

# Board of Governors of the Federal Reserve System

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## General Instructions for the Preparation of the Quarterly Capital Assessments and Stress Testing Report

### Reporting Form FR Y-14Q

Issued November 2011

FR Y-14Q

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This Report is required by law: Section 165 of the Dodd-Frank Act (12 U.S.C. 5365) and Section 5 of the Bank Holding Company Act (12 U.S.C. 1844). Public reporting burden for the FR Y-14Q information collection is estimated to average 8,218 hours per response. These estimates include time to gather and maintain data in the required form and to review instructions and complete the information collection. Comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing the burden, may be sent to Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0341), Washington, D.C. 20503.

## **General Instructions for Preparation of the Quarterly Capital Assessments and Stress Testing Report FR Y-14Q**

The FR Y-14Q report collects detailed data on bank holding companies' various asset classes and categories of pre-provision net revenue (PPNR) on a quarterly basis, which will be used to support supervisory stress testing models and for continuous monitoring efforts. The FR Y-14Q report includes data schedules for Securities Risk, Retail Risk, PPNR, Wholesale Risk, Trading, Private Equity, and Other Fair Value Assets (Trading), Basel III and Dodd-Frank (Basel III), and Regulatory Capital Instruments. All of the data schedules, other than the Basel III schedule and Regulatory Capital Instruments schedules are to be submitted each quarter for data starting as-of the end of the third quarter of 2011. The Basel III and Regulatory Capital Instruments data schedules are to be submitted in all quarters other than for data starting as-of the end of the third quarter. Initially, the reporting panel consists of the 19 large domestic bank holding companies (BHCs) that participated in the 2009 Supervisory Capital Assessment Program (SCAP) and the 2011 Comprehensive Capital Analysis and Review (CCAR) exercises<sup>1</sup>.

### **(1) Who Must Report**

#### **(i) Reporting Criteria**

- a. The large domestic BHCs that participated in the 2009 Supervisory Capital Assessment Program (SCAP) and the 2011 Comprehensive Capital Analysis and Review (CCAR 2011) exercises are required to submit the Capital Assessment and Stress Testing report to the Federal Reserve.
- b. The specific reporting requirements for each BHC depend upon the size of the holding company and the level of activity in certain risk types. The number of schedules each BHC is required to complete is subject to materiality thresholds.
  - 1) **PPNR schedule, Basel III schedule, and Regulatory Capital Instruments schedule:** All BHCs must submit these schedules.
  - 2) **Trading schedule:** The six BHCs that were specifically subject to the market shock provided by the Federal Reserve in CCAR 2011 must submit this schedule.
  - 3) **All other quarterly schedules:** The remaining schedules are subject to materiality thresholds. Material portfolios are defined as those with asset balances greater than \$5 billion or asset balances greater than 5 percent of Tier 1 capital on average for the four quarters preceding the reporting quarter. All data used to determine materiality should be measured as of the close of business of the last calendar day of the quarter; assets included in a given portfolio are

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<sup>1</sup> All but one BHC that participated in the SCAP exercise had total assets greater than \$100 billion as of year-end 2008.

defined in the instructions for each schedule. BHCs will have an option to complete the data schedules for immaterial portfolios. If the BHCs do not complete the schedules, the Federal Reserve will assign losses to immaterial portfolios in a manner consistent with the given scenario to produce supervisory estimates.

**(ii) Exemptions**

- a. Only BHCs that did not meet the reporting criteria listed in paragraph one above are exempt from reporting.

**(2) Where to Submit the Reports**

- (i) All BHCs subject to these reporting requirements must submit completed reports electronically. BHCs will be provided information on how to transmit data to the FR Y-14 IntraLinks Collaboration website.

**(3) When to Submit the Reports**

- (i) BHCs must file the Capital Assessment and Stress Testing schedules (FR Y-14Q) according to the appropriate time schedules described below:
  - a. With the exception of the trading schedule, the data collected during this first submission will be reported as of September 30, 2011. The as-of-date for the trading schedule will be communicated to the BHCs subject to this requirement during the 4<sup>th</sup> quarter.<sup>2</sup> During the first submission, all schedules, other than the Basel III and Regulatory Capital Instruments schedules, will be due on or before December 15, 2011.
  - b. Quarterly thereafter, BHCs must submit data on the same time schedule as the FR Y-9C reported data (40 calendar days after the calendar quarter-end for March, June, and September and 45 calendar days after the calendar quarter-end for December, unless that day falls on a weekend or holiday (subject to timely filing provisions)).
  - c. Beginning in 2012, the quarterly Trading schedule as-of-date for the first, second, and fourth quarters will be the same as the as-of dates for the other reported schedules. For the 3<sup>rd</sup> quarter, the BHCs will be required to report data as part of a market shock exercise.<sup>2</sup> Due to the nature of this exercise, the Federal Reserve will communicate to the appropriate BHCs the specific as-of-date for trading data in the 4<sup>th</sup> quarter. The data for this as-of-date will be due 40 calendar days after the notification date (notifying respondents of the as-of-date).

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<sup>2</sup> BHCs are permitted to submit the quarterly trading schedule as of the most recent date that corresponds to the regular reporting cycle that falls prior to the specified as-of date. That as-of date will be communicated to the BHCs after it has occurred but in the fourth quarter.

- d. **General Timing:** If the submission date falls on a weekend or holiday, the data must be received on the first business day after the weekend or holiday. No other extensions of time for submitting reports will be granted. The data are due by the end of the reporting day on the submission date. Earlier submission aids the Federal Reserve in reviewing and processing the data and is encouraged.

#### **(4) How to Prepare the Reports**

##### **(i) Applicability of GAAP, Consolidation Rules, and Other Instructional Guidance**

- a. BHCs are required to prepare and file the FR Y-14Q schedules in accordance with generally accepted accounting principles (GAAP) and these instructions. The financial records of the BHCs should be maintained in such a manner and scope so as to ensure the FR Y-14Q can be prepared and filed in accordance with these instructions and reflect a fair presentation of the BHCs' financial condition and assessment of performance under stressed scenarios.
- b. **Rules of Consolidation:** Reference the FR Y-9C General Instructions for a discussion of the rules of consolidation.
- c. BHCs should review the following published documents (in the order listed below) when determining the precise definition to be used in completing the schedules:
  - 1) The FR Y-14Q instructions;
  - 2) The latest available FR Y-9C instructions published on the Federal Reserve's public web site: <http://www.federalreserve.gov/reportforms>;
  - 3) The Basel III Framework Document published on the Bank of International Settlements (BIS) web site: <http://www.bis.org/bcbs/basel3.htm>.

**(ii) Confidentiality:** As these data will be collected as part of the supervisory process, they are subject to confidential treatment under exemption 8 of the Freedom of Information Act. 5 U.S.C. 552(b)(8). In addition, commercial and financial information contained in these information collections may be exempt from disclosure under Exemption 4. 5 U.S.C. 552(b)(4). Disclosure determinations would be made on a case-by-case basis.

##### **(iii) Amended Reports**

- a. The Federal Reserve will require the filing of amended reports if reports as previously submitted contain significant errors. In addition, a reporting institution must file an amended report when it or the Federal Reserve discovers significant errors or omissions subsequent to submission of a report. Failure to file amended reports on a timely basis may subject the institution to supervisory action.

**(iv) Questions and Requests for Interpretations:** BHCs should submit any questions or requests for interpretations by email to [info@CCAR.frb.org](mailto:info@CCAR.frb.org).