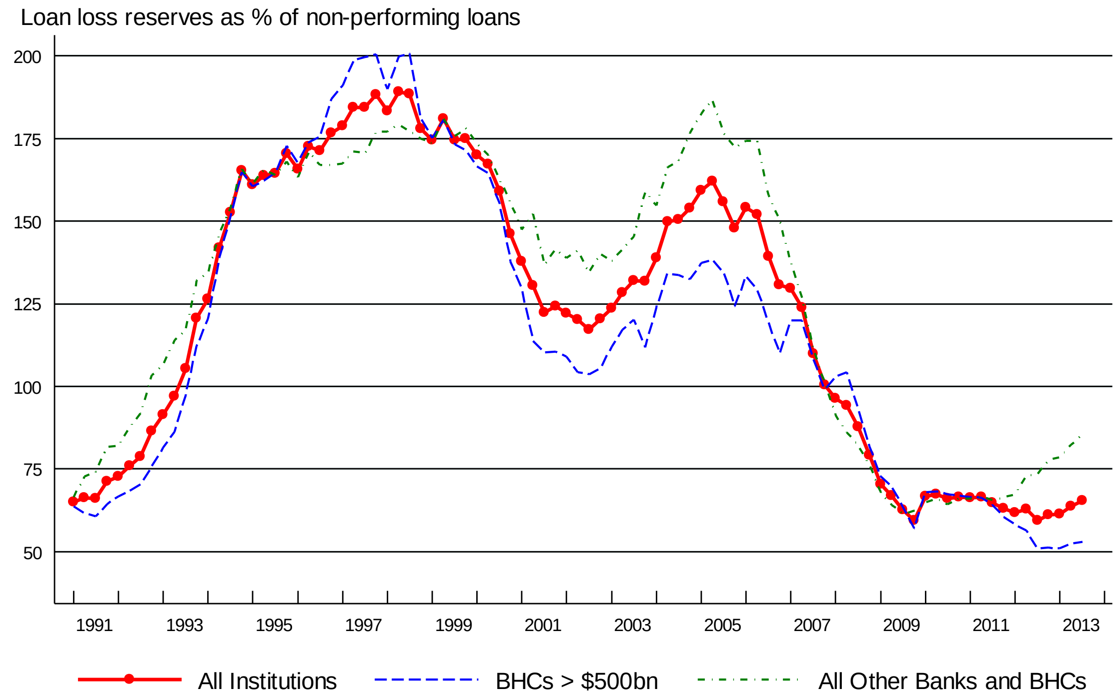
Net Charge-offs



Loan Loss Provisions

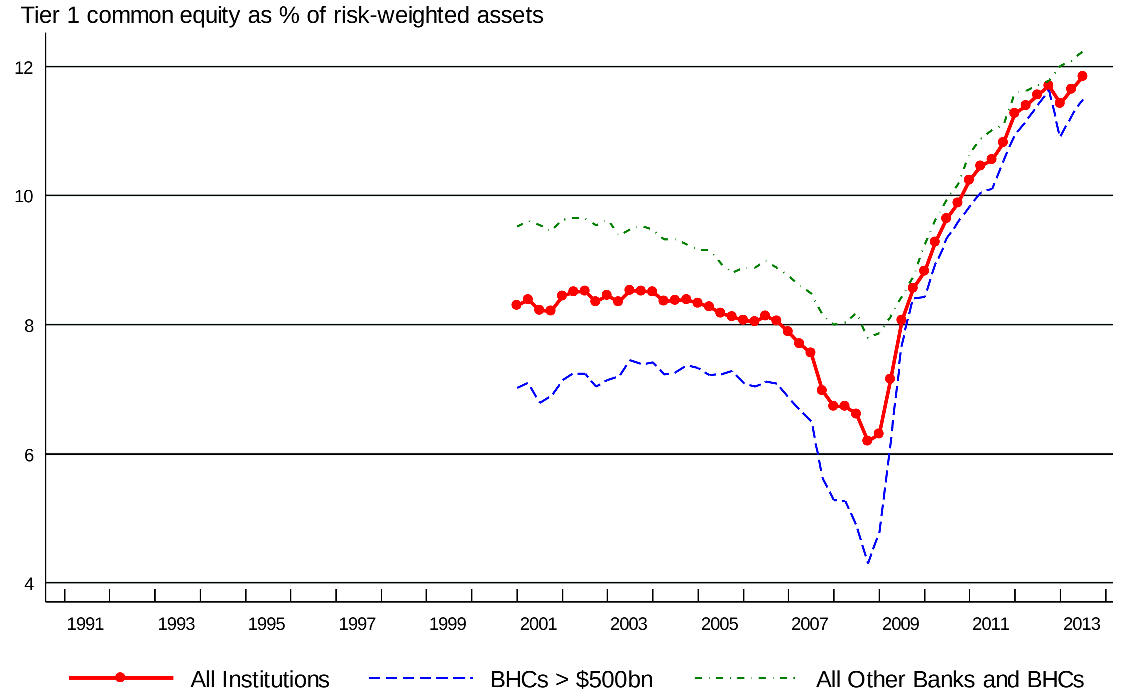


Loan Loss Reserves



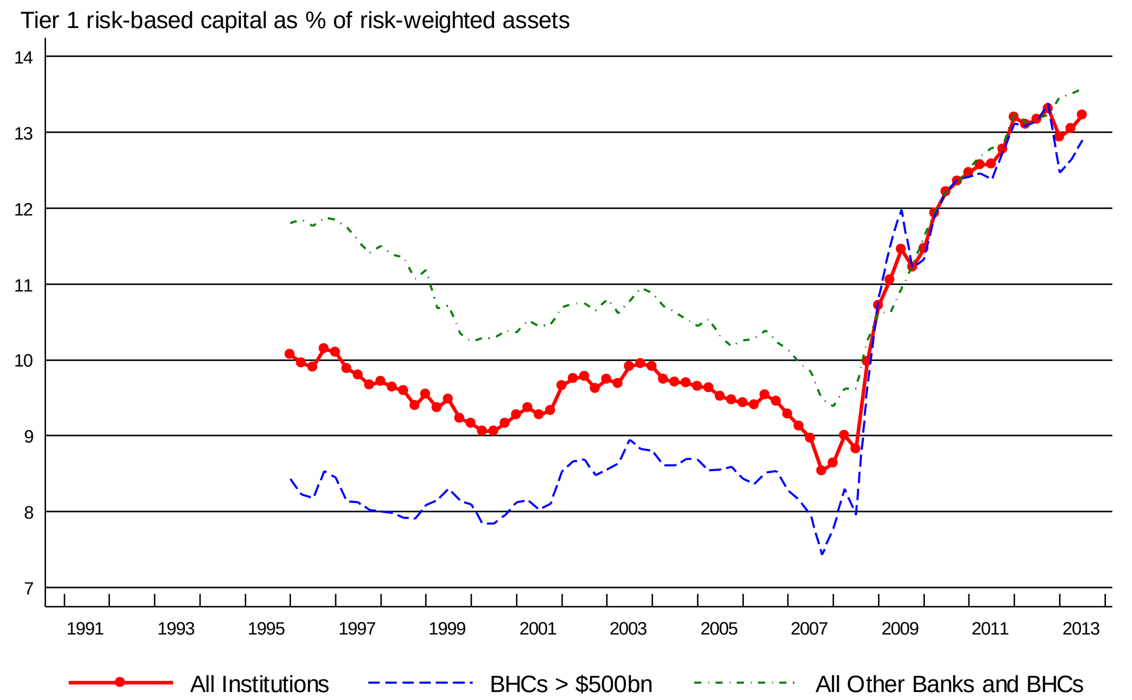
4. Capital Adequacy and Asset Growth

Tier 1 Common Equity Ratio

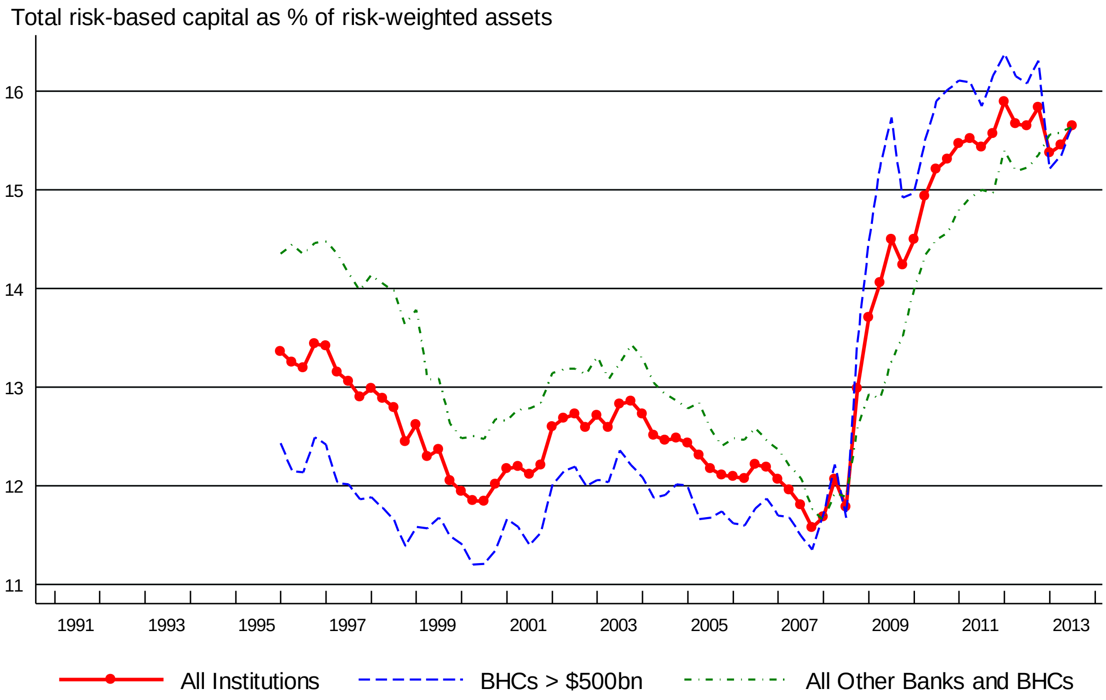


Notes: See data notes for the definition of tier 1 common equity. This chart begins in 2001q1 because data for tier 1 common equity are not available prior to this date

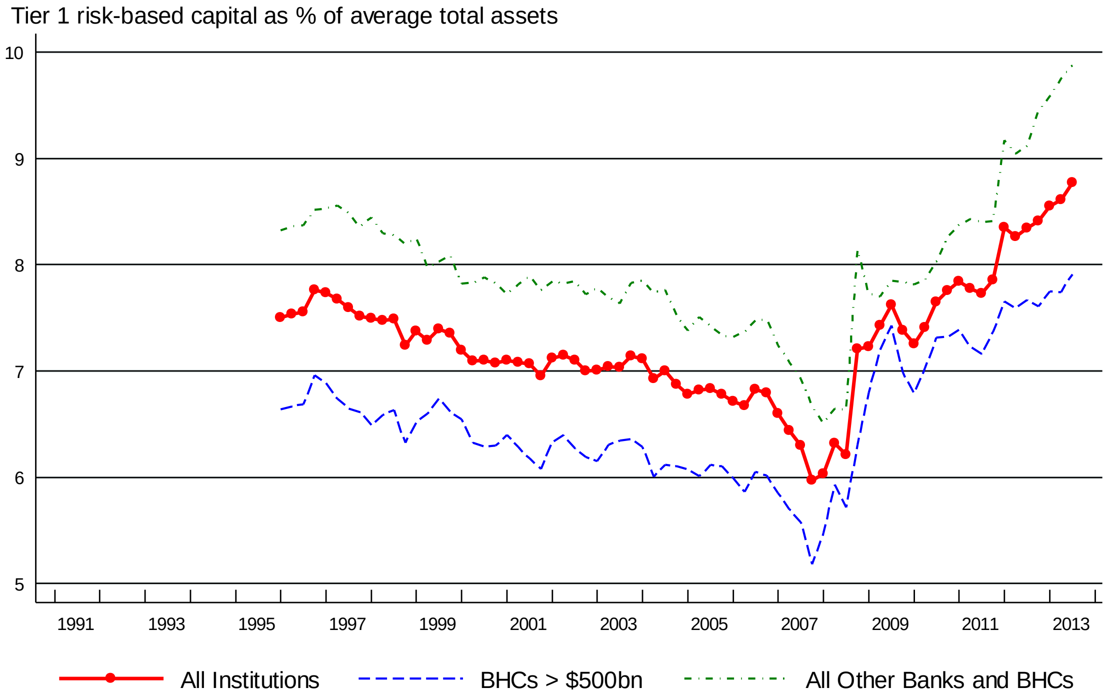
Tier 1 Capital Ratio



Total Capital Ratio

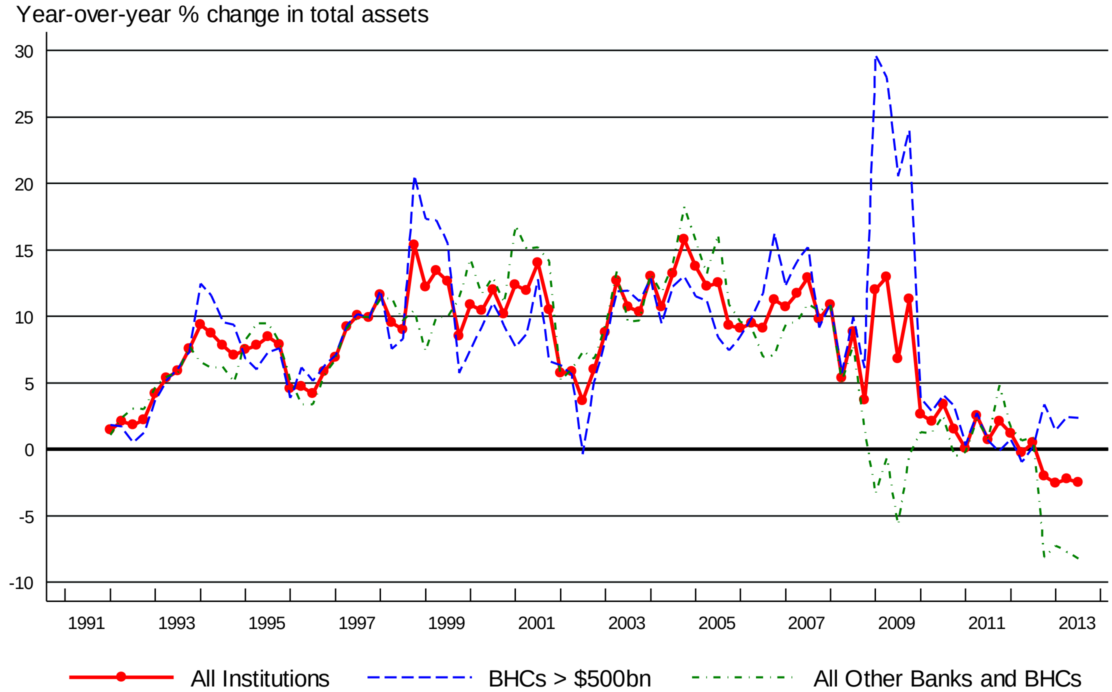


Leverage Ratio

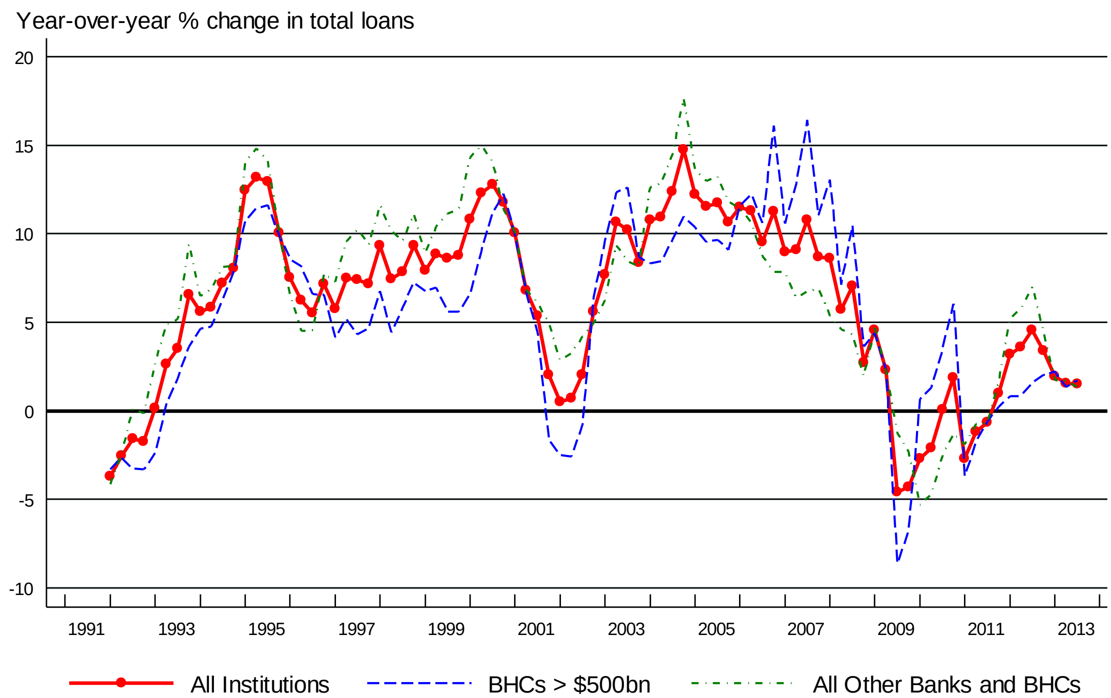


<u>Note</u>: Asset, loan and deposit growth rates presented below are affected by mergers with nonbanking firms, and conversions to and from a BHC charter during the sample period. This particularly affects the year-over-year growth rate for assets between 2009:Q1 and 2009:Q4, due to the entry of several new firms in 2009:Q1. See "Caveats and Limitations" for details.

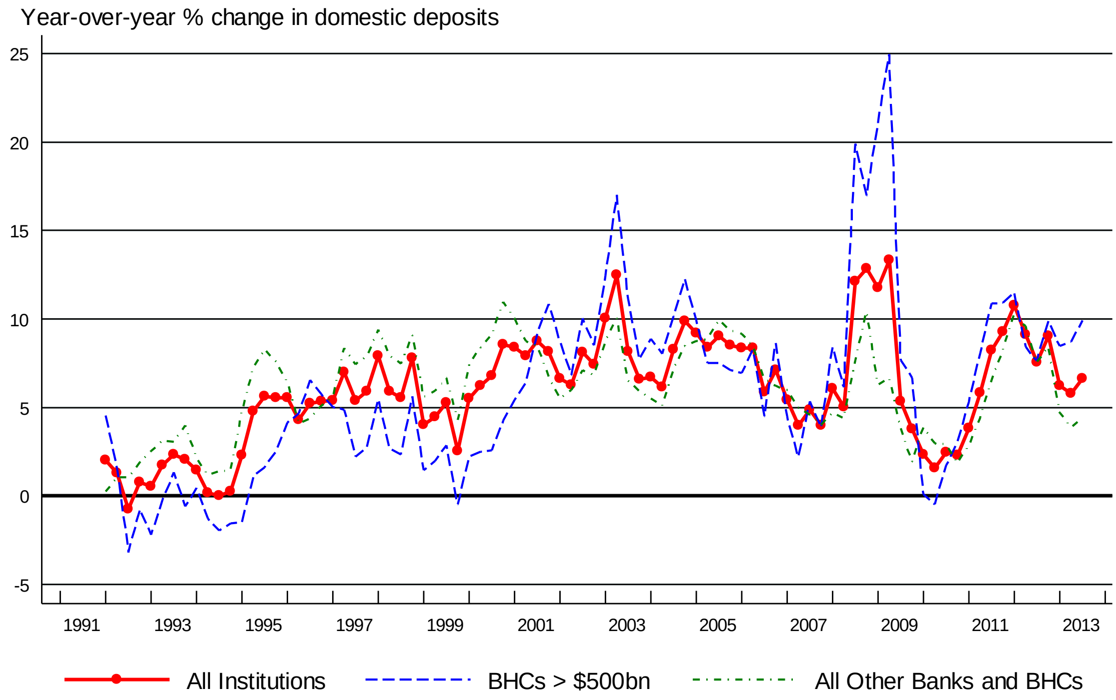
Asset Growth Rates



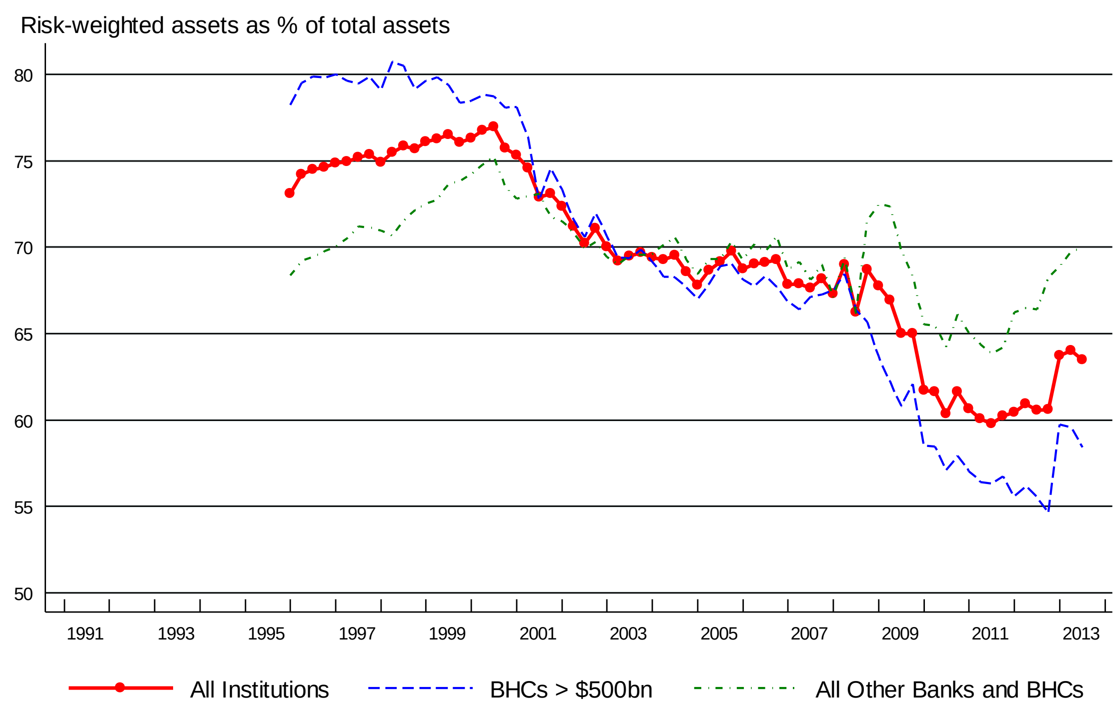
Loan Growth Rates



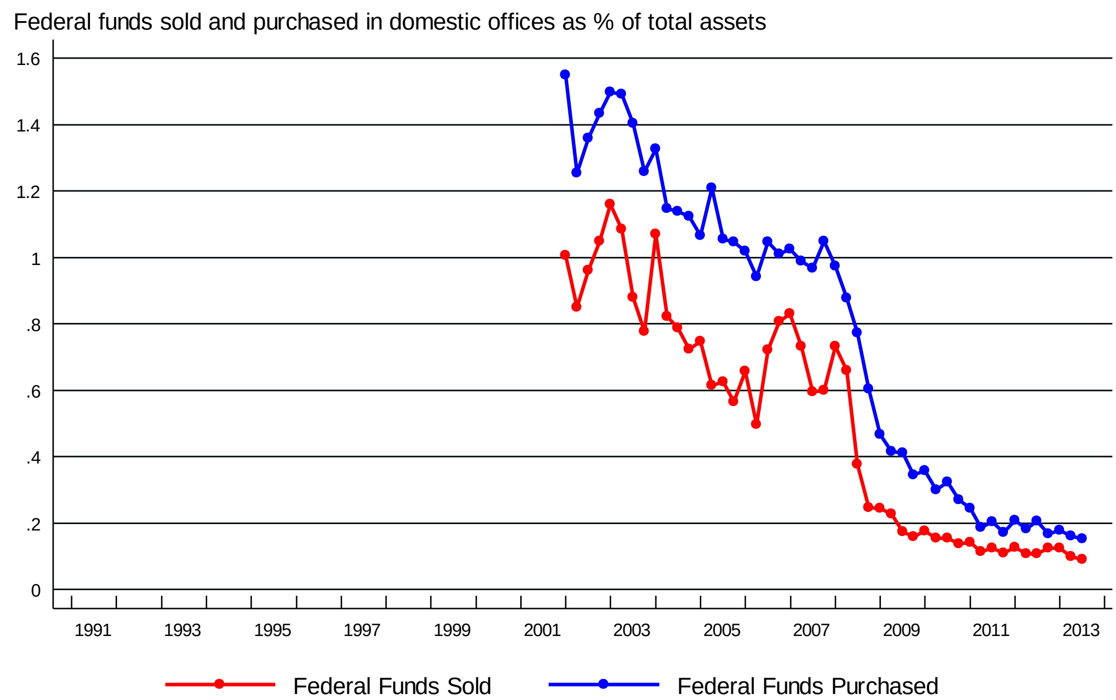
Domestic Deposit Growth Rates



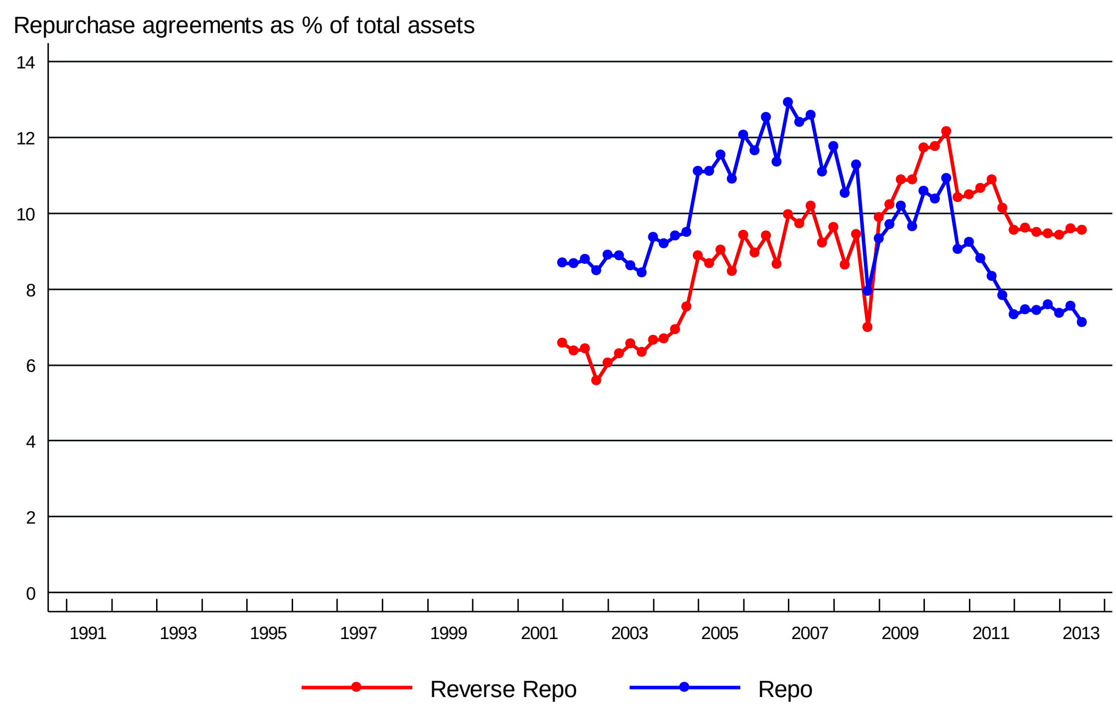
Risk-Weighted Assets Ratio



Federal Funds Sold and Purchased



Repurchase Agreements



Note: These charts begin in 2002q1 because data for repurchase agreements and federal funds are not consistently reported separately prior to that date.

5. Consolidated Financial Statistics for the Fifty Largest BHCs

Rank	Name of Institution	Total Assets (Bil USD)	Quarterly Net Income (Mil USD)	Bank Profitability: Annualized Return on Assets	Bank Profitability: Annualized Return on Equity	Capital Adequacy Ratios (%): Tier 1 Common Ratio	Capital Adequacy Ratios (%): Tier 1 Capital Ratio	Capital Adequacy Ratios (%): Total Capital Ratio
1	JPMORGAN CHASE & CO	2,463.3	-380.0	-0.06	-0.74	10.52	11.74	14.28
2	BANK OF AMER CORP	2,128.7	2,497.0	0.47	4.30	11.08	12.33	15.36
3	CITIGROUP	1,899.5	3,227.0	0.68	6.43	12.68	13.64	16.68
4	WELLS FARGO & CO	1,488.1	5,578.0	1.50	13.35	10.60	12.11	15.09
5	GOLDMAN SACHS GROUP THE	923.4	1,517.0	0.66	7.82	14.15	16.27	19.37
6	MORGAN STANLEY	832.2	906.0	0.44	5.56	12.63	15.27	16.09
7	BANK OF NY MELLON CORP	372.0	980.0	1.05	10.61	14.15	15.80	16.81
8	U S BC	360.7	1,468.0	1.63	14.63	9.30	11.16	13.26
9	HSBC NORTH AMER HOLD	309.3	136.1	0.18	1.72	14.73	17.13	26.48
10	PNC FNCL SVC GROUP	308.9	1,036.6	1.34	10.08	10.33	12.25	15.64
11	CAPITAL ONE FC	290.2	1,116.4	1.54	10.70	12.74	13.13	15.28
12	T D BANK US HOLD CO	231.7	192.7	0.33	3.20	7.04	7.42	8.65
13	STATE STREET CORP	216.8	539.5	1.00	10.56	15.52	17.31	19.81
14	BB&T CORP	181.1	304.4	0.67	5.52	9.40	11.28	13.92
15	SUNTRUST BK	172.0	189.4	0.44	3.62	9.94	10.97	13.04
16	ALLY FNCL	150.6	91.0	0.24	1.91	7.92	15.37	16.40
17	AMERICAN EXPRESS CO	150.2	1,366.0	3.64	28.43	12.79	12.80	14.71
18	FIFTH THIRD BC	125.7	420.9	1.34	11.50	9.88	11.14	14.35
19	RBS CITIZENS FNCL GRP	120.7	143.1	0.47	2.95	13.94	13.95	16.26
20	REGIONS FC	116.9	293.3	1.00	7.57	10.99	11.47	14.52
21	BMO FNCL CORP	113.1	207.3	0.73	6.09	10.84	10.84	15.20
22	UNIONBANCAL CORP	105.5	200.0	0.76	6.37	11.10	11.17	13.11
23	NORTHERN TR CORP	96.0	206.5	0.86	10.56	13.12	13.59	14.86
24	KEYCORP	91.0	271.8	1.19	10.65	11.17	11.92	14.37
25	M&T BK CORP	84.4	294.5	1.40	10.69	9.08	11.88	15.07
26	BANCWEST CORP	81.7	162.5	0.80	5.56	10.68	10.86	12.13
27	SANTANDER HOLDS USA	77.1	76.7	0.40	2.27	13.69	14.35	16.49
28	DISCOVER FS	75.5	593.1	3.14	22.38	14.72	15.58	17.90
29	BBVA COMPASS BSHRS	70.1	110.6	0.63	3.89	11.59	11.83	14.10
30	DEUTSCHE BK TR CORP	66.1	81.0	0.49	4.74	17.15	17.15	17.62
31	COMERICA	64.7	147.1	0.91	8.44	10.72	10.72	13.42
32	HUNTINGTON BSHRS	56.6	178.5	1.26	11.98	10.85	12.36	14.67
33	ZIONS BC	55.2	111.5	0.81	7.04	10.47	13.10	14.82
34	UTRECHT-AMERICA HOLDS	52.3	32.5	0.25	19.94	-0.87	2.96	3.41
35	CIT GROUP	46.2	199.6	1.73	9.03	16.72	16.72	17.42
36	NEW YORK CMNTY BC	45.8	114.2	1.00	8.02	11.80	13.05	13.80
37	FIRST NIAGARA FNCL GROUP	37.4	79.1	0.85	6.41	7.72	9.45	11.40
38	POPULAR	36.1	229.0	2.54	20.85	14.21	18.54	19.82
39	CITY NAT CORP	29.1	63.6	0.88	9.84	8.82	9.69	12.67
40	BOK FC	27.2	75.7	1.11	10.13	13.33	13.52	15.36
41	SYNOVUS FC	26.2	45.7	0.70	6.23	9.93	10.55	13.04
42	EAST W BC	24.5	73.2	1.19	12.66	11.77	12.37	13.95
43	FIRST HORIZON NAT CORP	24.2	-105.9	-1.75	-19.82	10.19	13.26	15.59
44	FIRSTMERIT CORP	24.1	40.7	0.67	6.13	10.21	11.27	13.72
45	SVB FNCL GRP	23.8	67.6	1.14	13.91	12.62	12.95	14.16
46	ASSOCIATED BANC-CORP	23.7	45.7	0.77	6.36	11.64	12.02	13.44
47	CULLEN/FROST BKR	23.6	60.4	1.03	9.74	12.53	14.53	15.68
48	RAYMOND JAMES FNCL	23.2	117.5	2.03	12.83	18.84	18.90	19.76
49	COMMERCE BSHRS	22.5	68.2	1.21	12.53	13.65	13.65	14.89
50	FIRST CITIZENS BSHRS	21.5	41.0	0.76	8.27	14.36	15.04	16.54
TOTALS*	TOP 50	14,390.0	25,511.4	0.71	6.80	11.40	12.80	15.47
	ALL INSTITUTIONS (BHCS AND BANKS)	17,225.7	33,382.2	0.78	7.35	11.85	13.22	15.65

*For the industry net income and capital adequacy ratios, we sum the numerator and denominator across individual firms and then compute ratios.

Notes and caveats

Methodology

The data used to construct the statistics in this report are drawn from the quarterly Consolidated Financial Statements for Bank Holding Companies (FR Y-9C), and Consolidated Reports of Condition and Income for commercial banks (FFIEC 031 and 041). Reported statistics are defined in a time-consistent way across reporting form vintages.

To calculate the "all institutions" quarterly series, we aggregate the data for top-tier bank holding companies (BHCs), including foreign-held BHCs, as well as commercial banks owned by BHCs that are too small to file Y-9C reports (the current reporting threshold is $500m of total assets), and unaffiliated (stand-alone) commercial banks. We identify "top-tier" BHCs (i.e. the U.S. parent entity) via the National Information Center (NIC, http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx), which provides data on firm attributes and structure. We identify commercial banks that are standalone firms or are owned by small BHCs by identifying all banks whose high holder does not submit a FR Y-9C report.

Separate statistics are also reported for the subset of BHCs with greater than $500 billion in total assets, and for the remainder of the industry. In 2013:Q3, there were 6 BHCs that exceed this threshold: JPMorgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs, and Morgan Stanley. For consistency, time-series graphs for the "> $500bn" group represent available historical values for this same subset of firms. Statistics for this subset of firms are prepared on a pro forma (merger-adjusted) basis; specifically, on the basis that all BHCs acquired by each of these firms over the sample period with US regulatory filings are part of the consolidated BHC from the start of the historical time period. Data values of acquired BHCs are then summed with acquirer data in the period before the acquisition. Merger events are identified using the NIC transformations table maintained by the Federal Reserve Board of Governors. After constructing the pro forma series for each firm, we aggregate the data to create the BHCs > $500bn series. Finally, the "all other banks and BHCs" quarterly series is constructed by subtracting the "BHCs > $500bn" series from the "all institutions" series.

The charts and tables presented in this report are grouped into the following five categories: composition of banking industry assets and liabilities, earnings and pre-provision net revenue, asset quality, capital adequacy and asset growth, and consolidated financial statistics for the fifty largest BHCs. Definitions of each plotted variable are presented on each chart.

Caveats and limitations

Statistics in this report are presented “as is”, based on calculations conducted by Federal Reserve Bank of New York research staff. While significant efforts have been made to ensure accuracy, the statistics presented here may be subject to future revision, for example because of changes or improvements in the “pro forma” methodology used to calculate statistics for industry subgroups.

We highlight a number of important limitations of the statistics presented here:

- Statistics exclude financial firms that are not either commercial banks or part of a commercial bank holding company. This creates discontinuities in the time-series graphs when nonbanking firms are acquired or sold by banks or BHCs, or when firms switch to or from a bank or BHC charter. For example, in 2009:Q1, Goldman Sachs, Morgan Stanley, Ally Financial, and American Express each began filing a FR Y-9C due to the conversion of each of these firms to a commercial banking holding company charter. This largely accounts for the sharp 13% increase in total measured industry assets in 2009:Q1, and a corresponding discontinuous upward shift in the industry asset growth rate during 2009.

- For the same reason, only 4 of the 6 BHCs in the BHCs > $500bn group (described in the methodology section on the previous page) exist in the data for the entire sample period (1991:Q1 to 2013:Q3). These 4 BHCs are JPMorgan Chase, Bank of America, Wells Fargo, and Citigroup. Goldman Sachs and Morgan Stanley entered the sample in 2009:Q1.

- Flow variables in bank and BHC regulatory filings are reported on a year-to-date basis. Quarterly flow variables are derived by “quarterizing” the data, that is, by subtracting the variable at time t-1 from the variable at time t for Q2, Q3, and Q4 of each calendar year. This quarterization procedure can create discontinuities when a bank or BHC enters the sample any time other than in Q1. To account for this, we drop the firm’s quarter of entry observation from the sample. This adjusted data is used to calculate all ratios in this report that are based on flow variables. However, to retain as much of the data as possible, unadjusted data is used to calculate ratios based only on stock variables, since stock variables do not need to be quarterized.

- Due to data limitations, industry statistics exclude nonbank subsidiaries of small BHCs that do not file a FR Y-9C (currently the FR Y-9C is filed only by firms with $500m in total assets). The effect of this exclusion on industry statistics is expected to be minor, however, since small BHCs generally do not have large nonbank subsidiaries.

Data notes

1. The definition of tier 1 common equity for BHCs used for this report is: tier 1 common equity = tier 1 capital – perpetual preferred stock and related surplus + nonqualifying perpetual preferred stock – qualifying Class A noncontrolling (minority) interests in consolidated subsidiaries – qualifying restricted core capital elements (other than cumulative perpetual preferred stock) – qualifying mandatory convertible preferred securities of internationally active bank holding companies. The definition of tier 1 common equity for banks is: tier 1 common equity = tier 1 capital – perpetual preferred stock and related surplus + nonqualifying perpetual preferred stock – qualifying noncontrolling (minority) interests in consolidated subsidiaries.

2. In the first quarter of 2010, banking organizations were required to transfer certain off-balance sheet items onto their balance sheets under FASB 166 and 167. These guidelines substantially affected loan balances, as large amounts of securitized loans were transferred onto bank balance sheets. This accounting change was likely a major factor influencing year-over-year growth rates of loans and total assets during this period, potentially causing these growth rates to appear larger than they would have otherwise been.

Quarterly Trends for Consolidated U.S. Banking Organizations
Fourth Quarter 2013

Federal Reserve Bank of New York

Research and Statistics Group

This report presents consolidated financial statistics for the U.S. commercial banking industry, including both bank holding companies (BHCs) and banks. Statistics are based on quarterly regulatory filings.[1] Statistics are inclusive of BHCs' nonbank subsidiaries. Separate statistics are reported on a merger-adjusted basis for the subset of BHCs with > $500bn in total assets as of 2013:Q4[2], for BHCs with $50bn-$500bn in total assets as of 2013:Q4, and for the remainder of the industry.

Highlights

- Banking industry capital, as measured by the ratio of tier 1 common equity to risk-weighted assets, increased from 11.85% in 2013:Q3 to 11.94% in 2013:Q4. The leverage ratio, defined as the ratio of tier 1 risk-based capital to average total assets, remained steady over the fourth quarter at 8.77%.

- Annualized return on assets (ROA) for the industry increased from 0.78% to 0.87%. Return on equity (ROE) also rose from 7.3% to 8.2%. ROA and ROE increased for the largest BHCs (> $500bn in assets), but decreased for the remainder of the industry.

- Non-performing loans as a percentage of total loans decreased in 2013:Q4, from 2.9% to 2.7%. This ratio has now declined for 16 consecutive quarters. The non-performing loan ratio was 3.8% for the largest BHCs, more than twice as high than the ratio for the remainder of the banking industry. Loan loss provisions increased in 2013:Q4, while net charge-offs as a percentage of total loans decreased slightly, reaching 0.63%, its lowest value since 2007:Q2.

- Loan growth for the industry was positive at 2.1% on a four-quarter-ended basis. Industry four-quarter-ended asset growth was also positive, at 1.2%.

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[1] Industry statistics are calculated by summing consolidated financial data across all reporting U.S. parent BHCs (from the FR Y-9C report), plus values for "standalone" banks not controlled by a BHC, or whose parent BHC does not report on a consolidated basis (from the FFIEC 031/041 reports). The data do not include savings bank holding companies, branches and agencies of foreign banks, or nonbanks that are not held by a U.S. BHC.

[2] Six BHCs exceed this $500bn size threshold: J.P. Morgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs, and Morgan Stanley.

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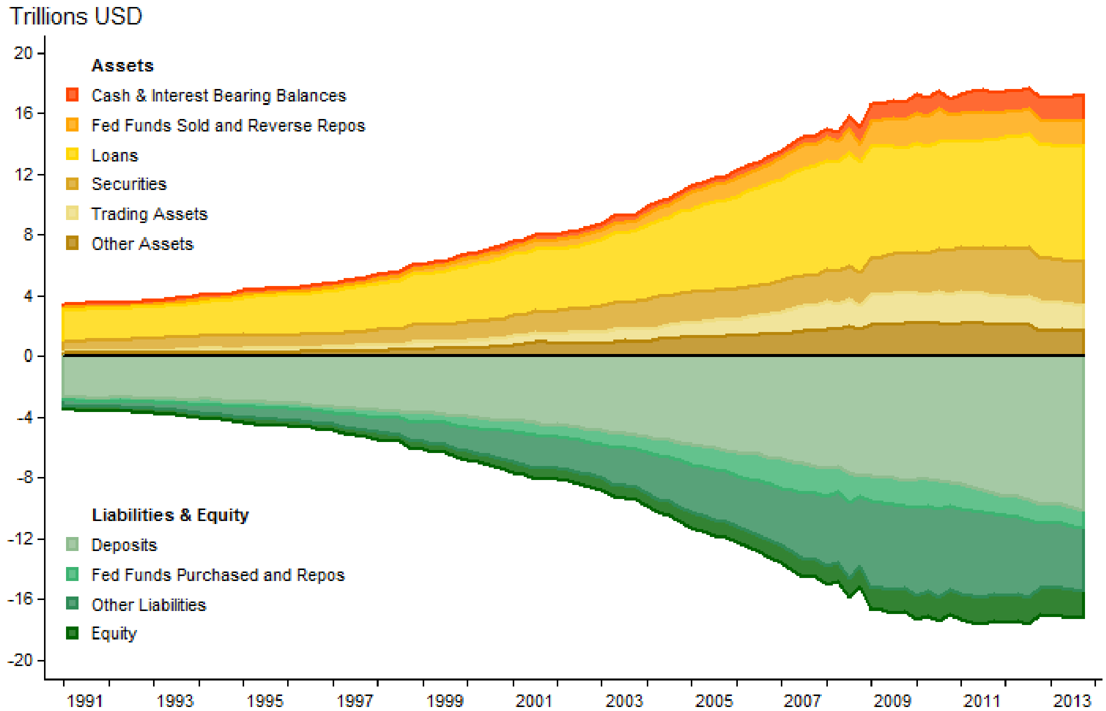
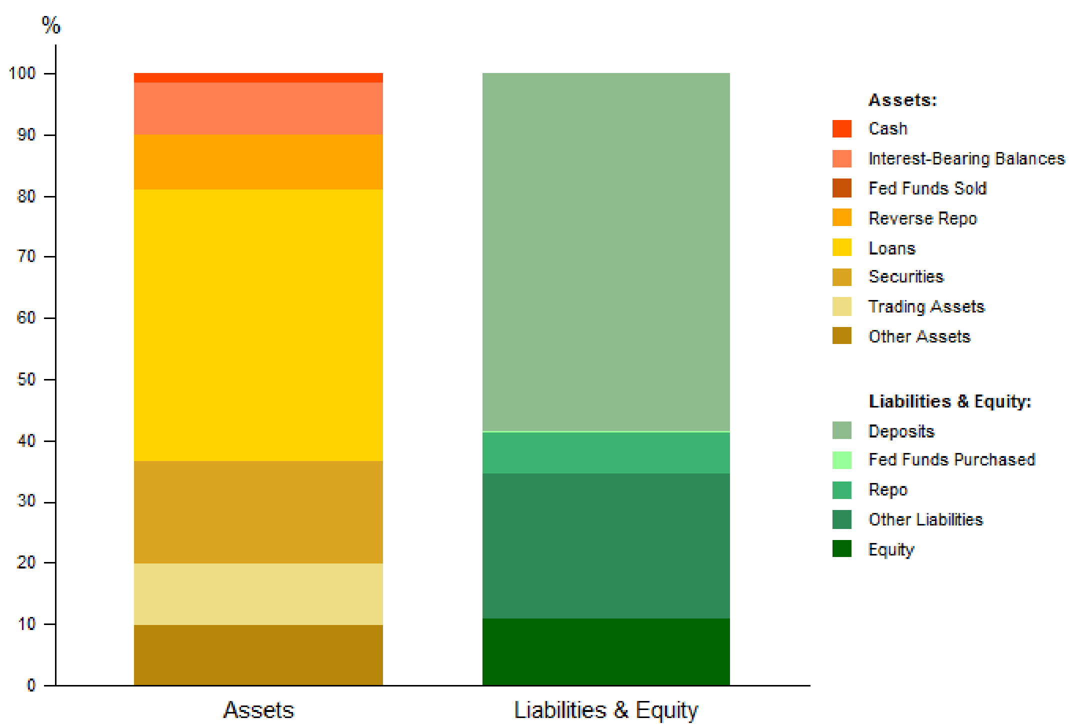
Charts and Tables

1. Composition of Banking Industry Assets and Liabilities

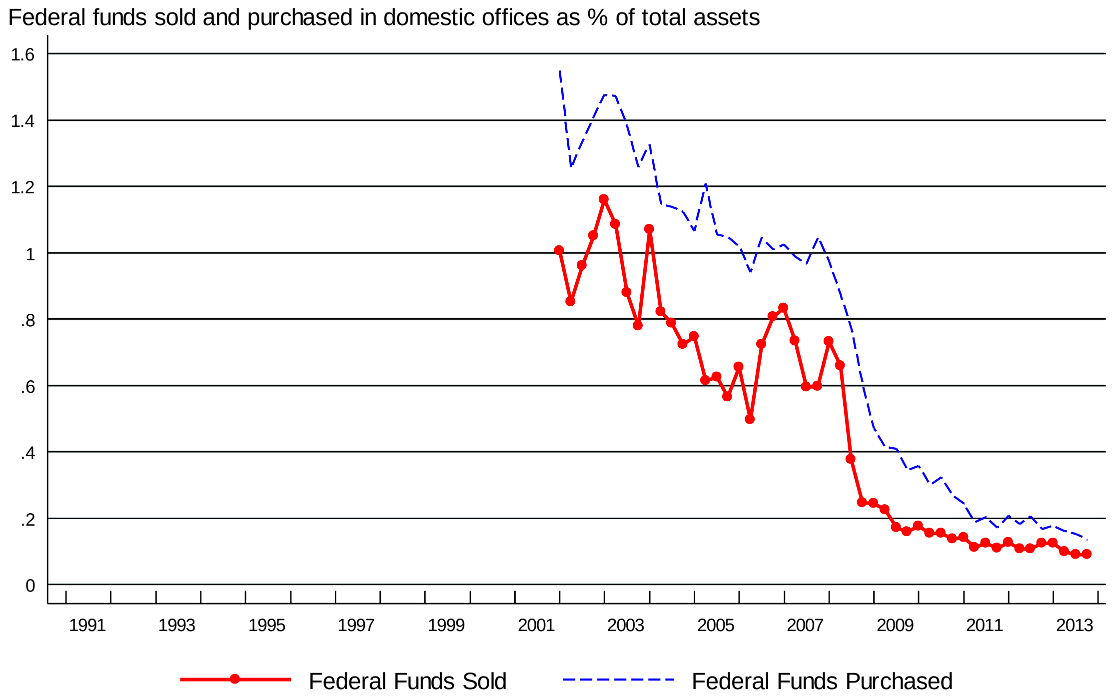
Balance Sheet Composition



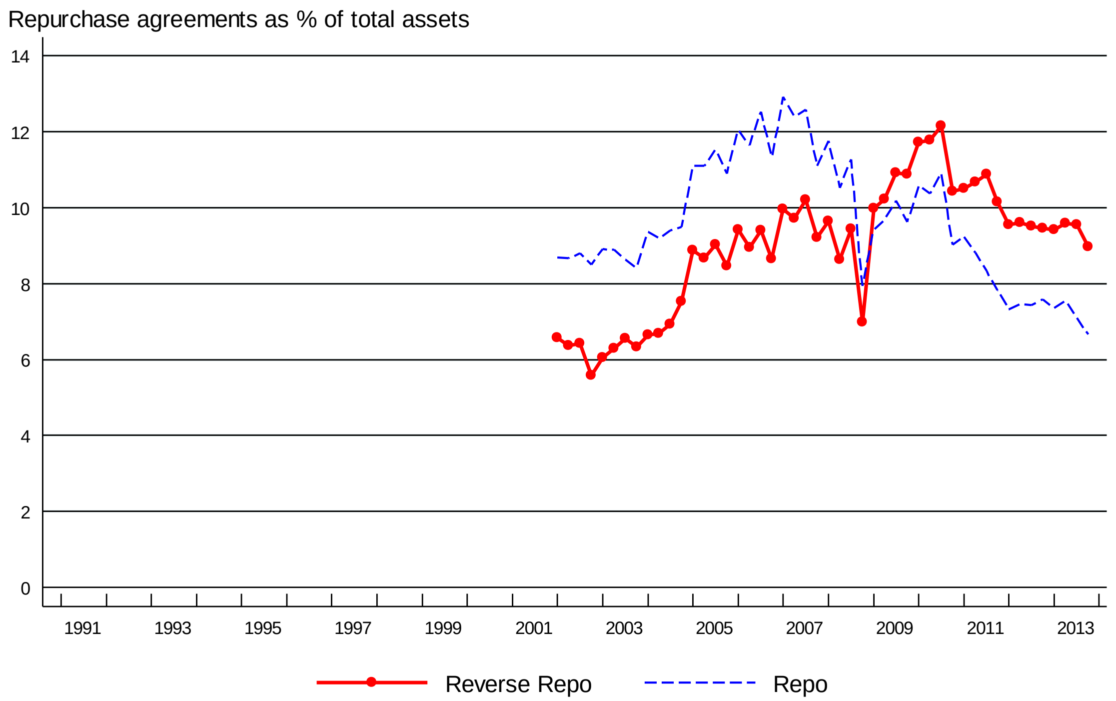
Balance Sheet Percentages



Federal Funds Sold and Purchased



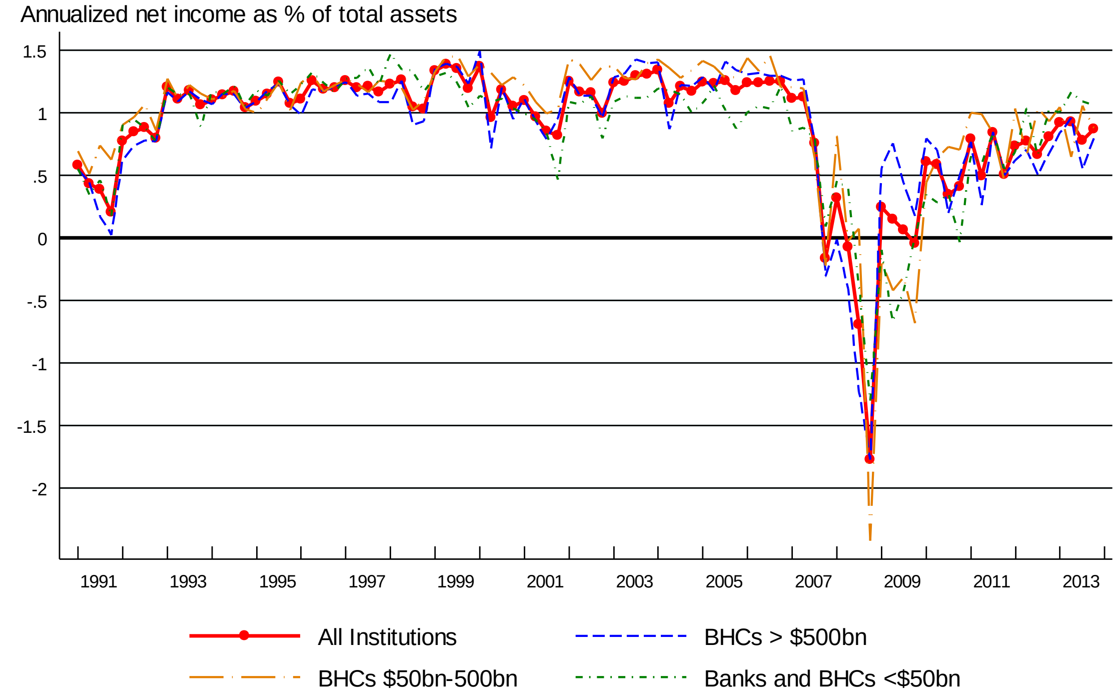
Repurchase Agreements



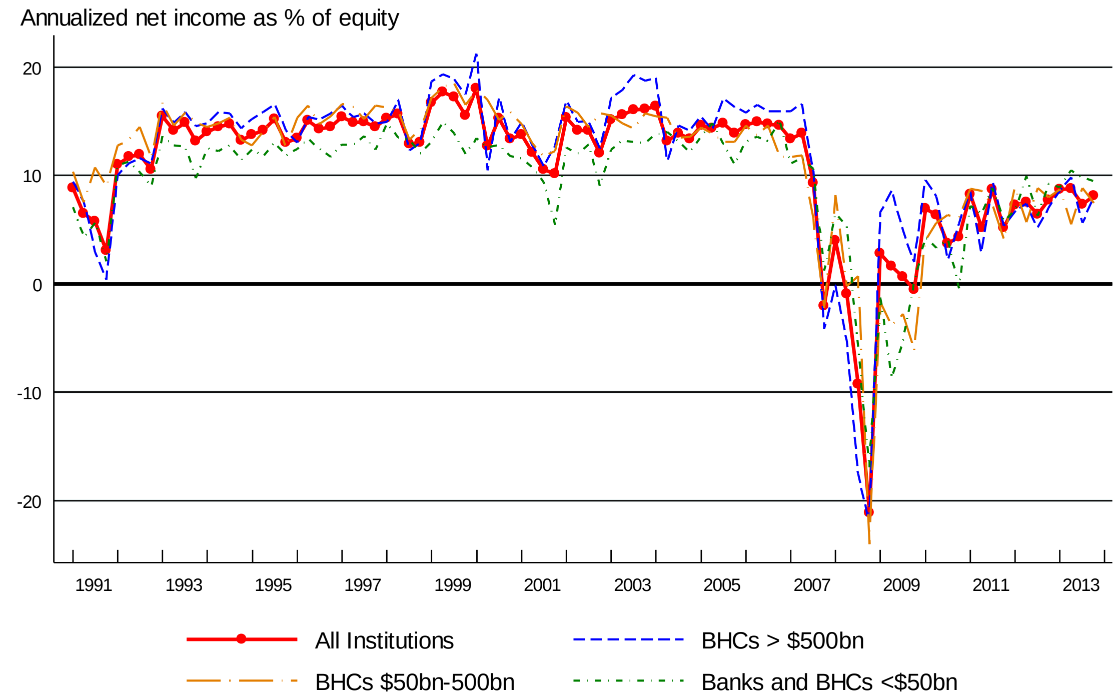
<u>Note</u>: These charts begin in 2002q1 because data for repurchase agreements and federal funds are not consistently reported separately prior to that date.

2. Earnings and Pre-Provision Net Revenue

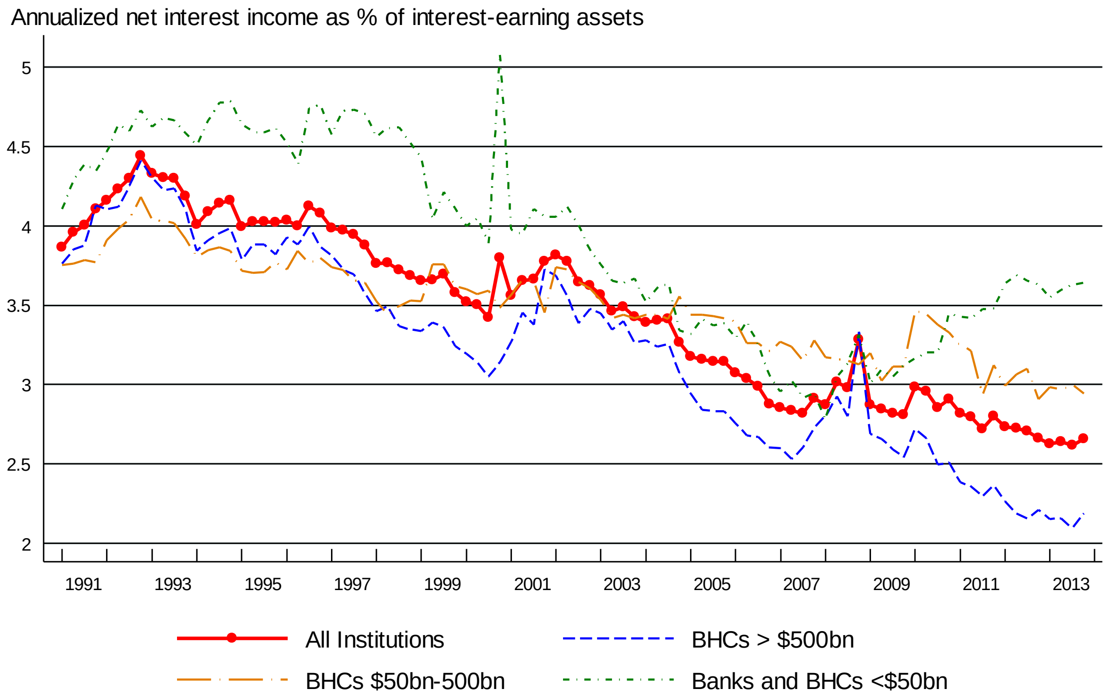
Return on Assets



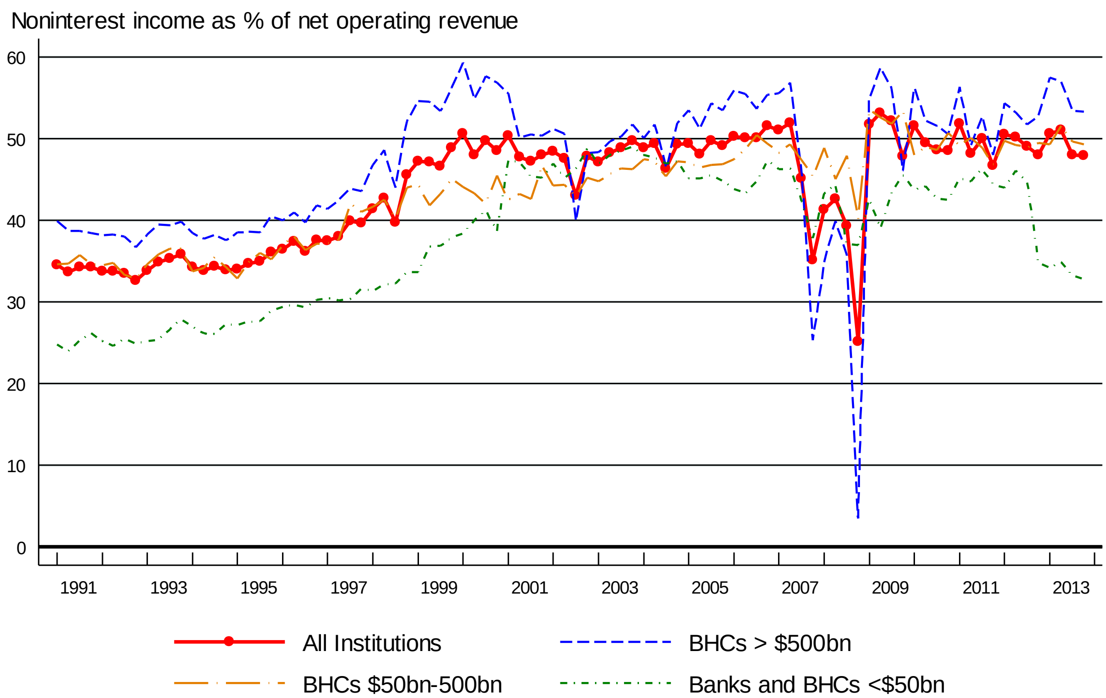
Return on Equity



Net Interest Margin

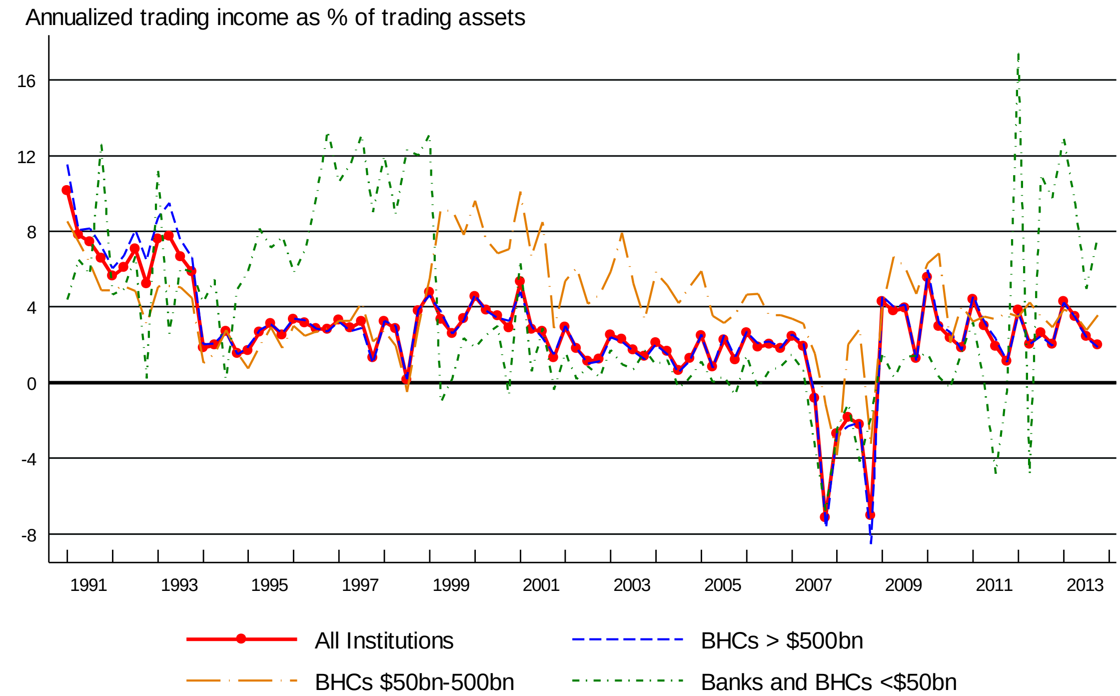


Noninterest Income Share

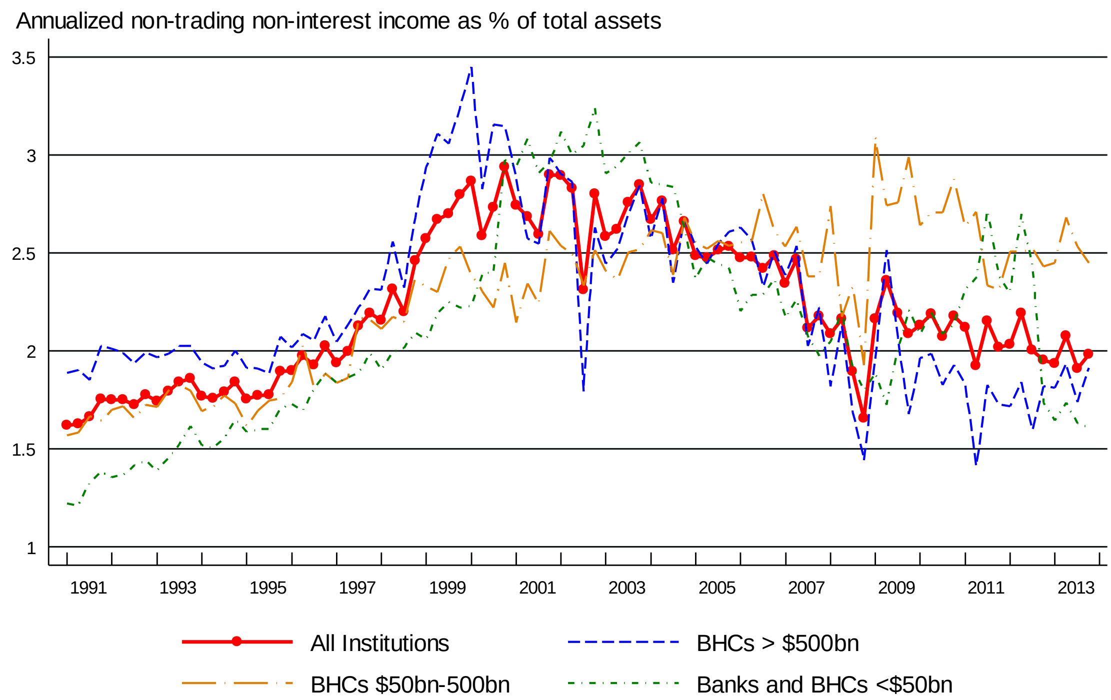


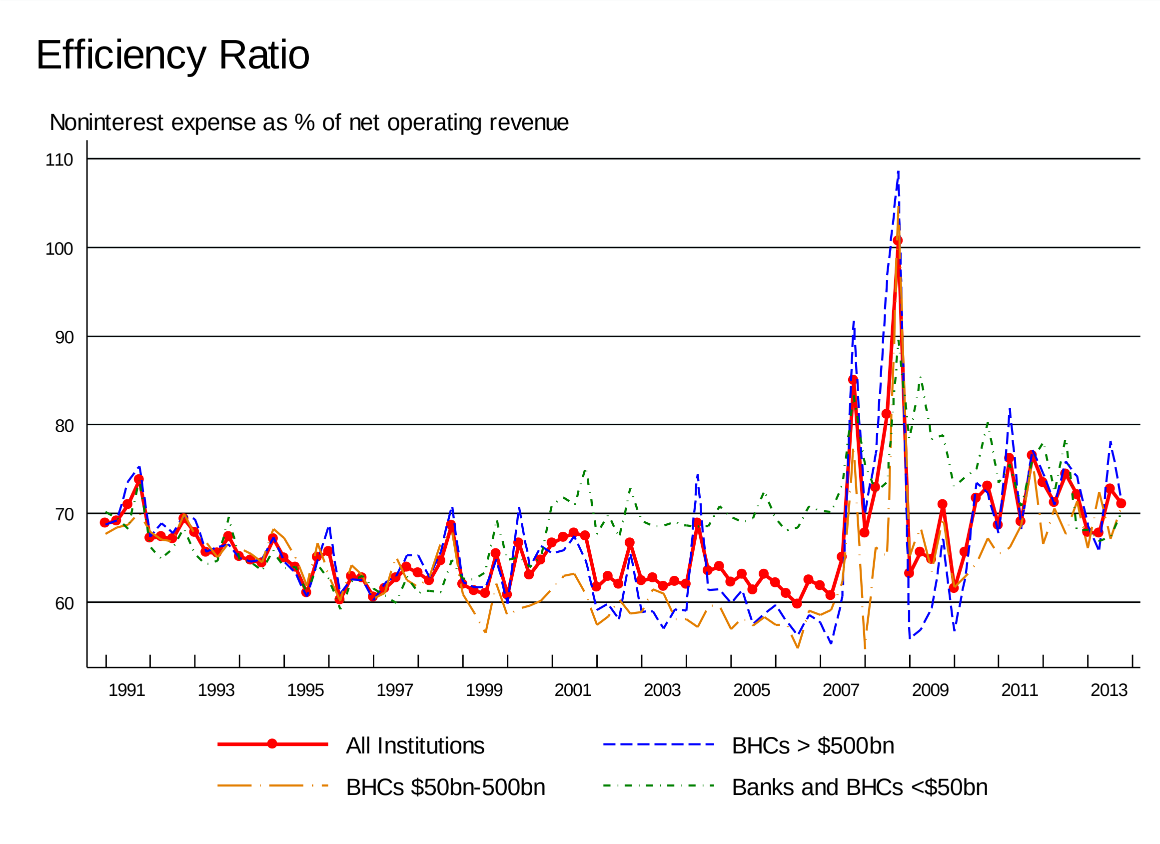
<u>Note</u>: Net operating revenue is defined as net interest income plus noninterest income.

Return on Trading Assets



Non-Trading Non-Interest Income Ratio



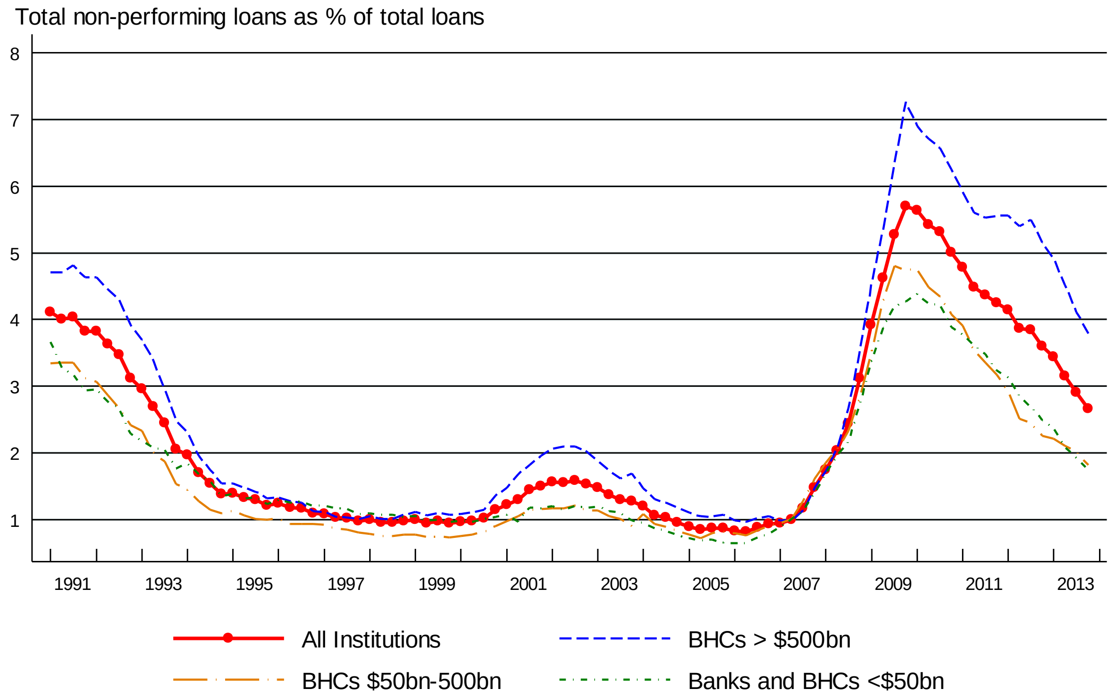


Note: Net operating revenue is defined as net interest income plus noninterest income.

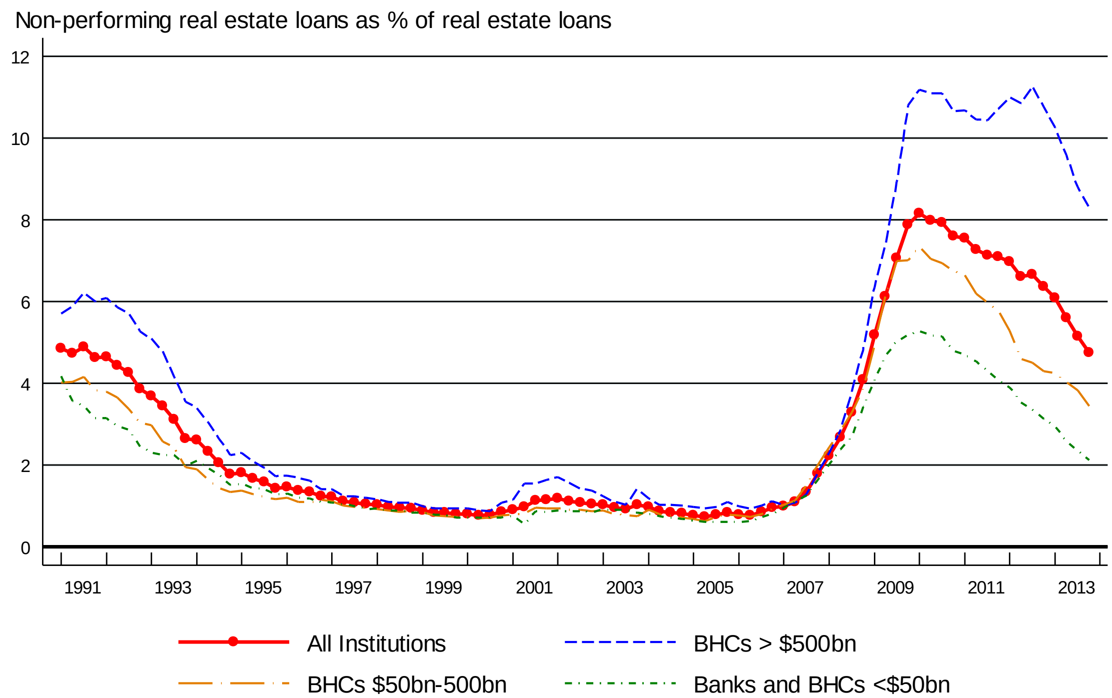
3. Asset Quality

Note: Non-performing loans include loans that are (1) 90 days or more past due and still accruing or (2) non-accrual.

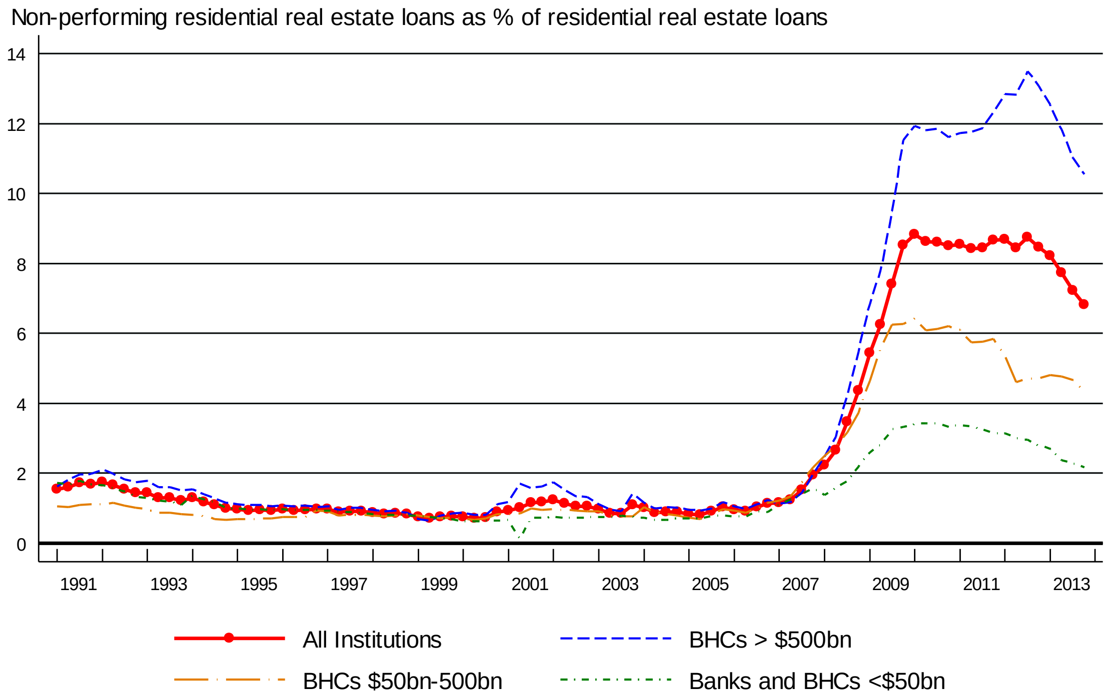
Non-performing Loans



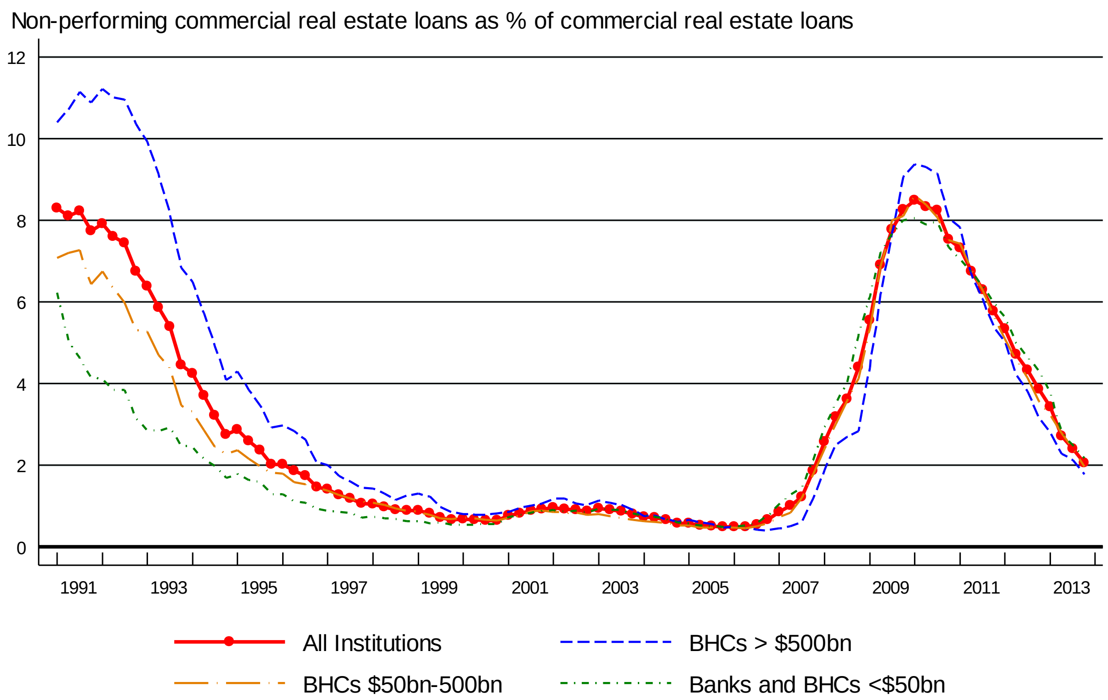
Non-performing Real Estate Loans



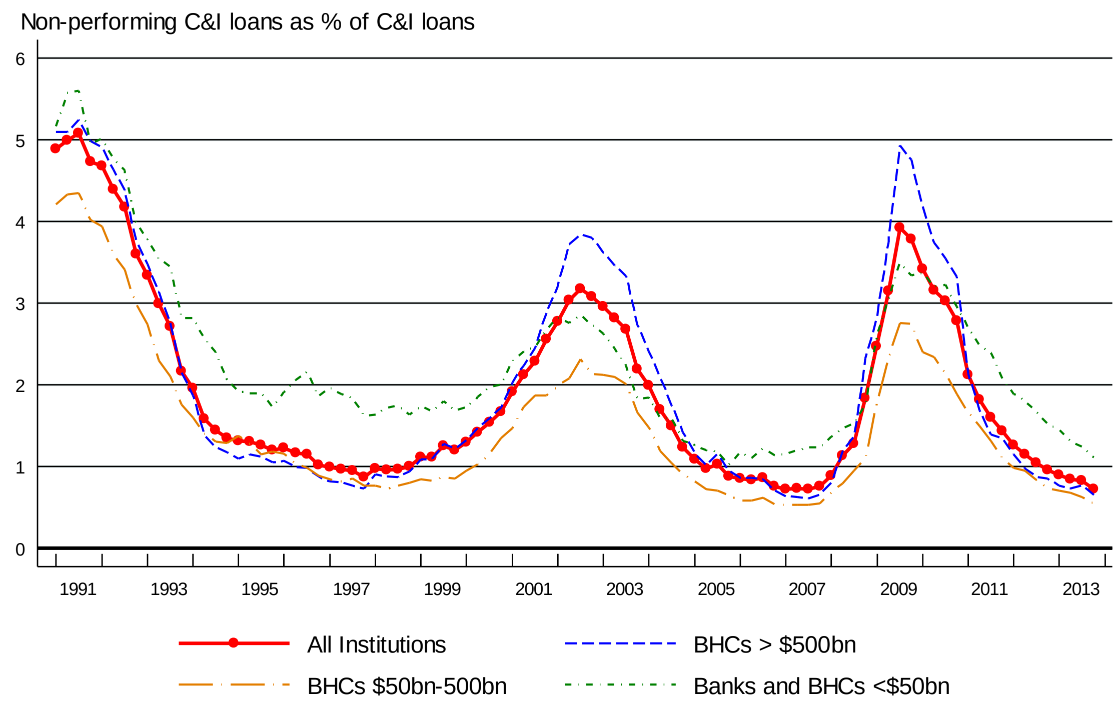
Non-performing Residential Real Estate Loans



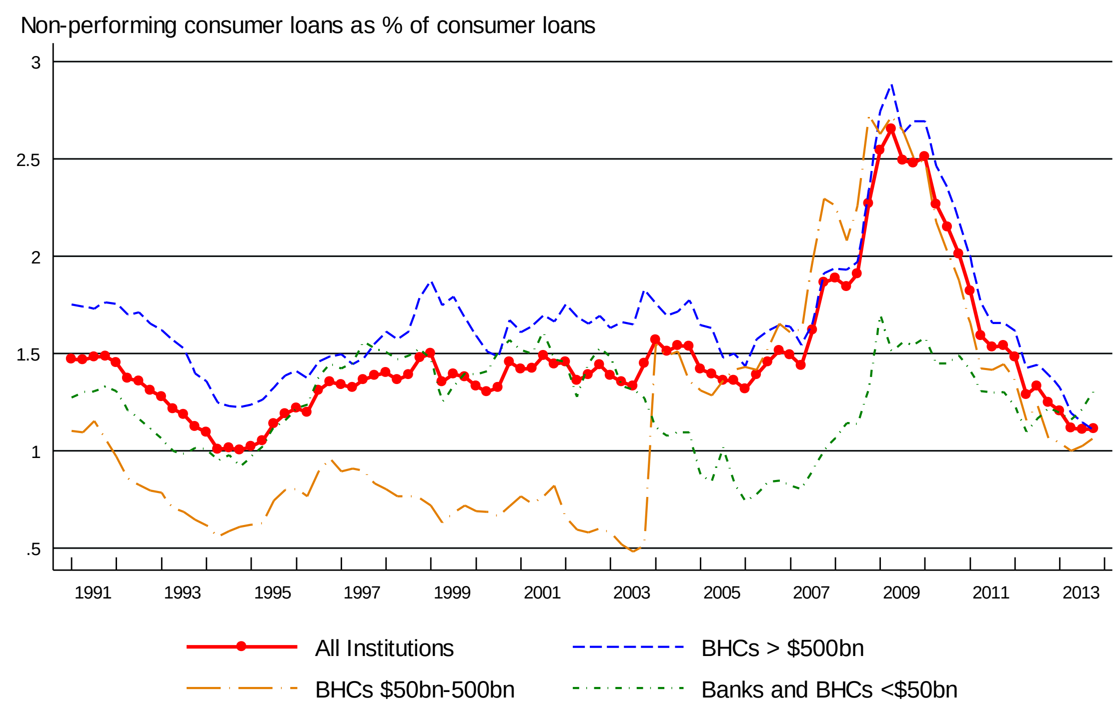
Non-performing Commercial Real Estate Loans



Non-performing Commercial and Industrial (C&I) Loans

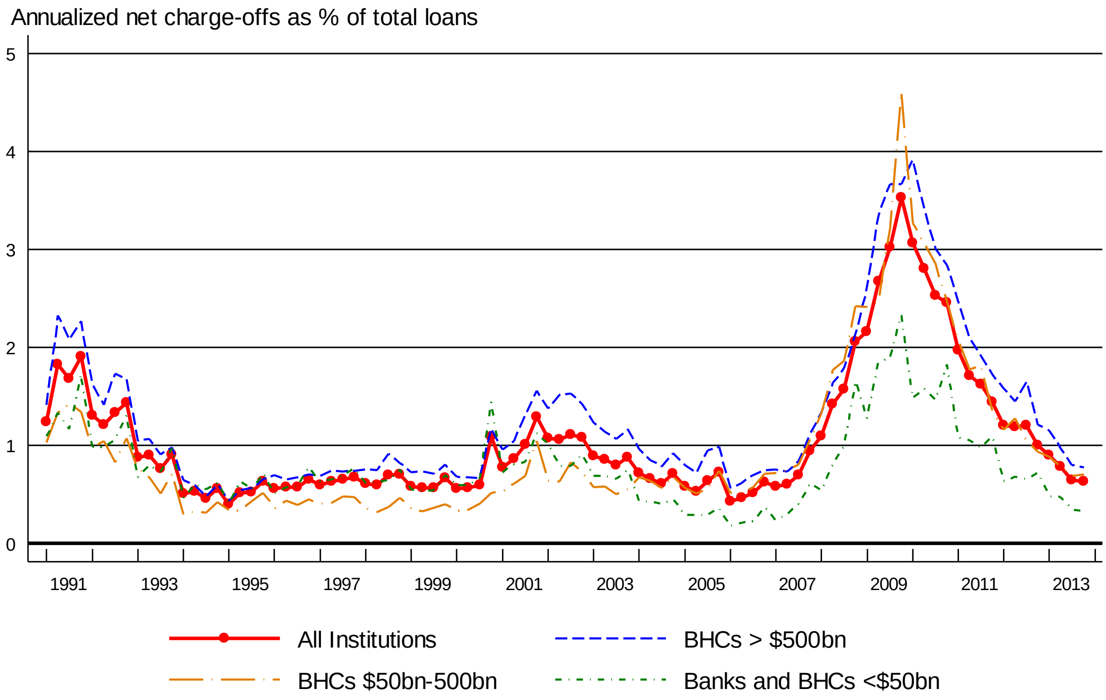


Non-performing Consumer Loans

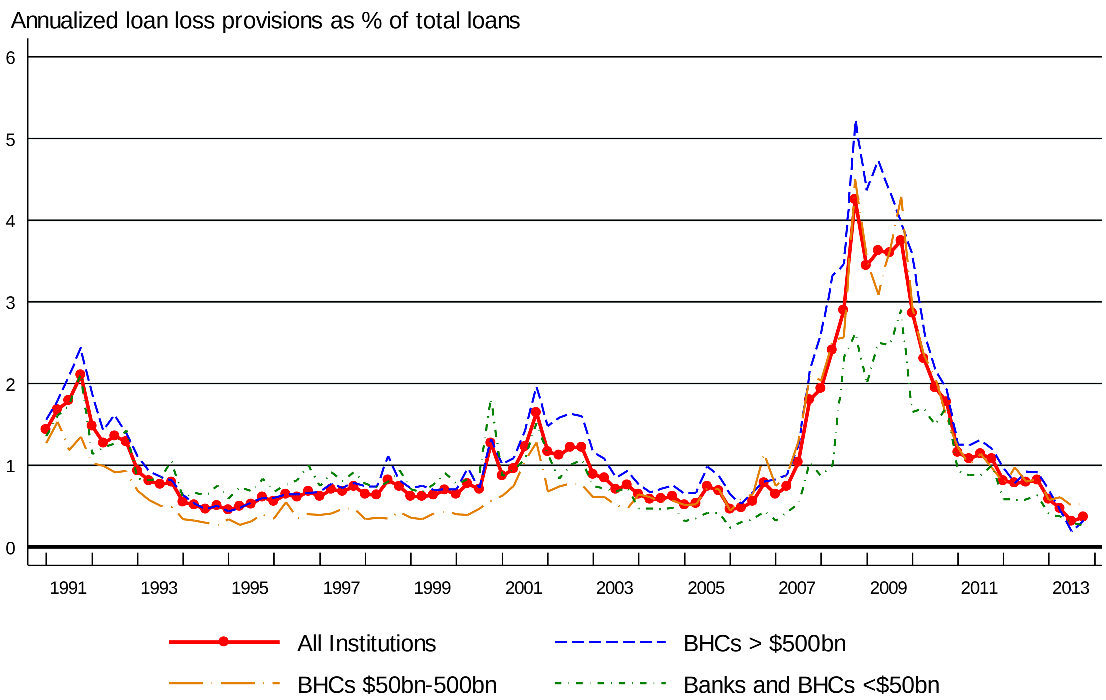


Note: Consumer loans are defined as the sum of credit card loans, other revolving credit plans, automobile loans, and other consumer loans.

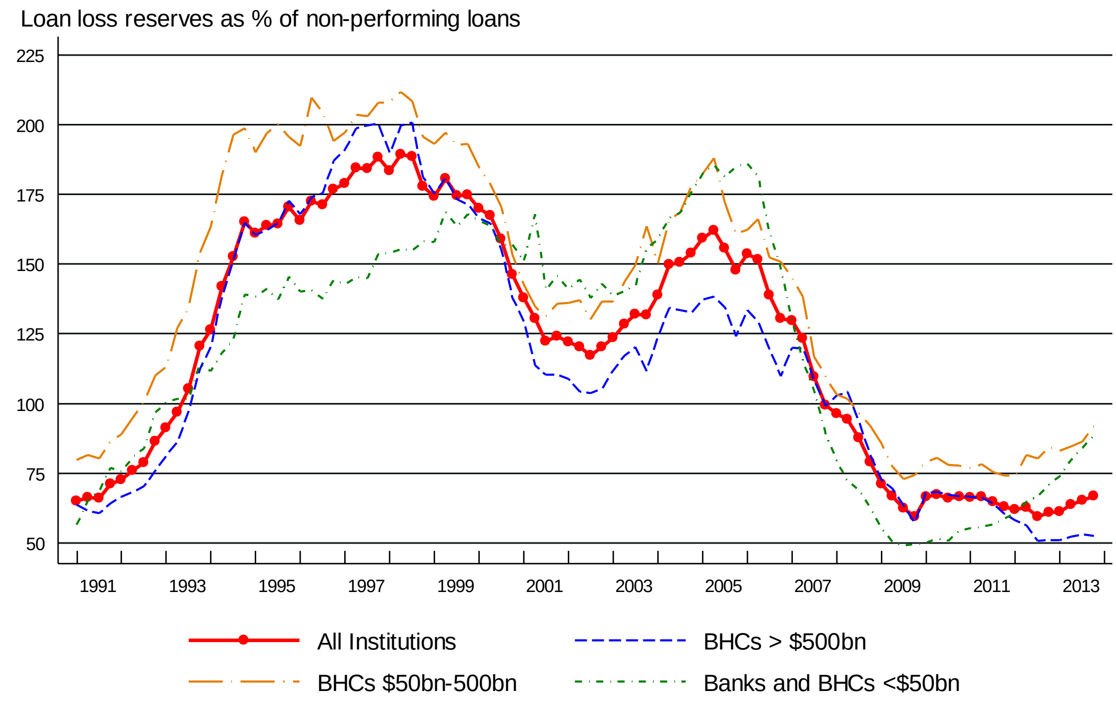
Net Charge-offs



Loan Loss Provisions

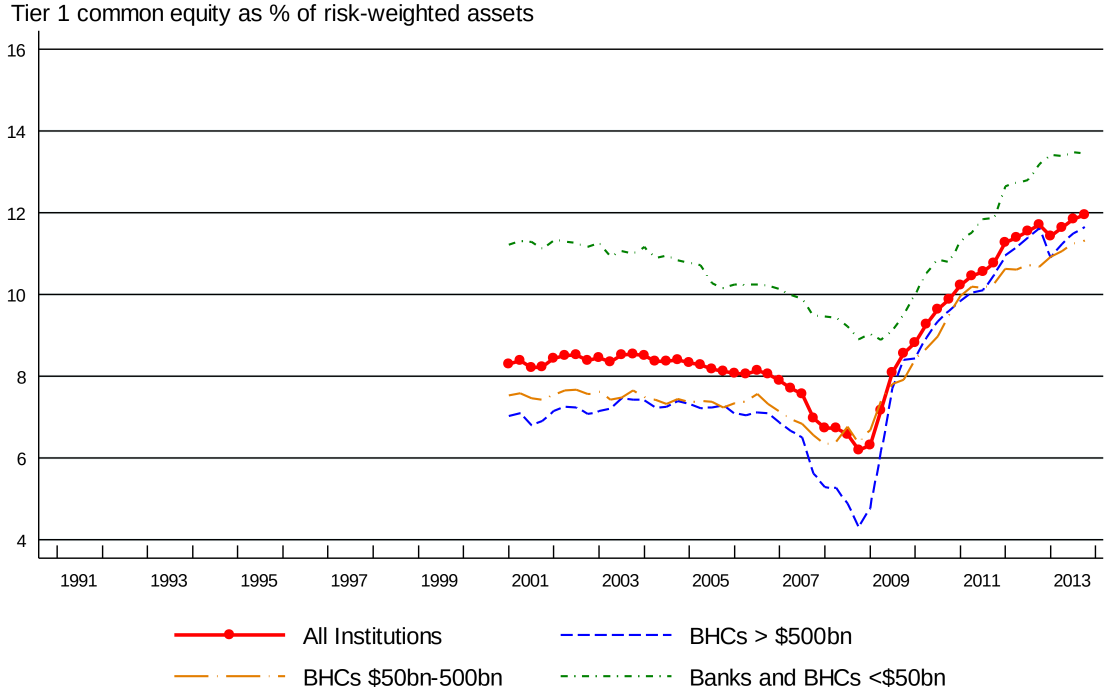


Loan Loss Reserves



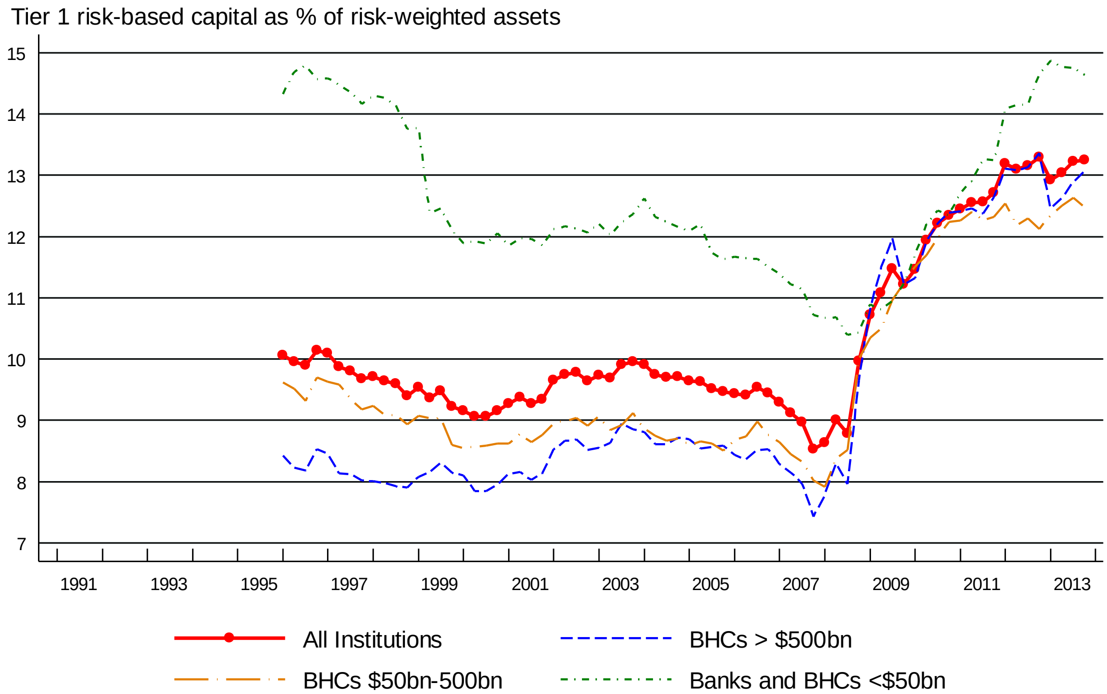
4. Capital Adequacy and Asset Growth

Tier 1 Common Equity Ratio



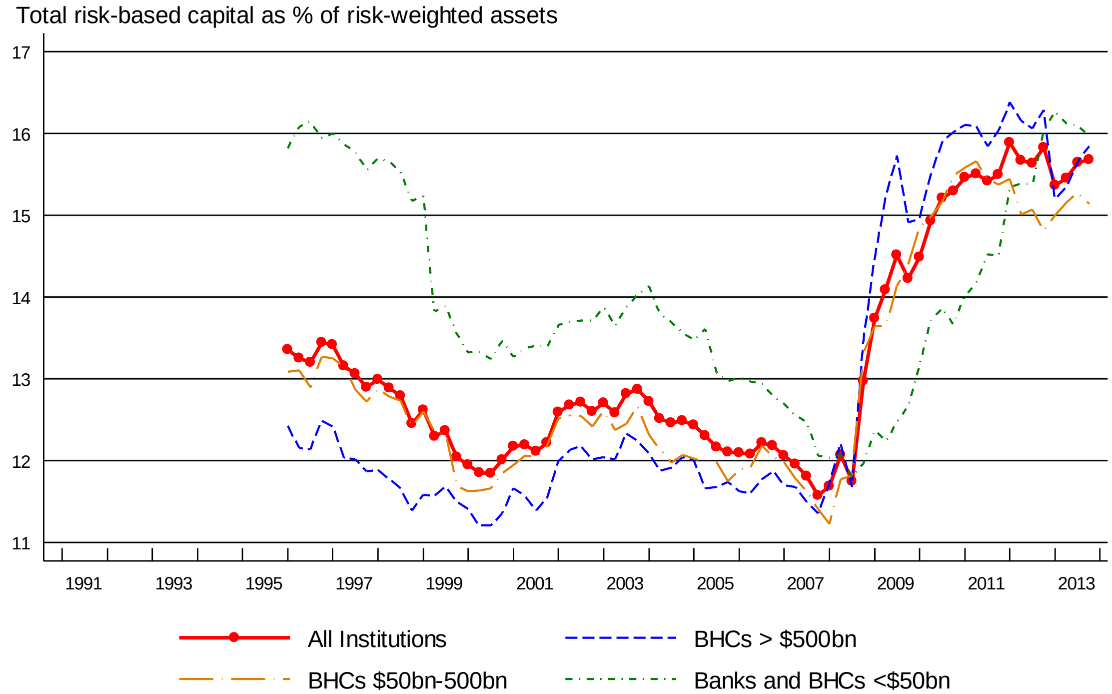
Note: See data notes for the definition of tier 1 common equity. This chart begins in 2001q1 because data for tier 1 common equity are not available prior to this date

Tier 1 Capital Ratio



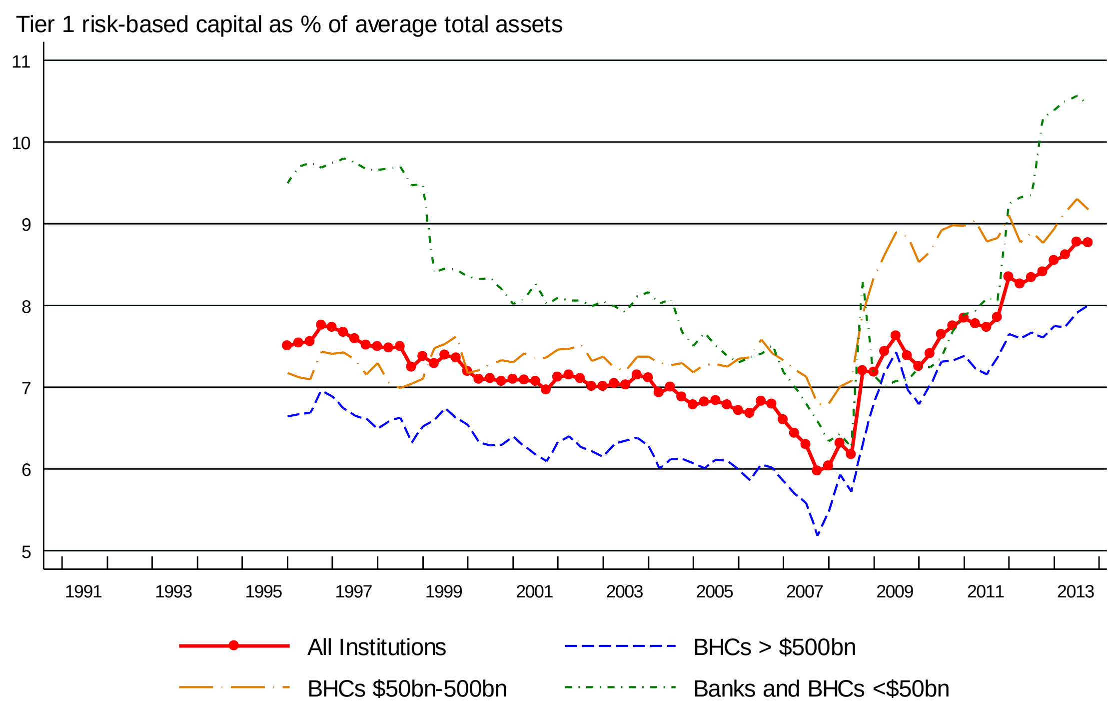
Note: This chart starts in 1996q1 because data for the components of this ratio are not available prior to that date.

Total Capital Ratio



Note: This chart starts in 1996q1 because data for the components of this ratio are not available prior to that date.

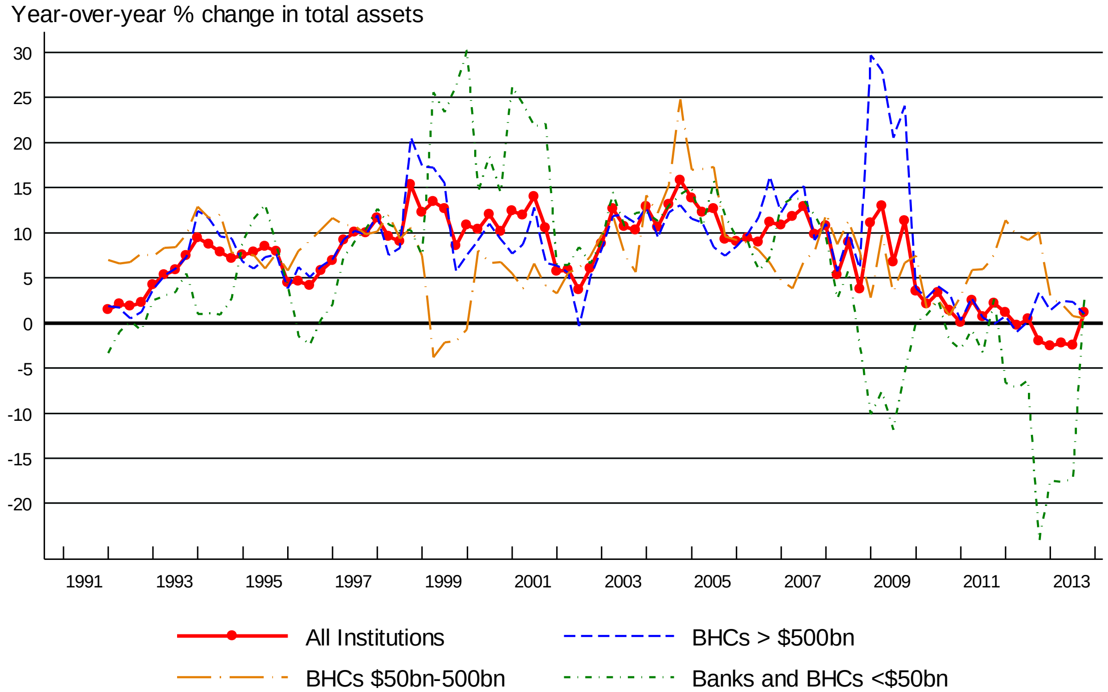
Leverage Ratio



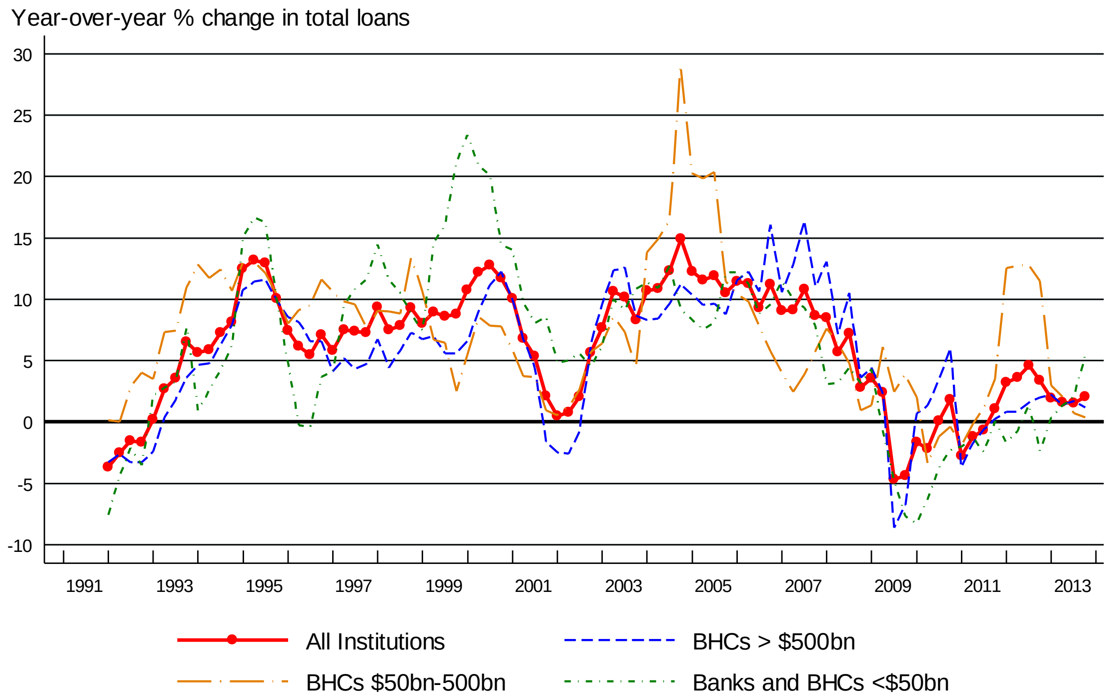
Note: This chart starts in 1996q1 because data for the components of this ratio are not available prior to that date.

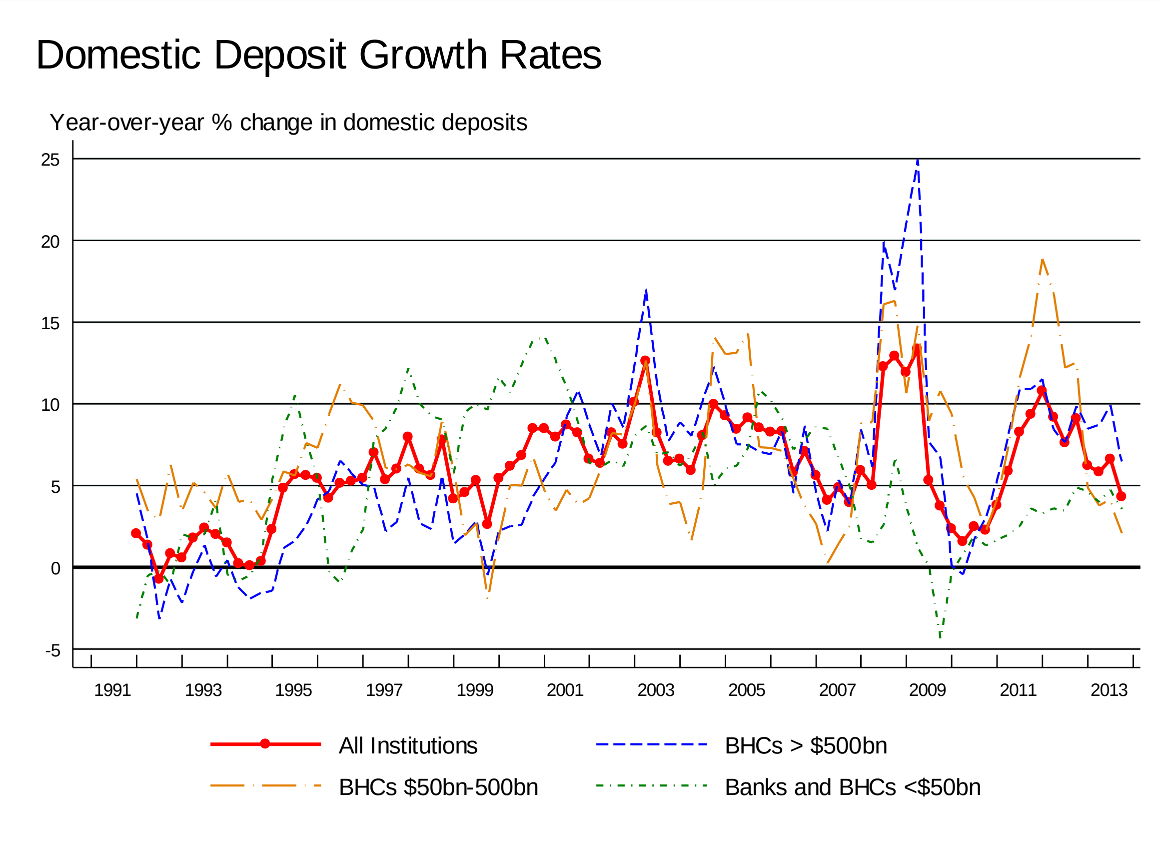
<u>Note</u>: Asset, loan and deposit growth rates presented below are affected by mergers with nonbanking firms, and conversions to and from a BHC charter during the sample period. This particularly affects the year-over-year growth rate for assets between 2009:Q1 and 2009:Q4, due to the entry of several new firms in 2009:Q1. See “Caveats and Limitations” for details.

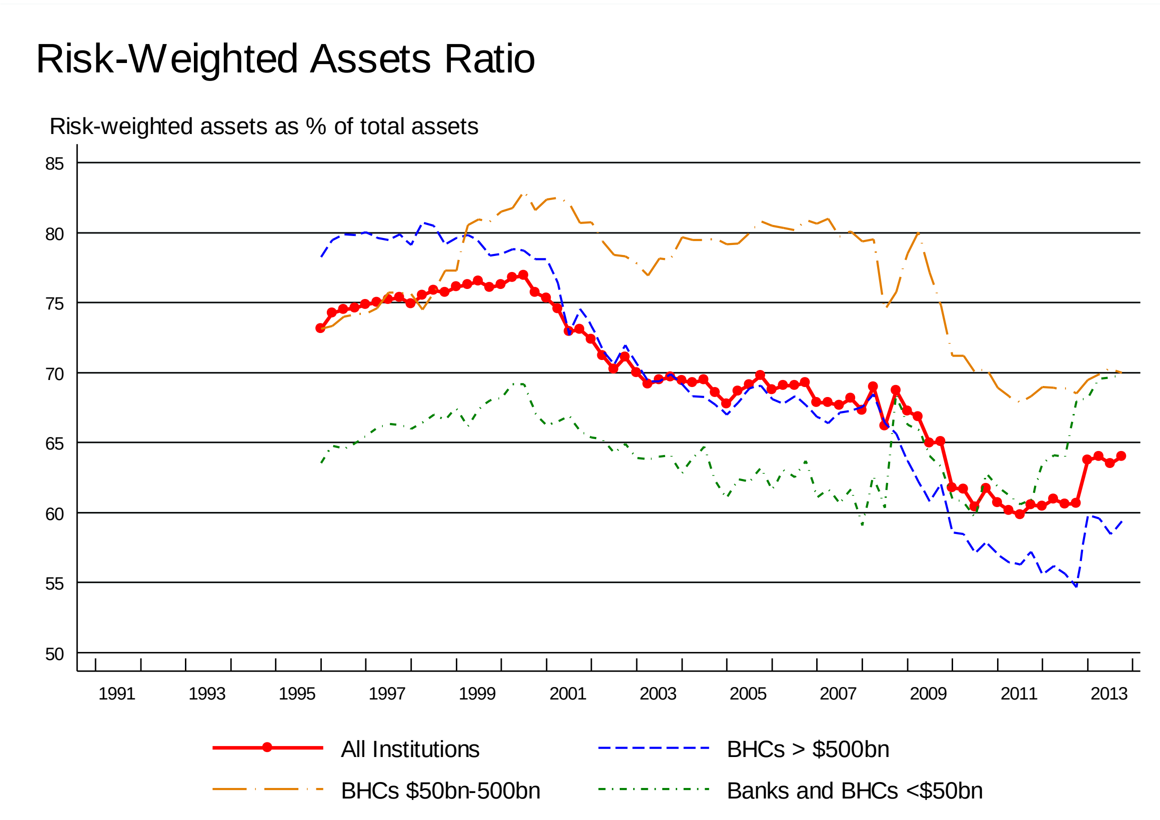
Asset Growth Rates



Loan Growth Rates







<u>Note</u>: This chart starts in 1996q1 because data for the risk-weighted assets component of this ratio are not reported prior to that date.

5. Consolidated Financial Statistics for the Fifty Largest BHCs

Rank	Name of Institution	Total Assets (Bil USD)	Quarterly Net Income (Mil USD)	Bank Profitability		Capital Adequacy Ratios (%)		
				Annualized Return on Assets	Annualized Return on Equity	Tier 1 Common Ratio	Tier 1 Capital Ratio	Total Capital Ratio
1	JPMORGAN CHASE & CO	2,415.7	5,278.0	0.87	10.00	10.73	11.94	14.36
2	BANK OF AMER CORP	2,105.0	3,439.0	0.65	5.91	11.19	12.44	15.44
3	CITIGROUP	1,880.4	2,456.0	0.52	4.81	12.64	13.68	16.65
4	WELLS FARGO & CO	1,527.0	5,610.0	1.47	13.19	10.82	12.33	15.43
5	GOLDMAN SACHS GROUP THE	911.6	2,332.0	1.02	11.89	14.59	16.73	19.87
6	MORGAN STANLEY	832.7	84.0	0.04	0.51	12.81	15.66	16.94
7	BANK OF NY MELLON CORP	374.3	539.0	0.58	5.75	14.51	16.18	16.97
8	U S BC	364.0	1,456.0	1.60	14.17	9.38	11.21	13.20
9	PNC FNCL SVC GROUP	320.6	1,047.8	1.31	9.88	10.47	12.35	15.78
10	CAPITAL ONE FC	297.3	858.8	1.16	8.23	12.23	12.61	14.73
11	HSBC NORTH AMER HOLD	290.0	-888.5	-1.23	-11.64	14.55	17.03	26.66
12	STATE STREET CORP	243.0	552.5	0.91	10.85	15.54	17.34	19.70
13	TD BK US HC	234.6	216.8	0.37	3.54	7.13	7.51	8.79
14	BB&T CORP	183.0	574.7	1.26	10.10	9.87	11.78	14.30
15	SUNTRUST BK	175.4	426.0	0.97	8.00	9.82	10.81	12.81
16	AMERICAN EXPRESS CO	153.4	1,308.0	3.41	26.84	12.49	12.49	14.35
17	ALLY FNCL	151.2	104.0	0.28	2.93	8.84	11.79	12.76
18	FIFTH THIRD BC	130.4	402.2	1.23	11.03	9.39	10.36	14.08
19	RBS CITIZENS FNCL GRP	122.3	152.2	0.50	3.17	13.49	13.49	16.11
20	REGIONS FC	117.7	226.8	0.77	5.75	11.21	11.68	14.73
21	BMO FNCL CORP	111.1	221.6	0.80	6.38	11.41	11.41	15.66
22	UNIONBANCAL CORP	105.9	178.2	0.67	5.02	12.34	12.41	14.61
23	NORTHERN TR CORP	102.9	169.8	0.66	8.58	12.90	13.36	15.81
24	KEYCORP	93.0	230.1	0.99	8.93	11.22	11.96	14.33
25	M&T BK CORP	85.2	221.4	1.04	7.83	9.22	12.00	15.07
26	BANCWEST CORP	83.5	150.5	0.72	5.08	10.65	10.83	12.10
27	DISCOVER FS	79.3	602.1	3.04	22.28	14.35	15.16	17.44
28	SANTANDER HOLDS USA	77.1	78.0	0.40	2.30	14.01	14.67	16.81
29	BBVA COMPASS BSHRS	72.0	68.8	0.38	2.40	11.39	11.62	13.74
30	DEUTSCHE BK TR CORP	67.0	151.0	0.90	8.66	20.61	20.61	21.12
31	COMERICA	65.4	116.6	0.71	6.52	10.64	10.64	13.10
32	HUNTINGTON BSHRS	59.5	157.8	1.06	10.35	10.90	12.28	14.57
33	ZIONS BC	56.0	-41.5	-0.30	-2.57	10.18	12.77	14.67
34	CIT GROUP	47.1	129.8	1.10	5.87	16.69	16.69	17.38
35	NEW YORK CMNTY BC	46.7	120.2	1.03	8.38	11.61	12.84	13.56
36	FIRST NIAGARA FNCL GROUP	37.6	77.7	0.83	6.22	7.85	9.56	11.53
37	UTRECHT-AMERICA HOLDS	36.0	-10.9	-0.12	-6.87	-1.75	-1.75	-1.75
38	POPULAR	35.7	163.0	1.82	14.09	14.83	19.15	20.42
39	CITY NAT CORP	29.7	55.1	0.74	8.04	8.78	10.09	13.00
40	BOK FC	27.0	73.0	1.08	9.67	13.59	13.77	15.56
41	SVB FNCL GRP	26.4	58.8	0.89	11.95	11.65	11.94	13.13
42	SYNOVUS FC	26.2	38.6	0.59	5.23	9.93	10.54	13.00
43	EAST W BC	24.7	75.8	1.23	12.82	11.36	11.88	13.53
44	CULLEN/FROST BKR	24.4	62.6	1.03	9.95	12.45	14.39	15.52
45	ASSOCIATED BANC-CORP	24.2	47.8	0.79	6.61	11.46	11.83	13.09
46	FIRSTMERIT CORP	23.9	57.2	0.96	8.46	10.47	11.54	13.98
47	FIRST HORIZON NAT CORP	23.8	51.0	0.86	9.24	10.75	13.87	16.23
48	COMMERCE BSHRS	23.1	65.9	1.14	11.93	14.06	14.06	15.28
49	RAYMOND JAMES FNCL	21.9	116.6	2.13	12.34	19.44	19.52	20.41
50	FIRST CITIZENS BSHRS	21.2	27.2	0.51	5.24	14.26	14.92	16.42
TOTALS*	TOP 50	14,387.4	29,689.0	0.83	7.83	11.55	12.88	15.56
	ALL INSTITUTIONS (BHCS AND BANKS)	17,255.4	37,409.9	0.87	8.15	11.94	13.25	15.68

*For the industry net income and capital adequacy ratios, we sum the numerator and denominator across individual firms and then compute ratios.

Notes and caveats

Methodology

The data used to construct the statistics in this report are drawn from the quarterly Consolidated Financial Statements for bank holding companies (FR Y-9C), and Consolidated Reports of Condition and Income for commercial banks (FFIEC 031 and 041). Reported statistics are defined in a time-consistent way across reporting form vintages.

To calculate the "all institutions" quarterly series, we aggregate the data for top-tier bank holding companies (BHCs), including US BHCs and bank subsidiaries of foreign banking organizations,[3] as well as commercial banks owned by BHCs that are too small to file Y-9C reports (the current reporting threshold is $500m of total assets), and unaffiliated (stand-alone) commercial banks. We identify "top-tier" BHCs (i.e. the U.S. parent entity) via the National Information Center (NIC, http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx), which provides data on firm attributes and structure. We identify commercial banks that are standalone firms or are owned by small BHCs by identifying all banks whose high holder does not submit a FR Y-9C report.

Separate statistics are also reported for the subset of BHCs with greater than $500 billion in total assets, for the subset of BHCs with $50 - $500 billion in total assets, and for the remainder of the industry. In 2013:Q4, 33 BHCs exceed $50 billion in total assets, 6 of which exceeded the $500 billion threshold: JPMorgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs, and Morgan Stanley. For consistency, time-series graphs for the "> $500bn" and $50-$500bn" groups represent available historical values for this same subset of firms. Statistics for most firms with more than $50 billion in total assets are prepared on a pro forma (merger-adjusted) basis; specifically, on the basis that all BHCs acquired by each of these firms over the sample period with US regulatory filings are part of the consolidated BHC from the start of the historical time period. Data values of acquired BHCs are then summed with acquirer data in the period before the acquisition. Merger events are identified using the NIC transformations table maintained by the Federal Reserve Board of Governors. Note that three BHCs with more than $50 billion in total assets are not adjusted using the pro forma methodology: TD Bank, Bancwest, and Deutsche Bank. After constructing the pro forma series for each firm, we aggregate the data to create the "BHCs > $500bn" and the "BHCs $50-$500bn" series. Finally, the "all other banks and BHCs" quarterly series is constructed by subtracting the "BHCs > $500bn" and "BHCs $50-$500bn" series from the "all institutions" series.

[3] The term "foreign-banking organization" generally refers to a foreign bank that (1) operates a branch, agency, or commercial lending company subsidiary in the United States; (2) controls a bank in the United States; or (3) controls an Edge corporation acquired after March 5, 1987. The term also includes any company of which such a foreign bank is a subsidiary. *See* 12 C.F.R. § 211.11(o).

The charts and tables presented in this report are grouped into the following five categories: composition of banking industry assets and liabilities, earnings and pre-provision net revenue, asset quality, capital adequacy and asset growth, and consolidated financial statistics for the fifty largest BHCs. Definitions of each plotted variable are presented on each chart.

Caveats and limitations

Statistics in this report are presented “as is”, based on calculations conducted by Federal Reserve Bank of New York research staff. While significant efforts have been made to ensure accuracy, the statistics presented here may be subject to future revision, for example because of changes or improvements in the “pro forma” methodology used to calculate statistics for industry subgroups.

We highlight a number of important limitations of the statistics presented here:

- Statistics exclude financial firms that are not either commercial banks or part of a commercial bank holding company. This creates discontinuities in the time-series graphs when nonbanking firms are acquired or sold by banks or BHCs, or when firms switch to or from a bank or BHC charter. For example, in 2009:Q1, Goldman Sachs, Morgan Stanley, Ally Financial, and American Express each began filing a FR Y-9C due to the conversion of each of these firms to a commercial banking holding company charter. This largely accounts for the sharp 13% increase in total measured industry assets in 2009:Q1, and a corresponding discontinuous upward shift in the industry asset growth rate during 2009.

- For the same reason, only 4 of the 6 BHCs in the BHCs > $500bn group (described in the methodology section on the previous page) exist in the data for the entire sample period (1991:Q1 to 2013:Q4). These 4 BHCs are JPMorgan Chase, Bank of America, Wells Fargo, and Citigroup. Goldman Sachs and Morgan Stanley entered the sample in 2009:Q1.

- Flow variables in bank and BHC regulatory filings are reported on a year-to-date basis. Quarterly flow variables are derived by “quarterizing” the data, that is, by subtracting the variable at time t-1 from the variable at time t for Q2, Q3, and Q4 of each calendar year. This quarterization procedure can create discontinuities when a bank or BHC enters the sample any time other than in Q1. To account for this, we drop the firm’s quarter of entry observation from the sample. This adjusted data is used to calculate all ratios in this report that are based on flow variables. However, to retain as much of the data as possible, unadjusted data is used to calculate ratios based only on stock variables, since stock variables do not need to be quarterized.

- Due to data limitations, industry statistics exclude nonbank subsidiaries of small BHCs that do not file a FR Y-9C (currently the FR Y-9C is filed only by firms with $500m in total assets). The effect of this exclusion on industry statistics is expected to be minor, however, since small BHCs generally do not have large nonbank subsidiaries.

Data notes

1. The definition of tier 1 common equity for BHCs used for this report is: tier 1 common equity = tier 1 capital – perpetual preferred stock and related surplus + nonqualifying perpetual preferred stock – qualifying Class A noncontrolling (minority) interests in consolidated subsidiaries – qualifying restricted core capital elements (other than cumulative perpetual preferred stock) – qualifying mandatory convertible preferred securities of internationally active bank holding companies. The definition of tier 1 common equity for banks is: tier 1 common equity = tier 1 capital – perpetual preferred stock and related surplus + nonqualifying perpetual preferred stock – qualifying noncontrolling (minority) interests in consolidated subsidiaries.

2. In the first quarter of 2010, banking organizations were required to transfer certain off-balance sheet items onto their balance sheets under FASB 166 and 167. These guidelines substantially affected loan balances, as large amounts of securitized loans were transferred onto bank balance sheets. This accounting change was likely a major factor influencing year-over-year growth rates of loans and total assets during this period, potentially causing these growth rates to appear larger than they would have otherwise been.