
General Instructions for Preparation of the Annual Report of Foreign Banking Organizations (FR Y-7)

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Who Must Report

A top-tier Foreign Banking Organization (FBO) is required to file this report (termed a Reporter for purposes of the FR Y-7) unless the FBO does not meet the requirements of and is not treated as a qualifying FBO under section 211.23 of Regulation K.¹ Note, however, that a FBO that is a FR Y-7 Reporter must report in Report Item 2, the Organization Chart, of the *Annual Report of Bank Holding Companies* (FR Y-6) any interests the FBO holds through a bank holding company (BHC) organized under U.S. law. (See the instructions for the FR Y-6 for additional information.)

A top-tier Reporter with direct or indirect subsidiary FBOs must submit one FR Y-7 covering itself and its subsidiary FBOs. In such a unified submission, subsidiary FBOs need not provide responses to Report Items 1 and 2 if those responses would duplicate information provided by the Reporter in its responses to Report Items 1 and 2. The Reporter and each subsidiary FBO must provide a separate response to Report Item 3. The Reporter must provide a response to Report Item 4. A subsidiary FBO need not provide a separate response to Report Item 4 unless the subsidiary FBO claims the limited exemption pursuant to section 211.23(c) of Regulation K (12 CFR 211.23(c)).

Additional copies of this form and instructions may be obtained from the Federal Reserve Bank in the district where the Reporter submits its FR Y-7 report or may be found on the Federal Reserve Board's public web site (www.federalreserve.gov).

1. A FBO that does not meet the requirements and is not treated as a qualifying FBO must file the *Annual Report of Bank Holding Companies* (FR Y-6) instead of the FR Y-7.

Where to Submit the Report

The original and number of copies of the completed report required by the appropriate Federal Reserve Bank. All copies must include the required attachments.

All reports shall be made out clearly and legibly, submitted in typewritten form or in ink. Reports completed in pencil will not be accepted.

When to Submit the Report

The FR Y-7 is required to be submitted no later than four months after the Reporter's fiscal year end. If this deadline cannot be met, the Reporter must advise the appropriate Federal Reserve Bank as soon as possible, and normally not later than 30 calendar days before the deadline, and request an extension, stating the reason for the request and the date on which the information will be filed. As a general rule, extensions beyond 30 calendar days will not be granted. The Reporter will be advised before the deadline as to whether an extension will be granted. As part of the consideration of the extension request, the Federal Reserve Bank may require the submission of draft information and a commitment as to when the final information will be submitted.

The filing of a completed report will be considered timely, regardless of when the report is received by the appropriate Federal Reserve Bank, if the report is mailed first class and postmarked no later than the third calendar day preceding the submission deadline. In the absence of a postmark, a Reporter whose completed FR Y-7 is received late may be called upon to provide proof of timely mailing. A "Certificate of Mailing" (U.S. Postal Service form 3817) may be used to provide such proof. If an overnight delivery service is used, entry of the completed original report into the delivery system on the

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day before the submission deadline will constitute timely submission. In addition, the hand delivery of the completed original report on or before the submission deadline to the location to which the report would otherwise be mailed is an acceptable alternative to mailing the report.

Companies that are unable to obtain the required officers' signatures on their completed original reports in sufficient time to file these reports so that they are received by the submission deadline should contact the Federal Reserve Bank to which they mail their original reports to arrange for the timely submission of their report information and the subsequent filing of their signed reports.

If the submission deadline falls on a weekend (Saturday or Sunday) or holiday, the report must be received by 5:00 P.M. on the first business day after the weekend or holiday. Any report received after 5:00 P.M. on the first business day after the weekend or holiday deadline will be considered late unless it has been postmarked three calendar days prior to the original weekend or holiday submission deadline (original deadline), or the institution has a record of sending the report by overnight service one day prior to the original deadline.

How to Prepare the Report

A. Basis of Reporting Financial Information

If the Reporter prepares consolidated financial statements for any purpose (including, without limitation, published financial statements, or financial statements to any other banking supervisor), the financial statements provided in the FR Y-7 must also be reported on a consolidated basis unless otherwise instructed in this report.

B. Substitution of Information

When strictly complying with specific requirements in the report involves undue burden or expense, the Board may, upon receipt of a written request submitted through the appropriate Federal Reserve Bank, normally at least 30 calendar days before the filing date of the report, permit the substitution of appropriate information.

C. Additional Information

The Federal Reserve System reserves the right to require the filing of additional information if the information submitted in the FR Y-7 report is not sufficient to appraise the FBO's ability to be a source of strength and support to its U.S. banking operations, or to determine that the FBO and its affiliates are in compliance with applicable laws and regulations.

D. Confidentiality

The information submitted by a Reporter in the FR Y-7 is available to the public upon request.

If any Reporter is of the opinion that disclosure of certain commercial or financial information contained in the report would likely result in substantial harm to its competitive position or to the competitive position of its subsidiaries, or that disclosure of submitted information is of a personal nature that would result in a clearly unwarranted invasion of personal privacy, that Reporter may request confidential treatment for that information.

The Reporter should follow the procedures on confidentiality set out below when filing additional information to the report.

Requests for confidential treatment must be submitted in writing concurrently with the submission of the FR Y-7 (or additional information). In the request, the Reporter must provide a detailed discussion that justifies confidential treatment of that information. The Reporter's reasons for requesting confidentiality should clearly demonstrate the specific nature of the harm that would result from public release of the specific information. Simply stating that in general the release of the information would result in competitive harm or that it is personal in nature is not sufficient. The letter should also include a list of each portion of the report for which confidentiality was requested in the past and for which confidentiality should continue. Any portion of the report for which confidentiality was requested in the past, which is not specified in the letter, will no longer be treated as confidential.

Reporters requesting confidential treatment of information should be advised that it is Federal Reserve policy to disclose the names and the number and percentage of voting securities provided in response to Report Item 3 that pertain to shareholders who control 10 percent or

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more of any class of voting shares of a FBO, unless there is shown to be a well-defined present threat to the liberty or personal security of individuals.

Reporters that have requested confidential treatment for specific responses to the FR Y-7 must submit the report in two sections. Reporters must separate the data for which confidential treatment is requested from the data for which confidential treatment is not requested. The section containing the information for which confidential treatment is requested must be bound separately from other information submitted on the FR Y-7 and must be labeled "Confidential." In completing the public section of the FR Y-7, Reporters must respond to each report item. For items submitted separately with a request for confidential treatment, the Reporter must state in the public submission that this information has been submitted separately in the confidential section.

The Board will determine whether information submitted with a request for confidential treatment will be so treated, and will advise the FBO either directly or through the appropriate Federal Reserve Bank, of any decision to make available to the public any of the information. Information for which confidential treatment is requested may be released subsequently by the Federal Reserve System if the Board of Governors determines that the disclosure of such information is required by law or in the public interest. (See 12 CFR 261.)

E. Signatures

The *Annual Report of Foreign Banking Organizations* must be signed by one director of the Reporter. This individual should also be a senior officer of the top-tier

Reporter. In the event the FBO does not have an individual who is a senior officer and is also a director, the chairman of the board must sign this report at the places and in the manner indicated on the form.

F. Amended Reports

The Federal Reserve may require the filing of an amended *Annual Report of Foreign Banking Organizations* if the report as previously submitted contains significant errors. In addition, a Reporter should file an amended report when internal or external auditors make audit adjustments that result in a restatement of financial statements previously submitted to the Federal Reserve.

G. Regulatory Reports Monitoring Program

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) amended various banking statutes to enhance the Federal Reserve's authority to assess civil monetary penalties against institutions that file late, false or misleading regulatory reports. The Federal Reserve System's Regulatory Reports Monitoring Program reviews submitted data for timeliness and accuracy. Reporting deadlines are detailed in the When to Submit the Report section of these general instructions. Additional information on the Regulatory Reports Monitoring Program is available from the Federal Reserve Banks.

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Report Item 1: Financial Information Regarding the Foreign Banking Organization (FBO)

Report Item 1(a) Financial Statements

Submit financial statements and notes covering the Reporter's two most recent fiscal years that include or are equivalent to balance sheets and income statements. If the Reporter prepares consolidated financial statements for any purpose (including without limitation, for published financial statements or submission to any other banking supervisor), the financial statements provided in the FR Y-7 must also be reported on a consolidated basis, unless otherwise instructed in this report.

The financial statements should be stated in the local currency of the country in which the head office of the Reporter is located. They should be prepared in accordance with local accounting practices.

If the financial statements have not been finalized by the due date of this report, preliminary figures must be provided. The Reporter must advise the appropriate Federal Reserve Bank before the deadline. Finalized data are due within 30 calendar days from the deadline date.

Also, respond to the following questions: (circle one)

Have the financial statements been certified by an independent public accountant? Yes No

Do the financial statements consolidate all material subsidiaries that are majority-owned financial companies? Yes No

Do the financial statements reflect any significant changes in accounting standards or policies used in preparing such statements since the last filing of the FRY-7? Yes No

If yes, describe the changes in a note or attachment to the financial statements.

Report Item 1(b) Annual Report to Shareholders

Submit one copy of the most recent annual report prepared for shareholders of the Reporter accompanied by one copy of an English translation.

Report Item 2: Organization Information for the FBO

Report Item 2(a) Organization Chart

Submit an organization chart indicating the Reporter and its interests in all entities defined below. The organization chart may be in a diagram or list format. It should disclose:

1. full legal names (use abbreviations only if part of the legal name);
2. location (i.e., city and state/country) of the entity's main office;
3. intercompany ownership and control relationships (including an interest held by a Reporter in an entity through more than one direct holder); and
4. percentage ownership (of voting or nonvoting equity or other interests) by each direct holder.

As described below, some entities not reportable on the FR Y-10F are nevertheless reportable on the FR Y-7. These entities may be reported on the FR Y-7 organization chart in a format convenient for the Reporter. For example, a Reporter may provide a single organization chart annotated to indicate entities reportable on the FR Y-7 but not on the FR Y-10F. As another option, a Reporter may provide an organization chart covering FR Y-10F reportable entities supplemented by

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a list of entities reportable on the FR Y-7 but not on the FR Y-10F.

If the Reporter in the aggregate controls shares of more than one class of the entity's voting shares, the Reporter should report information for the class in which the Reporter controls the highest percentage.

Entities reportable on the FR Y-10F and thus reportable on the FR Y-7:

- (1) The top-tier FBO itself;
- (2) Branches, agencies, and representative offices that are located in the United States, and any non-U.S. branches that are managed by a U.S. branch or agency of each FBO that is a foreign bank;
- (3) BHCs, U.S. banks, or FBOs ("banking companies" for the purposes of the FR Y-7) in which a Reporter directly or indirectly in the aggregate controls, owns, or holds more than 5 percent of any class of voting shares,¹ or which the Reporter otherwise directly or indirectly controls;²
- (4) U.S. companies and non-U.S. companies directly or indirectly engaged in business in the United States other than BHCs, U.S. banks, or FBOs ("nonbanking companies" for purposes of the FR Y-7) that the Reporter controls directly or indirectly.² This includes financial and other nonbanking subsidiaries of national or state banks;
- (5) Specific merchant banking or insurance company investments made by an affiliate of a financial holding company (FHC) are reportable if the FHC and its affiliates on a combined basis acquired more than 5 percent of the voting shares, assets, or

1. In general, a Reporter is considered to control all shares which it or its subsidiaries have the power to vote, but not shares held in a fiduciary capacity. However, shares held by a Reporter (or its subsidiary) as fiduciary are deemed controlled by the Reporter if the shares are held for the benefit of employees, shareholders, members, or affiliates of the Reporter or any Reporter subsidiary, or if the shares are of a BHC or bank organized under U.S. law and the Reporter has directly or indirectly had the sole power to vote the shares for more than 2 years. In addition, a security that is convertible into a voting security at a holder's option is deemed to be shares of the class into which the security is convertible. The Reporter should check to see if any other basis for control exists (such as a management agreement or the power to control the election of a majority of directors).

2. To determine whether one company controls another company, apply the standard for control beginning on page NONBANKING-1 of the instructions for completing the FR Y-10F.

ownership interests of a company engaged in a nonfinancial activity at a cost that exceeds the lesser of 5 percent of the parent FHC's Tier 1 capital or \$200 million;

- (6) Any entity not mentioned above that is required to file a regulatory financial report with the Federal Reserve System; and
- (7) Directly or indirectly held subsidiaries that are direct or indirect holders of any of the above companies.

Additional entities reportable on the FR Y-7

Organization Chart:

- (1) Include nonbanking companies (U.S. companies and non-U.S. companies engaged in business in the United States) in which the Reporter directly or indirectly in the aggregate controls more than 5 percent, but less than 25 percent, of the outstanding shares of any class of voting securities. With respect to such companies, a Reporter need not report on its organization chart the exact percentage of the voting shares that it controls, and need only indicate that the company is not reportable on the FR Y-10F;
- (2) Include any company that the Federal Reserve System determines should be reported; and
- (3) Interest held by the FBO under authority of Subparts A or C of Regulation K other than those held through a BHC organized under U.S. law.

Interests not reportable on the FR Y-7 Organization Chart:

- (1) *Interests Reportable on the FR Y-6:* Interests reportable on the FR Y-6 instead of the FR Y-7, which includes interests held directly or indirectly by any subsidiary of the Reporter that is a BHC organized under U.S. law.
- (2) *Non-U.S. Entities Not Engaged in Business in the United States:* Non-U.S. companies that are not engaged in business in the U.S. and are not otherwise reportable;
- (3) *Entities Held Under Section 211.23(f)(5) of Regulation K (12 CFR 211.23(f)(5)):* An interest in an entity held under section 211.23(f)(5) should not be reported on the organization chart. (These interests should be reported in Report Item 2(b).);
- (4) *Companies Held by a Small Business Investment Company:* Any company controlled directly or

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indirectly by a Small Business Investment Company that is registered with the Small Business Administration, unless the interest in the company is a reportable merchant banking or insurance company investment on the FR Y-10F. However, if a FBO that is a FHC engaged in merchant banking activities holds shares in the same merchant banking investment through a merchant banking vehicle as well as through a SBIC, the entire investment is treated as the merchant banking investment, subject to the reporting criteria.

- (5) *Debts Previously Contracted*: An interest in a company, other than a U.S. bank or BHC, acquired in full or in part in satisfaction of a debt previously contracted or that solely holds assets acquired in satisfaction of a debt previously contracted;
- (6) *Interests Held as Collateral*: An interest held solely as collateral securing an extension of credit;
- (7) *Companies Controlled Through an Insurance Underwriter*: An interest in a nonbanking company organized under U.S. federal or state law, if controlled directly or indirectly by an insurance underwriter. This exception does not apply to any of the following: (a) a nonbanking company that is the underwriter's highest-tier provider in the U.S. of any primary line of insurance, or (b) any interest that is a reportable merchant banking or insurance company investment;
- (8) *Advising and Administering a Mutual Fund*: If a Reporter directly or indirectly advises or administers a mutual fund, the mutual fund is not reportable on the Reporter's FR Y-7 unless other ties between the Reporter and the fund meet the standard for control found on page NONBANKING-1 of the instructions for completing the FR Y-10F;
- (9) *Inactive Companies*: An interest in any company that exists as a matter of law, but does not engage in any business activity. The company becomes reportable once it begins to engage in business. Note that inactive companies include companies that have been set-up as name-saving organizations or have been formed or incorporated but do not yet conduct any business activity. Any company that has become inactive as of the end of the reporting

period does not need to be reported on the FR Y-7 organization chart;

- (10) *Special Purpose Vehicles (SPV)*: An interest in any company formed for specific leasing transactions, such as a special purpose vehicle engaged in a single leasing transaction;³ and
- (11) *Companies to be Divested*: An interest in any company which must be divested pursuant to sections 4(a)(2) or 4(n)(7) of the Bank Holding Company Act (BHC Act) or pursuant to a commitment made to the Board or the Federal Reserve Bank (see also 12 CFR 225.85). NOTE: The Reporter should report direct and indirect interests in companies that are to be divested, beginning with the first report submitted once the Reporter has become subject to the BHC Act.

In addition, list separately as a supplement to the organization chart the entities reported in response to Report Item 2(b).

Report Item 2(b) All entities held pursuant to section 2(h)(2) or section 4(c)(9) of the BHC Act and section 211.23(f)(5) of Regulation K (12 CFR 211.23(f)(5)).

For a non-U.S. company held under section 211.23(f)(5)(i) of Regulation K (12 CFR 211.23(f)(5)(i)), indicate the amount and percent of the worldwide consolidated assets and gross revenues that are located in or derived from the United States. For a U.S. company or office that is held under section 211.23(f)(5)(iii) of Regulation K (12 CFR 211.23(f)(5)(iii)), indicate its activities, and whether its non-U.S. parent engages directly or indirectly in the same or related activities abroad.

In addition to the information requested above, provide the:

1. full legal names (use abbreviations only if part of the legal name),

3. Note that an interest in a Variable Interest Entity (as defined in Financial Accounting Standards Board Interpretation No. 46) typically will not be reportable on either the FR Y-7 or the FR Y-10F so long as the Reporter does not control the entity.

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2. location (i.e., city and state/country),
3. intercompany ownership and control relationships, and
4. percentage ownership (of voting or nonvoting equity or other interests) by each direct holder.

Report Item 3: Shares and Shareholders

Report Item 3(a) Number and Types of Shares

List the number and types of all the shares (or their equivalent) that the FBO has authorized, issued, or holds for its own account. Describe the voting rights of each type of shares and any agreements that limit the voting of such shares. When the FBO has bearer securities outstanding, describe the regulations requiring registration of the ownership of the bearer securities with the FBO or appropriate regulatory agency.

Report Item 3(b) Nonbearer Securities⁴

Does the FBO have nonbearer securities? (circle one)
Yes No

If the response is “yes,” list each shareholder (or the equivalent) of record that directly or indirectly owns, controls, or holds with power to vote 5 percent or more of any class of nonbearer securities of the FBO (See Regulation Y, section 225.2(q)). Also list the beneficial owner, to the extent ascertainable, when the beneficial ownership is 5 percent or more of nonbearing shares. Provide the following information for each:

1. Name and address of principal residence for individuals, or of head office for companies;
2. Country of citizenship or of organization; and
3. Number and percentage of each class of nonbearer securities (or their equivalent) owned, controlled, or held with power to vote.

Report Item 3(c) Bearer Securities⁴

Does the FBO have bearer securities? (circle one)
Yes No

⁴ See Glossary.

If the response is “yes,” list each known shareholder that directly or indirectly owns, controls, or holds with power to vote 5 percent or more of any class of bearer securities (see Regulation Y, section 225.2(q)) of the FBO. Provide the following information for each:

1. Name and address of principal residence for individuals, or of head office for companies;
2. Country of citizenship or of organization; and
3. Number and percentage of each class of bearer securities (or their equivalent) owned, controlled, or held with power to vote.

Report Item 4: Eligibility as a Qualified Foreign Banking Organization (QFBO)

Report Item 4(a) Requirements for Eligibility as a QFBO

To qualify for exemption from the nonbanking prohibitions of the BHC Act, a FBO must be “principally” engaged in the banking business outside the United States.” Section 211.23(a) of Regulation K (12 CFR 211.23(a)) sets forth requirements to qualify for the exemption. Certain FBOs that do not meet the criteria set forth below in 4(g) will be eligible for limited exemptions as described in section 211.23(c) of Regulation K (12 CFR 211.23(c)) if they meet the requirements set forth in that section. Such organizations should contact the appropriate Federal Reserve Bank for guidance.

Report Item 4(b) Financial Data

The top-tier FBO must provide financial data on the size of its: (1) worldwide nonbanking business activities; (2) non-U.S. banking activities; and (3) U.S. banking activities. The top-tier FBO must measure the size of its business activities by any two of the three financial items: total assets, revenues, or net income, as provided in 4(c) below. Refer to the Notes to Report Item 4 on page RI-7.

Report Item 4(c) Consolidated or Combined Basis for Determining Total Assets, Revenues, and Net Income

For purposes of determining total assets, revenues, and net income, each FBO:

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1. may use either a consolidated or a combined basis;
2. must include the total assets, revenues, and net income of all companies in which it owns 50 percent or more of the voting shares; and
3. may include the total assets, revenues, and net income of companies in which it owns 25 percent or more of the voting shares if all such companies within the FBO are included.

Report Item 4(d) Worldwide Business Activities and Banking Business Activities

The top-tier FBO must complete **both** 4(e) regarding worldwide business activities and 4(f) regarding banking business activities.

Report Item 4(e) Worldwide Business Activities

Respond to any two of the following three criteria:

Amounts in
local currency
or U.S. Dollars
(circle one)

1. Assets:
 - a. total worldwide nonbanking _____
 - b. total non-U.S. banking _____
2. Revenues derived from:
 - a. total worldwide nonbanking _____
 - b. total non-U.S. banking _____
3. Net Income derived from:
 - a. total worldwide nonbanking _____
 - b. total non-U.S. banking _____

Report Item 4(f) Banking Business Activities

Respond to any two of the following three criteria:

Amounts in
local currency
or U.S. Dollars
(circle one)

1. Assets:
 - a. total non-U.S. banking _____
 - b. total U.S. banking _____
2. Revenues derived from:
 - a. total non-U.S. banking _____
 - b. total U.S. banking _____

3. Net Income derived from:
 - a. total non-U.S. banking _____
 - b. total U.S. banking _____

Report Item 4(g) Criteria for Qualifying

A FBO will qualify for the exemption from the nonbanking prohibitions of the BHC Act only if two of the three requirements in **both** of the following categories are met:

Worldwide Business

1. banking assets held outside the United States exceed total worldwide nonbanking assets; or
2. revenues derived from the business of banking outside the United States exceed total revenues derived from its worldwide nonbanking business; or
3. net income derived from the business of banking outside the United States exceeds total net income derived from its worldwide nonbanking business; and

Banking Business

1. banking assets held outside the United States exceed banking assets held in the United States; or
2. revenues derived from the business of banking outside the United States exceed revenues derived from the business of banking in the United States; or
3. net income derived from the business of banking outside the United States exceeds net income derived from the business of banking in the United States.

Report Item 4(h) Eligibility for Limited Exemptions

Certain FBOs that do not meet the criteria set forth above in 4(g) will be eligible for limited exemptions as described in section 211.23(c) of Regulation K (12 CFR 211.23(c)) if they meet **both** of the following requirements:

1) Qualification of Foreign Bank(s)

Each foreign bank within the top-tier FBO that maintains a branch or an agency, or controls a commercial lending company, Edge or agreement corporation, or bank in the

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United States must meet the criteria set forth above in 4(g) determined in accordance with 4(b) and 4(c) above, and the Notes to Reports Item 4 on page RI-7.

2) Qualification of Top-tier Foreign Banking Organization

The top-tier FBO, i.e., the ultimate parent, must meet the criteria set forth above in 4(g) determined in accordance with 4(b), 4(c), and the Notes to Report Item 4 on page RI-7, provided, however, that solely for purposes of meeting the “Worldwide Business” requirement in 4(g), the top-tier FBO may count as non-U.S. banking all activities listed in section 211.10 of Regulation K (12 CFR 211.10)) conducted by it and its direct and indirect subsidiaries; that is, the limitation set forth in the second sentence of Note 2 on page RI-7 shall not apply.

Report Item 4(i) Limited Exemptions: Worldwide Business Activities and Banking Business Activities

Each foreign bank must complete both 4(j) regarding worldwide business activities and 4(k) regarding banking business activities. In addition, the top-tier FBO must complete both 4(l) regarding worldwide business activities and 4(m) regarding banking business activities.

Report Item 4(j) Worldwide Business Activities

Respond to any two of the following three criteria:

- Amounts in
local currency
or U.S. Dollars
(circle one)
1. Assets:
 - a. total worldwide nonbanking _____
 - b. total non-U.S. banking _____
 2. Revenues derived from:
 - a. total worldwide nonbanking _____
 - b. total non-U.S. banking _____
 3. Net Income derived from:
 - a. total worldwide nonbanking _____
 - b. total non-U.S. banking _____

Report Item 4(k) Banking Business Activities

Respond to any two of the following three criteria:

- Amounts in
local currency
or U.S. Dollars
(circle one)
1. Assets:
 - a. total non-U.S. banking _____
 - b. total U.S. banking _____
 2. Revenues derived from:
 - a. total non-U.S. banking _____
 - b. total U.S. banking _____
 3. Net Income derived from:
 - a. total non-U.S. banking _____
 - b. total U.S. banking _____

Report Item 4(l) Worldwide Business Activities

Respond to any two of the following three criteria:

- Amounts in
local currency
or U.S. Dollars
(circle one)
1. Assets:
 - a. total worldwide nonbanking _____
 - b. total non-U.S. banking _____
 2. Revenues derived from:
 - a. total worldwide nonbanking _____
 - b. total non-U.S. banking _____
 3. Net Income derived from:
 - a. total worldwide nonbanking _____
 - b. total non-U.S. banking _____

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Report Item 4(m) Banking Business Activities

Respond to any two of the following three criteria:

Amounts in
local currency
or U.S. Dollars
(circle one)

1. Assets:
 - a. total non-U.S. banking _____
 - b. total U.S. banking _____
2. Revenues derived from:
 - a. total non-U.S. banking _____
 - b. total U.S. banking _____
3. Net Income derived from:
 - a. total non-U.S. banking _____
 - b. total U.S. banking _____

Notes to Report Item 4

1. When the same two criteria i.e., assets, revenues, or net income, are reported in 4(e) and 4(f), the amount reported in 4(e) for total non-U.S. banking should equal the amount reported in 4(f) for total non-U.S. banking for that criterion. Similarly, amounts reported for total non-U.S. banking items in 4(j) should equal those in 4(k), and those in 4(l) should equal those in 4(m).
2. Non-U.S. Banking: The activities considered to be banking when conducted outside of the United States are listed in section 211.10 of Regulation K (12 CFR 211.10). Note, however, that the Board has determined that for purposes of determining eligibility as a qualifying foreign banking organization, such activities must be conducted through a foreign bank or its direct or indirect subsidiaries in order to be considered banking activities. See 12 CFR 211.23(b)(2).
3. U.S. Banking: All of the assets, revenues, or net income of a U.S. subsidiary bank (including its foreign branches and subsidiaries), branch, agency, subsidiary commercial lending company, or other company engaged in the business of banking in the United States will be considered held or derived from the business of banking in the United States. Managed non-U.S. branches are not considered held or derived from the business of banking in the United States.
4. None of the assets, revenues, or net income of a U.S. subsidiary bank (including its foreign branches and subsidiaries), branch, agency, subsidiary commercial lending company, or other company engaged in the business of banking in the United States will be considered held or derived from the business of banking outside the United States.

Glossary

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For the purposes of the FR Y-7, the following definitions shall apply. Please refer to the FR Y-10F Glossary for additional terms used in this report.

Bearer Security shall mean any security that is not registered to a particular party on the books of the issuing company, and, therefore, all rights associated with the security are assigned to the party that is in possession of the security.

Combined financial statements present the results of operations and the financial position of a group of commonly controlled companies, a group of unconsolidated subsidiaries or other companies that are under common management, and after giving effect to the elimination of intercompany balances and transactions.

Consolidated financial statements present the results of operations and the financial position of a parent company

and its subsidiaries as if the group were a single company with one or more branches or divisions, and, after giving effect to the elimination of intercompany balances and transactions.

Director shall mean a member of either the managing or supervisory board.

Nonbearer Security shall mean any security that is registered to a particular party on the books of the issuing company. The issuer of the nonbearer security is required to maintain a record of ownership of the security.

Ultimate parent shall mean the parent of the foreign banking organization that is not the subsidiary of any other company.

Balance Sheet

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estate acquired by deed in lieu of foreclosure), even if the subsidiary has not yet received title to the property;

- (2) Real estate collateral underlying a loan when the subsidiary has obtained physical possession of the collateral, regardless of whether formal foreclosure proceedings have been instituted against the borrower;
- (3) Foreclosed real estate sold under contract and accounted for under the deposit method of accounting in accordance with FASB Statement No. 66, "Accounting for Sales of Real Estate;"
- (4) Any real estate acquired, directly or indirectly, by the subsidiary and held for development or other investment purposes;
- (5) Real estate acquisition, development, or construction (ADC) arrangements that are accounted for as investments in real estate in accordance with guidance prepared by the American Institute of Certified Public Accountants (AICPA) in Notices to Practitioners issued in November 1983, November 1984, and February 1986;
- (6) Real estate acquired and held for investment by the subsidiary that has been sold under contract and accounted for under the deposit method in accordance with FASB Statement No. 66, "Accounting for Sales of Real Estate;"
- (7) Any other loans secured by real estate and advanced for real estate acquisition, development, or investment purposes if the reporting subsidiary in substance has virtually the same risks and potential rewards as an investor in the borrower's real estate venture;
- (8) Investments in corporate joint ventures, unincorporated joint ventures, and general or limited partnerships that are primarily engaged in the holding of real estate for development, resale, or other investment purposes and over which the subsidiary does not exercise significant influence; and
- (9) Property originally acquired for future expansion but no longer intended to be used for that purpose.

Line item 7 All other assets.

Report all other assets held by the respondent subsidiary

that cannot be properly included in any of the preceding items. Include investments in nonrelated companies, customers' liability on acceptances outstanding, goodwill, and intangible assets. Also report income earned but not collected, prepaid expenses, accounts receivable, and the positive fair value of all derivatives held for purposes other than trading.

Report all deferred tax assets in this item and deferred tax liabilities in item 14, "Other liabilities." Exclude all balances due from related institutions and investments in unconsolidated subsidiaries and associated companies. Report such transactions in item 9.

Line item 8 Claims on nonrelated organizations.

Enter the sum of items 1, 2, and 3(c) through 7.

Line item 9 Balances due from related institutions, gross.

Report all balances due from the top tier bank holding company or banking organization, all balances due from subsidiary banks (or their branches) or subsidiary bank holding companies of the top tier bank holding company, and all balances due from other subsidiaries of these organizations (including subsidiaries of the parent organization and the reporting nonbank subsidiary), on a gross basis. Include the amount of the subsidiary's investment in unconsolidated subsidiaries and associated companies.

Also, a special purpose subsidiary should report the loan made to the parent bank holding company with the proceeds from the issuance of trust preferred securities. Exclude all balances due to related institutions and include in item 16.

Line item 10 Total assets.

Report the sum of items 8 and 9.

Liabilities and Equity Capital

Items 11 through 15 exclude balances due to related institutions. Report balances due to related institutions in item 16.

Line item 11 Trading liabilities.

Report the amount of liabilities from the reporting subsidiary's trading activities. Include liabilities resulting