

INSTRUCTIONS FOR THE PREPARATION OF THE

Foreign Branch Report of Condition FFIEC 030 and FFIEC 030S

Unless the context indicates otherwise, the term “bank” in these instructions refers to both banks and savings associations.

General Instructions

Who Must Report

and savings association

Every insured ~~commercial~~ bank with one or more branch offices in a foreign country is required to prepare a Foreign Branch Report of Condition (FFIEC 030) or an Abbreviated Foreign Branch Report of Condition (FFIEC 030S) for each foreign office (except for exempt offices) in accordance with the following instructions.

To the extent applicable, these instructions correspond to the Instructions to the Consolidated Report of Condition (FFIEC 031) and supporting schedules. In view of this, the respondent should refer to the FFIEC 031 instructions if further clarification is needed in preparing the FFIEC 030.

The terms “foreign branch” and “foreign country” are defined in Title 12, Part 211.2 (Federal Reserve Regulation K). The term “foreign branch” includes branches located in any territory, dependency or insular possession of the United States, the Commonwealth of Puerto Rico, or in any foreign country, with one exception. For purposes of this report, military banking facilities are not considered to be foreign branches and should not be reported individually or in consolidated figures.

Quarterly Reporting Requirement for Significant Branches—Detailed report (FFIEC 030)

A branch with *either* total assets of at least \$2 billion (item 11) *or* commitments to purchase foreign currencies and U.S. dollar exchange (a purchase of U.S. dollar exchange is equivalent to a sale of foreign currency) of at least \$5 billion (item 20) as of the end of a calendar quarter, is considered a “significant branch” and is required to report quarterly on the FFIEC 030. Such branches must not be consolidated with any other branches in any quarter, including the December 31st report.

Quarterly reporting should commence on the quarter end in which the branch meets the significance threshold. A significant branch that diminishes in size and no longer meets the threshold ceases to be a significant branch and should stop reporting quarterly commencing on the quarter end in which the office drops below the threshold. The bank regulatory authorities may specifically require the report to be filed quarterly by foreign branches that the authorities deem to have significant risk exposures.

Annual Filers—Detailed Report (FFIEC 030)

A foreign branch that does not meet either of the criteria to file quarterly, but has total assets in excess of \$250 million, must file the entire FFIEC 030 report on an annual basis as of December 31st of each year.

Annual Filers—Abbreviated Report (FFIEC 030S)

A foreign branch that does not meet the criteria to file the detailed report, but has total assets of \$50 million or more (but less than or equal to \$250 million), must file the Abbreviated Foreign Branch Report of Condition (FFIEC 030S) on an annual basis, as of December 31st of each year.

Exempt Filers

A foreign branch with total assets of less than \$50 million is exempt from both the FFIEC 030 and FFIEC 030S filing requirements.

Submission of the Reports

The Federal Reserve acts as the collecting and processing agent on behalf of the federal bank supervisory agencies.

The reports must be submitted on the report forms provided by the Federal Reserve System. No caption on the report forms shall be changed in any way. No item is to

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be left blank. An entry must be made for each item; i.e., an amount or a zero.

Where and When to Submit the Report

The completed and signed original report shall be submitted within 45 days after the December 31st reporting date and, for significant branches, end-of-quarter reporting date. The report should be sent only to the Federal Reserve Bank in the district in which your main office is located. It is not necessary to send a courtesy copy to your primary federal banking regulator if you are a national bank, ~~or~~ FDIC-insured state nonmember bank. The Federal Reserve will make this information available to the other federal bank supervisory agencies.

Completion of the Report Form on a Consolidated Basis

At the bank's option, branches in a single country may report year-end information on a consolidated basis. When this option is exercised, all branches, other than significant branches (as defined above), in the same country must be consolidated on a line-by-line basis on one report form.

The reporting branch should file the appropriate report form (FFIEC 030 or FFIEC 030S) based on the unconsolidated branch's asset size. Branches that are consolidated into a country's principal branch report need only complete the cover page of the appropriate report form based on the report filed by the principal branch. Reporting branches do not need to consolidate exempt branches (branches with total assets less than \$50 million). On the cover sheet, provide the name and address of the principal branch (which is the nonsignificant branch with the most total assets) in the country, the number of branches that are consolidated, and the addresses of the consolidated branches on the lines provided. However, foreign branches that meet the threshold for reporting on a quarterly basis (that is, significant branches) must not be consolidated with any other branch.

Intrabank Transactions

Intrabank transactions include transactions with other foreign branches of the reporting branch's bank, the head office and U.S. branches of the reporting branch's bank, and consolidated subsidiaries of the reporting branch's bank. Except as described in the following paragraph, all balances and positions due from and due to these entities

or savings association.

(other than off-balance sheet items) should be reported as gross amounts in FFIEC 030 Asset line items 8 and 9 (FFIEC 030S line item 1) and FFIEC 030 Liability line items 16 and 17 (FFIEC 030S line item 3), as appropriate. Intrabank derivative and off-balance sheet transactions may be either excluded from or included in FFIEC 030 line items 20 through 25 (FFIEC 030S line items 4 and 5), but the reporting branch's treatment of these derivative and off-balance sheet transactions should be followed on a consistent basis.

For reporting branches that choose to consolidate other branches in a single country, the results of all intrabank transactions between offices *included* in the scope of the consolidated branch are to be eliminated in the consolidation and must be excluded from the reporting branch's FFIEC 030 or FFIEC 030S.

Intrabank transactions do not include transactions with the parent holding company of the reporting branch's bank and with other subsidiaries of the parent holding company of the reporting branch's bank (unless such subsidiaries are also consolidated subsidiaries of the bank). Transactions with the parent holding company and its other subsidiaries (including unconsolidated subsidiaries of the bank) are treated as transactions with third parties, and all balance sheet items resulting from these transactions should be included in FFIEC 030 Asset line items 1 through 7 and 10 (FFIEC 030S line item 2) and FFIEC 030 Liability line items 12 through 15 and 18, as appropriate. Derivatives and off-balance sheet items with these entities should be included in FFIEC 030 line items 20 through 25 (FFIEC 030S line items 4 and 5), as appropriate.

Foreign Currency Translation

All amounts must be expressed in U.S. dollar equivalents, using exchange rates prevailing on the reporting date. Report all amounts in thousands of U.S. dollars.

Negative Entries

Except as described below and in the Instructions to the Consolidated Report of Condition (FFIEC 031), all amounts should be reported as positive balances in thousands of U.S. dollars. When one branch of the bank creates an acceptance and the holder sells the acceptance to another branch of the same bank, the "creating" branch may not know that the acceptance has been

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purchased by another branch of the same bank. Therefore, to prevent duplication in the consolidated bank acceptance totals, the purchasing branch should record the transaction by debiting “Own acceptances purchased” (FFIEC 030 line item 6(b), 6(c), or 6(d) depending on the account party; included in FFIEC 030S line item 2, “Assets”) and crediting cash or the seller’s account. It must also deduct the full amount of the acceptance from its own “Customers’ liability for acceptances outstanding” (included in FFIEC 030 line item 10 and FFIEC 030S line item 2) and “Bank’s liability on acceptances executed and outstanding” (included in FFIEC 030 line item 18) accounts. Amounts that must appear as negatives should be shown in parentheses.

Amended Reports

If a report submitted by a branch is found to contain significant errors, as determined by the federal bank supervisory agencies, the submitting institution may be required to file an amended report. Respondents should refer to the general instructions in the Consolidated Report of Condition for further information on the filing requirements for amended reports.

Line Item Instructions for the Foreign Branch Report of Condition (FFIEC 030)

References to corresponding items in the Consolidated Report of Condition (FFIEC 031) are contained in brackets [].

Assets

Line Item 1 Cash items in process of collection, unposted debits, and currency and coin.

Report all currency and coin owned and held or in transit, plus checks and other items customarily cleared or collected as cash items. [included in Schedule RC-A, item 1, column A]

Line Item 2 Balances due from U.S. banks (including IBFs and foreign branches of U.S. banks) other than the U.S. parent.

Report balances due from U.S. and non-U.S. branches of other banks chartered and headquartered in the U.S.,

including transactions commonly known as placements, redeposits, call money, and other money market transactions. [included in Schedule RC-A, items 2(b), 3(a), and 4, column A]

Line Item 3 Balances due from foreign banks (including U.S. branches and agencies of foreign banks and their IBFs).

Report balances due from all offices of “foreign banks” (i.e., banks chartered and headquartered in foreign countries), whether located in the U.S. or in foreign countries. Include balances due from foreign banks owned by U.S. nationals and institutions. [included in Schedule RC-A, items 2(a) and 3(b), column A]

Line Item 4 Securities.

Report all securities as defined in the Consolidated Report of Condition. [included in Schedule RC-B, item 8, columns A and D]

Line Item 4(a) Securities and obligations of U.S. government and states and political subdivisions in the U.S.

[included in Schedule RC-B, items 1, 2, and 3, columns A and D]

Line Item 4(b) Other securities (debt and equity).

[included in Schedule RC-B, items 4, 5, 6, and 7, columns A and D]

Line Item 5 Trading assets.

[included in Schedule RC, item 5]

Line Item 6 Loans and lease financing receivables.

Report all loans (i.e., extensions of credit resulting either from direct negotiation between lender and borrower or from the purchase of loan assets from another lender) and all lease financing receivables as defined in the Consolidated Report of Condition (included in Schedule RC-C, Part I). Include all promissory notes, advances, due bills, overdrawn deposit accounts (including overdrawn due to bank accounts), acceptances executed by or for the account of the reporting bank and subsequently acquired by it through purchase or discount, acceptances of other banks, etc.

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Line Item 6(a) Loans secured by real estate.

[included in Schedule RC-C, Part I, item 1, column A]

Line Item 6(b) Loans to depository institutions.

[included in Schedule RC-C, Part I, item 2, column A]

Line Item 6(c) Commercial and industrial loans.

[included in Schedule RC-C, Part I, item 4, column A]

Line Item 6(d) All other loans and all leases.

Include all other extensions of credit, including lease financing receivables (net of unearned income), loans to foreign governments and official institutions (including foreign central banks), and loans to individuals. [included in Schedule RC-C, Part I, items 3, 6, 7, 8, 9, and 10, column A]

Line Item 6(e) Less: unearned income on loans in items 6(a) through 6(d) above.

Deduct any unearned income on loans reflected in items 6(a) through 6(d). [included in Schedule RC-C, Part I, item 11, column A]

Line Item 6(f) Total loans and leases, net.

Report the sum of items 6(a) through 6(d) minus item 6(e). [included in Schedule RC-C, Part I, item 12, column A]

Line Item 7 Premises and fixed assets.

Report bank premises, furniture and fixtures, and other assets representing bank premises such as leasehold improvements, real estate acquired for future expansion, real estate in use as staff housing, etc. [included in Schedule RC, item 6]

Line Item 8 Gross due from head office, U.S. branches, and other foreign branches of this bank.

Report the gross amount due from the head office of the reporting branch's U.S. parent bank and the bank's U.S. and other non-U.S. branches (including the IBFs of the bank and of its Edge subsidiaries). The gross due from amounts reported in this item, and the gross due to amounts reported in item 16, include claims between the reporting branch and the head office or the bank's other

branches arising in connection with: deposits of any kind; loans and borrowings of any kind; overdrafts, federal funds and repurchase and resale agreements; claims resulting from clearing activities, foreign exchange transactions, bankers acceptance transactions, and other activities; capital flows and contributions; gross unremitted profits and accumulated operating losses; and any allowance for loan and lease losses and other valuation allowances on the books of the reporting branch. Please refer to the General Instructions for the treatment of intrabank transactions.

Line Item 9 Gross due from consolidated subsidiaries of this bank.

Report the gross amount due from any consolidated subsidiaries of the reporting branch's bank. Please refer to the General Instructions for the treatment of intrabank transactions.

Line Item 10 Other assets.

Report items such as other real estate owned, investments in unconsolidated subsidiaries and associated companies, customers' liability on deferred payment letters of credit, customers' liability to this bank on acceptances outstanding, accrued interest receivable, prepaid expenses, cash items not in process of collection, federal funds sold and securities purchased under agreements to resell, and all other assets that cannot be properly reported in Asset items 1 through 9, above. Also include derivative instruments with a positive fair value held for purposes other than trading. For further information, see FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities. [included in Schedule RC, items 3, 7, 8, 10, and 11].

Line Item 11 Total assets.

Enter the sum of Assets, items 1 through 10. This amount must equal item 19, "Total liabilities."

Liabilities

Line Item 12 Deposits of U.S. banks (including IBFs and foreign branches of U.S. banks).

Report deposits due to U.S. banks (i.e., U.S. and non-U.S. branches of banks chartered and headquartered in the U.S.). [included in Schedule RC-E, Part II, item 2]

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Line Item 13 Deposits of foreign banks (including U.S. branches and agencies of foreign banks and their IBFs).

Report deposits due to “foreign banks” (i.e., the U.S. and non-U.S. branches of banks chartered and headquartered in foreign countries). [included in Schedule RC-E, Part II, item 3]

Line Item 14 Other deposits.

Report all other deposits, including certified and official checks and deposits of individuals, partnerships, corporations, U.S. government, states and political subdivisions in the U.S., and foreign governments and official institutions. [included in Schedule RC-E, Part II, items 1, 4, and 5]

Line Item 15 Liabilities for borrowed money.

Report all forms of borrowings, including assets rediscounted with central banks, rediscounted trade acceptances, government funding of loans, mortgage indebtedness, subordinated notes and debentures, and the reporting branch’s overdrafts on deposit accounts it holds at other depository institutions (except as provided in the Consolidated Report of Condition). Exclude federal funds purchased and securities sold under agreements to repurchase (report in item 18, “Other liabilities.”) [included in Schedule RC, items 16 and 19]

Line Item 16 Gross due to head office, U.S. branches, and other foreign branches of this bank.

Report the gross amount due to the head office of the reporting branch’s U.S. parent bank and the bank’s U.S. and other non-U.S. branches (including the IBFs of the bank and its Edge subsidiaries). The gross due to amounts reported in this item, and the gross due from amounts reported in item 8, include claims between the reporting branch and the head office or the bank’s other branches arising in connection with: deposits of any kind; loans and borrowings of any kind; overdrafts, federal funds and repurchase and resale agreements; claims resulting from clearing activities, foreign exchange transactions, bankers acceptance transactions, and other activities; capital flows and contributions; gross unremitted profits and accumulated operating losses; and

any allowance for loan and lease losses and other valuation allowances on the books of the reporting branch. Please refer to the General Instructions for the treatment of intrabank transactions.

Line Item 17 Gross due to consolidated subsidiaries of this bank.

Report the gross amount due to any consolidated subsidiaries of the reporting branch’s bank. Please refer to the General Instructions for the treatment of intrabank transactions.

Line Item 18 Other liabilities.

Report items such as net deferred tax liabilities, minority interest in consolidated subsidiaries, deferred payment letters of credit, federal funds purchased and securities sold under agreements to repurchase, trading liabilities, bank’s liability on acceptances executed and outstanding, accrued taxes and other expenses accrued and unpaid, and all other liabilities that cannot be properly reported in Liabilities, items 12 through 17, above. Also include all derivative instruments with a negative fair value. For further information, see FASB Statement No. 133. [included in Schedule RC, items 14, 15, 20, and 22].

Line Item 19 Total liabilities.

Enter the sum of Liabilities, items 12 through 18. This amount must equal item 11, “Total Assets.”

Derivatives and Off-balance-sheet Items

Please refer to the General Instructions for the treatment of intrabank transactions.

Line Item 20 Commitments to purchase foreign currencies and U.S. dollar exchange (spot, forward, and futures).

Report the notional amount of all unmatured contractual obligations into which the branch has entered to purchase foreign currency and U.S. dollar exchange, through futures contracts and for spot and forward delivery. (A purchase of U.S. dollar exchange is equivalent to a sale of foreign currency.) Intrabank transactions may be excluded. [included in Schedule RC-L, item 8 and items 12(a) and (b), column B]

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Line Item 21 All other futures and forward contracts (excluding contracts involving foreign exchange).

Report the notional amount of all other futures and forward contracts (excluding contracts involving foreign exchange). Intrabank transactions may be excluded. [included in Schedule RC-L, items 12(a) and (b), columns A, C, and D]

Line Item 22 Option contracts.

Report the notional amount of all option contracts. Intrabank transactions may be excluded. [included in Schedule RC-L, items 12(c) and 12(d), columns A through D]

Line Item 22(a) Written option contracts.

Intrabank transactions may be excluded. [included in Schedule RC-L, items 12(c)(1) and 12(d)(1), columns A through D]

Line Item 22(b) Purchased option contracts.

Intrabank transactions may be excluded. [included in Schedule RC-L, items 12(c)(2) and 12(d)(2), columns A through D]

Line Item 23 Standby letters of credit and foreign office guarantees.

Report the amount outstanding and unused of all standby letters of credit or similar arrangements, such as “guarantee,” “bid” or “performance” arrangements. Where the reporting branch has an obligation to pay the full amount of a participated standby letter of credit that it previously originated and issued, the reporting branch must report the full amount of the standby letter of credit, even though participating financial institutions also have an obligation to fund the resulting extensions of credit. Only when each participating bank has a direct obligation to the beneficiary may the originating branch deduct amounts conveyed to others. The entire amount of back-to-back standby letters of credit also should be reported, not just the unbacked portion. [included in Schedule RC-L, items 2 and 3]. Intrabank transactions may be excluded.

Line Item 24 Commercial and similar letters of credit.

Report the amount outstanding and unused of commercial letters of credit and travelers’ letters of credit not

sold for cash. Intrabank transactions may be excluded. [included in Schedule RC-L, item 4]

Line Item 25 Notional value of all outstanding interest rate swaps.

Intrabank transactions may be excluded. [included in Schedule RC-L, item 12(e), column A]

Memoranda

Line Item 26 Total interest-bearing balances included in items 2 and 3.

Report the total amount of interest-bearing balances included in balances due from banks. [included in Schedule RC, item 1(b)]

Line Item 27 Total interest-bearing deposits included in items 12, 13, and 14.

Report the total amount of interest-bearing deposits. [included in Schedule RC, item 13(b)(2)]

Line Item Instructions for the Abbreviated Foreign Branch Report of Condition (FFIEC 030S)

References to corresponding items in the Foreign Branch Report of Condition (FFIEC 030) are contained in brackets [].

Line Item 1 Gross due from related institutions.

Report the gross amount due from the head office of the reporting branch’s U.S. parent bank, the bank’s U.S. and other non-U.S. branches (including the IBFs of the bank and of its Edge subsidiaries), and any consolidated subsidiaries of the reporting branch’s bank. [corresponds to FFIEC 030 asset items 8 and 9].

Line Item 2 Total assets.

Enter the sum of all asset items. [corresponds to FFIEC 030 asset item 11]

Line Item 3 Gross due to related institutions.

Report the gross amount due to the head office of the reporting branch’s U.S. parent bank, the bank’s U.S. and other non-U.S. branches (including the IBFs of the bank

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and of its Edge subsidiaries), and any consolidated subsidiaries of the reporting branch's bank. [corresponds to FFIEC 030 liability items 16 and 17]

Line Item 4 Total gross notional amount of derivative contracts.

Report the gross notional amount of all unmatured contractual obligations into which the branch has entered to purchase foreign currency and U.S. dollar exchange through futures contracts and for spot and forward delivery, all other futures and forward contracts, all written or purchased option contracts, and all outstanding interest rate swaps. [corresponds to FFIEC 030 derivative items 20, 21, 22 and 25]

Line Item 5 Commercial and similar letters of credit, standby letters of credit, and foreign office guarantees.

Report the amount outstanding and unused of all standby letters of credit or similar arrangements (such as "guarantee," "bid," or "performance" arrangements), and the amount outstanding and unused of commercial letters of credit and travelers' letters of credit not sold for cash. [corresponds to FFIEC 030 off-balance sheet items 23 and 24]