

# The Capital and Asset Report for Foreign Banking Organizations—FR Y-7Q

# DRAFT

FR Y-7Q  
OMB No. 7100-0125  
Expires XXXXX XX, XXXX

## General Information:

\_\_\_\_\_  
Legal Title of Financial Holding Company

\_\_\_\_\_  
Mailing Address of Financial Holding Company

\_\_\_\_\_  
City, Country, Postal Code

## Person in the U.S. to whom questions about this information should be directed:

\_\_\_\_\_  
Name / Title

\_\_\_\_\_  
Street

\_\_\_\_\_  
City / State / Zip Code

\_\_\_\_\_  
Area Code / Phone Number

\_\_\_\_\_  
Area Code / Fax Number

\_\_\_\_\_  
E-mail Address

Has confidential treatment been requested for this report? Enter "1" for yes, enter "2" for no. ....

FBOS	
XXXX	

\_\_\_\_\_  
Name and Title of Authorized Official

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date of Signature

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RSSD FD _____

Part 1. Capital and Asset Information for the Top-tier Consolidated Foreign Banking Organization

1. Is the foreign banking organization required by its home country supervisor to calculate its capital ratios using a risk-adjusted framework consistent with the Basel Capital Accord? (Enter "1" for yes; enter "2" for no) ..... 

FBOS	
XXXX	

 1.

If the answer to Line item 1 is "yes," provide capital and asset information in U.S. dollars using the procedure consistent with the risk-based framework required by the home country supervisor. If the answer to Line item 1 is "no," then provide the organization's best approximation under the Basel Capital Accord of the capital and asset information requested.

	U.S. Dollar Amounts in Millions				
			Tril	Bil	Mil
2. Tier 1 capital .....	FBOS	8274			
3. Total risk-based capital .....	FBOS	3792			
4. Risk-weighted assets.....	FBOS	A223			
5. Total assets at end of period.....	FBOS	XXXX			

6. Enter the as-of date for the financial data provided above ..... 

FBOS	Month MM	Day DD	Year CCYY
XXXX			

 6.

Note: Part 1 is to be reported by each top-tier FBO annually if it or any FBO in its tiered structure has not elected to be a financial holding company (FHC). Part 1 is to be reported by each top-tier FBO quarterly if it or any in its tiered structure has elected to be an FHC.

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**Part 2. Capital and Asset Information for Lower-tier FBOs Operating a Branch, Agency, Edge/Agreement Corporation, or Commercial Lending Company in the United States (where any FBO in the Organization's tiered structure has elected to be a financial holding company)\***

**General Information:**

\_\_\_\_\_  
Legal title of lower-tier FBO operating a branch, agency, Edge/Agreement Corporation, or commercial lending company in the United States

\_\_\_\_\_  
Country of lower-tier FBO operating a branch, agency, Edge/Agreement Corporation, or commercial lending company in the United States

1. Is the reporting lower-tier FBO required by its home country supervisor to calculate its capital ratios using a risk-adjusted framework consistent with the Basel Capital Accord? (Enter "1" for yes; enter "2" for no)..... 

FBOS	
XXXX	

 1.

If the answer to Line item 1 is "yes," provide capital and asset information in U.S. dollars using the procedure consistent with the risk-based framework required by the home country supervisor. If the answer to Line item 1 is "no," then provide the organization's best approximation under the Basel Capital Accord of the capital and asset information requested.

	U.S. Dollar Amounts in Millions					
			Tril	Bil	Mil	
2. Tier 1 capital .....	FBOS	8274				2.
3. Total risk-based capital .....	FBOS	3792				3.
4. Risk-weighted assets.....	FBOS	A223				4.
5. Total assets at end of period.....	FBOS	XXXX				5.

6. Enter the as-of date for the financial data provided above ..... 

FBOS	Month MM	Day DD	Year CCYY
XXXX			

 6.

\* A separate version of Part 2 should be submitted for each of the top-tier reporter's lower-tier FBOs that meet these reporting requirements.

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# Instructions for the FR Y-7Q

# DRAFT

## General Instructions

The Capital and Asset Report for Foreign Banking Organizations (FR Y-7Q) requires financial information from foreign banking organizations (FBOs). The report consists of two parts.

## Who must report

The FR Y-7Q must be filed by each top-tier foreign banking organization (FBO). The report consists of two parts.

- 1) Part 1 - Capital and Asset Information for the Top-tier FBO.
  - Reported annually by each top-tier FBO if it or any FBO in its tiered structure has not elected to be a financial holding company.
  - Reported quarterly by each top-tier FBO if it or any FBO in its tiered structure has elected to be an FHC.
- 2) Part 2 - Capital and Asset Information for Lower-tier FBOs Operating a Branch, Agency, Edge/Agreement Corporation, or Commercial Lending Company in the United States.
  - Reported quarterly by lower-tier FBOs (where applicable) operating a branch, agency, Edge/Agreement Corporation, or commercial lending company in the United States, if it or any FBO in its tiered structure has FHC status.

Generally, the top-tier reporter of the FR Y-7Q is the same as the top-tier reporter for the annual FR Y-7 report. With certain tiered FBOs, however, the initial determination of the top-tier reporter for FR Y-7Q reporting purposes may require consultation with Federal Reserve staff. For example, if the top-tier entity in the organization is not a bank or a bank holding company,

the next-highest tier may be deemed the top-tier entity for capital and asset reporting on the FR Y-7Q. For any items being translated from foreign currency denominations, the foreign currency translation rate should be the rate effective on the as of date of the report.

Parts 1 and 2 of the FR Y-7Q are *not* intended to collect capital and asset information of U.S. operations of FBOs; on a stand alone basis capital and asset information on U.S. operations is collected via other regulatory reports. All financial data should be reported in U.S. dollars, as indicated on the reporting form.

## Examples of who must report

XYZ Ltd. is a top-tier foreign banking organization that maintains an agency in the United States. XYZ Ltd. has been deemed an FHC. It does not own any other foreign banks that have U.S. operations. XYZ Ltd. must respond to Part 1 of the FR Y-7Q on a quarterly basis. It does not have to report on Part 2.

ABC AG is a top-tier foreign banking organization that maintains a branch in the United States. ABC AG does not have FHC status. It must respond to Part 1 on an annual basis. It does not have to report on Part 2.

LMN SA is a top-tier foreign banking organization that maintains a branch in the United States. It also owns directly a U.S. bank subsidiary. LMN SA. has been deemed an FHC. It does not own any other foreign banks with U.S. operations. LMN SA. must respond to Part 1 of the FR Y-7Q, on a quarterly basis. It does not have to report on Part 2.

ABC Ltd. is a top-tier foreign banking organization that owns directly a U.S. bank subsidiary in the United States. It does not maintain a branch or an agency or Edge Agreement Corporation own or a commercial lending company subsidiary in the U.S. ABC Ltd. has been deemed an FHC. It does not own any other foreign banks

with U.S. operations. ABC Ltd. must respond to Part 1 of the FR Y-7Q on a quarterly basis. It does not have to report on Part 2.

LMN AG is a top-tier foreign banking organization that maintains a branch in the United States. LMN AG also owns two foreign bank subsidiaries, AAA Bank and BBB Bank, each of which maintains a branch operation in the United States. LMN AG and its two lower-tier foreign banking organizations, AAA Bank and BBB Bank have been deemed FHCs. LMN AG must respond to Part 1 of the FR Y-7Q on a quarterly basis. Both AAA Bank and BBB Bank must each respond to Part 2 of the FR Y-7Q on a quarterly basis.

XYZ AG is a top-tier foreign banking organization that maintains an agency in the United States. XYZ AG also owns a foreign bank subsidiary, DDD Bank, that in turn owns directly a U.S. bank subsidiary. DDD Bank does *not* maintain a branch or an agency nor does it own an Edge Agreement Corporation or a commercial lending company subsidiary in the United States. XYZ AG and its lower-tier foreign banking organization, DDD Bank have been deemed FHCs. XYZ AG must respond to Part 1 of the FR Y-7Q, on a quarterly basis. DDD Bank does not have to respond to Part 2 of the FR Y-7Q.

ABC SA is a top-tier foreign banking organization that maintains an agency in the United States. ABC SA also owns a foreign bank subsidiary, EEE Bank, which maintains a branch in the United States. Neither ABC SA nor EEE Bank has FHC status. ABC SA must respond to Part 1 on an annual basis. EEE Bank does not have to report on Part 2.

QRS Ltd. is a top-tier foreign banking organization that owns indirectly a U.S. bank subsidiary. QRS Ltd. also owns a foreign bank subsidiary, CCC Bank, which maintains a branch in the United States. QRS Ltd. its lower-tier foreign banking organization, CCC Bank have been deemed FHC. QRS Ltd. must respond to Part 1 of the FR Y-7Q on a quarterly basis. CCC Bank must respond to Part 2 of the FR Y-7Q on a quarterly basis.

ABC Ltd. is a top-tier foreign banking organization that maintains a branch in the United States. ABC Ltd. also owns two foreign bank subsidiaries, YYY Bank and ZZZ Bank. YYY Bank maintains an agency in the United States. ZZZ Bank owns a U.S. bank holding company but does not maintain a U.S. branch or agency or own an Edge/agreement corporation or a commercial lending

company subsidiary in the United States. ABC Ltd. and its two lower-tier bank subsidiaries, YYY Bank and ZZZ Bank, have been deemed FHCs. ABC Ltd. must respond to Part 1 of the FR Y-7Q on a quarterly basis. YYY Bank must respond to Part 2 on a quarterly basis. ZZZ Bank does not have to respond to Part 2.

## Time and Place of Filing

The report date for FBOs that must report annually is December 31. The preferred reported period is for the 12-month calendar year ending December 31. However, FBOs are permitted to report based on their most recent 12-month fiscal year, if its fiscal year differs from the 12-month calendar year ending December 31. Report the “as-of” date in Part 1 item 6.

The reporting date for FBOs that must report quarterly are March 31, June 30, September 30, and December 31. The preferred reported periods correspond with the 12-month calendar year ending December 31 (i.e., for the three months ending March 31, six months ending June 30, nine months ending September 30, and the twelve months ending December 31). However, an FBO is permitted to report at different periods if its fiscal year differs from the 12-month calendar year ending December 31. Report the “as-of” dates in Part 1, item 6, and Part 2, item 6 (if applicable). However, these reports must be submitted on the quarter end dates.

This report must be received by the appropriate Federal Reserve Bank no more than 45 calendar days after the report date. The Earlier submission would aid the Federal Reserve in reviewing and processing the report and is encouraged. No extensions of time for submitting reports are granted. The reports are due by the end of the reporting day on the submission date (i.e., 5:00 P.M. at each of the Reserve Banks). The filing of this report will be considered timely, regardless of when the reports are received by the appropriate Federal Reserve Bank, if these reports are mailed and postmarked no later than the third calendar day preceding the submission deadline. In addition, the hand delivery of the completed original reports on or before the submission deadline to the location to which the reports would otherwise be mailed is an acceptable alternative to mailing such reports. If the submission deadline falls on a weekend 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 Saturday, Sunday, 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.

## Confidentiality

The completed version of this report generally is available to the public upon request on an individual basis. However, a reporting FBO may request confidential treatment if it is of the opinion that disclosure of specific commercial or financial information in the report would likely result in substantial harm to its competitive position, or that disclosure of the submitted information would result in unwarranted invasion of personal privacy. A request for confidential treatment must be submitted in writing concurrently with the submission of the report. The request must discuss in writing the justification for which confidentiality is requested and must demonstrate the specific nature of the harm that would result from public release of the information. Merely stating that competitive harm would result or that information is personal is not sufficient.

**WHEN CONFIDENTIAL TREATMENT IS REQUESTED, THE FR Y-7Q COVER SHEET SHOULD BE LABELED "CONFIDENTIAL." THIS INFORMATION SHOULD BE SPECIFICALLY IDENTIFIED AS BEING CONFIDENTIAL.**

Information for which confidential treatment is requested may subsequently be released by the Federal Reserve System if the Board of Governors determines that the disclosure of such information is in the public interest. If the Federal Reserve deems it necessary to release confidential data, the respondent will be notified before it is released.

## Signatures

The Capital and Asset Report for Foreign Banking Organizations shall be signed at the place and in the manner indicated on the cover sheet by a duly authorized officer of the foreign banking organization.

## Amended Reports

The Federal Reserve may require the filing of an

amended Capital and Asset Report for Foreign Banking Organizations if reports as previously submitted contain significant errors. In addition, a foreign banking organization 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.

## 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. Many reporting errors can be screened through the use of computer validity edits, commonly referred to as monitored edits, which are detailed in the Checklist accompanying the reporting instructions. Reporting deadlines are detailed in the Submission Date section of these general instructions. Additional information on the Regulatory Reports Monitoring Program is available from the Federal Reserve Banks.

## PART 1—Capital and Asset Information for the Top-tier FBO

The capital and asset information provided in Part 1 should be reported by the top-tier FBO. The information provided on Part 1 should be submitted for the consolidated organization. See the "Who must report" section to determine the frequency of reporters for Part 1. The Federal Reserve may require a FR Y-7Q reporter to submit supporting calculations and definitions of its components of capital if deemed necessary.

**Line Item 1 Is the foreign banking organization required by its home country supervisor to calculate its capital ratios using a risk-adjusted framework consistent with the Basel Capital Accord?**

Enter a "1" for "yes" if home country supervisor of the FBO has adopted and utilizes risk-based standards con-

sistent with the Basel Capital Accord. Enter a “2” for “no” if the FBO is not required to apply standards consistent with the Basel Capital Accord. If “yes”, provide capital and asset information using the procedures consistent with the risk-based framework required by the home country supervisor. If “no” provide the organization’s best approximation of the capital and asset information.

**Line Item 2 Tier 1 capital.**

Report the amount of Tier 1 capital, on a consolidated basis, as reported by the institution to its home country supervisor under the Basel Capital Accord if the answer to Part 1, Line item 1 is “yes”. If the answer to Part 1, Line item 1 is “no”, then report by using the closest possible approximation.

**Line Item 3 Total risk-based capital.**

Report the amount of total risk-based capital, on a consolidated basis, as reported by the institution to its home country supervisor under the Basel Capital Accord if the answer to Part 1, Line item 1 is “yes”. If the answer to Part 1, Line item 1 is “no”, then report by using the closest possible approximation.

**Line Item 4 Risk-weighted assets.**

Report the amount of risk-weighted assets, on a consolidated basis, as reported by the institution to its home country supervisor under the Basel Capital Accord if the answer to Part 1, Line item 1 is “yes”. If the answer to Part 1, Line item 1 is “no”, then report by using the closest possible approximation.

**Line Item 5 Total assets at the end of the reporting period**

Report the total assets, on a consolidated basis, at the end of the reporting period.

**Line Item 6 Enter the as-of date for the financial information provided above.**

Report in Line item 6 the as-of date for the financial information reported in Line items 2–5. Report the month, day, and year in the boxes provided, using leading zeroes, if necessary. For example, if the as-of date is December 31, 2002, the entry would be 12 31 2002. If

quarterly data are not available or if a reporter’s fiscal year does not follow the reporting pattern as defined above under “Submission date”, then the as-of date for the most recent data available should be reported in Line item 6. For example, if a reporter’s fiscal year ends on October 31, then Line item 6 of the FR Y-7Q filed for December 31, 2002 would read 10 31 2002.

**PART 2—Capital and Asset Information for Lower-tier FBOs That Maintain a Branch, Agency, or own an Edge/Agreement Corporation, or Commercial Lending Company Subsidiary in the United States**

Part 2 is to be completed *only* if the top-tier or lower-tier FBO has FHC status. Part 2 pertains only to the capital and asset information of lower-tier FBOs (information on top-tier reporters is reported on Part 1, not on Part 2). This information is to be collected only if the lower-tier FBO maintains a branch or an agency, or owns an Edge/Agreement Corporation, or a commercial lending company subsidiary in the United States. A separate version of Part 2 should be submitted for each of the top-tier reporter’s lower-tier FBOs that meet these reporting requirements (e.g., if the top-tier reporter has two lower-tier FBOs meeting the reporting requirements for Part 2, a separate schedule of the Part 2 information for each of the two lower-tier reporters must be provided).

The capital and asset information provided in Part 2 must be reported on a quarterly basis by any lower-tier FBO meeting the reporting requirements defined above. Items should be reported on a consolidated basis for each lower-tier reporter. Part 2 does not pertain to capital and asset information of U.S. operations. The Federal Reserve may require a lower-tier FBO to submit supporting calculations and definitions of its components of capital if deemed necessary.

**Legal title of lower-tier FBO that maintains a branch or an agency, or owns an Edge/Agreement Corporation or commercial lending company subsidiary in the United States**

Enter the full name of the lower-tier FBO for which capital and asset information is being provided.

**Country of lower-tier FBO that maintains a branch or an agency, or own an Edge/Agreement Corporation or commercial lending company in the United States**

Enter the country in which this lower-tier FBO is incorporated or has its principal location.

**Line Item 1 Is the reporting lower-tier FBO required by its home country supervisor to calculate its capital ratios using a risk-adjusted framework consistent with the Basel Capital Accord?**

Enter a "1" for yes if home country supervisor of the lower-tier FBO has adopted and utilizes risk-based standards consistent with the Basel Capital Accord. Enter a "2" for no if the lower-tier FBO is not required to apply standards consistent with the Basel Capital Accord. If "yes", provide capital and asset information using the procedures consistent with the risk-based framework required by the home country supervisor. If "no", provide the lower-tier FBO's best approximation of the capital and asset information.

**Line Item 2 Tier 1 capital.**

Report the amount of Tier 1 capital, on a consolidated basis, as reported by the lower-tier FBO to its home country supervisor under the Basel Capital Accord if the answer to Part 2, Line item 1 is "yes". If the answer to Part 2, Line item 1 is "no", then report by using the closest possible approximation.

**Line Item 3 Total risk-based capital.**

Report the amount of total risk-based capital, on a consolidated basis, as reported by the lower-tier FBO to its

home country supervisor under the Basel Capital Accord if the answer to Part 2, Line item 1 is "yes". If the answer to Part 2, Line item 1 is "no", then report by using the closest possible approximation.

**Line Item 4 Risk-weighted assets.**

Report the amount of risk-weighted assets, on a consolidated basis, as reported by the lower-tier FBO to its home country supervisor under the Basel Capital Accord if the answer to Part 2, Line item 1 is "yes". If the answer to Part 2, Line item 1 is "no", then report by using the closest possible approximation.

**Line Item 5 Total assets the at end of the reporting period.**

Report the total assets of the lower-tier FBO, on a consolidated basis, at the end of the reporting period.

**Line Item 6 Enter the as-of date for the financial information provided above.**

Report in Line item 6 the as-of date for the financial information reported in Line items 2–5. Report the month, day, and year in the boxes provided, using leading zeroes, if necessary. For example, if the as-of date is December 31, 2002, the entry would be 12 31 2002. If quarterly data are not available or if a lower-tier FBO's fiscal year does not follow the reporting pattern as defined above under "Submission date", then the as-of date for the most recent data available should be reported in Line item 6. For example, if a lower-tier FBO's fiscal year ends on October 31, then Line item 6 of the FR Y-7Q filed for December 31, 2002 would be 10 31 2002.