

Micro Report Series Description

Series Mnemonic	SUBS
Series Name	Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations; FR 2314 and Abbreviated Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations; FR 2314s (Prior to December 31, 2002 title was Report of Condition for Foreign Subsidiaries of U.S. Banking Organizations; FR 2314a/b/c)
Starting and Ending Date	December 31, 1973 Continuing FR 2314a/c reclassified as the FR 2314 and FR 2314S FR 2314b discontinued September 30, 2002
Frequency	Quarterly (FR 2314) last calendar day of the quarter or annually as of December 31 st (FR 2314S)

Reporting Panel

FR 2314/2314S

A BHC must file the FR 2314 report quarterly for its foreign subsidiary if the subsidiary is owned or controlled by a parent U.S. BHC that files the FR Y-9C, or a state member bank or an Edge Act or agreement corporation that has total combined assets of \$500 million or more and if the nonbank subsidiary has (a) total assets of \$1 billion or more, or (b) total off-balance sheet activity of \$5 billion or more, or (c) equity capital of 5 percent or more of the consolidated equity capital of the top-tier organization, or (d) operating revenue of 5 percent or more of the consolidated operating revenue of the top-tier organization.

A BHC must file the FR 2314 report annually for its foreign subsidiary (that does not meet the criteria for filing quarterly) if the foreign subsidiary has total assets of \$250 million or more but less than \$1 billion. A BHC must file the FR 2314S report annually for its foreign subsidiary (that does not meet the criteria for filing quarterly) if the foreign subsidiary has assets of \$50 million or more but less than \$250 million, or total assets greater than 1 percent of the total consolidated assets of the top-tier organization.

Participation is mandatory.

Major Changes to Reporting Panel

Prior to December 31, 2006, the reporting panel for the FR 2314/2314S consisted of active direct or indirect foreign subsidiaries of U.S. member banks, bank holding companies, Edge or Agreement corporations, or financial holding companies. Parent organizations must file a report quarterly for each individual foreign subsidiary if the foreign subsidiary owned or controlled by a U.S. parent bank holding company with total consolidated assets equal to or greater than \$150 million, a state member bank, or an Edge or Agreement Corporation and the foreign subsidiary meets any one of the following criteria: total assets of at least \$1 billion; or total off-balance sheet activity of at least \$5 billion; or operating revenue equal to at least 5 percent of top tier organizational's consolidated operating revenue; or equity capital equal to at least 5 percent of the top tier organizational's consolidated equity capital. Also, a foreign subsidiary satisfying the criteria for any quarter during the calendar year would continue to report quarterly for the remainder of the calendar year even if it no longer satisfies the requirements for reporting quarterly.

Prior to December 31, 2002, the reporting panel for the FR 2314a/b/c consisted of foreign subsidiaries of U.S. member banks, Edge and Agreement Corporations, and bank holding companies, and financial holding companies that meet the criteria for reporting organizations as described in the FR 2314a/b/c instructions. The panel is broken down by size group (as of the report date) as follows; respondents with total assets of greater than \$250 million report all items on the FR 2314a; respondents with total assets greater than or equal to \$50 million and less than or equal to \$250 million reports all items on the FR 2314b; respondents with total assets of at least \$1 million but less than \$50 million report all items on the FR 2314c; and respondents with total assets less than \$1 million reports total assets only.

Prior to March 31, 1996, respondents with total assets greater than \$100 million reported all items on the FR 2314a, respondents with total assets greater than or equal to \$50 million and less than or equal to \$100 million reported all items on the FR 2314b, respondents with total assets of at least \$1 million but less than \$50 million reported all items on the FR2314c, and respondents with total assets less than \$1 million reported total assets only.

Prior to December 31, 1991, respondents with total assets greater than or equal to \$25 million and less than or equal to \$100 million reported all items on the FR 2314b, and respondents with total assets of at least \$1 million but less than \$25 million reported all items on the FR 2314c

Prior to December 31, 1988, the panel was broken down into three tiers: respondents with total assets less than \$10 million; respondents with total assets between \$10 million and \$50 million; and respondents with assets greater than \$50 million. Each tier reported a different item set within the FR 2314 report. Approximately 1,000 foreign subsidiaries of U.S. banks, bank holding companies and Edge or Agreement Corporations.

Data Mode

Thousands of dollars

Data Availability

No more than 80 calendar days following the report date.

Prior to March 31, 1996, respondents to the FR 2314a quarterly for institutions reported at least \$2 billion in total assets or at least \$5 billion in off-balance-sheet activity. The FR 2314a/b/c reports are collected annually as of December 31 for all other institutions.

Prior to December 31, 1991, for institutions with total assets greater than \$100 million approximately four months (April) after the report date and for institutions with total assets greater than or equal to \$1 million and less than or equal to \$100 million approximately 5 months (May) after the report date.

Major Series Changes

Effective March 31, 2008, reporting by subsidiaries that were created for the purpose of issuing trust preferred securities were eliminated to substantially reduce burden on the industry. Essential information reported by these subsidiaries can be obtained from the parent company-only financial statements. New items were added to the Income Statement and to the Balance Sheet to collect data from subsidiaries that have elected to account for certain financial instruments or servicing assets and liabilities at fair value under the fair value option.

On the FR 2314S a question was added to determine if the subsidiary elected to account for certain assets and liabilities under a fair value option with changes in fair value recognized in earnings.

Effective March 31, 2007, the changes were made in parallel with the Call Report and FR Y-9C revisions. Four new memorandum items were added to monitor negative amortization on residential mortgage loans to Schedules IS and BS-A. A new section, "Notes to the Financial Statements," was added to allow respondents to provide, at their option, any material information included in specific data items on the financial statements that the parent U.S. banking organization wishes to explain.

Effective March 2006, the reporting criteria for the quarterly FR 2314 was revised to be consistent with the new asset threshold for FR Y-9C reporters that increased from \$150 million to \$500 million and to reduce burden. Specifically, a bank holding company (BHC) must file the FR 2314 quarterly for each subsidiary if the subsidiary is owned or controlled by a parent U.S. BHC that files the FR Y-9C or a state member bank or an Edge or agreement corporation that has total consolidated assets equal to or greater than \$500 million and the subsidiary has (a) total assets of \$1 billion or more, or (b) total off-balance-sheet activities of at least \$5 billion, or (c) equity capital of at least 5 percent of the top-tier organization's consolidated equity capital, or (d) operating revenue of at least 5 percent of the top-tier organization's operating revenue. A new equity capital component was added to the Balance Sheet for reporting partnership interests. The new item, "General and limited partnership shares and interests," was added as line item 18.e; "Other equity capital components," was renumbered as 18.f and "Total equity capital," as 18.g. This new item and clarification to the instructions improved the accuracy in reporting total capital.

Beginning December 2002, as part of a streamlining process, the Federal Reserve revised reporting requirements to create consistency among all nonbank subsidiary filers. The FR Y-11 and FR 2314 were revised to collect items that are much more similar, where principally most of the items collected on the FR 2314 were revised to mirror items collected on the FR Y-11Q. Items specifically tailored to collect information only pertinent to the respondent entity and its activities were either moved or added to a new Memoranda section for each report. The 2314a was retitled as the Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314). Parent organizations began to file this more streamlined report for more significant

nonblank subsidiaries on a quarterly or annual basis. Parent organizations began to file an abbreviated reporting form titled the Abbreviated Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314S) for smaller, less significant, nonbank subsidiaries annually, consisting of only four financial data items. Also parent organizations were exempt from reporting a large portion of the smallest nonblank subsidiaries. The FR 2314b was eliminated and the FR 2314C as reclassified as the FR 2314S.

Beginning March 2001, new items were added principally to accommodate the requirements of FAS 133, a few items were deleted, and the reporting criteria was modified for the FR 2314 a/b/c.

In 1999, the instructions were clarified as a result of the Financial Accounting Standards Board's Statement of Financial Accounting Standard No. 133 (FAS 133). All entities were to adopt FAS 133 in the fiscal year beginning after July 15, 1999: FASB subsequently extended this date to June 15, 2000. The instruction for line item 18.d, Net unrealized holding gains (losses) on available-for-sale securities, on the FR 2314a and FR 2314b was updated to include the accumulated net gains (losses) on cash flow hedges. The instruction for line item 1.f, Change in net unrealized holding gains (losses) on available-for-sale securities, on Schedule I for the FR 2314a was updated to include the year-to-date changes in the accumulated net gains (losses) on cash flow hedges.

Beginning March 31, 1996, the following changes were made to the FR 2314a and FR 2314b; 1) a new schedule and new items were added to accommodate the requirements of Financial Accounting Standards Board (FASB) Statement No. 115; 2) new items were added to accommodate the requirements of FASB Interpretation Number (FIN) 39; 3) several items were deleted; and 4) the panel criteria were changed. In addition, the cover page of each report was revised to collect information on whether the reporting subsidiary and any subsidiaries included in the report are active or inactive.

In March 1993, a list of country codes was included to provide additional information for processing consistency at the Reserve Banks and to provide geographical location/classification. The country code appendix was revised to reflect changes for the U.S.S.R. and Yugoslavia. The item description for U.S.S.R. was modified to read "Russia," using the same country code. The following country codes were added under "Other Europe":

Armenia (16519); Azerbaijan (16527); Belarus (16209); Georgia (16535); Kazakhstan (16543); Krgyzstan (16551); Latvia (15601); Lithuania (15709); Moldova (16306); Tajikistan (16578); Turkmenistan (16616); Ukraine (16403); Uzbekistan (16705). For Yugoslavia, individual country codes were added for Bosnia and Hercegovina (14109); Croatia (14214), and Slovenia (14338). The code for Yugoslavia remained the same (13218) even though these codes were split. The country code for Cayman Islands (36137) were added to the report form.

Beginning December 31, 1991, the following report form changes were made: 1) line items were reformatted and revised to conform more closely with the commercial bank Call Report; 2) the off-balance sheet items on the FR 2314a and FR 2314b were expanded to capture off-balance sheet exposure; 3) new schedules were added to the FR 2314a on trading accounts and past due loans; 4) a new item was added to the FR 2314c to include a new total of all off-balance sheet items; 5) the asset thresholds were increased for reporting the FR 2314b and FR 2314c; 6) the due date for all reports was changed to 80 calendar days following the report date; and 7) the reporting frequency was changed from annual to quarterly, for those institutions reporting more than \$2 billion in total assets or \$5 billion in commitments to purchase foreign exchange or U.S. dollar exchange contracts, effective March 31, 1992.

Beginning December 31, 1988, the FR 2314 report form was divided into three forms: a, b, and c. Form "a" is used by institutions reporting total assets greater than \$100 million as of the report date; form "b" is used by institutions reporting total assets of \$25 to \$100 million as of the report date; and form "c" is used by the foreign branches of U.S. member institutions reporting total assets less than \$25 million as of the report date.

Beginning December 31, 1987, Board staff began collecting the data directly from each Reserve Bank to expedite the collection process and to obtain final data at the Board in a more timely manner.

Beginning December 31, 1984, 17 new items were added and 20 items were deleted. This was to minimize inconsistencies with the new Reports of Condition and Income (Call Report) for Commercial Banks.

Beginning December 31, 1978, the FR 314 report was changed to the Report of Condition for Foreign Organizations Controlled by Member Banks, Edge and Agreement Corporations, and Bank Holding Companies (FR 2314).

Confidentiality

With some exceptions, individual respondent data are available to the public upon request unless the bank holding company submitting the data has either been granted confidential treatment or has requested confidential treatment and the confidentiality status is pending.