

## Micro Report Series Description

<b>Series Mnemonic</b>	BHCF
<b>Series Name</b>	Combined Bank Holding Company File which contains the following: BHCK Consolidated Financial Statements for Bank Holding Companies; FR Y-9C BHCP Parent Company Only Financial Statements for Large Bank Holding Companies; FR Y-9LP BHSP Parent Company Only Financial Statements for Small Bank Holding Companies; FR Y-9SP FHCK Supplement to the Consolidated Financial Statements for Bank Holding Companies, FR Y- 9CS
<b>Start and End Dates</b>	BHCK June 30, 1981 - Continuing BHCP June 30, 1981 - Continuing BHSP June 30, 1986 - Continuing FHCK March 31, 2000 – December 31, 2001
<b>Frequency</b>	BHCK Quarterly as of the last calendar day of the quarter. BHCP Quarterly as of the last calendar day of the quarter. BHSP Semi-annually as of the last calendar day of June and December FHCK Quarterly as of the last calendar day of the quarter for BHCK and semiannually as of June and December for BHSP. The LDCE is a one-time effort to be completed by June 30, 2008.

### **Reporting Panel**

BHCK

This report is filed by BHCs and SLHCs with total consolidated assets of \$500 million or more. In addition, BHCs and SLHCs meeting certain criteria may be required to file this report, regardless of size. However, when such BHCs or SLHCs own or control, or are owned or controlled by, other BHCs or SLHCs, only top-tier holding companies must file this report for the consolidated holding company organization.

BHCP

This report is filed by the parent company of large BHCs and SLHCs. For purposes of this report, large BHCs and SLHCs are BHCs and SLHCs with total consolidated assets of \$500 million or more. In addition, BHCs and SLHCs meeting certain criteria may be required to file this report regardless of size. When such BHCs or SLHCs are tiered holding companies, each of the subsidiary holding companies files separate reports.

#### BHSP

This report is filed by small BHCs and SLHCs. For purposes of this report, small BHCs and SLHCs are BHCs and SLHCs with total consolidated assets of less than \$500 million, except BHCs and SLHCs meeting certain criteria that may be required to file the Consolidated Financial Statements for Bank Holding Companies (FR Y 9C). When such BHCs and SLHCs are tiered BHCs or SLHCs, each of the subsidiary BHCs or SLHCs file separate reports.

#### FHCK

The panel consists of all domestic BHC. For the supplement filed from March 31, 2000, to December 31, 2001, all financial holding companies filing the FR Y-9C or FR Y-9SP were required to complete the report. In a multi-tiered organization that included one or more financial holding companies, only the top-tier bank holding company was required to file the report. The panel for June 30, 2008, was open to banking organizations implementing an Advanced Measurement Approach to calculate operational risk capital under the Basel II Risk-Based Capital Framework (Currently not in use)

#### ***Major Changes to Reporting Panel***

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) was enacted into law on July 21, 2010. Title III of the Dodd-Frank Act abolished the Office of Thrift Supervision (OTS) and transferred all former OTS authorities (including rulemaking) related to SLHCs to the Federal Reserve effective as of July 21, 2011. The Federal Reserve also became responsible for the consolidated supervision of SLHCs beginning July 21, 2011. During 2011, the Board finalized its proposal exempting a limited number of SLHCs from regulatory reporting using the Board's existing regulatory reports and providing a two year phase-in approach for regulatory reporting for all other SLHCs beginning March 31, 2012.

Beginning March 31, 2006, the FR Y-9C and the FR Y-9LP filing threshold was increased from \$150 million to \$500 million or more and the reporting exception that required each lower-tier

bank holding company with total consolidated assets of \$1 billion or more to file the FR Y-9C was eliminated. FR Y-9SP filing threshold was increased from \$150 million to companies with total consolidated assets of less than \$500 million.

**Data Mode**

On a flow basis

Thousands of dollars

**Data Availability**

BHCK

Unedited data are due at the Board no later than 55 calendar days following the end of each quarter. For the nation's 50 largest bank holding companies, edited data are due 5 business days following the day forms are due at the Reserve Banks. For all other edited data, the 10th calendar day of the third month following the report date (e.g., December data are due by March 10).

BHCP See "BHCK"

BHSP

Unedited data are due at the Board on a flow basis. Edited data for the June report are due by September 15th, and for the December report are due by March 15<sup>th</sup>.

FHCK

Currently not in use.

**Major Series Changes**

BHCK

*Beginning June 30, 2012*, six new memoranda line items were added to Schedule HC-N to collect the outstanding balances of purchased credit-impaired loans accounted for under ASC 310-30 (items 9.a.A, 9.a.B, and 9.a.C), as well as their carrying amount included in items 1-7 of Schedule HC-N (items 9.b.A, 9.b.B, and 9.b.C). These loans are segregated into those that are past due 30 to 89 days, past due 90 days or more and still accruing, and in nonaccrual status. These items were added due to significant and growing acquisitions of loans accounted for under ASC 310-30, necessitating a means of determining the origin of that growth for supervision purposes.

Two additional items were added to Schedule HC-P to report the quarter-end representation and warranty reserves for 1-4 family residential mortgage loans sold. They were broken out of other liabilities on the balance sheet. The two items segregate these representations and warranties between those made to U.S. government agencies and government sponsored agencies (item 7.a) and those made to other parties (item 7.b).

*Beginning March 31, 2012*, SLHCs that met the FR Y-9C reporting criteria, and were not initially exempt from reporting, were required to submit the FR Y-9C

*Beginning September 30, 2011*, the repeal of Regulation Q allowed for the payment of interest on demand deposits by institutions that are member banks of the Federal Reserve System. As a result, clarifications related to the reporting of interest-bearing demand deposits on Schedule HC, item 13.a.(1), Schedule HC-E, items 1.a., 1.b, 2.b, and Schedule HC-K, items 6 and 7 were required.

Additionally, on Schedule HC-B, items 4.b.(1), 4.b.(2), 4.c.(2) and Schedule HC-D, items 4.b, 4.d, the acronyms FNMA, FHLMC, or GNMA were replaced to more generally reference U.S. Government agencies or sponsored agencies. Footnotes describing examples of U.S. Government agencies and U.S. Government sponsored agencies were also added.

*Beginning March 31, 2011*, There were several changes made to the FR Y-9C to better understand BHCs' risk exposures, support macroeconomic analysis and monetary policy, and collect certain information due to changes in accounting standards.

On both, Schedules HC-C and HC-N, Memorandum item 1 was revised and expanded to capture data on loans that have undergone troubled debt restructurings as defined in GAAP. The expanded collection of this data is similar to the loan categories in Schedule HC-C, line items 1 through 9.

Line items with the titles "Other consumer loans" or "All other loans" on Schedule HC-C, Schedule HC-D, Schedule HC-M, Schedule HC-N, and Schedule HI-B Part I were broken down in order to separately collect information on automobile loans. These changes were due to the significance that automobile loans have on consumer business for many large BHCs and the implementation of the amendments to FASB ASC Topics 860 and 810.

Additional line items were added to Schedule HC-B items 4.c.(1) and 4.c.(2) and Schedule HC-D item 4.d to expand upon the existing information on commercial mortgage-backed securities.

The additions distinguish between commercial MBS issued or guaranteed by U.S. government agencies and sponsored agencies and commercial MBS issued by others.

A new Schedule HC-V, Variable Interest Entities, was added to the report to be consistent with the changes to the Call Report. The first category deals with assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of consolidated VIEs. The second category includes liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the reporting bank holding company. Many of the item titles in these two categories can also be found on the balance sheet (Schedule HC). This new information represents the amounts collected on Schedule HC after eliminating intercompany transactions. Two more categories were added for assets and liabilities that are not solely used for settling obligations of VIEs and for which creditors have recourse to the general credit of the reporting BHC.

Data collected on Schedules HC-M and HC-N concerning assets covered by FDIC loss-sharing agreements was expanded to include each loan and lease category from Schedule HC-C, "Loans secured by real estate (in domestic offices)". Data item 6.a also includes the following breakdowns: (2) Loans to finance agricultural production and other loans to farmers, (3) Commercial and industrial loans, (4) Loans to individuals for household, family, and other personal expenditures, and (5) All other loans and leases. Item 6.a.(5) was broken down even further to specify which loans fall under the "All other loans and leases" category. Data item 6.b "Other real estate owned" was also broken down into the following categories "in domestic offices" only: (1) Construction, land development, and other land, (2) Farmland, (3) 1-4 family residential properties, (4) Multifamily (5 or more) residential properties, and (5) Nonfarm nonresidential properties. A new item, 6.b.(6), was added for other real estate owned in foreign offices. Another new item, 6.b.(7), was added to represent the "portion of covered other real estate owned included in items 6.b.(1) through 6.b.(6) that is protected by FDIC loss-sharing agreements". Loans and leases covered by FDIC loss-sharing agreements were removed from item 11 on Schedule HC-N and a new item, item 12, was added to collect these data using the same categories as item 6.a on Schedule HC-M.

Two new data items, 7.a and 7.b, were added to Schedule HC-M for captive insurance and reinsurance subsidiaries. When reporting the total assets of these captive subsidiaries, the assets should be measured before eliminating intercompany transactions between the consolidated subsidiary and other offices or subsidiaries of the consolidated BHC.

Due to the volatility in the markets regarding the investment options in separate account life insurance policies, data item 5 on Schedule HC-F was split into three items: 5.a., general account life insurance assets, 5.b., separate life account insurance assets, and 5.c, hybrid account life insurance assets.

Schedule HI Memoranda item 9 was expanded to include two new items: 9.f., Impact on trading revenue of changes in the creditworthiness of the BHC's derivatives counterparties on the BHC's derivative assets, and 9.g., Impact on trading revenue of changes in the creditworthiness of the BHC's derivatives counterparties on the BHC's derivative liabilities. These items are to be completed by BHCs with total assets of \$100 billion or more due to importance of credit valuation adjustment (CVA) as well as debit valuation adjustment (DVA).

Revisions to the FR Y-9C unrelated to the Call Report were made to expand information collected on Schedule HC-K, Quarterly Averages. There is a greater emphasis on securities and loan portfolios, with a more detailed breakdown of item 1 and item 3.a. Item 1 provides information on (a) U.S. Treasury securities and U.S. government agency obligations, (b) Mortgage-backed securities, and (c) All other securities (including securities issued by states and political subdivisions in the U.S.). Item 3.a was expanded to include the following breakdowns: (3) Loans to finance agricultural production and other loans to farmers, (4) Commercial and industrial loans, and (5) Loans to individuals for household, family, and other personal expenditures. Item 3.a.(5) includes a breakdown of (a) Credit cards and (b) Other. These changes were made to facilitate analysis of a firm's asset fluctuations over a quarter, and to be consistent with a firm's public SEC filings

*Beginning December 31, 2010*, A new hard captioned item was added to the Notes to the Balance Sheet – Other item 4 on the FR Y-9C, to disclose bank holding company participation in the Treasury's Community Development Capital Initiative (CDCI).

*Beginning March 31, 2010* in reaction to FAS 115-2, which amended the accounting standards applied to other-than-temporary impairment on investments in debt securities, three new memoranda items, 17.a , 17.b, and 17.c, were added to Schedule HI to monitor other-than temporary impairment losses on both held-to-maturity and available-for-sale securities. Date of Signature on the cover page will be a transmittable item.

On Schedule HC-C, the item, "All other loans," was split to create the new items "Loans to nondepository financial institutions" and "All other loans (exclude consumer loans)." To improve the collection of Quarterly Averages on Schedule HC-K items 3.a, "Total loans and leases in domestic offices," and 3.b, "Total loans in foreign offices, Edge, agreement subsidiaries, and IBFs," were added. Items 3.a and 3.b on Schedule HC-K were renumbered to 3.a(1) and 3.a(2), respectively, while item 3c was ended.

For Schedule HC-L, item 1.b, "Unused commitments: credit card lines," was divided into two new items, 1.b(1), "Unused consumer credit card lines, and 1.b(2), "Other unused credit card lines." Also on Schedule HC-L, item 1.e, "Other unused commitments," was broken into three new items, 1.e(1) "Commercial and industrial loans," 1.e(2), "Loans to financial institutions," and 1.e(3), "All other unused commitments." On Schedule HC-M four new items were added, 6.a, 6.b, 6.c, and 6.d, to monitor those assets covered by loss-sharing agreements with the FDIC.

On the Notes to the Income Statement, item 1, the hard coded caption and item was changed to capture the, "Cumulative effect of the initial application of FAS 167 related to newly consolidated variable interest entities." Notes to the Balance Sheet, item 2 is a hard coded caption, "Amount of assets included in Schedule HC-R, item 43, column B, that are booked on-balance-sheet per requirements of FAS 166/167," was added. Finally, Notes to the Balance Sheet, item 3 is a hard coded caption, "Amount of ALLL recognized on the implementation date for assets that were booked onbalance- sheet as a result of the bank holding company's implementation of FAS 167," was added.

*Beginning December 31, 2009*, a new precaptioned item, HI-Mem6h, "Gains on bargain purchases," was added to the FR Y-9C report form to collect information related to the acquisition of failed institutions by the BHC. The caption to item HC-N11 was updated for clarification that loans and leases covered by FDIC loss-sharing agreements were to be included in the loans and leases guaranteed by the U.S. Government. to separately

*Beginning June 30, 2009* to separately track each type of mortgage backed securities holding, items on Schedule HC-B and Schedule HC-D were revised. Items 4.a and 4.b on Schedule HC-B and items 4.a, 4.b and 4.c on Schedule HC-D were limited to only include residential mortgage backed securities. New items 4.c on Schedule HC-B and 4.d on Schedule HC-D were added for the reporting of commercial mortgage backed securities. In addition, revisions to

Schedules HC-B and HC-D were made to clarify a bank holding company's holdings of structured financial products. These complex products are often difficult to value and face significant market, credit, liquidity, and valuation risk. As a result, item 5 on Schedule HC-B was expanded to include items 5.b(1), 5.b(2), and 5.b(3), which denote structured financial cash, synthetic, and hybrid products, respectively. Schedule HC-D item 5 was revised to provide a similar breakdown of these products. Memoranda item 6 on Schedule HC-B and memoranda item 3 on Schedule HC-D were added to provide additional details regarding the underlying collateral or reference assets backing these structured financial products.

An increased volume of pledged loans and pledged trading securities necessitated the collection of additional data on this activity. Memoranda item 14 was added to capture pledged loan data on Schedule HC-C and memoranda items 4.a and 4.b on Schedule HC-D were added to collect data on pledged trading assets for pledged securities and loans, respectively.

It was also determined that credit derivatives should be monitored in terms of regulatory capital treatment and maturity. As a result, line items 7.c and 7.d were added to Schedule HC-L and on Schedule HC-R memoranda item 2.g was revised to collect credit derivative contracts that are considered purchased credit protection that (a) are a covered position under the market risk rule or (b) are not a covered position under the market risk rule and are not recognized as a guarantee for riskbased capital purposes by investment grade and maturity.

Another addition to Schedule HC-L was line item 15. The addition was driven by increased growth in bank holding companies usage of over-the-counter (OTC) derivatives and the significant credit risk associated with these products. Previously, there was virtually no information regarding OTC derivative exposures on the FR Y-9C report. Since most OTC derivative transactions occur in large institutions, only bank holding companies with total assets of \$10 billion or more, as of the previous June, are required to provide this data. In order to better distinguish a bank holding company's investments in real estate ventures, "Direct and indirect investments in real estate ventures" was recaptioned and renumbered from Schedule HC-M item 6 to Schedule HC item 9. In addition, Schedule HC-M line items 13.a and 13.b were eliminated and 13.c was renumbered to item 13.

Significant revisions were made to Schedule HC-Q. First, a regulatory requirement was made to require all bank holding companies to complete the schedule. In addition, Schedule HC-Q was

expanded to improve the consistency of the data collected with FAS 157 requirements. New data items added to collect fair value information included the following: available-for-sale securities, federal funds sold and securities purchased under agreements to resell, loans and leases held for sale, loans and leases held for investment, trading derivative assets, other trading assets, federal funds purchased and securities sold under agreements to repurchase, trading derivative liabilities, other trading liabilities, other borrowed money, and subordinated notes and debentures. Finally, memoranda items 1 and 2 were added, which bank holding companies are instructed to itemize and describe all other assets and liabilities reported that are greater than \$25,000 and exceed 25% of the value in the all other asset or all other liability items, respectively, including mortgage servicing rights, nontrading derivative assets, loan commitments (not accounted for as derivatives), and nontrading derivative liabilities. On Schedule HC-R, in order to increase the transparency of unused eligible liquidity facilities for Asset-Backed Commercial Paper (ABCP) conduits with an original maturity of one year or less, line 53 was broken down into parts 53.a and 53.b.

*Beginning March 31, 2009*, the contact information on the cover pages for the FR Y-9C were assigned new MDRM numbers to allow the Board to receive the text items in the data transmissions. Additional detail has been added to monitor activities that have resulted in significant risk exposures associated with several line items in Schedule HC-D. The line items impacted were, item 13.a, "Liability for short positions," and memorandum item, M.9, "Other trading assets," to account for the gross fair value of commodity contracts and physical commodities held in inventory. Several revisions were made to Schedule HC-R to line items that were affected by the amended risk – based capital standards for BHCs concerning trust preferred securities and the revised quantitative limits applied to various classes of preferred stock. On Schedule HC-M, two new line items were added to collect information on the "issuances associated with the U.S. Department of Treasury Capital Purchase Program."

A number of changes were made to the FR Y-9C to parallel the changes made to the Call Report. The schedules that were affected by these changes are Schedules HI, HI-A, HC, HC-C, and HC-L. The changes to the Financial Accounting Standards (FAS) resulted in revisions to the reporting of minority interest and loans and leases acquired in business combinations. To conform to FAS 160, which defines minority interest as the portion of equity in a BHC's subsidiary not attributable, directly or indirectly, to the parent BHC, several report items were revised on Schedules HI, HI-A, HC, and HC-R. To accommodate the change to FAS 141,

additional disclosures on loans and leases that were acquired during a business combination, a new memorandum item, M.12, "Loans (not subject to the requirements of AICPA Statement of Position 03-3) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year," was added to Schedule HCC. Certain items were determined to be less useful for BHCs with less than \$1 billion in total assets so these institutions were exempted from reporting Schedule HI memoranda items, 12.a, "Income from the sale and servicing of mutual funds and annuities (in domestic offices)," 12.b(1), "Premiums on insurance related to the extension of credit," 12.b(2), "All other insurance premiums," and 12.c, "Benefits, losses, and expenses from insurance-related activities," and Schedule HC-L items, 2.a, "Amount of financial standby letters of credit conveyed to others, and 3.a, "Amount of performance standby letters of credit conveyed to others."

*Beginning March 31, 2008,* several schedules and line items were affected due to changes related to 1-4 family residential mortgage loans. Higher concentration and concern for bank holding companies' risk associated with these loans required understanding and monitoring of the bank holding companies' data and exposure to such loans. As a result, the following schedules were affected: Schedule HI added new income and fee items; Schedule HC-K added new quarterly average balances for "Loans secured by 1-4 family residential properties in domestic offices," "All other loans secured by real estate in domestic offices," and "All other loans in domestic offices;" Schedules HI-B, HC-C, and HC-N memoranda items were repositioned to the respective main reporting schedules for collection of "Construction, land development, and other land loans: (1) 1-4 family residential construction loans, (2) Other construction loans and all land development and other land loans," and "Secured by nonfarm nonresidential properties in domestic offices: (1) Loans secured by owner-occupied nonfarm nonresidential properties, (2) Loans secured by other nonfarm nonresidential properties." Schedules HC-C and HC-N memoranda item 1, restructured and in compliance with their modified terms and restructured loans past due or in nonaccrual status in relation to their modified terms, was revised to include "Loans secured by 1-4 family residential properties in domestic offices." New memoranda items on Schedules HC-C and HC-S were added to collect data on 1-4 family mortgages in the process of foreclosure as an indication of the potential additions to the bank holding company's other real estate owned balance. Due to the significant increase in the amount of loans extended under lines of credit, the scope of Schedule HC-P was revised to collect data on open-end 1-4 family residential mortgage banking activities (originations, purchases, and sales of open-end 1-4 family residential mortgages during the

quarter; the amount of such mortgages held at quarter-end; and noninterest income during for the quarter from the sale, securitization, and servicing of open-end residential mortgages). In addition to the expanded scope on Schedule HC-P, new items were added for “Repurchases and indemnifications of 1-4 family residential mortgage loans during the quarter” to capture the additional risk to the bank holding company because of borrower defaults, loan defects, other breaches of representations and warranties, and other such reasons.

For the Board to effectively evaluate the safety and soundness of bank holding companies that utilize the fair value option pursuant to FAS 159, Schedules HC-C, HC-D, and HC-N were amended to include new memoranda items. Schedule HC-C was revised to include the collection of loan data reported in the schedule that are measured at fair value under the fair value option. The new information added was (1) the fair value of such loans measured by major loan category and (2) the unpaid principal balance of such loans by major loan category. The same items were added Schedule HC-D because Schedule HC-C provides data on loans held for investment and for sale. In addition, “Other trading liabilities,” was added to Schedule HC-D in recognition of a bank holding company’s ability to elect to measure certain liabilities at fair value in accordance with FAS 159 and designate them as held for trading. On Schedules HC-D and HC-N, two new data items were added to collect data on the fair value and unpaid principal balance of loans measured at fair value under a fair value option that are ninety or more past due and classified as trading based on the loan’s contractual maturity (HC-D) or that are past due or in nonaccrual status (HC-N). In addition, the following items were added to Schedule HI, (1) net gains (losses) recognized in earnings on assets that are reported at fair value under a fair value option, (2) estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk, (3) net gains (losses) recognized in earnings on liabilities that are reported at fair value under a fair value option, and (4) estimated net gains (losses) on liabilities attributable to changes in the instrument-specific credit risk.

Schedule HC-Q was revised to reduce reporting burden on bank holding companies and to improve transparency on certain assets and liabilities measured at fair value reported on the schedule. Two new columns were added, “Amounts Netted in the Determination of Fair Value” and “Level 1 Fair Value Measurements,” based on a review of industry practices and the Board’s needs. Other revisions included on Schedule HI, the reporting threshold requiring the itemization other noninterest income and other noninterest expense was changed to 3% based on income statement items, 5.I, “Other noninterest income,” and 7.d, “Other noninterest

expense,” respectively, and the expansion of Schedule HC-D to collect data of bank holding companies with exposure to market, liquidity, credit, operational, and other risks posed by trading assets held in foreign offices.

*Beginning June 30, 2007*, the FR Y-9C report form Notes to the Income Statement—Other, item 1, was preprinted to itemize the amount of, "Cumulative-effect adjustment resulting from the initial adoption of FAS 159, Fair Value Option," included in Schedule HI-A, item 2. The MDRM number for existing Notes to the Income Statement—Other, item 1, was changed to F465 and a footnote was added to Schedule HI-A, item 2

*Beginning March 31, 2007*, the following changes were made in parallel with the Call Report revisions. On Schedule HI, item 5.d, "Investment banking, advisory, brokerage, and underwriting fees and commissions," was separated into 3 items: 5.d(1), "Fees and commissions from securities brokerage," 5.d(2), "Investment banking, advisory, and underwriting fees and commissions," and 5.d(3), "Fees and commissions from annuity sales." Items 5.h(1) "Underwriting income from insurance and reinsurance activities," and 5.h(2), "Income from other insurance activities," were renumbered to 5.d(4) and 5.d(5), respectively.

Several new items were added to Schedule HI, memorandum. A new hard coded caption, item 6.i, "Net change in the fair values of financial instruments accounted for under a fair value option," was added to memoranda item 6, "Other noninterest income." A new risk exposure item was added to memorandum item 9, "Trading Revenue," 9.e, "Credit exposures." Memorandum 10, "Net gains(losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account" was added as a new item and broken into two parts: 10.a, "Net gains(losses) on credit derivatives held for trading," and 10.b, "Net gains(losses) on credit derivatives held for purposes other than trading."

Schedule HI-B, Part I, items 8.a and 8.b, "Lease financing receivables" captions were revised from, "To U.S. addressees (domicile)" and "To non-U.S. addressees (domicile)" to "Leases to individuals for household, family, and other personal expenditures" and "All other leases," respectively. Two new memoranda items were added to Schedule HI-B, Part I, Memorandum item 4, "Construction, land development, and other land loans," and Memorandum item 5, "Loans secured by nonfarm nonresidential properties." Memorandum item 4 was broken into two parts, 4.a, "1-4 family residential construction loans," and 4.b, "Other construction loans and

all land development and other land loans.” Memorandum item 5 was broken into two parts, 5.a, “Loans secured by owner-occupied nonfarm nonresidential properties,” and 5.b, “Loans secured by other nonfarm nonresidential properties.” Revisions to the following Schedules HC-C and HC-N items were consistent with the changes identified above in Schedule HI-B, Part I: On Schedule HC-C, items 10.a and 10.b were revised and memorandum items 7 and 8 were added. On Schedule HC-N, items 8.a and 8.b were revised and memorandum items 9 and 10 were added.

To monitor negative amortization on residential mortgage loans memorandum items were added to Schedules HI and HC-C. Schedule HI memorandum item 16, to be completed by bank holding companies that are required to complete Schedule HC-C memorandum items 6.b and 6.c were added, “Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (included in Schedule HI, item 1.a(1)).” On Schedule HC-C, memorandum item 6 was added to collect the following loan data, “Closed-end loans with negative amortization features secured by 1-4 family residential properties in domestic offices.” Memorandum item 6 was broken into three parts: 6.a, “Total carrying amount of closed-end loans with negative amortization features secured by 1-4 family residential properties,” 6.b, “Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1-4 family residential properties,” and 6.c, “Total amount of negative amortization on closed-end loans secured by 1-4 family residential properties included in the carrying amount reported in Memorandum item 6.a. above.” Memorandum item 6.a was required to be reported by all BHCs and memorandum items 6.b and 6.c were to be completed by BHCs that met either the dollar or percent threshold.

On Schedule HC-L, item 1.c.1, “Commitments to fund commercial real estate, construction, and land development loans secured by real estate,” was expanded to include the collection of item 1.c.(1)(a), “1-4 family residential construction loan commitments,” and 1.c.(1)(b), “Commercial real estate, other construction loan, and land development loan commitments.” On Schedule HC-P, a new item 5, “Noninterest income for the quarter from the sale, securitization, and servicing of closed-end 1-4 family residential mortgage loans (included in Schedule HI, items 5.f, 5.g, and 5.i),” was added.

A new Schedule, HC-Q, “Financial Assets and Liabilities Measured at Fair Value,” was added to collect data, by major asset and liability category, on the amount of assets and liabilities to

which the fair value option has been applied along with separate disclosure of the amount whose fair values were estimated under level two and under level three of the FASB's fair value hierarchy. Asset items on Schedule HC-Q include: 1, "Loans and leases," 2, "Trading assets," 2.a, "Nontrading securities at fair value with changes in fair value reported in current earnings," and 3, "All other financial assets and servicing assets." Liability items on Schedule HC-Q include: 4, "Deposits," 5, "Trading liabilities," 6, "All other financial liabilities and servicing liabilities," and 7, "Loan commitments (not accounted for as derivatives)." In addition, on Schedule HC-C, the report form instructions were expanded to include reporting "(3) loans and leases accounted for at fair value under a fair value option." As a result of fair value measurement standards a new item on Schedule HC-R, 7.b was added, "Less: Cumulative change in fair value of all financial liabilities accounted for under a fair value option that is included in retained earnings and is attributable to changes in the bank holding company's own creditworthiness." On Schedule HC-S, memorandum item 2 was clarified to explicitly state that the amount of loan participations serviced for others should be included.

*Beginning September 30, 2006*, the FR Y-9C report attestation requirements were revised to require the bank holding company's chief financial officer (or individual performing an equivalent function) signature rather than the signature by any authorized officer of the bank holding company.

In addition, the following revisions to the FR Y-9C report were made in parallel with the Call Report revisions. On Schedule HC-M, two new items, 23.a, "Amount of 'Federal funds purchased in domestic offices' that are secured (included in Schedule HC, item 14.a)" and 23.b, "Amount of 'Other borrowings' that are secured (included in Schedule HC-M, item 14.d)," were added to gain a better understanding of BHCs' nondeposit liabilities makeup and the effect these liabilities have on liquidity.

A new schedule, HC-P, "Closed-End 1-4 Family Residential Mortgage Banking Activities in Domestic Offices," was added to collect data that focused on closed-end 1-4 family residential mortgage banking activities from bank holding companies with \$1 billion or more in total assets and bank holding companies with less than \$1 billion in total assets whose closed-end 1-4 family residential mortgage banking activities exceed \$10 million for two consecutive periods. New items on Schedule HC-P included: 1, "Retail originations during the quarter of closed-end 1-4 family residential mortgage loans for sale," 2, "Wholesale originations and purchases during

the quarter of closed-end 1-4 family residential mortgage loans for sale,” 3, “Closed-end 1-4 family residential mortgages sold during the quarter,” and 4, “Closed-end 1-4 family residential mortgages held for sale at quarter-end (included in Schedule HC, item 4.a).” Each item was separated into first lien and junior lien mortgages.

*Beginning March 31, 2006, the lower-tier FR Y-9C filing requirement was eliminated and item changes were made on Schedules HC-C, HC-M, and HC-R. To more accurately reflect current supervisory needs, the FR Y-9C filing threshold was increased from \$150 million to \$500 million or more and the reporting exception that required each lower-tier bank holding company with total consolidated assets of \$1 billion or more to file the FR Y-9C was eliminated. On Schedule HC-C, item 9 was separated into two parts to measure and monitor the bank holding company’s involvement in the higher risk activity of lending to hedge 38 funds: 9.a, “Loans for purchasing and carrying securities (secured and unsecured)” and 9.b, “All other loans.” On Schedule HC-M, item 7, “Total assets of unconsolidated subsidiaries and associated companies,” was deleted. On Schedule HC-R, a new memorandum item 6 was added, “Market risk equivalent assets attributable to specific risk (included in Schedule HC-R, item 58).” The following changes were made in parallel with the Call Report revisions. On Schedule HI, memoranda items 10.a through 10.c were eliminated and replaced with new data on credit derivatives collected on Schedule HC-L. New items on Schedule HC-L were added to provide the notional amounts of credit derivatives and were separated by type of credit derivative reported on which they are the guarantor or the beneficiary: 7.a(1), “Credit default swaps,” 7.a(2), “Total return swaps,” 7.a(3), “Credit options,” and 7.a(4), “Other credit derivatives.” Since the volume of bankers’ acceptance assets and liabilities has declined over time to a nominal amount, items 9 and 18 on Schedule HC, item 5 on Schedule HC-L, and item 10 on Schedule HC-M were eliminated. On Schedule HC-B, items to collect the breakdown of holdings of asset-backed securities, 5.a through 5.f, were moved to the memoranda section and renumbered as M.5.a through M.5.f, respectively. In addition, a new reporting requirement was added, “Memorandum item 5 is to be completed by bank holding companies with total assets over \$1 billion or with foreign offices,” because bank holding companies with domestic offices only and less than \$1 billion in total assets held only a nominal percentage compared to the total percentage of the industry’s investments.*

*On Schedule HC-F, item 5, “Other” was renumbered to item 6, item 5.a, “Life insurance assets” was renumbered to item 5, and item 6, “Total” was renumbered to item 7. The disclosure threshold of 25 percent of “Other assets” for reporting of “Life insurance assets” was removed.*

*On Schedule HC-S, the scope for column G, was expanded to cover transactions involving “All Other Assets.”*

*Beginning September 30, 2005, changes were made to the FR Y-9C form to correspond to several new Call Report form changes. On Schedule HI-B, Part II, memoranda section a new item was added, M.4, “Amount of allowance for post-acquisition losses on purchased impaired loans accounted for in accordance with AICPA Statement of Position 03-3 (included in Schedule HI-B, part II, item 7, above.)” Two new items, “Purchased impaired loans held for investment that are accounted for in accordance with AICPA Statement of Position 03-3: Outstanding balance” (M.5.a) and “Carrying amount included in HC-C, items 1 through 9” (M.5.b), were added to Schedule HC-C, Memoranda. On Schedule HC-N, a new line item, 11.b (column A through C), for “Rebooked ‘GNMA loans’ that have been repurchased or eligible for purchase” was added.*

On Schedule HC-R, item 34, column B, “Item not subject to Risk Weighting for Cash and Balances due from depository institutions” was opened up for data submission. Effective December 31, 2005, on Schedule HC, a new memoranda item, “Has the bank holding company engaged in a full-scope independent external audit as of the December 31 report date?” was added to clarify and identify the respondents that should submit their external auditor information.

*Beginning March 31, 2005, On Schedule HC, a new item was added, 19.b, “Subordinated notes payable to trusts issuing trust preferred securities,” and item 19, “Subordinated notes and debentures,” was renumbered to 19.a. With the addition of the new item 19.b, information on trust preferred securities was no longer included in Schedule HC, item 20, “Other liabilities,” or Schedule HC-R, memoranda item 3.d, “Other cumulative preferred stock eligible for inclusion in Tier 1 capital (e.g. trust preferred securities) (included in Schedule HC, item 20 or 22).” The reference to trust preferred securities was deleted from the footnote on item 20 and memoranda item 3.d. A new memoranda item, 1, was added to Schedule HC for top-tier institutions that have a full scope audit conducted of their financial statements. Information included are the name and address of the BHC’s external auditing firm and the name and email address of the engagement partner. This information is considered confidential and collected initially and then annually as of December 31.*

On Schedule HC-M. Item 18 was deleted and item 17 has been renumbered to item 18 and revised to “Do your aggregate nonfinancial equity investments (see instructions for definition) equal or exceed 37 the lesser of \$100 million (on an acquisition cost basis) or 10 percent of the BHC’s consolidated Tier 1 capital as of the report date? (Enter “1” for yes; enter “0” for no).” Item 19 was renumbered to item 17 and modified to “Does the bank holding company hold, either directly or indirectly through a subsidiary or affiliate, any nonfinancial equity investments (see instructions for definition) within a Small Business Investment Company (SBIC) structure, or under section 4(c)(6) or 4(c)(7) of the Bank Holding Company Act, or pursuant to the merchant banking authority of section 4(k)(4)(H) of the Bank Holding Company Act, or pursuant to the investment authority granted by Regulation K? (Enter “1” for yes; enter “0” for no).” Two new items, 19.a, “Has the bank holding company sold or otherwise liquidated its holding of any nonfinancial equity investment since the previous reporting period? (Enter “1” for yes; enter “0” for no),” and 19.b, “Does the bank holding company manage any nonfinancial equity investments for the benefit of others? (Enter “1” for yes; enter “0” for no),” were added and collected by all bank holding companies that are not required to file the FR Y-12.

*Beginning September 30, 2004*, respondents are required to edit their data to help improve the timeliness and quality of BHC data. For FR Y-9C data to be accepted by the Federal Reserve System, the respondent’s data must be validity free, and all quality, intraseries and interseries edit failures must be accompanied by an edit explanation. The explanatory comments received that address quality, intraseries and interseries will continue to be treated as confidential.

*Beginning March 31, 2004*, several changes were made to the FR Y-9C to update contact information and to reflect the revised reporting requirements of trust preferred securities. The cover page was modified on both the FR Y-9C report forms, to include the email address of the person whom to contact about the report.

Schedule HC was revised to reflect the changes of the reporting requirements for trust preferred securities. New footnote 5, “Includes guaranteed preferred beneficial interest in the bank holding company’s junior subordinated debt securities (trust preferred securities)”, was added to item 20, “Other liabilities (from Schedule HC-G).” Previously, numbered footnotes 5 and 6 were renumbered to 6 and 7, respectively.

A new line item was added to Schedule HC-M to collect the web address (URL) of the reporting bank holding company when total assets are \$30 billion or more. The new line is 22 and captioned as "Address (URL) for the reporting bank holding company's web page that displays risk disclosures, including those about credit and market risk."

On Schedule HC-R, item 6 was split into two items and memoranda item 3 was revised. Item 6 was renumbered to 6.a and a new item 6.b, "Qualifying trust preferred securities," was added. The revised memoranda item 3 was captioned as, "Preferred stock (including related surplus) eligible for inclusion in Tier 1 capital." Memoranda item 3.a was revised to "Noncumulative preferred stock (including and reported in "Total equity capital," on Schedule HC)." Memoranda item 3.b was revised to "Cumulative perpetual preferred stock (included and reported in "Total equity capital," on Schedule HC)." New memoranda items 3.c and 3.d were added and captioned, respectively, as "Other noncumulative preferred stock eligible for inclusion in Tier 1 capital (e.g., REIT preferred securities) (included in Schedule HC, item 22)," and "Other cumulative preferred stock eligible for inclusion in Tier 1 capital (e.g., trust preferred securities) (included in Schedule HC, item 20 or 22)."

Also, the Federal Reserve (Board staff) may collect, in advance, FR Y-9C data from selected institutions of up to fifty of the largest bank holding companies. The advanced data collected is in the manner most convenient to the institution, mainly through email, telephone, or fax. The information is confidential within the Federal Reserve System and is not made available to the public.

*Beginning June 30, 2004*, the phased-in approach of accelerated deadlines for the top-tier FR Y-9C filers (SUB FLAG code 1 or 3) will begin. The schedule for accelerated filing is a 40-day deadline in June 2004 and a 35-day deadline in June 2005. The new filing deadlines will apply for the March, June, and September quarters. The December quarter deadline, as well as the deadline for all reporting quarters for lower-tier FR Y-9C filers, will remain 45 days after the report date.

*Beginning March 31, 2003*, a few revisions were made to the FR Y-9C to parallel items on the Call Report and to provide greater consistency with current Call Report items. For all "yes"/"no" items (HI-Mem 13, HC-M8 through HC-M11, HC-M15, and HC-M17 through HC-M19), the "no" numerical response was changed from "2" to "0" (zero).

On Schedule HI, item 5.h was split into two new items to better assess the risk from insurance underwriting activities and identify institutions engaged in these activities. The new items are 5.h(1), "Insurance and reinsurance underwriting income," and 5.h(2), "Income from other insurance and reinsurance activities." The hard-coded caption for memoranda item 8.a.(1), "Effect of adopting FAS 142, Goodwill and Intangible Assets," was removed. In addition, two new items were added to the memoranda section, item 14, "Stock-based employee compensation expense (net of tax effects) calculated for all awards under the fair value method."

In Part I on Schedule HI-B, a new memoranda item was added, item 3, "Uncollectible retail credit card fees, and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses)." In Part II, a new memoranda section was added containing three reportable items. The new items are item 1, "Allocated transfer risk reserve included in Schedule HI-B, Part II, item 7," item 2, "Separate valuation allowance for uncollectible retail credit card fees and finance charges," and item 3, "Amount of allowance for loan and lease losses attributable to credit card fees and finance charges (included in Schedule HC, item 4.c and Schedule HI-B, Part II, item 7)."

A new section was added to the "Notes to the Income Statement," to collect data on a recent merged entity submitted only during the quarter in which the business combination(s) occurred. The new section, "Notes to the Income Statement-Predecessor Financial Items," consists of twenty-six income statement items from Schedules HI, HI-A, and HI-B. The information provided resulted in more accurate and consistent comparisons of BHC financial trends and meaningful financial measures.

A new memoranda item was added to Schedule HC-C, item 4, "Outstanding credit card fees and finance charges (included in Schedule HC-C, item 6.a, column A)."

On Schedule HC-F, item 5a, "Cash surrender value of life insurance (report only amounts that exceed 25% of Schedule HC-F, item5)," was added to identify BHC's with substantial holdings of life insurance that may expose them to credit, liquidity, and market risks.

Schedule HC-M, memoranda item 20, "Net assets of broker-dealer subsidiaries engaged in underwriting or dealing securities pursuant to Section 4(k)(4)(E) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act," was recaptioned to "Balances of broker-dealer subsidiaries engaged in underwriting or dealing securities pursuant to Section 4(k)(4)(E) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act," and broken down into multiple parts. The new sub-items are 20.a, "Net assets," 20.b(1), "Due from the bank holding company (parent company only), gross," 20.b(2), "Due from the subsidiary banks of the bank holding company, gross," "20.b(3), "Due from nonbank subsidiaries of the bank holding company, gross," 20.c(1), "Due to bank holding company (parent company only), gross," 20.c(2), "Due to subsidiary banks of the bank holding company, gross," 20.c(3), "Due to nonbank subsidiaries of the bank holding company, gross," and 20.d, "Intercompany liabilities reported in items 20.c(1), 20.c(2), and 20.c(3) above that qualify as liabilities subordinated to claims of general creditors." The item was revised to collect data formerly reported on the FR Y-20, "Financial Statements for a Bank Holding Company Subsidiary Engaged in Bank-Ineligible Securities Underwriting and Dealing," to better monitor the potential impact of intercompany transactions as a source of funds to affiliate banks and BHCS.

Two memoranda items were added on Schedule HC-N for further credit analysis. The new items are memoranda item 7, "Additions to nonaccrual assets during the quarter," and memoranda item 8, "Nonaccrual assets sold during the quarter."

A few changes were made to Schedule HC-S for clarification. Item 2.a, "Retained interest-only strips (included in HC-B, HC-D, or HC-F)," was revised to "Credit enhancing interest-only strips (included in HC-B, HC-D, or HC-F." Item 2.b, "Standby letters of credit subordinated securities, and other enhancements," was revised to "Subordinated securities and other residual interests." Item 2.c, "Standby letters of credit and other enhancements," was added. In addition, memoranda item 4, "Outstanding credit card fees and finance charges (included in Schedule HC-S, item 1, column C)," was added with a new footnote 2. Footnote 2 states "Memoranda item 4 is to be completed by (1) bank holding companies that, together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) bank holding companies that on a consolidated basis are credit card specialty holding companies (as defined in the instructions)." The footnote instructions were also applied to the new items Schedule HI-B, Part I, item M.3; Schedule HI-B, Part II, items M.2 and M.3; and Schedule HC-C, M.4 as a title.

A new section was added to the “Notes to the Balance Sheet,” to provide for data collected on a recent merged entity submitted only during the quarter in which the business combinations(s) occurred. The new section, “Notes to the Balance Sheet-Predecessor Financial Items,” consists of four quarterly average items from Schedule HC-K.

*Beginning March 31, 2002*, several changes were made to the FR Y-9C report to more align with the Call Report. Additionally, the use of text codes in Schedule HI, Memoranda, and Schedule HC-L was eliminated.

On Schedule HI, item 7.c was separated into two items: 7.c(1), “Goodwill impairment losses,” and 7.c(2), “Amortization expense and impairment losses for other intangible assets” to conform with the provision of FASB Statement No. 142, “Goodwill and other intangible assets.”

Schedule HI, Memoranda items 6 and 7 were expanded to allow for more specific reporting of non-interest income and non-interest expense. Line items were added with captions for several of the more commonly listed components for each item while retaining the blank text fields for itemizing other components. Specifically, the five captioned items added to Memoranda item 6 were 6.a, “Income and fees from the printing and sale of checks,” 6.b, “Earnings on/increase in value of cash surrender value of life insurance,” 6.c, “Income and fees from automated teller machines (ATMs),” 6.d, “Rent and other income from other real estate owned,” and 6.e, “Safe deposit box rent. Previous Memoranda items 6.a, 6.b, and 6.c were renumbered to 6.f, 6.g, and 6.h, respectively. The seven captioned items added to Memoranda item 7 were 7.a, “Data processing expenses,” 7.b, “Advertising and marketing expenses,” 7.c, “Directors fees,” 7.d, “Printing, stationery, and supplies,” 7.e, “Postage,” 7.f, “Legal fees and expenses,” and 7.g, “FDIC deposit insurance assessments.” Memoranda items 7.a, 7.b, and 7.c were renumbered to 7.h, 7.i, and 7.j, respectively. Additionally, respondents were asked to report amounts in Memoranda items 6 and 7 that exceed 1 percent of the sum of Schedule HI, items 1.h and 5.m, rather than describing and itemizing the three largest amounts. Memoranda item 8.a(1) was revised to require reporting the Effect of adopting FAS 142, *Goodwill and Other Intangible Assets*. Memoranda item 9 must now be completed by any bank holding company with average trading assets of \$2 million or more for any quarter of the preceding calendar year. Memoranda item 12.b was separated into two items: 12.b(1), “Premiums on insurance related to the

extension of credit,” and 12.b(2), “All other insurance premiums.” This breakout assists the Federal Reserve in determining whether insurance underwriting activities are credit related.

On Schedule HI-B, Part I, item 1.c(2) was broken into two parts: 1.c(2)(a), “Secured by first liens,” and 1.c(2)(b), “Secured by junior liens.” Part II, item 3 was revised to state, LESS: Charge-offs (must equal Schedule HI-B, Part I, item 9, Column A above less Schedule HI-B, Part II, item 4.) Items 4, 5, and 6 were renumbered to 5, 6, and 7, respectively. A new item 4 was added to state: “Less: Write-downs arising from transfers of loans to a held-for-sale account.” The footnote for item 5 was deleted. “Write-downs” was removed as a hard-coded caption from item 1 of the Notes to the Income Statement.

Two items were revised on Schedule HC and footnotes were added for clarification. Item 3 was broken down into two parts: 3.a, “Federal funds sold in domestic offices” and 3.b, “Securities purchased under agreements to resell.” Item 14 was also divided into two parts: 14.a, “Federal funds purchased in domestic offices” and 14.b, “Securities sold under agreements to repurchase.” The criteria for completing Schedule HC-D was revised to require bank holding companies with average trading assets of \$2 million or more “for any quarter of the preceding calendar year” to file this schedule. Footnotes were added to Schedule HC-F to more align with the Call Report.

The title for Schedule HC-I was revised to “Insurance-Related Underwriting Activities (Including Reinsurance)” and should only be completed by top-tier bank holding companies. In Part I, items 2 and 3 were renumbered to 3 and 4, respectively, and items 2, “Total assets,” 5, “Total equity” and 6, “Net income,” were added. In Part II, items 1, 2 and 3 were renumbered to 2, 4, and 5, respectively, and items 1, “Reinsurance recoverable,” 3, “Total assets,” 6, “Total equity,” and 7, “Net income,” were added. Part III, “All Insurance Related Activities,” was removed entirely.

Schedule HC-L had several revisions. For guarantor relationships with regards to credit derivatives, item 7.a was expanded into two parts: 7.a(1), “Gross positive fair value,” and 7.a(2), “Gross negative fair value.” Likewise, for beneficiary relationships with regards to credit derivatives, item 7.b was expanded into two parts: 7.b(1), “Gross positive fair value,” and 7.b(2), “Gross negative fair value.” Item 9 was expanded to allow for more specific reporting of “All other off-balance-sheet items” instructing bank holding companies to “include in item 9 the

aggregate amount of all other off-balance-sheet items that individually exceed 10 percent of Schedule HC, item 28, "Total equity capital." The three captioned items that were added to item 9 were 9.a, "Securities borrowed," 9.b, "Commitments to purchase when-issued securities," and 9.c, "Commitments to sell when-issued securities." Items 9.a, 9.b, 9.c, and 9.d were renumbered to 9.d, 9.e, 9.f, and 9.g, respectively. For items 9.a through 9.g, respondents are asked to itemize and describe only amounts that exceed 25 percent of Schedule HC, item 28.

On Schedule HC-M, item 8 was revised to "Has the bank holding company entered into a business combination during the calendar year that was accounted for by the purchase method of accounting?" A clarification to item 11 instructed respondents to report the FR Y-10 if they answered "no" to the question in item 11. The two new items that were added to the end of this schedule are item 20, "Net assets of broker-dealer subsidiaries engaged in underwriting or dealing securities pursuant to Section 4(k)(4)(E) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act and item 21, "Net assets of insurance underwriting subsidiaries."

Schedule HC-N, item 1.c(2), "Closed-end loans secured by 1-4 family residential properties," was broken into two parts. The new sub items are 1.c(2)(a), "Secured by first liens," and 1.c(2)(b), "Secured by junior liens." Memoranda item 5 was renumbered to Memoranda item 6 and "Loans and leases held for sale (included in HC-N, items 1 through 8 above)" was added as the new Memoranda item 5. The instructions prior to the new memoranda item 6 were changed to reflect this renumbering.

A few changes were made to Schedule HC-R. Item 8 was renumbered to 9.a and item 9 was renumbered to 9.b. Item 8, "Subtotal (sum of items 1 and 6, less items 2, 3, 4, 5 and 7)," was added. Item 11 was revised to "Tier 1 capital (sum of items 8 and 10, less items 9.a and 9.b)."

The Memoranda section of Schedule HC-R had a few revisions. Item 3 was revised to "Preferred Stock (included related surplus)." Item 3.a(3) was renumbered to item 3.b and revised to "Cumulative preferred stock (e.g., trust preferred securities) included and reported in Minority interest in consolidated subsidiaries and similar items, on Schedule HC."

The title for Schedule HC-S was revised to “Servicing, Securitization, and Asset Sale Activities.” The reference to June 30, 2001 as the start date of the Memoranda section, items 1, 2, and 3 was removed.

*Beginning September 30, 2001*, items 17, 18, and 19 were added to Schedule HC-M to be used to determine if the reporting bank holding company must complete the Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12).

Not related to FR Y-9C revisions, the threshold for reporting Memoranda item 1 on the FR Y-9SP “Total consolidated assets of the bank holding company” was removed. All BHCs are now required to complete this item so that the Federal Reserve can monitor the size of these institutions.

*Beginning June 30, 2001*, the new Schedule HC-S, Securitization and Asset Sale Activities, became effective. Memoranda items 4.a.1 through 4.b.2 were deleted from this schedule and footnote 1 was modified to reflect the change.

Also, a few revisions were made to the FR Y-9C to parallel items on the Call Report. On Schedule HI-B, Part I, Column A, a footnote was added that reads, “Include write-downs arising from transfers to the held-for-sale account.” For item 3 of Schedule HI-B, Part II, the caption was revised to read, “Sum of Part I, item 9, Column A, above and amount reported in Notes to the Income Statement, item 1.” A new MDRM number was issued for item 3 also. In addition, a footnote was added for item 5 that reads, “Include as a negative number write-downs arising from transfers of loans to the held-for-sale account and describe separately in the Notes to the Income Statement, item 1.”

The MDRM number for Notes to the Income Statement, item 1, was changed to 5523 and the text portion was reserved to collect, “Write-downs arising from transfers of loans to the held-for-sale account.”

Additionally, a footnote was added to items 2, 3, and 4, “Report amount included in Schedule HC, item 26.b, ‘Accumulated other comprehensive income.’” Clarification for the reporting of items 2, 3, and 4 was added. The caption to item 11 was also revised to read, “Sum of items 1, 6, and 10 less items 2, 3, 4, 5, 7, 8, and 9 to reflect the changes made to items 2, 3, and 4.

The new Schedule HC-S, Securitization and Asset Sale Activities, became effective for June 30, 2001. Memoranda items 4.a.1 through 4.b.2 were deleted from this schedule and footnote 1 was modified to reflect this change.

*Beginning March 31, 2001*, extensive changes to the FR Y-9C were implemented to streamline current reporting requirements and to add new items to provide more relevancy to the report. These changes assisted in achieving the objective set forth in Section 307 (c) of the Riegle Community Development and Regulatory Improvement Act of 1994, which directs the banking agencies to review the information currently reported in the Call Report and the bank holding company (BHC) reports and eliminate existing reporting requirements that are not warranted for safety and soundness or other public policy purposes. As part of the streamlining process, several revisions were made to provide more uniformity within the holding company reports and closer align several items with the Call Report and Thrift Financial Reports. Other modifications were made to the FR y-9C to make the form and content more closely resemble the manner in which information is presented in the financial statements bank holding companies prepare in accordance with general accepted accounting principles (GAAP) for other financial purposes.

In addition to streamlining the existing FR Y-9C reporting requirements by eliminating information that was no longer of significant value, endeavors were made to improve the relevance of the FR Y-9C by identifying types of information that are considered critical to supervisory needs. Primary focus was on new activities and other recent developments that may expose institutions to new or different types of risk.

The following changes to the FR Y-9C, except the new securitization schedule, were effective with the March 31, 2001, reporting date. The new securitization schedule will be effective with the June 30, 2001, reporting date with the exception of Memoranda items 1.a through 2.c and 4.a.(1) through 4.b.(2), which will be effective March 31, 2001. Also, beginning with the March 31, 2001, reporting date, the FR Y-9C report form schedule order and schedule titles were altered to align with the Call Report. However, please note that the schedule lettering and titles throughout this summary refer to FR Y-9C schedules prior to the March 31, 2001 implementation.

## CHANGES RELATED TO THE CALL REPORT CHANGES

### Schedule HC--Consolidated Balance Sheet

"Loans and leases held for sale" was moved onto the balance sheet as a separate category under item 4, "Loans and lease financing receivables" (previously Schedule HC-B, Part I, Memoranda item 3). Subsequently, line items 4.a "Loan and leases, net of unearned income" and 4.b "LESS: Allowance for loan and lease losses" were renumbered to 4.b and 4.c., respectively. This change will bring the balance sheet presentation of these loans into conformity with GAAP.

Item 4.c, "Allocated transfer risk reserve," was deleted from the balance sheet and moved to the new regulatory capital schedule as item 61.

Items 27.e, "Net unrealized holding gains (losses) on available-for-sale securities," 27.f, "Accumulated net gains (losses) on cash flow hedges," and 27.g, "Cumulative foreign currency translation adjustments," were combined and reported as "Accumulated other comprehensive income," new line 26.b. The first two of these components of "Accumulated other comprehensive income" are separately identified in the new regulatory capital schedule. This brings the presentation of the equity capital section of the balance sheet into conformity with FASB Statement No. 130, *Reporting Comprehensive Income*.

A new item, "Other equity capital components," line 27, was added to the equity capital section of the balance sheet. This item includes treasury stock and unearned Employee Stock Ownership plan shares. Subsequently, a separate reporting of Treasury stock was moved to the memoranda section of the new regulatory capital schedule. This change made the equity capital section more consistent with GAAP and with the Call Report and Thrift Financial Report.

### Schedule HC-A--Securities

New items on fair value and amortized cost information for six categories of asset-backed securities (line 5) that are currently included in the items for "Debt securities" were added to the securities schedule. The six categories are line items: 5.a) credit card receivables, 5.b) home equity lines, 5.c) auto loans, 5.d) other consumer loans, 5.e) commercial and industrial loans, and 5.f) all other loans. This information will facilitate a more effective assessment of BHC credit and other exposures related to their portfolios of asset-backed securities and promote risk-focused supervision by enhancing the ability to assess credit exposures and asset concentration.

Memoranda items 4.a, "Net unrealized holding losses on available-for-sale equity securities with readily determinable fair values" and 4.c., "Amount of net unrealized holding gains on available for sale equity securities" were moved to the new regulatory capital schedule.

Memoranda item 9.c, "All other equity securities," (equity securities without readily determinable fair values), was moved to the new Schedule HC-F--Other Assets. These equity securities are outside the scope of FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*. Therefore, moving these equity securities to the new Other Assets schedule was intended to be consistent with GAAP.

#### Schedule HC-B-Part I--Loans and Leases

The definition of "Construction and loan development" loans (item I.a) and, hence, all other categories of loans secured by real estate (items I.b through I.e) were revised to make them consistent with reporting requirements on the Thrift Financial Report. The definitions for the five categories of "Loans secured by real estate" were revised so that land loans and long-term construction loans would be reported in a recaptioned item 1.a, "Construction, land development, and other land loans."

The separate loan categories for "Loans to depository institutions" and "Acceptances of other banks" (items 3 and 4, respectively) were combined.

Item 6.a, "Credit cards and related plans" to individuals for household, family, and other personal expenditures, was split into separate loan categories for "Credit cards" and "Other revolving credit plans."

A single Memoranda item for the total amount of BHCs "Loans and leases restructured and in compliance with modified terms" replaced the multiple Memoranda items in which BHCs must currently report information about such restructured credits (Mem I.a through I.h). Restructured loans secured by 1-4 family residential properties and restructured consumer loans would be excluded from the revised Memoranda item.

A new Memoranda item 3, "Loans secured by real estate to non-U.S. addressees (domicile)" was added in order to enhance the ability to evaluate the performance of real estate loans by addressee.

### Schedule HC-B-Part II--Trading Assets and Liabilities

The filing criterion for Part II, Trading Assets and Liabilities was modified. BHCs that report a quarterly average for trading assets of \$2 million or more as of the March 31 report date of the current calendar year are required to complete this schedule. In addition, Part II was formatted as a new separate schedule (new Schedule HC-D), to be consistent with presentation in the Call Report.

### Schedule HC-F--Off-Balance-Sheet Items

The two-way breakout of Part I, item 2, "Standby letters of credit and foreign office guarantees between item 2.a.(1), To U.S. addressees, and 2.a.(2), To non-U.S. addressees, was replaced with a single combined item.

Part II, item 3, Securities borrowed, is no longer collected from all BHCs. Instead, the amount of borrowed securities that exceed 10 percent of total equity capital will be reported in renumbered item 9, "All other significant off-balance-sheet items."

The information collected in Part II, items 5.a, 5.b, and 5.c on the outstanding principal balance of and amount of recourse on three categories of financial asset transfers was moved from Schedule HC-F and incorporated into the new schedule on securitization and asset sale activities.

Part II, item 6.b, "Participations in acceptances acquired by the reporting BHC," was moved to the new regulatory capital schedule. Memoranda item 1, "Participations in unused commitments," was redefined to collect information on commitments with an original maturity exceeding one year and was also moved to the new regulatory capital schedule.

Part III, item 3.b for the gross notional amount of derivative contracts held for purposes other than trading that are not marked to market was deleted. All derivative contracts, including those held for purposes other than trading, will be marked to market once a BHC adopts FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities*, which is effective for fiscal years beginning after June 15, 2000.

Part III, items 4.c.(1) and (2) for the gross positive and gross negative fair values of derivatives held for purposes other than trading that are not marked to market were deleted because of the effect of FASB Statement No. 133.

Items on Schedule HC-F were renumbered and formatted to better align with the order of items presented on the Call Report.

#### Schedule HC-G--Memoranda

The scope of item 14, "Income earned, not collected on loans," was expanded to cover all "Accrued interest receivables," and was moved to a new "Other Assets" schedule. This category was broadened to include interest earned, not collected on earning assets other than loans to be consistent with the typical presentation of accrued interest receivable in financial statements prepared for other financial reporting purposes.

Memoranda item 19, "Deferred tax assets in excess of regulatory capital limits," was retitled as "Disallowed deferred tax assets" and moved to the revised regulatory capital schedule (Schedule HC-R). This change is part of an effort to place all items collected principally for regulatory capital calculation purposes in a revised regulatory capital schedule.

Items 17.a through 17.d, in which banks report a six-way breakdown of the "Outstanding principal balance of 1-4 family residential mortgage loans serviced for other" was moved from Schedule HC-G and condensed into a two-way servicing breakdown in the new schedule on securitization and asset sale activities.

Items 20.a through 20.f, which collected data on quarterly sales of annuities, mutual funds, and proprietary products, were eliminated. In place of these items, each BHC must respond to a "yes" or "no" question asking whether it sells private label or third party mutual funds and annuities. In addition, BHCs will report the total assets under the reporting BHCs management in proprietary mutual funds and annuities.

Item 22, "Net unamortized realized deferred gains (losses) on off-balance-sheet derivative contracts included in assets and liabilities reported in Schedule HC," was eliminated.

### Schedule HC-H--Past Due and Nonaccrual Loans, Lease Financing Receivables, Placements, and Other Assets

The presentation of loan category information was modified to better match the loan schedule (HC-B), and the Call Report, by moving the current breakdown of loans secured by real estate from the Memoranda section of Schedule HC-H, item 4 to item 1, and item 5.a was redefined to exclude related plans, now reported in item 5.b. Past due and nonaccrual loans secured by real estate in foreign offices is now reported separately.

Memoranda item 6.b, "Replacement cost of [past due derivative] contracts with a positive replacement cost," was deleted. Upon adoption of FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities*, all derivative contracts will be carried on the balance sheet at fair value. Therefore, Memoranda item 6.a, "Book value of amounts carried as assets," and 6.b was combined and 6.a recaptioned "Fair value of amounts carried as assets."

*Eliminating confidential treatment for certain past due and nonaccrual data.* The confidential treatment for items past due 30 to 90 days and restructured items were eliminated beginning with amounts reported as of March 31, 2001. An important public policy issue for the Federal Reserve has been how to use market discipline to complement supervisory resources. Market discipline relies on market participants having information about the risks and financial condition of banking organizations. The FR Y-9C, in particular, is widely used by securities analysts, rating agencies, and large institutional investors as sources of BHC specific data. Disclosure that increases transparency should lead to more accurate market assessments of risk value. This, in turn, should result in more effective market discipline on BHCs. Therefore, the Federal Reserve believes that such information is a useful indicator of general asset quality and will not represent misleading information to the public. Moreover, BHCs were given the option to include in their notes to the balance sheet a brief narrative statement that provides explanatory comments about any data disclosure which they feel may be subject to misinterpretation.

### Schedule HC-I--Risk-Based Capital

The risk-based capital schedule was revised by incorporating many of the reporting concepts of the FR Y-9C's optional regulatory capital worksheet. All top-tier BHCs with total consolidated assets of \$500 million or more continued to be required to complete the entire revised regulatory capital schedule. Schedule HC-I was retitled "Regulatory Capital" and relabeled HC-R and more directly corresponds to the Call Report.

In general, the revised format provided a systematic, step-by-step building block approach to reporting various components and adjustments that determine Tier 1, Tier 2, total capital and risk-weighted assets. All regulatory capital ratios will be derived directly from items on this schedule and will also be disclosed in the schedule. The carrying values of all on-balance-sheet asset values and the face value or notional amount of most off-balance-sheet items used in the capital calculations will function as "control totals" and BHCs will allocate these amounts to the appropriate risk weight categories in accordance with the risk-based capital guidelines.

Existing item in Part III required the reporting of the major capital categories - Tier 1, Tier 2, Tier 3, and total risk-based capital - as well as risk-weighted assets and average total assets, which is used in the Tier 1 leverage ratio. The amounts reported in these existing items should be the amounts determined by BHCs for their own internal capital analyses consistent with the applicable capital standards. These items (Part III items 1.a through 4) are so-called self-reported capital items. The first part of the revised regulatory capital schedule is essentially the same steps that BHCs already go through to determine the major capital categories on a self-reported basis. Moreover, to facilitate this step-by-step building block approach, a number of items that are collected principally for regulatory capital calculation purposes were moved from the various locations in other FR Y-9C schedules to their more logical position in the revised capital schedule.

#### Schedule HC-S--Securitization and Asset Sale Activities

Over the past few years, the scope and volume of BHC asset securitization activities have expanded significantly beyond the traditional 1-4 family residential mortgage and consumer loan areas into other areas, most notably into the areas of home equity and commercial lending. To facilitate more effective analysis of the impact of securitization and asset sale activities on BHC credit exposures, a separate new schedule (Schedule HC-S) was developed. The new schedule is effective June 30, 2001 and will capture comprehensive information relating to BHC securitization and asset sale activities.

In the new schedule, BHCs involved in securitization and asset sale activities will report quarter-end (or year-to-date) data for seven loan categories similar to the manner in which they report their loan portfolios. These data will cover 1-4 family residential loans, home equity lines, credit card receivables, auto loans, other consumer loans, commercial and industrial loans, and all

other loans. For each loan category, BHCs report: (1) the outstanding principal balance of assets sold and securitized with servicing retained or with recourse or seller-provided credit enhancements, (2) the maximum amount of credit exposure arising from recourse or credit enhancements to securitization structures (separately for those sponsored by the reporting institution and those sponsored by other institutions), (3) the past due amounts and charge-offs and recoveries on the underlying securitized assets, (4) the amount of any commitments to provide liquidity to the securitization structures, (5) the outstanding principal balance of assets sold with servicing retained or with recourse to seller-provided credit enhancements that have not been securitized, (6) the amount of ownership (or seller's) interests carried as securities or loans, and (7) the maximum amount of credit exposure arising from assets sold with recourse or seller-provided credit enhancements that have not been securitized. A limited amount of information is also collected on BHC credit exposures to asset-backed commercial paper conduits. For the home equity line, credit card receivable, and the commercial and industrial loan categories, BHCs would also report the amount of any ownership (or seller's) interests in securitizations that are carried as securities and the past due amounts and charge-offs and recoveries on the assets underlying these seller's interest.

Currently, BHCs report certain information related to securitizations, asset sales, and servicing in Schedules HC-F and HC-G. To avoid the loss of this information until the delayed effective date of the new Schedule HC-S, these existing items will be reported in the Memoranda section of Schedule HC-S effective March 31, 2001. These existing items and what will happen to them after they are collected on the FR Y-9C report for March 31, 2001 are as follows:

Schedule HC-F, items 5.a.(1) and (2) and items 5.b.(1) and (2) - in which BHCs report the outstanding principal balance and amount of recourse exposure on (a) "First lien 1-4 family residential mortgage loans" and (b) "Other financial assets" that have been transferred with recourse and are treated as sold - will be collected in Schedule HC-S, Memoranda items 4.a(1) and (2) and items 4.b.(1) and (2), for the final time as of March 31, 2001.

Schedule HC-F, items 5.c.(1) and (2) - in which BHCs report the outstanding principal balance and amount of retained recourse on "Small business obligations transferred with recourse under Section 208 of the Riegle Community Development and Regulatory Improvement Act of 1994" - will be collected in Schedule HC-S, Memoranda items 1.a and 1.b as of March 31, 2001, and thereafter.

Schedule HC-G, item 17 - in which BHCs provide a six-way breakdown of the "Outstanding principal balance of 1-4 family residential mortgage loans serviced for others" by type of servicing contract - will be collected in condensed form in Schedule HC-S, Memoranda items 2.a and 2.b, as of March 31, 2001, and thereafter. In addition, item 2.c, which is not currently reported in the FR Y-9C, will be collected beginning as of June 30, 2001, consistent with the Call Report.

#### Schedule HI--Consolidated Income Statement

Report the combined amount of tax-exempt loan and lease income in a single income statement item, Memoranda item 3. The body of the income statement (Schedule HI) will contain only two items for interest and fee income from loans (item 1.a.(1), "In domestic offices" and item 1.a.(2), "In foreign offices, Edge and Agreement subsidiaries, and IBFS") and a single item (item 1.b) for income from lease financing receivables.

The breakout of interest income on balances due from depository institutions (by domestic versus foreign offices), items 1.c.(1) and 1.c.(2) respectively, were eliminated. Only a total will be reported for this information.

The number of categories of securities income was reduced. BHCs now report their income for the three following categories of securities in the body of the income statement: (a) U.S. Treasury securities and U.S. government agency obligations, (b) Mortgage-backed securities, and (c) All other securities. Additionally, BHCs will report their "Income on tax-exempt securities issued by states and political subdivisions in the U.S." in a new income statement Memoranda item 4.

Item 2.c, "Interest on borrowed funds," was retitled "Interest on trading liabilities and other borrowed money."

Item 4.a, "Provision for credit losses," was revised so that it includes only the provision for loan and lease losses and item 4.b, "Provision for allocated transfer risk" was eliminated as a separate item. Any provision for credit losses on off-balance-sheet exposures or allocated transfer risk will be reported in item 7.e, "Other noninterest expense," and itemized and described in Memoranda item 7, if significant.

*Noninterest income:* Several new noninterest income categories were added since noninterest income has grown substantially over the last few years as a source of revenue. The new categories will provide valuable supervisory information on the amount and type of fee-generating activities. Some of the new categories represent the only information provided in the FR Y-9C on certain activities.

Categories of noninterest income that were added on the income statement were as follows: (1) investment banking, advisory, brokerage, and underwriting fees and commissions, (2) venture capital revenue, (3) net servicing fees, (4) net securitization income, (5) insurance commissions and fees, (6) net gains (losses) on sales of loans, (7) net gains (losses) on sales of other real estate owned, and (8) net gains (losses) on sales of other assets (excluding securities). Current item 5.b.(2), "Other service charges," was discontinued. Currently reported noninterest income memoranda items 6.a, "Net gains on sales of loans," and 6.b, "Net gains on other real estate owned," were collected as part of expanded item 5 and will no longer be collected in the Memoranda section of Schedule HI.

New item 7.c, "Amortization expense of intangible assets (including goodwill)," was added.

The threshold for itemizing and describing significant components of "Other noninterest income" and "Other noninterest expense" was changed to 1 percent of the total of interest income and noninterest income from the current threshold of 10 percent. This revised threshold is consistent with the Securities and Exchange Commission's threshold for the disclosure by BHCs.

Similar to the reporting revision to Schedule HC-B, Part II, Trading Assets and Liabilities, the filing criteria for Memoranda item 9, "Trading revenue," was revised to require BHCs to complete this item only if they report a quarterly average for trading assets of \$2 million or more as of the March 31 report date for the current calendar year.

The reporting instructions for Memoranda items 10.a through 10.c that request BHCs to disclose the impact of derivatives held for purposes other than trading on interest income, interest expense, and noninterest income (expense) were revised. Additionally, certain item captions were modified to better align with similar information reported on the Call Report Income Statement.

### Schedule HI-A--Changes in Equity Capital

Revisions were made to how the previous year-end balance of equity capital is reported so that it better corresponded with how this balance was presented in financial statements prepared in accordance with GAAP. Item 1 was revised to "Equity capital most recently reported for the end of the previous calendar year." Subsequently, item 11, "Cumulative effect of changes in accounting principles from prior years," and item 12, "Corrections of material accounting errors from prior year," were combined into new item 2, "Restatements due to corrections of material accounting errors and changes in accounting principles." Item 3 was then recaptioned "Balance end of previous calendar year as restated."

Items 13.a, "Change in net unrealized holding gains (losses) on available-for-sale securities," 13.b, "Change in accumulated net gains (losses) on cash flow hedges," and 18, "Foreign currency translation adjustments" were combined and replaced by new item 12, "Other comprehensive income." This change is consistent with FASB Statement No. 130, Reporting Comprehensive Income.

In addition, Schedule HI-A was renumbered and certain captions were modified to better align with the Call Report.

### Schedule HI-B--Charge-Offs and Recoveries on Loans and Leases and Changes in Allowance for Credit Losses

The presentation of loan category information was modified to better match the loan schedule by moving the current breakdown of loans secured by real estate from the Memoranda section to item 1. Loans secured by real estate in foreign offices were moved to new item I.f. Item 5.a was redefined to exclude related plans, which was moved to item 5.b. Additionally, the presentation order and certain item captions were revised to align with the Call Report.

The scope of Part II was revised to cover changes in the allowance for loan and lease losses rather than the entire allowance for credit losses. The manner in which the previous year-end balance of the allowance was changed to be consistent with the revisions to the changes in equity schedule and to better correspond with the presentation of financial statements prepared in accordance with GAAP. Item 1 was revised to "Balance most recently reported at end of

previous year," thus eliminating the need to report adjustment from amended FR Y-9C reports in item 3.a and 3.b.

Memoranda item 1, "Credit losses on off-balance-sheet derivative contracts," was retitled "Credit losses on derivatives" and moved to Schedule HI, item 11.

## OTHER REVISIONS NOT RELATED TO CALL REPORT CHANGES

### Schedule HC--Consolidated Balance Sheet

To better align with the Call Report Balance Sheet, components of item 7, "Other real estate owned;" item 10, "Intangible assets;" item 16, "Commercial paper;" and item 17, "Other borrowed money with a remaining maturity of more than one year" were moved to new Schedule HC-M.

Item 20, "Mandatory convertible securities," with a two-way breakout between item 20.a, "Equity contract notes, gross" and item 20.b, "Equity commitment notes, gross" were eliminated. Information on mandatory convertible securities was moved to item 21, "Subordinated notes and debentures."

In addition, items on Schedule HC were renumbered and certain line item captions modified to better align with information reported on the Call Report Balance Sheet.

### Schedule HC-A—Securities

Memoranda item 7, "U.S. government agency and corporation obligations (exclude mortgage-backed securities)" with the breakout between "Issued by U.S. government agencies," (item 7.a) and "Issued by U.S. government-sponsored agencies," (item 7.b) were moved to new item 2. Also, Memoranda item 8, "Mortgage-backed securities (MBS)," with the breakout between "Pass-through securities" (item 8.a) and "Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS)" (item 8.b) were moved to new item 4. Currently, these items are reported only by BHCs with total consolidated assets of \$1 billion or more. However, given the increased BHC involvement in this activity, all FR Y-9C respondents are now required to complete this information. All commercial banks currently file this information on the Call Report.

Memoranda item 9.a "Investments in mutual funds and other equity securities with readily determinable fair values" was move to new item 7 and will be filed by all FR Y-9C respondents

to assure completeness and continuity of the reporting BHC security holding. Currently, memo item 9.a is collected only from BHCs with total consolidated assets of \$1 billion or more. All commercial banks currently file this information on the Call Report.

Item 3.a, "Taxable securities" and item 3.b, "Tax exempt securities," were combined. The caption was changed to read "Securities issued by states and political subdivisions in the U.S." Items reported for U.S. securities (item 4) and foreign securities (item 5) were modified to collect only U.S. debt securities for consistency with the Call Report. In addition, Schedule HC-A was retitled as well as the items renumbered to align with the presentation of the Call Report loan schedule.

#### Schedule HC-B--Loans and Lease Financing Receivables

The three-way breakout of item 9, "All other loans," was collapsed to a single item, which eliminated items 8.a, "Taxable obligations (other than securities) of state and political subdivisions in the U.S. and 8.b, "Tax exempt obligations (other than securities) of states and political subdivisions in the U.S." This change provided consistency with the Call Report loan schedule.

In addition, Schedule HC-B was retitled as well as the items renumbered to align with the presentation of the Call Report loan schedule.

#### Schedule HC-F--Derivatives and Off-Balance-Sheet Items

Item 2, "Financial standby letters of credit," and item 2.a, "Amounts of financial standby letters of credit conveyed to others" were added to provide consistency in reporting this off-balance-sheet information with similar items collected on the Call Report, and to tie information reported in this schedule with off-balance-sheet information reported in the new Schedule HC-R, item 44, "Financial standby letters of credit."

Item 3, "Performance standby letters of credit," and items 3.a, "Amount of performance standby letters of credit conveyed to others" were added to provide consistency in reporting this off-balance-sheet information with similar items collected on the Call Report, and to tie information reported in this schedule with off-balance-sheet information reported in the new schedule HC-R, item 45, "Performance standby letters of credit."

Item 9, "Other significant off-balance-sheet items (exclude off-balance-sheet derivatives) that exceed 10% of total equity capital" were retitled as "All other off-balance-sheet items (exclude derivatives)" to capture all other off-balance-sheet exposures to provide consistency in reporting this off-balance-sheet information with the similar item collected on the Call Report and would provide analysts a complete measure of risk associated with these exposures.

In addition, Schedule HC-F was retitled as well as the items renumbered to align with the presentation of the Call Report derivatives schedule.

#### Schedule HC-G--Memoranda

The two-way breakdown of deferred tax assets captured in item 1.a.(1), "IRS loan loss provision," and item 1.a.(2), "Other," were eliminated in favor of a single item "Net deferred tax assets" included in new Schedule HC-G "Other Assets." Similarly, the two-way breakdown of deferred tax liabilities captured in items 1.b.(1), "IRS loan loss provision," and item 1.b.(2), "Other," were eliminated in favor of a single item "Net deferred tax liabilities" included in new Schedule HC-F "Other Liabilities." Item 3, "Number of full-time equivalent employees" was moved to Schedule HI, memoranda item 5, to be consistent with presentation in the Call Report.

Item 7.a, "Amount of cash items in process of collection netted against deposit liabilities in reporting Schedule HC;" item 8, "Reciprocal demand balances with depository institutions (other than commercial banks in the U.S.);" and item 16, "Please describe and list below separately the dollar amount outstanding of assets removed from the reporting company's balance sheet (Schedule HC) in connection with assets netted against liabilities when there exists a legal right of offset" were eliminated.

In addition, Schedule HC-G was retitled as well as the items renumbered to align with the presentation of the Call Report memoranda schedule.

#### Schedule HC-H--Past Due and Nonaccrual Loans, Lease Financing Receivables, Placements, and Other Assets

Item 1, "Loans secured by real estate" as a total was deleted. This item can be derived from the sum of the components of revised item 1. In addition, Schedule HC-H was retitled as well as the items renumbered to align with the presentation of the Call Report past due schedule.

### Schedule HC-I--Risk-Based Capital

Part I, Memoranda item 6, "Fair value of mortgage servicing assets," was retitled as "Estimated fair value of mortgage servicing assets" and moved to new Schedule HC-M, Memoranda item 12.a(1).

In addition, Schedule HC-I was retitled as well as changes to the items, and appearance of the schedule, to align with the presentation of the Call Report regulatory capital schedule.

### Schedule HC-IC--Additional Detail on Capital Components

This schedule was deleted and the items moved to the Memoranda section of the revised risk-based capital schedule. In addition, the following changes were made.

Item I.b, "Auction rate preferred stock and any other perpetual preferred stock deemed by the Federal Reserve to be eligible for Tier 2 capital only;" item 2, "Total perpetual debt, undedicated portions of mandatory convertible securities and long-term preferred stock with an original maturity of 20 years or more that qualify for supplementary capital (after discounting);" and item 3, "Intermediate preferred stock with an original weighted average maturity of 5 years or more; subordinated debt with an original weighted average maturity of 5 years or more; or unsecured long-term debt issued by BHC prior to March 12, 1988, that qualified as secondary capital (after discounting)" were eliminated.

### Schedule HI--Consolidated Income Statement

Item 5.b.(1), "Service charges on deposit accounts" and item 5.b.(2), "Other service charges, commissions, and fees" were combined and retitled "Service charges on deposit accounts in domestic offices." In addition, Memoranda item 5 was deleted since this item was for purposes of describing items included in 5.b.(2) that exceeded a particular threshold.

Memoranda item 4 "Income taxes applicable to gains (losses) on securities not held in trading accounts" was deleted. In addition, Schedule HI was moved to the front of the FR Y-9C form as well as the items renumbered to align with the presentation of the Call Report.

### Schedule HI-B, Part II--Allowance for Credit Losses

Item 6, "Foreign currency translation adjustments," was combined with new item 5 "Adjustments." In addition, Schedule HI-B was moved to the front of the FR Y-9C form and items renumbered to align with the presentation of the Call Report.

### New Schedules

Two new schedules for the reporting of "Other Assets" and "Other Liabilities" were added to provide greater consistency with the presentation of the Call Report. Items reported on these schedules consist of items currently reported on the Memoranda and Securities schedules, and certain new and revised items. The "Other Assets" schedule consists of the following items: (1) Accrued interest receivables, (2) Net deferred tax assets, (3) Interest-only strips receivables (not in the form of a security) on mortgage loans and other financial assets, (4) Equity securities that do not have readily determinable fair values, and (5) Other. The "Other Liabilities" schedule consists of the following items: (1) Net deferred tax liabilities, (2) Allowance for credit losses on off-balance- sheet credit exposures, and (3) Other.

### REVISIONS RELATED TO THE GRAMM-LEACH-BLILEY ACT OF 1999

Insurance related activities of BHCs have been limited to the provisions provided under Regulation Y and the Garn-St. Germain Depository Institutions Act of 1982. Now BHCs and financial holding companies (FHCs), under the provision of the Gramm-Leach-Bliley Act of 1999 (GLBA), can engage in and affiliate with full service insurance companies providing insurance agency (sales) and underwriting activities.

As an umbrella supervisor, it is essential for the Federal Reserve to evaluate the volume and nature of insurance activities conducted by an FHC on a fully consolidated basis. A few basic indicators of the nature and volume of the FHCs insurance business that cut across legal entities and business lines will be critical, especially since the number of entities and related functional regulators involved with such activities can be substantial and impractical for the Federal Reserve to aggregate on its own. These data will serve to identify whether the organization has engaged in agency business (sales), underwriting and reinsurance activities and indicate the approximate size of its reserve positions (which constitute the largest liability for an insurance company and the most prominent source of insurer insolvency). These "identifiers" will serve as a tool for identifying when the Federal Reserve will need to contact and coordinate with functional regulators to get additional information without duplicative or onerous burden on the FHC's functionally-regulated entities.

Thus, a new schedule HC-I, "Insurance-Related Activities," was added to obtain the following "identifiers" information: Part I, Property and Casualty; Part II, Life and Health; and Part III, All

Insurance-Related Activities. Items for Part I are as follows: Reinsurance recoverables; Claims and claims adjustment expense reserves; and Unearned premiums. Items for Part II are as follows: Separate account assets; Policyholder benefits and contract holder funds; and Separate account liabilities. Items for Part III are Total assets and Net income.

Additionally, two "identifier" items were added to the memoranda section of Schedule HI: item 12.b, "Premiums" and item 12.c, "Benefits, losses, and expenses from insurance-related activities."

*Beginning March 31, 2000*, no revisions were made to the FR Y-9C primarily due to the moratorium imposed on report revisions because of the century date change (year 2000) efforts undertaken by the industry. However, because of the enactment of the Gramm-Leach-Bliley Act of 1999 (GLB Act), the Federal Reserve implemented an interim report, the FR Y-9CS, *Supplement to the Consolidated Financial Statements for Bank Holding Companies*, to collect certain information in an expedited manner.

*Beginning March 31, 1999*, a few revisions were made to the FR Y-9C report form. On Schedule HC, the caption for existing item 10.b(1) was revised to read "Purchased credit card relationships and nonmortgage servicing assets." To implement the reporting requirements of FAS 133 in a manner consistent with the Call Report revision, a new line item 27.f, "Accumulated net gains (loses) on cash flow hedges," was added to the balance sheet. Form items 27.f through 27.h were renumbered to reflect this addition. A new line item, memoranda item 4.c, "Amount of new unrealized holding gains on available-for-sale equity securities (included in Tier 2 total capital ratio)," was added to the memoranda section of Schedule HC-A. Also, memoranda items 5, "High risk mortgage securities," 5.a, "Amortized cost," and 5.b., "Fair value," of Schedule HC-A were deleted. On Schedule HC-I, Part I, the caption of existing memoranda item 7 was revised to read, "Fair market value of purchased credit relationship and nonmortgage servicing assets," to remain consistent with the change made to Schedule HC, item 10.b(1). In addition, memoranda item 7.a of Schedule HC-I, Part I, was deleted and the existing item 7.b was renumbered to reflect this change. The existing item 13 was renumbered to 13.a to reflect this change. The MDRM number for existing memoranda item 8.a(1) of Schedule HI was changed to 6373 and the text portion was hard coded with the caption, "Effect of Adopting FAS 133, Accounting for derivative instruments and hedging activities." A new line item 13.b, "Change in accumulated net gains (losses) on cash flow hedges," was added to

Schedule HI-A. Finally, "Notes to the Balance Sheet" and "Notes to the Income Statement" sections of the FR Y-9C were expanded to allow space for additional comments.

*Beginning March 31, 1998*, a few revisions were made to the FR Y-9C to parallel items on the Call Report. Schedule HC-B, Part III, items 6 and 8, "Certificates of deposit in domestic offices" and "Bankers acceptances in domestic offices" were combined into existing item 9, "Other trading assets in domestic offices" since the separate reporting of these items is no longer required. Additionally, item 7, "Commercial paper in domestic offices" was combined with existing item 5, "Other debt securities in domestic offices" in order to maintain consistency with classifications previously made on the balance sheet. A new line was added to the memoranda section of HC-I, Part I, to collect a more accurate measure of the bank holding company's risk-based capital ratios than was achieved under the "gross-up" method. The new memoranda item (line 8) is captioned "Maximum contractual dollar amount of recourse exposure in low level recourse transactions (to be completed only if the bank holding company uses the "direct reduction" method for these transactions in Schedule HC-I." Also, Part III of Schedule HC-I was changed in order to capture the capital requirements for measuring market risk and to provide comprehensive reporting of all capital components. Existing item 1 "Tier 1 capital" was renumbered to item 1.a; item 1.b, "Tier 2 capital" and item 1.c, "Tier 3 capital" were added; existing item 2, "Total risk-based capital" was renumbered to 1.d and a new item 2, "Market risk equivalent assets" was added' and item 3 was recaptioned "Net risk-weighted assets (gross risk- weighted assets less excess allowance [amount that exceeds 1.25% of gross risk-weighted assets] and all other deductions)." On August 22, 1997, the Board announced it was modifying several of the firewalls relating to bank holding companies with section 20 subsidiaries. In doing so, the Board eliminated the need for bank holding companies to perform a capital calculation on a "deconsolidated" basis. The modifications were effective October 27, 1997. Although Schedule HC-J was effectively eliminated with the 1997 fourth quarter, the schedule was not removed from the Y-9C report until March 31, 1998 to allow bank holding companies the option to report Schedule HC-J through the end of 1997. To accommodate the American Institute of Certified Public Accountants'(AICPA) requirement that allowance for credit losses on the balance sheet be allocated between on-balance sheet financial instruments and off-balance sheet credit exposures, Schedule HI-B, Part II was retitled "Allowance for Credit Losses." Additionally, item 4 of Schedule HI-B, Part II and item 4.a of Schedule HI were recaptioned "Provision for credit losses." Also on Schedule HI, a memoranda item 12, which checks to see

if a bank holding has a Subchapter S election, was added to assist examiners and analysts in reviewing a bank holding company's tax position.

*Beginning December 31, 1997*, Schedule HC-J was eliminated.

*Beginning March 31, 1997*, several revisions were made to the FR Y-9C report with a net reduction of 15 items. Most of these revisions were made to conform with changes that were made to the Call Report. Several balance sheet items were combined: 1) "Federal funds sold" and "Securities purchased under agreements to resell" were combined into a single item (HC-3) and reported on a fully consolidated basis, and the corresponding changes were made to Schedule HI, item 1.f, and to the instructions for Schedule HC-E, item 2; 2) "Federal funds purchased" and "Securities sold under agreements to repurchase" were also combined into a single item (HC-14) and reported on a fully consolidated basis, and the corresponding changes were made to the instructions for Schedule HC-E, item 8 and Schedule HI, item 2.b; 3) "Mortgage indebtedness and obligations under capitalized leases" was combined, as appropriate, with items 17 and 18, "Other borrowed money," as were the instructions for Schedule HC-E, item 9, to include mortgage indebtedness and obligations under capital leases; and 4) "Limited-life preferred stock (including related surplus)" was combined with item 21, "Subordinated notes and debentures." In addition, revisions were made to the following related items: Schedule HC-E, item 10, "Limited-life preferred stock," was deleted; Schedule HI-A, item 9, "LESS Cash dividends declared on limited-life preferred stock," was combined with item 8, "LESS Cash dividends declared on perpetual preferred stock," and revised to "LESS Cash dividends declared on preferred stock," and Schedule HI-A, memorandum item 1, "Sale of limited-life preferred stock," was deleted. Two items were deleted from the memorandum section of Schedule HC-A, "Held-to-maturity debt securities restructured and in compliance with modified terms (included in Schedule HC-A, items 3.a, 3.b, 4.a, and 5.a, column A above)," and "Held-to-maturity debt securities restructured and in compliance with modified terms if the restructured obligation yielded a market rate at the time of restructuring (included in Schedule HC-A, item M.3)." Additionally, memorandum item 9.a, "Investments in mutual funds" and item 9.b, "Other equity securities with readily determinable fair values," were combined into a single item (memorandum, item 9.a). Schedule HC-B, memorandum 4, "Commercial paper included in loans (Part I, items 1-8 above)," was deleted. The instructions were revised to indicate that commercial paper should now be reported as a security in Schedule HC-A, either in item 4.a, "U.S. debt securities," or item 5.a, "Foreign debt securities." Several changes were made to Schedule HC-F: 1) Part II, items 1.a and 1.b, "Gross commitments to purchase" and "Gross

commitments to sell” when-issued securities were eliminated as separate items; however, these commitments will continue to be reported in different areas of Schedule HC-F subject to the existing reporting thresholds; 2) Two new items were added and assumed the position of the when-issued securities A: item 1.a, the notional amount of “Credit derivatives on which the reporting bank holding company or any of its consolidated subsidiaries is the guarantor”; and item 1.b, the notional amount of “Credit derivatives on which the reporting bank holding company or any of its consolidated subsidiaries is the beneficiary.” These items were added to identify the extent of involvement by bank holding companies and their consolidated subsidiaries in credit derivative instruments; 3) Part II, item 5, “Assets sold with recourse,” was revised so that each category collects information on the amount of assets transferred and the amount of recourse exposure on these assets. On Schedule HC-G, item 16.a, “Securities purchased under agreements to resell netted against securities sold under agreements to repurchase on Schedule HC,” was renumbered to 7.b and the existing item 7, “Amount of cash items in process of collection netted against deposit liabilities in reporting Schedule HC,” was renumbered to 7.a. In response to FASB Statement No. 125, item 18, “Excess residential mortgage servicing fees receivable,” was renumbered as item 18.a and revised to report all mortgage related interest-only strips receivable. A new item 18.b was added to collect data on interest- only strips receivable on all other financial assets. These strips receivable are measured at fair value like available- for-sale securities. Also, a new item 22, “Net unamortized realized deferred gains (losses) on off-balance-sheet derivative contracts included in assets and liabilities reported in Schedule HC,” was added. On Schedule HC-IC, the separate maturity distributions of items 3.a through 3.f were replaced by a single item (new item 3) for the qualifying portion of each of these types of capital components that is included in Tier 2 capital. Changes to Schedule HI included the following: revisions to items 2(a)(1)(a) and 2(a)(1)(b) to collect interest expense in domestic offices on “Time deposits of \$100,000 or more” and “Time deposits of less than \$100,000,” respectively; interest expense on mortgage indebtedness and obligations under capitalized leases will be reported in item 2.c, “Interest on borrowed funds (excluding subordinated notes and debentures)” instead of item 2.e, “Other interest expense”; and item 5.d, “Other foreign transaction gains (losses)” was deleted and should be reported consistently in either 5.e, “Other noninterest income,” or item 7.c “Other noninterest expense.” Other revisions were made to the FR Y-9C report that were unrelated to the Call Report changes. On Schedule HC, the caption of existing line item 23 was revised to read “Minority interest in consolidated subsidiaries and similar items” and renumbered to line item 24. The existing line item 24, “Other liabilities,” was moved and renumbered to item 23. The existing line

item 23 was revised and moved to capture data where bank holding companies issue instruments out of special purpose subsidiaries that may be generically referred to as trust preferred stock (i.e., MIPS and TOPRS). These instruments are generally eligible for inclusion in Tier 1 capital and therefore must be reported in existing line item 2 for the Federal Reserve to perform the Tier 1 capital calculation. In addition, the caption for existing line item 25 was expanded to read "Total liabilities and minority interest." The reference above Schedule HC-E, "Multibank holding companies with total consolidated assets of less than \$500 million are not to complete Schedule HC-E," was removed. All bank holding companies that complete the FR Y-9C must complete this schedule according to the 1994 revision to the reporting panel. A new line item was added to Schedule HC-IC to collect data on the instruments issued out of special purpose subsidiaries, mentioned above. The new line item is 1(a)(3) and is captioned "Preferred stock reported in minority interest in consolidated subsidiaries and similar items on Schedule HC." On Schedule HC-J, two new line items, "Tier 1 capital" and "Total risk-based capital," were added to Part II and numbered as memorandum items 3 and 4, respectively. The caption for the existing memorandum item 3 was revised to "Average total assets net of deductions" and renumbered to memorandum item 6. Existing memorandum item 4, "Total risk-weighted assets" was renumbered to memorandum item 5 and revised to read "Risk-weighted assets net of allowances and other deductions." Memorandum item 2, "Sale of equity commitment notes," and memorandum item 3, "Sale of equity contract notes," were deleted from Schedule HI-A since bank holding companies are no longer issuing these types of securities.

*Beginning March 31, 1996*, Surveillance staff plan to revise the liquidity ratios that they use to focus on short-term and total non-core liabilities as well as short-term. In order to support the measurement of these new ratios and amounts, several schedules were changed. Schedule HC, line items 17 and 18, were revised so the reporting is now based on "remaining maturity" instead of "original maturity." This change also required a revision to line item 5 of Schedule HC-D, "Interest Sensitivity." The portion of long-term debt reported in the Balance Sheet on line item 18 is excluded. On Schedule HC-B, Part I, "Acceptances of other banks," was split from line 3, "Loans to depository institutions." Additionally, a line was added to the memoranda section to collect information on commercial paper included in loans. A new memoranda section was added to Schedule HC-C to report: (a) brokered deposits less than \$100,000 with a remaining maturity of one year or less, (b) brokered deposits less than \$100,000 with a remaining maturity of more than one year, (c) time deposits greater than \$100,000 with a

remaining maturity of one year or less, and (d) foreign office time deposits with a remaining maturity of one year or less. To accommodate revised capital guidelines regarding the amount of retained recourse on the sale of small business loans and leases, two lines were added to Schedule HC-F, Part II, "Small business obligations sold with recourse," and "Amount of recourse retained on small business obligations sold." Four items were added to Schedule HC-I: 1) Tier 1 capital; 2) Total risk-based capital; 3) Risk-weighted assets; and 4) Average total assets. On Schedule HC-IC, items 2, 3, 4, and 6 have been combined into one item, "Total perpetual debt, undedicated portions of mandatory convertible securities and long-term preferred stock with an original maturity of 20 years or more that qualify for supplementary capital (after discounting)." Item 9, "Unsecured long-term debt issued prior to March 12, 1988, that qualified as secondary capital when issued" was eliminated. On Schedule HC-J, an item to report "Total risk-weighted assets" was added. On Schedule HI, the current portion of trading income in item 5(c), "Trading gains (losses) and fees from foreign exchange," and item 5(d), "Other gains (losses) and fees for trading assets and liabilities," were combined into the new line 5(c), "Trading revenue." In addition, because the trading income items were combined, a separate item to report "Other foreign transaction gains (losses)," was moved to line 5(d). These changes allow the FR Y-9C to remain consistent with the Call Report and appropriately segregates trading income from income generated from other foreign transactions. Memorandum item 3, "Estimated foreign tax credit (included in applicable income taxes)," was eliminated. On Schedule HI-B, a new line item was added to report the amount of "credit losses on off-balance-sheet derivative contracts." Credit losses on derivatives is considered part of the minimum information that should be available to regulators as discussed in a statement issued jointly by the Basle Committee on Banking Supervision and the Technical Committee of the International Organization of Securities Commissions (IOSCO) in May 1995. Other changes were made to the FR Y-9C report unrelated to the Call Report. The annotation of Note 1 on the Notes to the Balance Sheet, "Net unrealized loss on equity securities with readily determinable fair values," was moved to the memoranda section of Schedule HC-A and a new line was added. The capital rules regarding these securities are now final, and this information continues to be used in the risk-based capital calculation. On the memoranda section of Schedule HC-I, Part I, the "discounted value" of purchased mortgage servicing rights was deleted since it is no longer needed for risk-based capital calculations. Additionally, the recent change in the risk-based capital guidelines regarding derivatives and the permissibility of cross netting allowed the combination of line items 10 and 11 on Part II into one line item and with the caption of

"Credit equivalent amount of off-balance-sheet derivative contracts." An identical caption change occurred on Schedule HC-J, Part II, line 6.

*Beginning March 31, 1995*, several revisions were made to the FR Y-9C report. Most of these revisions were made to conform with changes that were made to the Call Report effective for the same reporting period, or to collect information at the bank holding company level in a manner consistent with items that are currently collected at the bank level on the Call Report. These revisions primarily focused on expanded disclosures of derivative products, trading activities and mutual fund information. Changes were made on Schedules HC, HC-A, HC-B, HC-F, HC-G, HC-I, HC-J, HI, and HI-B.

*Beginning March 31, 1994*, several changes were made to the FR Y-9C report. To implement the reporting requirements of FASB Statement No.115 in a manner consistent with the Call Report revisions, the following line items were added to the FR Y-9C: "available-for-sale securities," "held-to- maturity securities," and "net unrealized holding gains (losses) on available-for-sale securities" were added to the Balance Sheet (Schedule HC). Schedule HC-A was revised to a four column format to collect the amortized cost and fair value of held-to-maturity securities and available-for-sale securities, and a memoranda item was added to report the "amortized cost of held-to- maturity securities sold or transferred to available- for-sale or trading securities during the calendar year-to-date." Memoranda line item 5 of Schedule HC-A, "Debt securities held for sale," was deleted. Line item 6 of Schedule HI was revised to report the "Realized gains (losses) on held-to- maturity securities" and "Realized gains (losses) on available-for- sale securities." Line item 13 of Schedule HI-A was revised to report the "Change in net unrealized holding gains (losses) on available-for-sale securities." Other revisions made to the FR Y-9C to maintain consistency with the Call Report included (1) adding "Trading liabilities" to the Balance Sheet; (2) adding a four column memoranda section to Schedule HC-A to report certain debt securities, mortgage-backed securities, and equity securities; and (3) adding four items to Schedule HC-G--"Deferred tax assets in excess of proposed regulatory capital limits," "Revaluation gains on interest rates, foreign exchange rate, and other off-balance sheet commodity and equity contracts," "Revaluation gains on interest rates, foreign exchange rate, and other off-balance sheet commodity and equity contracts," "Revaluation losses on interest rate, foreign exchange rate, and other off-balance sheet commodity and equity contracts," and "Liability for short positions." Two items were added to Schedule HC-H to collect past due information on interest rate, foreign exchange rate, and other off-balance sheet

commodity and equity contracts: "Book value of amounts carried as assets," and "Replacement cost of contracts with a positive replacement cost." Several changes were made to Schedule HI--Income Statement unrelated to the implementation of FASB Statement No. 115 or the most current Call Report revisions: a free-form memorandum item was added to Schedule HI, which would require bank holding companies to disclose the three largest service fees and commissions (other than service charges on deposit accounts) that exceed 10 percent of "Other service charges, commissions, and fees," Schedule HI, line item 5.b(2), and Memorandum item 5, "Nonrecurring transactions," was revised to (a) replace the reporting of gains and losses on the sales of assets (other than real estate owned) with gains and losses on the sales of loans; (b) eliminate the requirement of reporting "other nonrecurring transactions" that are 25% or more of noninterest income or noninterest expense (and the applicable income tax effect); (c) report gains and losses on other real estate owned; and (d) report the three largest noninterest income items and the three largest noninterest expense items that exceed 10% of line item 5.e, "Other noninterest income" and line item 7.c, "Other noninterest expense," respectively.

*Beginning March 31, 1993*, several changes were made to the FR Y-9C report. Two line items were added to Schedule HC-H: "Loans and leases reported in Schedule HC-H, items 1 through 8 which are wholly or partially guaranteed by the U.S. government" (memo item 5) and the "Guaranteed portion of loans and leases included in Schedule HC-H, Memoranda item 5" (memo item 5.a). Also, the following line items were opened on Schedules HC-I and HC-J to facilitate correct reporting of risk-weighted assets: Schedule HC-I, Part II, Column C, Items 3, 5, 8, and 9, and Schedule HC-J, Part II, Column C, Items 1 and 5. To accommodate Risk-Based Capital guideline changes that went into effect as of December 31, 1992, the 0% risk-weight cells were opened for these items: Schedule HC-I, Part I, Column A, Item 3, and Schedule HC-J, Part I, Column A, Item 3. Four other line items were added to Schedule HC-I because of the year-end 1992 changes to the Risk-Based Capital guidelines: "Discounted value and fair market value of purchased mortgage servicing rights" (Schedule HC-I, Part I, Memo items 6.a and 6.b) and "Discounted value and fair market value of purchased credit card relationships" (Schedule HC-I, Part I, Memo items 7.a and 7.b). Memo item 1 on Schedule HC-I, Part I, "Goodwill incurred on or after March 12, 1988," was deleted. This line item was originally added for calculating Tier 1 capital under the transition rules for risk-based capital, but when the final rules became effective December 31, 1992, this item was no longer needed. A new memo item 1 on Schedule HC-I, Part 1--"Intangible assets (excluding goodwill, purchased mortgage servicing rights, and purchased credit card relationships) recorded on or before February 19,

1992"--was added in place of the deleted item. Finally, the text information associated with Schedule HC-G, item 15 was no longer transmitted to the Board.

*Beginning September 30, 1992*, one change was made to the FR Y-9C report. Consistent with the elimination of information on highly leveraged transactions from the Call Report, Schedule HC-K on the FR Y-9C was eliminated.

*Beginning March 31, 1992*, the FR Y-9C was again revised to maintain consistency with the Call Report, Schedule HC, item 10.b, "Other identifiable intangible assets," was split into two items: "Purchased credit card relationships" and "All other identifiable intangible assets." Schedule HC-G was revised to include items on mortgages serviced under a servicing contract, with breakdowns for Government National Mortgage Association (GNMA) contracts, Federal Home Loan Mortgage Corporation (FHLMC) contracts, Federal National Mortgage Association (FNMA) contracts, and other servicing contracts. Also added to Schedule HC-G was an item on "Excess residential mortgage servicing fees receivable." Other revisions unrelated to Call Report changes to the FR Y-9C were on the memoranda sections of Schedules HC-A and HC-B. The following items were added: "Debt securities restructured and in compliance with modified terms if the restructured obligation yielded a market rate at the time of restructuring," and "Loans and lease financing receivables restructured and in compliance with modified terms if the restructured obligation yielded a market rate at the time of restructuring." Schedule HC-B, Version 1 was eliminated to facilitate electronic transmission of the FR Y-9C report. Three memoranda items were added to Schedule HC-F: "Mortgages sold with recourse that incur no capital charge," "Mortgages sold with recourse prior to October 12, 1990," and "Participations in unused commitments." On Schedule HC-G, a yes/no item requiring the name of a BHC official was added to verify that all reportable changes in bank holding company structure had been reported on the Bank Holding Company Report of Changes in Investments and Activities (FR Y-6A). Also on Schedule HC-G, an item was added for "Income earned but not collected" and an item was added to collect information on assets (other than cash items in process of collection and reciprocal demand balances with depository institutions) that were offset against liabilities when a "right of offset" existed as defined by Generally Accepted Accounting Principles (GAAP) and on deceased debt. Additionally, items were added relating to mortgage servicing. To facilitate the electronic transmission of the FR Y-9C, simplify the report form and ensure correct reporting of off-balance sheet assets by smaller bank holding companies, the abbreviated Risk-Based Capital schedule (Schedule HC-I, Abbreviated) was eliminated. All

top-tier bank holding companies with total consolidated assets of \$500 million or more were required to submit the more detailed version of Schedule HC-I. On Schedule HC-IC, information was added on cumulative and noncumulative perpetual preferred stock eligible for inclusion in Tier 1 capital, and the line item on "other perpetual preferred stock," was deleted. On Schedule HC-J, an item was added on "Unsecured commitments (including unsecured loan facilities) to the Section 20 securities affiliates from the parent bank holding company or its subsidiaries." On the memoranda section of Schedule HC-J, an item was added for quarterly average assets as of the reporting date, excluding the assets of the Section 20 securities underwriting affiliate.

*Beginning March 31, 1991*, the FR Y-9C was revised to parallel changes made to the commercial bank Reports of Condition and Income (Call Report). On Schedule HC-A, memoranda items were added for "Debt securities restructured and in compliance with modified terms" and "Debt securities held for sale." On Schedule HC-B, the item on "All other loans secured by 1-4 family residential properties" was split into two line items: "Secured by first liens" and "Secured by junior liens" on 1-4 family residential properties. Also, "Loans to depository institutions" was split into "Loans to U.S. banks and other U.S. depository institutions" and "Loans to foreign banks." The item on "Loans to individuals for household, family, and other personal expenditures" was split into "Credit cards and related plans" and "Other." Finally, on Schedule HC-B, a memoranda item on "Loans and leases held for sale" was added. On Schedule HC-G, the item "Total assets of unconsolidated subsidiaries and associated companies" was added. Schedule HC-H was modified to split "Loans to U.S. banks and other depository institutions" and "Loans to foreign banks." The item on "Loans to individuals for household, family, and other personal expenditures" was split into "Credit cards and related plans" and "Other." Also, a line item for past due and nonaccrual "Loans to foreign governments and official institutions" was added. The memoranda item "Secured by 1-4 family residential properties" was split into "Revolving, open- end loans secured by 1-4 family residential properties and extended under lines of credit" and "All other loans secured by 1-4 family residential properties." Line items were added to Schedule HC-IC for discounting long-term preferred stock with an original maturity of 20 years or more. A new line item was added to Schedule HC-K to collect information on highly leveraged transactions that were "Past due 30 through 89 days and still accruing." On Schedule HI-B, items were included on "Loans to U.S. banks and other U.S. depository institutions" and "Loans to foreign banks." The item on "Loans to individuals for household, family, and other personal expenditures" was split into "Credit cards and related plans" and "Other" loans to individuals for household, family, and other

personal expenditures. The memoranda item on "Secured by 1-4 family residential properties and extended under lines of credit" and "All other loans secured by 1-4 family residential properties." A memoranda item was added for charged-off or recovered "Loans to finance real estate, construction, and land development activities" that are not secured by real estate. Other revisions unrelated to the Call Report changes were made to the FR Y-9C to improve the monitoring of risk-based capital and provide information to respond to Board and Congressional requests. On Schedule HC-I, Abbreviated, a memoranda item was added to collect "Capital investments in unconsolidated banking and finance subsidiaries." Several items on Schedule HC-G, Memoranda, were deleted; these items had been included to calculate secondary capital under the previous capital adequacy guidelines, and were no longer needed. The item on "Unsecured long-term debt" was kept but moved to Schedule HC-IC because it was still needed to affirm the calculation of Tier 2 capital. Other Schedule HC-G items that were moved to Schedule HC-IC included "Common or perpetual preferred stock dedicated to retire or redeem outstanding equity commitment notes;" "Total perpetual debt;" and "Offsetting debit to the liability (i.e., the contra account) for Employee Stock Ownership Plan (ESOP) debt guaranteed by the reporting bank holding company." Two new items were added to Schedule HC-IC that provided data on Treasury stock in the form of common stock.

*Beginning September 30, 1990*, the FR Y-9C was significantly revised. Changes were made to (1) strengthen the monitoring of bank holding companies between on-site inspections; (2) improve the ability of Board and Reserve Bank staff to detect emerging problems associated with certain bank holding company activity at an earlier stage; (3) accommodate the collection of data to calculate the risk-based capital ratios for FR Y-9C reporters; (4) reflect new accounting standards established by the Financial Accounting Standards Board (**FASB**); and (5) parallel the commercial bank Call Report form. Information was added to calculate risk-based capital ratios in accordance with the Capital Adequacy Guidelines for Bank Holding Companies and to verify bank holding company adherence to those guidelines. New Schedules HC-I and HC-J were added to collect the necessary information to calculate risk-based capital, with Schedule HC-J tailored to collect information from bank holding companies with a subsidiary that engages in limited underwriting and dealing in ineligible securities (Section 20 subsidiaries). A supplement without a predetermined item set was added to provide flexibility in reacting to potential problem situations by allowing the collection of up to fifteen items for any FR Y-9C report date. Schedule HC-K was added to evaluate bank holding company exposure in highly leveraged financing. Several changes were made to the report form to parallel the level of detail

reported by commercial banks on the Call Report form, including the addition of a column to Schedule HC-H for past-due loans that have accrued between 30 and 89 days and are still accruing, and the formatting and item changes made to Schedule HC-F to parallel similar changes made to Schedule RC-L on the commercial bank Call Report form in March 1990. Part II of Schedule HC-G was eliminated, but most of the information was retained and added to Schedule HC-F and Part I of Schedule HC-G. In addition, the "deferred taxes" item on Schedule HC-G was divided into a deferred tax credit and debit to reflect the impact of FASB No. 96, and two yes/no questions were added to determine whether the bank holding company needs to submit restated financial statements. Also a few item changes were made to the income statement and supporting schedules.

## BHCP

*Beginning March 31, 2012*, SLHCs that met the FR Y-9LP reporting criteria, and were not initially exempt from reporting, were required to submit the FR Y-9LP

*Beginning March 31, 2011*, the MDRM number for memoranda item 5 on the Income Statement, "Net change in fair values of financial instruments accounted for under a fair value option" was revised to maintain consistency with the same reporting item on the FR Y-11, FR 2314 and the FR Y-7N series for which there was an instructional update. Also, to be consistent with the FR Y-9C report changes for March 2011, the caption for memorandum item 8 on Schedule PC-B was updated to read, "Loans of the parent restructured in troubled debt restructuring that are in compliance with their modified terms" excluding leases. The MDRM number for this item was also updated to reflect the definitional change.

*Beginning March 31, 2010*, Date of Signature on the cover page will be a transmittable item.

*Beginning March 31, 2009* the contact information on the cover pages for the FR Y-9LP were assigned new MDRM numbers to allow the Board to receive the text items in the data transmissions.

*Beginning March 31, 2008* new memoranda items were added to the FR Y-9LP report to collect data from parent company only entities that applied the fair value option to certain financial assets and liabilities. Bank holding companies that adopted FAS157 and elected to account for

financial instruments or servicing assets and liabilities on the books of the parent bank holding company at fair value under the fair value option (FAS 159) were required to complete new financial items. New memoranda items were added to report certain financial assets and liabilities at fair value on Schedule PC and with the changes in fair value included in earnings on Schedule PI.

To enable a better understanding of both the effects of mergers of whole entities, and acquisitions or disposals of major business operations as part of bank holding companies corporate strategies, two new data items were added to Schedule PI-A, Part II, cash flows from investing activities for outlays for business acquisitions and proceeds from business divestitures. In addition, to reduce reporting burden, the reporting of two data items were combined for a net amount of proceeds from purchased funds and other short-term borrowings and repayments of purchased funds and other short-term borrowings.

*Beginning September 30, 2006*, the FR Y-9LP report attestation requirements were revised to require the bank holding company's chief financial officer (or individual performing an equivalent function) signature rather than the signature by any authorized officer of the bank holding company.

*Beginning March 2006*, to more accurately reflect current supervisory needs, the FR Y-9C and the FR Y-9LP filing threshold was increased from \$150 million to \$500 million or more,

*Beginning March 2003*, two new items were added to Schedule PC-B. Items 15.b, "Total combined loans and leases of nonbank subsidiaries," and 15.C, "Total aggregate operating revenue of nonbank subsidiaries " were added to collect additional information on nonbank subsidiaries because of the recent changes to the FR Y-11, "Financial Statements of Nonbank Subsidiaries of Bank Holding Companies." Previous items 15.b, 15.c, 15.d, 15.e, and 15.f were renumbered to 15.d, 15.e, 15.f, 15.g, and 15.h, respectively.

*Beginning March 2002*, several lines were added to the FR Y-9LP relating to growth in the issuance of trust preferred securities by special purpose entities of bank holding companies as a funding source for the bank holding companies. On the Memoranda section of Schedule PI, item 4, "Interest expense paid to special-purpose subsidiaries that issued trust preferred securities (included in item 2.d above)" was added. Additionally, on Schedule PC-B, item 16,

“Notes payable to special-purpose subsidiaries that issued trust preferred securities (included in Schedule PC, item 18.b and item 5.b above)” was added. These items isolated the amount of interest expense being paid by the parent to special-purpose subsidiaries that issued trust preferred securities.

*Beginning March 2001*, Balance sheet item 4.f “LESS: Allocated transfer risk reserve was deleted and previous item 4.g “Loan and leases, net of unearned income and allowance for loan and leases losses and allocated transfer risk reserves...” was revised and renumbered to new 4.f. Item 7.a “Mortgage services assets was renumbered to 7.b; previous 7.b “Other identifiable intangibles” was renumbered to 7.c, and previous 7.c “Goodwill” was renumbered to 7.a. Mandatory convertible securities items “Equity contract, notes, gross” (15.a) and “Equity commitment notes, gross” (15.b) were deleted. In order to implement FASB Statement No. 130, *Reporting Comprehensive Income*, two equity lines item 20. “Net unrealized holding gains (losses) on available-for-sale securities” and item 20.f “Accumulated net gains (losses) on cash flow hedges” were combined and reported as “Accumulated other comprehensive income.” A new for “Other equity capital components,” which included treasury stock and unearned Employee Stock Ownership Plan shares, was added to the equity capital of the balance sheet. Item 20.g “LESS: Treasury stock was deleted. Memoranda item 4 “Mandatory convertible securities, net” was eliminated.

The income statement and cash flow statement were moved to the front of the form with a couple of changes. Income statement item 2.c.(1) “Provision for credit losses” was renumbered and recaptioned to item 2 “Provision for loan and lease losses.” Item 2.c(2) “Provision for allocated transfer risk” was deleted. The threshold for reporting Memoranda item 1 “Total consolidated assets of the bank holding company” was removed. All BHCs are now required to complete this item so that the Federal Reserve can monitor the size of these institutions.

*Beginning March 31, 1999*, a new line item 20.f, “Accumulated net gains (losses) on cash flow hedges” was added to Schedule PC. Former items 20.f through 20.g were renumbered to reflect this change.

*Beginning March 31, 1998*, several items were added to Schedule PC-B in order to assist analysts in answering questions posed by senior management at the Board relating to nonbank subsidiaries and thrifts. The existing item 9 was renumbered to item 15.a, “Total combined

nonbank assets of nonbank subsidiaries” and the following items expand on that information: item 15.b, “Combined thrift assets included in 15.a”; item 15.c, “Combined foreign nonbank subsidiary assets included in 15.a; item 15.d., “Number of nonbank subsidiaries included in 15.a”; item 15.e, “Number of thrift subsidiaries included in 15.a”; and item 15.f, “Number of foreign nonbank subsidiaries included in 15.a.” Items 15.a through 15.f, are only reported by the financial top-tier bank holding company in a multi-tier bank holding company. On Schedule PI, item 2.c. 1 was recaptioned “Provision for credit losses” to parallel the revision made to the FR Y-9C.

*Beginning March 31, 1997*, schedule PC, item 19, “Limited-life preferred stock (included related surplus),” was combined with existing item 16, “Subordinated notes and debentures (including limited-life preferred stock and related surplus).” This change was made to remain consistent with revisions made to the FR Y-9C.

*Beginning March 31, 1996*, schedule PC, item 13 “Borrowings with original maturity of one year or less,” and item 14, “Other borrowed funds with original maturity of greater than one year,” were revised so the reporting base is now “remaining” maturity instead of “original” maturity. This change also affected the reporting requirements of Schedule PC-B, line item 2. Line item 14 of the Balance Sheet is now excluded because it is based on remaining maturity and therefore is no longer applicable.

*Beginning March 31, 1994*, the report title of the FR Y-9LP report was changed to “Parent Company Only Financial Statements for Large Bank Holding Companies.”. An item was added to the Balance Sheet for “Net unrealized holding gains (losses) on available-for-sale securities.” Three items were added to Schedule PC-B: “Market value of securities classified as available-for-sale in Schedule PC, items 2.a through 2.c,” “Amortized cost of securities classified as held-to-maturity in Schedule PC, items 2.a through 2.c,” and “Bank holding company (parent company only) borrowings not held by financial institutions or by insiders (including directors) and their interests.” The following item was added to Schedule PI-A, Part III: “Payment to repurchase common stock.”

*Beginning March 31, 1993*, three changes were made on the FR Y-9LP form. Parentheses were removed on Schedule PI-A, Part II, items 1 and 3, and Part III, items 2, 4, 6, 9, and 10. These items began to be reported as absolute values. The item descriptions for items 6 and 12 of

Parts II and III, respectively, were changed to reflect the removal of the parentheses. In addition, the MDRM number for PC-B, item 2 was changed from 0097 to 3409, retroactive to March 31, 1991. Finally, the MDRM number for PI-A, Part I, item 1 was changed from 3610 to 4340, retroactive to September 30, 1990.

*Beginning March 31, 1992*, the reporting of cash and balances due from related depository institutions was clarified by breaking this information into two parts in item 1 of the report form rather than in item 9. Item 1.a included "Cash and balances due from subsidiary or affiliated depository institutions," and item 1.b included "Cash and balances due from unrelated depository institutions."

*Beginning March 31, 1991*, an item was added to the FR Y-9LP report form balance sheet to collect information on deposits. In addition, text items (Notes to the Financial Statements) were added at the end of the report to enable Board staff to automate information that bank holding companies were reporting as footnotes to various reported items.

*Beginning September 30, 1990*, a "total" item was added to Schedule PC-A and Schedule PC-B was reordered. Also, several items were added to Schedule PC-B relating to (1) balances in subsidiary banks that are due from (or due to) either the parent bank holding companies or nonbank subsidiaries of bank holding companies; (2) pledged securities; (3) market value of securities; and (4) liabilities (other than borrowings) scheduled to mature within one year. A new Schedule PI-A, "Cash Flow Statement," was added to provide the information necessary to determine the cash position of the parent company. Two items were subdivided into component parts and several items were added.

#### BHSP

*Effective June 30, 2012*, SLHCs that met the FR Y-9SP reporting criteria, and were not initially exempt from reporting, were required to submit the FR Y-9SP.

*Beginning June 30, 2011*, The MDRM number for memoranda item 4 on the Income Statement, "Net change in fair values of financial instruments accounted for under a fair value option," was revised from BHSPF229 to BHSPJ980.

*Beginning December 31, 2010* A new hard captioned item was added to the Notes to the Financial Statements item 1 on the FR Y-9SP, to disclose bank holding company participation in the Treasury's Community Development Capital Initiative (CDCI).

*Beginning June 30, 2010* the Date of Signature on the cover page will be a transmittable item.

*Beginning June 30, 2009*, Two new line items were added to SC-M for the collection of information on, "Issuances associated with the U.S. Department of Treasury Capital Purchase Program."

*Beginning June 30, 2008, Effective June 30, 2008*, new memoranda items were added to the FR Y-9SP report to collect data from parent company only entities that applied the fair value option to certain financial assets and liabilities. Bank holding companies that adopted FAS157 and elected to account for financial instruments or servicing assets and liabilities on the books of the parent bank holding company at fair value under the fair value option (FAS 159) were required to complete new financial items. The new balance sheet memoranda items are SC-Mem3a, "Total assets measured at fair value," and SC-Mem3b, "Total liabilities measured at fair value," with the effect of the changes in fair value to the income statement shown in the new memoranda item SI-Mem4, "Net change in fair values of financial instruments accounted for under a fair value option."

*Beginning December 31, 2006*, the FR Y-9SP report attestation requirements were revised to require the signature of the bank holding company's chief financial officer (or individual performing an equivalent function) rather than the signature by any authorized officer of the bank holding company.

*Beginning June 30, 2006*, to more accurately reflect current supervisory needs, the FR Y-9SP filing threshold was changed from companies with total consolidated assets of less than \$150 million to companies with total consolidated assets of less than \$500 million. Two new data items were added to Schedule SC-M to identify total off-balance-sheet activities and total debt and equity securities. These two items are SC-M.8.a "Total off-balance sheet activities conducted either directly or through a nonblank subsidiary and SC-M.8.b "Total debt and equity

securities (other than trust preferred securities) outstanding that are registered with the Securities and Exchange Commission.

*Beginning December 31, 2005*, a new memoranda item, “Has the bank holding company engaged in a full-scope independent external audit as of the December 31 report date?” was added to clarify and identify the respondents that should submit their external auditor information.

*Beginning June 30, 2005*, on the Balance Sheet, a new memoranda item 1 was added for top-tier institutions that have a full scope audit conducted of its financial statements. Information includes the name and address of the BHC’s external auditing firm and the name and email address of the engagement partner.

On Schedule SC-M. Item 19 was deleted and item 18 was renumbered to item 19 and revised to increase the total capital threshold from 5 percent to 10 percent. Item 20 was renumbered 18 and was modified to clarify the legal authority by restating the question as “Does the bank holding company hold, either directly or indirectly through a subsidiary or affiliate, any nonfinancial equity investments (see instructions for definition) within a Small Business Investment Company (SBIC) structure, or under section 4(c)(6) or 4(c)(7) of the Bank Holding Company Act, or pursuant to the merchant banking authority of section 4(k)(4)(H) of the Bank Holding Company Act, or pursuant to the investment authority granted by Regulation K?”

Two new items, 20(a), “Has the bank holding company sold or otherwise liquidated its holding of any nonfinancial equity investment since the previous reporting period?” and 20(b), “Does the bank holding company manage any nonfinancial equity investments for the benefit of others?” were added. A new item 4, “Amount of nonvoting equity capital, including related surplus (included in balance sheet items 16.a, 16.b, 16.c, and 16.d) was added to Schedule SC-M.

*Beginning December 31, 2004*, respondents are required to edit their data to help improve the timeliness and quality of BHC data. For FR Y-9SP data to be accepted by the Federal Reserve System, the respondent’s data must be validity free, and all quality and intraseries edit failures must be accompanied by an edit explanation. The explanatory comments received that address qualify and intraseries will continue to be treated as confidential.

*Beginning June 30, 2003*, for all “yes/no” items (SI-Mem2, SC-Mem14, SC-Mem18 through SC-Mem20), the “no” numerical response was changed from “2” to “0” (zero). In addition, two new subitems were added to Memorandum item 17 on the balance sheet to collect additional information on top-tier BHC nonbank subsidiaries: items 17.b, “Total combined loans and leases of nonbank subsidiaries,” and 17.c, “Total aggregate operating revenue of nonbank subsidiaries.” Items 17.b through 17.d were renumbered accordingly.

*Beginning June 30, 2002*, a few revisions were made to the FR Y-9SP. On the income statement, memoranda item 3, “interest expense paid to special-purpose subsidiaries that issued trust preferred securities (included in item 7 above),” was added to isolate the amount of interest expense paid by the parent to these subsidiaries.

On the balance sheet memoranda section, two items were revised and three items were added. Memoranda items 11 and 12 were revised to “only report” amounts that exceed 25 percent of balance sheet line items 7 and 13, respectively, rather than “itemize and describe” amounts that exceed 25 percent. In addition, both items were revised to include explicit line item captions for several of the more commonly listed components for each item. The blank text fields have been retained for itemizing other components not covered by the new line item captions. The five line item captions added to memoranda item 11 were 11.a, “Accounts receivable,” 11.b, “Income taxes receivable,” 11.c, “Premises and fixed assets,” 11.d, “Net deferred tax assets,” and 11.e, “Cash surrender value of life insurance policies.” Previous memoranda items 11.a, 11.b, and 11.c were renumbered to 11.f, 11.g, and 11.h, respectively. The four line item captions added to memoranda item 12 were 12.a, “Accounts payable,” 12.b, “Income taxes payable,” 12.c, “Dividends payable,” and 12.d, “Net deferred tax liabilities.” Previous memoranda items 12.a, 12.b, and 12.c were renumbered to 12.e, 12.f, and 12.g, respectively. Additionally, the internal usages of the three-digit text codes were eliminated. Memoranda items 13 through 19 were renumbered to memoranda items 14 through item 20, respectively. A new memoranda item 13, “Notes payable to special-purpose subsidiaries that issued trust preferred securities,” was added to separate the amount of intercompany notes payable by the parent to these subsidiaries. A clarification was added to memoranda item 14 to report the FR Y-10 if the respondent answered “no” to the question in memoranda item 14. With the discontinuation of reporting the FR Y-9CS, “Supplement to the Consolidated Financial Statements for Bank Holding Companies,” two new items were added to continue the tracking of these activities by the top-tier financial holding companies. The two new items added were memoranda item 21,

“Net assets of broker-dealer subsidiaries engaged in underwriting or dealing securities pursuant to Section 4(k)(4)(E) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act,” and memoranda item 22, “Net assets of insurance underwriting subsidiaries.”

*Beginning December 31, 2001*, items 17, 18, and 19 were to the Balance Sheet Memoranda Section to determine if the reporting bank holding company must complete the Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y12).

*Beginning June 30, 2001*, a few revisions were made to the FR Y-9SP. To implement FASB Statement No. 130, Reporting Comprehensive Income, the equity section of the balance sheet was revised. Item 16.c, Retained Earnings, was no longer reported as net of treasury stock. Previous items 16.d, Net unrealized holding gains (losses) on available-for-sale securities, and 16.e, Accumulated net gains (losses) on cash flow hedges, were combined to be reported in new item 16.d, Accumulated other comprehensive income. Also on the balance sheet, new item 16.e, Other equity capital components, was added to include treasury stock and unearned Employee Stock Ownership Plan (ESOP) shares. Also, item 4, Mandatory convertible securities, net (previous memoranda item 4) was eliminated. The income statement was moved to the front to align with the FR Y-9C.

In addition, the reporting requirements for Memorandum item 1, Total consolidated assets of the bank holding company, were revised. All FR Y-9SP respondents must report in this item. Previously, this item was completed only by multibank holding companies with total consolidated assets of less than \$150 million, without any debt outstanding to the general public and not engaged in a nonbank activity (either directly or indirectly) involving financial leverage and not engaged in credit extending activities.

*Beginning June 30, 1999*, one change was made to the balance sheet. To implement the reporting requirements of FAS 133, a new line item 16.e was added to the equity capital section of the balance sheet. Former items 16.e and 16.f were renumbered to reflect this addition.

*Beginning June 30, 1998*, a few revisions were made to the FR Y-9SP. Several items were added to the memoranda section of the balance sheet to assist analysts in answering questions posed by senior management at the Board relating to nonbank subsidiaries and thrifts. The existing memoranda item 8 was renumbered to memoranda item 16.a, “Total combined

nonbank assets of nonbank subsidiaries,” and the following items expand on that information: memoranda item 16.b, “Combined thrift assets included in 16.a”; memoranda item 16.c, “Number of nonbank subsidiaries included in 16.a”; and memoranda item 16.d, “Number of thrift subsidiaries included in 16.b”. Memoranda items 16.a through 16.d are only reported by the financial top-tier bank holding company in a multi-tier bank holding company.

*Beginning June 30, 1997*, one change was made to the balance sheet. Item 15, “Limited-life preferred stock,” was combined with item 11, “Long-term borrowings.”

*Beginning June 30, 1994*, on the balance sheet, equity capital was broken out into “Common stock (including related surplus)”; “Perpetual preferred stock (including related surplus)”; “Retained earnings (net of Treasury stock); and a new equity item, “Net unrealized holding gains (losses) on available-for-sale securities” was added. The memoranda section was revised as follows: An item was added for “Total consolidated assets of the bank holding company.” “Market value of securities” was broken out into “Fair value of securities classified as available-for-sale in item 2 of the balance sheet” and “Amortized cost of securities classified as held-to-maturity in item 2 of the balance sheet.” Three text items were added for “Other assets” and three text items were added for “Other liabilities.” On the income statement, an item was deleted: “The amount of the tax payments received by the bank holding company from the subsidiary bank that was retained by the bank holding company in excess of the amount paid to the IRS.” In addition, five text items were added under “Notes to the Parent Company Only Financial Statements.”

*Beginning June 30, 1993*, the text information associated with memoranda item 10 (name and telephone number of the BHC official verifying FR Y-6A reporting) was no longer transmitted to the Board.

*Beginning June 30, 1992*, the reporting of cash and balances due from related depository institutions was clarified by breaking this information into two parts in item 1 of the report form rather than in item 8. Item 1.a included “Cash and balances due from subsidiary or affiliated depository institutions,” and item 1.b included “Cash and balances due from unrelated depository institutions.” In addition, a yes/no item requiring the name and telephone number of a BHC official was added to verify that all reportable changes in bank holding company structure

had been reported on the Bank Holding Company Report of Changes in Investments and Activities (FR Y-6A).

*Beginning June 30, 1991*, the reference to equity securities was deleted from balance sheet item 7, "Other assets." Such equity securities are reported in balance sheet item 2, "Securities." Also, the MDRM number for balance sheet item 1, "Cash and due from depository institutions," was revised on the report form and implemented retroactively to December 1990.

*Beginning December 31, 1990*, several changes were made to the FR Y-9SP report. Balance sheet items were added for securities and intercompany assets and liabilities; memoranda items were added for pledged securities, market value of securities, and combined nonbank assets; the item "short-term borrowings" was separated into "commercial paper" and "other short-term borrowings"; and several *memoranda* items were moved to other parts of the report.

#### FHCK

*As of June 2008*, the supplement was utilized to conduct a voluntary LDCE relating to operational risk. The LDCE was a one-time effort completed June 30, 2008

*From March 2000 to December 2001*, the supplement was used to collect information about new activities of financial holding companies, which are bank holding companies that are permitted to engage in expanded financial activities, per the Gramm-Leach-Bliley Act of 1999. *As of March 2002*, the collection of some of the information was moved to other reports (FR Y-9C, FR Y-9SP, FR Y-12, FR Y-10, and FR Y-10F). The remaining information was no longer needed, and that version of the FR Y-9CS supplement was discontinued.

#### **Confidentiality**

Unless noted otherwise, individual respondent data are publicly available on the National Information Center public website. The web address of the National Information Center public website is – (<http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx>).