

From: American Express Company, Brady P. Bagley  
Proposal: FR Y-15 (ICP #13-19; pub'd 8/30/13)  
Subject: Banking Organization Systemic Risk Report

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Comments:

Dear Mr. Frierson,

American Express Company meets the reporting threshold for filing the FR Y-15 for 2013 as a Bank Holding Company. Therefore, and pursuant to the comment instructions contained in the Federal Register dated August 30, 2013, we wish to seek additional clarification on the items noted below relating to certain observations we have had in reviewing the recently published FR Y-15 instructions. The items relate to Basel II and Basel III interconnectedness with the Y-15 and are as follows:

1. Schedule A - lines 2c, 2d and 2f- Notional amount of off-balance sheet items with 20%, 50% and 100% credit conversion factor as per the standardized approach under Basel II framework should be reported.

Clarification needed: The international Basel II standardized approach has generally not been implemented in the United States, and thus institutions are not building processes required to report these items under the Basel II standardized approach. A requirement to provide data items under a Basel II standardized approach that has not been implemented in the United States would create an undue burden on impacted institutions and seems unnecessary in light of the recently finalized Basel III standardized approach. We therefore propose that reporting these items not be required for advanced approach institutions.

2. Schedule D - lines 7, 8,9, 11, 12 - Level 1/Level 2 assets under Basel III framework.

Clarification needed: The liquidity coverage ratio ("LCR"), and accordingly level 1/level 2 asset reporting, would not apply to U.S. banking organizations until 2015. Early implementation of LCR-related reporting requirements would mean setting up additional and accelerated processes. We therefore propose to report these balances starting with the 2015 FR Y-15 report that will be filed in early 2016.

Thank you for your assistance and please let me know if further discussion would be helpful.

Kind regards,  
Brady Bagley

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