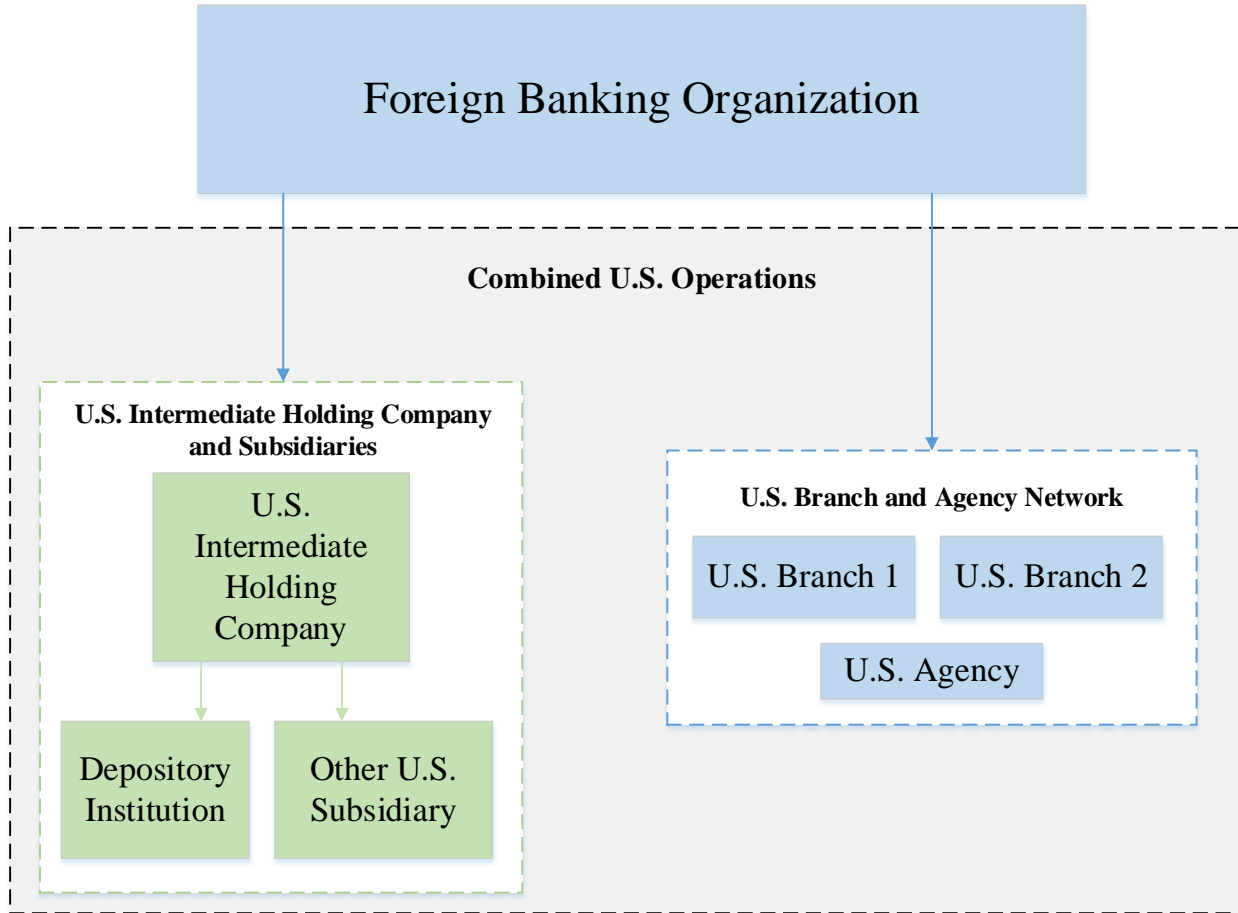


**Presentation Materials for Prudential Standards for  
Foreign Banking Organizations**

**Figure A: Illustration of a Foreign Banking Organization's Structure (Simplified Example)**



**Figure B: Proposed Requirements and Estimated Firm Categories**

**Proposed Capital and Other Requirements for Foreign Banking Organizations (FBOs)\***

	<b>Category II</b> ≥ \$700b U.S. assets or ≥ \$75b in cross-jurisdictional activity	<b>Category III</b> ≥ \$250b U.S assets or ≥ \$75b in nonbank assets, wSTWF, or off-balance sheet exposure	<b>Category IV</b> Other firms with \$100b to \$250b U.S assets	<b>FBOs with \$50b-\$100b                      U.S. assets</b> ≥ \$100b global assets and \$50b to \$100b U.S. assets
<b>IHC</b>	<b>U.S. IHC requirement</b>	<b>U.S. IHC requirement</b>	<b>U.S. IHC requirement</b>	<b>U.S. IHC requirement</b>
<b>Capital (IHC)</b>	<b>Stress testing</b> • CCAR (annual) • Annual company-run stress testing • Annual supervisory stress testing • Annual capital plan submission	<b>Stress testing</b> • CCAR (annual) • Company-run stress testing (two-year cycle) • Annual supervisory stress testing • Annual capital plan submission	<b>Stress testing</b> • CCAR (two-year cycle) • Supervisory stress testing (two-year cycle) • Annual capital plan submission	
	<b>Risk-based capital</b> • Countercyclical Buffer • No opt-out of AOCI capital impact	<b>Risk-based capital</b> • Countercyclical Buffer • Allow opt-out of AOCI capital impact	<b>Risk-based capital</b> • Allow opt-out of AOCI capital impact	<b>Risk-based capital</b> • Allow opt-out of AOCI capital impact
	<b>Leverage capital</b> • Supplementary leverage ratio	<b>Leverage capital</b> • Supplementary leverage ratio	<b>Leverage capital</b>	<b>Leverage capital</b>
<b>Other (combined U.S. operations)</b>	<b>Single-counterparty credit limits (SCCL)</b> • Meet home country SCCL consistent with Basel • IHC-level SCCL	<b>SCCL</b> • Meet home country SCCL consistent with Basel • IHC-level SCCL	<b>SCCL</b> • Meet home country SCCL consistent with Basel if global assets ≥ \$250b	<b>SCCL</b> • Meet home country SCCL consistent with Basel if global assets ≥ \$250b
	<b>Risk management</b> • U.S. risk committee and chief risk officer	<b>Risk management</b> • U.S. risk committee and chief risk officer	<b>Risk management</b> • U.S. risk committee and chief risk officer	<b>Risk management</b> • U.S. risk committee and chief risk officer

\* For IHC and capital standards, “U.S. assets” refers to U.S. non-branch assets. For other standards, “U.S. assets” refers to combined U.S. assets, including U.S. subsidiaries, branches, and agencies. FBOs with limited U.S. presence and global assets of \$100 billion or more would be subject to certain minimum standards.

**Glossary:** wSTWF – weighted short-term wholesale funding; IHC – intermediate holding company; AOCI – accumulated other comprehensive income; CCAR – Comprehensive Capital Analysis and Review.

## Proposed Liquidity Requirements for Foreign Banking Organizations (FBOs)

	Category II or ≥ \$75b in wSTWF	Category III with < \$75b in wSTWF	Category IV	FBOs with \$50b-\$100b U.S. assets and ≥ \$250b global assets
<b>Liquidity</b>	<b>Standardized</b> <ul style="list-style-type: none"> <li>• Full daily LCR and NSFR (100%) – IHC</li> </ul>	<b>Standardized</b> <ul style="list-style-type: none"> <li>• Reduced daily LCR and NSFR (70-85%) – IHC</li> </ul>	<b>Standardized</b> <ul style="list-style-type: none"> <li>• If wSTWF &lt; \$50b: No LCR or NSFR</li> <li>• if wSTWF ≥ \$50b:                             <ul style="list-style-type: none"> <li>◦ Reduced monthly LCR and NSFR (70-85%) – IHC</li> </ul> </li> </ul>	
	<b>Reporting</b> <ul style="list-style-type: none"> <li>• Report FR 2052a daily</li> </ul>	<b>Reporting</b> <ul style="list-style-type: none"> <li>• Report FR 2052a monthly</li> </ul>	<b>Reporting</b> <ul style="list-style-type: none"> <li>• Report FR 2052a monthly</li> </ul>	
	<b>Firm-specific</b> <ul style="list-style-type: none"> <li>• Liquidity stress tests (monthly)</li> <li>• Liquidity risk management</li> </ul>	<b>Firm-specific</b> <ul style="list-style-type: none"> <li>• Liquidity stress tests (monthly)</li> <li>• Liquidity risk management</li> </ul>	<b>Firm-specific</b> <ul style="list-style-type: none"> <li>• Liquidity stress tests (quarterly)</li> <li>• Reduced liquidity risk management</li> </ul>	<b>Home country requirements</b> <ul style="list-style-type: none"> <li>• Home country liquidity stress test</li> </ul>

The Board is also requesting comment on whether it should impose standardized liquidity requirements on the U.S. branch and agency network of an FBO, as well as possible approaches for doing so.

---

**Glossary:** wSTWF – weighted short-term wholesale funding; LCR – liquidity coverage ratio rule; NSFR – net stable funding ratio proposed rule.

**List of Firms and Projected Categories (based on estimated data)<sup>1</sup>**

<b>Category I</b>  U.S. GSIBs	<b>Category II</b>  ≥ \$700b U.S. assets or ≥ \$75b in cross-jurisdictional activity	<b>Category III</b>  ≥ \$250b U.S. assets or ≥ \$75b in NBA, wSTWF, or off- balance sheet exposure	<b>Category IV</b>  Other firms with \$100b to \$250b U.S. assets	<b>Other firms</b>  \$50b to \$100b in U.S. assets
	Barclays* Credit Suisse* Deutsche Bank* Mizuho* MUFG* Toronto-Dominion*	HSBC Royal Bank of Canada UBS	Banco Santander Bank of Montreal† BBVA BNP Paribas† BPCE† Société Générale† Sumitomo Mitsui†	Bank of China Bank of Nova Scotia Canadian Imperial Crédit Agricole I & C Bank of China Norinchukin Rabobank

While Category II and III standards are not the same, foreign banking organizations do not currently report all of the data for the measure of cross-jurisdictional activity and, accordingly, the Board is providing a range of potential firm categorizations.

<sup>1</sup> Projected categories are based on data for Q3 2018. Actual categories would be based on 4-quarter averages.

\* - Identifies firms that would be subject to Category III standards with weighted short-term wholesale funding of \$75 billion or more if the agencies measure cross-jurisdictional activity for foreign banking organizations based on minimum estimates (i.e., excluding all transactions with non-U.S. affiliates). Firms subject to Category III standards with weighted short-term wholesale funding of \$75 billion or more would be subject to full standardized liquidity requirements.

† - Identifies firms that would be subject to Category IV standards with weighted short-term wholesale funding of \$50 billion or more. Firms subject to Category IV standards with weighted short-term wholesale funding of \$50 billion or more would be subject to reduced standardized liquidity requirements.