

General Instructions

FR Y-11 DRAFT
08/27/2009

BE SPECIFICALLY IDENTIFIED AS BEING CONFIDENTIAL.

Information for which confidential information is requested may subsequently be released by the Federal Reserve System if the Board of Governors determines that the disclosure of such information is in the public interest.

The Federal Reserve will determine whether information submitted with a request for confidential treatment will be so treated, and will advise the bank holding company through the appropriate Reserve Bank of any decision to make available to the public any of the information.

Amended Reports

The Federal Reserve may require the filing of amended Financial Statements of U.S. Nonbank Subsidiaries of U.S. Bank Holding Companies if reports as previously submitted contain significant errors. In addition, a bank holding company should file an amended report when internal or external auditors make audit adjustments that result in a restatement of financial statements affecting reports previously submitted to the Federal Reserve.

In the event that certain of the required data are not available, respondents should contact the appropriate Reserve Bank for information on submitting revised reports.

Definitions

Respondents should refer to the Glossary of the Instructions for the Consolidated Financial Statements for Bank Holding Companies (FR Y-9C) for information concerning general definitions.

For purposes of this report, related organizations include (1) any organization that directly or indirectly controls the reporting nonbank subsidiary, (2) any organization that is controlled directly or indirectly by the reporting nonbank subsidiary, or (3) any organization that is controlled directly or indirectly by any bank holding com-

pany that controls the reporting subsidiary (i.e., if more than one bank holding company directly or indirectly controls the reporting nonbank subsidiary, then all organizations directly or indirectly controlled by *each* bank holding company is considered related regardless of whom submits this report). In addition, for purposes of this report related organizations include all associated companies.

Nonrelated organizations include all organizations that do not meet the definition of "related organizations." Nonrelated organizations include all organizations outside of the bank holding company structure and refer to third party entities.

All references in the line item instructions to the "reporting bank holding company" refer to the subsidiary's top-tier bank holding company.

Miscellaneous General Instructions

Rounding

All financial items must be reported in thousands of dollars, with the figures rounded to the nearest thousand. Items less than \$500 should be reported as zero.

Negative Entries

Negative entries are generally not appropriate on the FR Y-11/FR Y-11S reports and should not be reported. Hence, assets with credit balances must be reported in liability items and liabilities with debit balances must be reported in asset items, as appropriate, and in accordance with these instructions.

Additional Information

The Federal Reserve System reserves the right to require additional information from nonbank subsidiaries if the FR Y-11/FR Y-11S report is not sufficient to appraise the financial soundness of the nonbank subsidiary or to determine its compliance with applicable laws and regulations.

unless the item instructions allow it.

Schedule IS

FR Y-11

Draft

9/10/2009

Report salaries and benefits of all officers and employees of the subsidiary including guards and contracted guards, temporary office help, dining room and cafeteria employees, and building department officers and employees (including maintenance personnel). Include gross salaries, wages, and other compensation; contributions to retirement plan, pension fund and profit-sharing plan; employee stock ownership plan, employee stock purchase plan, and employee savings plan; social security and other taxes paid by the subsidiary; health and life insurance premiums; relocation and tuition programs; and the cost of all other fringe benefits for officers and employees.

Report all noninterest expenses related to the use of premises, equipment, furniture, and fixtures, net of rental income, that are reportable in Schedule BS, item 5, "Premises and fixed assets." If this net amount is a credit balance, enclose it in parentheses.

Deduct rental income from gross premises and fixed asset expense. Rental income includes all rentals charged for the use of buildings not incident to their use by the reporting subsidiary, including rentals by regular tenants of the subsidiary, income received from short-term rentals of other facilities of the subsidiary, and income from sub-leases. Also deduct income from assets that indirectly represent premises, equipment, furniture, or fixtures reportable in Schedule BS, item 5, "Premises and fixed assets." Include normal and recurring depreciation and amortization charges against assets; all operating lease payments made by the subsidiary on premises and equipment; cost of ordinary repairs to premises (including leasehold improvements), equipment, furniture, and fixtures; cost of service or maintenance contracts for equipment, furniture, and fixtures; insurance expense related to the use of premises, equipment, furniture, and fixtures; all property tax and other tax expense related to premises (including leasehold improvements), equipment, furniture, and fixtures; cost of heat, electricity, water, and other utilities connected with the use of premises and fixed assets; cost of janitorial supplies and outside janitorial services; and services and fuel, maintenance, and other expenses related to the use of the subsidiary-owned automobiles, airplanes, and other vehicles for the subsidiary's business.

Include fees paid to directors and advisory directors for attendance at board of directors or committee meetings; premiums on fidelity insurance, directors' and officers'

liability insurance, and life insurance policies for which the subsidiary is the beneficiary; federal deposit insurance premium; Comptroller of the Currency assessment expense; legal fees and other direct costs incurred in connection with foreclosures; and advertising, promotional, public relations, and business development expenses; data processing cost; goodwill impairment losses; amortization expenses of and impairment losses for other intangible assets; and all other noninterest expenses pertaining to nonrelated organizations.

Also report any provision for credit losses related to off-balance-sheet credit exposures, based upon management's evaluation of the subsidiary's current off-balance-sheet credit exposures.

Line item 7(b) Pertaining to related organizations.

Report all expenses involving related organizations that cannot properly be reported in Schedule IS, item 2(b), "Interest expense pertaining to related organizations."

Report amounts that have net credit balances as noninterest income in item 5(b), "Noninterest income from related organizations." *Enclose negative amounts in parentheses or with a minus (-) sign.*

Line Item 7(c) Total noninterest expense. *For reports submitted electronically, use a minus (-) sign.*

Line Item 8 Income (loss) before extraordinary items and other adjustments. *a value less than zero.*

Report the sum of items 3, 5(c) and 6, minus items 4 and 7(c). If the result is negative, enclose the amount in parentheses.

Line Item 9 Applicable income taxes (benefits) (estimated).

Report the total estimated federal, state and local, and foreign income tax expense applicable to item 8, "Income (loss) before extraordinary items and other adjustments," including the tax effects of gains (losses) on securities not held in trading accounts (i.e., available-for-sale securities and held-to-maturity securities). Include both the current and deferred portions of these income taxes. If the result is negative (i.e., the amount is a tax benefit rather than a tax expense), enclose the amount in parentheses.

Include as applicable income taxes all taxes based on a net amount of taxable revenue less deductible expenses. Exclude the estimated income taxes applicable to foreign

General Instructions

FR 2314 DRAFT
08/27/2009

Holding Companies (FR Y-9C) for information concerning general definitions.

For purposes of this report, related organizations include (1) any organization that directly or indirectly controls the reporting nonbank subsidiary, (2) any organization that is controlled directly or indirectly by the reporting nonbank subsidiary, or (3) any organization that is controlled directly or indirectly by any bank holding company that controls the reporting subsidiary (i.e., if more than one bank holding company directly or indirectly controls the reporting nonbank subsidiary, then all organizations directly or indirectly controlled by *each* bank holding company is considered related regardless of whom submits this report). In addition, for purposes of this report related companies include all associated companies.

Nonrelated organizations include all organizations that do not meet the definition of "related organizations." Nonrelated organizations include all organizations outside of the bank holding company structure and refer to third party entities.

In addition, for purposes of this report "subsidiary"⁵ means any organization that has more than 50 percent of its voting shares held directly or indirectly, or that otherwise is controlled or capable of being controlled, by the investor or an affiliate of the investor under any authority. Among other circumstances, an investor is considered to control an organization if:

5. As defined by Section 211.2(w) of Regulation K of the Board of Governors of the Federal Reserve System.

- (1) The investor or an affiliate is a general partner of the organization; or
- (2) The investor and its affiliates directly or indirectly own or control more than 50 percent of the equity of the organization.

All references in the line item instructions to the "reporting bank holding company" refer to the subsidiary's parent bank holding company.

Miscellaneous General Instructions

Rounding

All financial items must be reported in thousands of dollars, with the figures rounded to the nearest thousand. Items less than \$500 should be reported as zero.

Negative Entries

Negative entries are generally not appropriate on the FR 2314/FR 2314S reports and should not be reported. Hence, assets with credit balances must be reported in liability items and liabilities with debit balances must be reported in asset items, as appropriate, and in accordance with these instructions.

Additional Information

The Federal Reserve System reserves the right to require additional information from foreign subsidiaries if the FR 2314/FR 2314S report is not sufficient to appraise the financial soundness of the subsidiary or to determine its compliance with applicable laws and regulations.

unless the item instructions allow it.

Schedule IS

FR 2314 Draft 9/10/2009

Report salaries and benefits of all officers and employees of the subsidiary including guards and contracted guards, temporary office help, dining room and cafeteria employees, and building department officers and employees (including maintenance personnel). Include gross salaries, wages, and other compensation; contributions to retirement plan, pension fund and profit-sharing plan; employee stock ownership plan, employee stock purchase plan, and employee savings plan; social security and other taxes paid by the subsidiary; health and life insurance premiums; relocation and tuition programs; and the cost of all other fringe benefits for officers and employees.

Report all noninterest expenses related to the use of premises, equipment, furniture, and fixtures, net of rental income, that are reportable in Schedule BS, item 5, "Premises and fixed assets." If this net amount is a credit balance, enclose it in parentheses.

Deduct rental income from gross premises and fixed asset expense. Rental income includes all rentals charged for the use of buildings not incident to their use by the reporting subsidiary, including rentals by regular tenants of the subsidiary, income received from short-term rentals of other facilities of the subsidiary, and income from sub-leases. Also deduct income from assets that indirectly represent premises, equipment, furniture, or fixtures reportable in Schedule BS, item 5, "Premises and fixed assets." Include normal and recurring depreciation and amortization charges against assets; all operating lease payments made by the subsidiary on premises and equipment; cost of ordinary repairs to premises (including leasehold improvements), equipment, furniture, and fixtures; cost of service or maintenance contracts for equipment, furniture, and fixtures; insurance expense related to the use of premises, equipment, furniture, and fixtures; all property tax and other tax expense related to premises (including leasehold improvements), equipment, furniture, and fixtures; cost of heat, electricity, water, and other utilities connected with the use of premises and fixed assets; cost of janitorial supplies and outside janitorial services; and services and fuel, maintenance, and other expenses related to the use of the subsidiary-owned automobiles, airplanes, and other vehicles for the subsidiary's business.

Include fees paid to directors and advisory directors for attendance at board of directors or committee meetings; premiums on fidelity insurance, directors' and officers' liability insurance, and life insurance policies for which

the subsidiary is the beneficiary; federal deposit insurance premium; Comptroller of the Currency assessment expense; legal fees and other direct costs incurred in connection with foreclosures; and advertising, promotional, public relations, and business development expenses; data processing cost; goodwill impairment losses; amortization expenses of and impairment losses for other intangible assets; and all other noninterest expenses pertaining to nonrelated organizations.

Also report any provision for credit losses related to off-balance-sheet credit exposures, based upon management's evaluation of the subsidiary's current off-balance-sheet credit exposures.

Line item 7(b) Pertaining to related organizations.

Report all expenses involving related organizations that cannot properly be reported in Schedule IS, item 2(b), "Interest expense pertaining to related organizations."

Report amounts that have net credit balances as noninterest income in item 5(b), "Noninterest income from related organizations." *Enclose negative amounts in parentheses or with a minus (-) sign.*

Line Item 7(c) Total noninterest expense. *For reports submitted electronically use a minus (-) sign*

Report the sum of items 7(a) and 7(b).

Line Item 8 Income (loss) before extraordinary items and other adjustments. *a value less than zero, to indicate*

Report the sum of items 3, 5(c) and 6, minus items 4 and 7(c). If the result is negative, enclose the amount in parentheses.

Line Item 9 Applicable income taxes (benefits) (estimated).

Report the total estimated federal, state and local, and foreign income tax expense applicable to item 8, "Income (loss) before extraordinary items and other adjustments," including the tax effects of gains (losses) on securities not held in trading accounts (i.e., available-for-sale securities and held-to-maturity securities). Include both the current and deferred portions of these income taxes. If the result is negative (i.e., the amount is a tax benefit rather than a tax expense), enclose the amount in parentheses.

Include as applicable income taxes all taxes based on a net amount of taxable revenue less deductible expenses. Exclude the estimated income taxes applicable to foreign currency translation adjustments included in Sched-