

Parent Company Only Financial Statements for Large Bank Holding Companies

FR Y-9LP

For purposes of this report, savings and loan holding companies are subject to the same reporting requirements as bank holding companies, unless otherwise noted in these instructions. All references to "bank holding company(s) are inclusive of "savings and loan holding company(s)" unless otherwise noted.¹

GENERAL

Who Must Report

A. Reporting Criteria

All bank holding companies, regardless of size, are required to submit financial statements to the Federal Reserve, unless specifically exempted (see description of exemptions below).

The specific reporting requirements for each bank holding company depend upon the size of the holding company, or other specific factors as determined by the appropriate Federal Reserve Bank. Bank holding companies must file the appropriate forms as described below:

not from reporting the FR Y-9C. If a top-tier holding company is exempt from reporting the FR Y-9C, then the lower-tier holding company (with consolidated assets of \$500 million or more) must file the FR Y-9C.

In addition, such tiered bank holding companies, regardless of the size of the subsidiary bank holding company, must also submit, or have the bank holding company subsidiary submit, a separate FR Y-9LP for each lower-tier bank holding company.

(2) **Bank Holding Companies that are Employee Stock Ownership Plans.** Bank holding companies that are employee stock ownership plans (ESOPs) as of the last calendar day of the calendar year must file the *Financial Statements for Employee Stock Ownership Plan Bank Holding Companies* (FR Y-9ES) on an annual basis, as of December 31. No other FR Y-9 series form is required. However, bank holding companies that are subsidiaries of ESOP bank holding companies (i.e., a tiered bank holding company) must submit the appropriate FR Y-9 series in accordance with bank holding company reporting requirements.

(3) **Bank Holding Companies with Total Consolidated Assets of Less Than \$500 Million.** Bank holding companies with total consolidated assets of less than \$500 million must file the *Parent Company Only Financial Statements for Small Bank Holding Companies* (FR Y-9SP) on a semiannual basis, as of the last calendar day of June and December.¹

Footnote 1: Savings and loan holding companies do not include any trust (other than a pension, profit-sharing, stockholders' voting, or business trust) which controls a savings association if such trust by its terms must terminate within 25 years or not later than 21 years and 10 months after the death of individuals living on the effective date of the trust, and (a) was in existence and in control of a savings association on June 26, 1967, or, (b) is a testamentary trust. See Section 238.2 of the interim final rule of Regulation LL, dated September 13, 2011, for more information.

must submit the FR Y-9LP for its parent company.

For tiered bank holding companies. When bank holding companies with total consolidated assets of \$500 million or more, own or control, or are owned or controlled by, other bank holding companies (i.e., are tiered bank holding companies), only the top-tier holding company must file the FR Y-9C for the consolidated bank holding company organization

1. The Reserve Bank with whom the reporting bank holding company files its reports may require that a bank holding company with total consolidated assets of less than \$500 million submit the FR Y-9C and the FR Y-9LP reports to meet supervisory needs. Reserve Banks will consider such criteria including, but not limited to, whether the holding company

LINE ITEM INSTRUCTIONS FOR

Parent Company Only Income Statement Schedule PI

new paragraph: *For purpose of this report, a savings and loan holding company should report income from its savings association(s) (as defined in section 238.2 of Regulation LL), nonbank subsidiary(s), and subsidiary savings and loan holding company(s) following the same guidelines and accounting rules set forth in these instructions for a bank holding company.*

The Parent Company Only Income Statement, Schedule PI, is to be presented on a calendar-year-to-date basis.

Line Item 1 Operating Income:

Line Item 1(a) Income from bank subsidiaries and associated banks, excluding equity in undistributed income.

Report the reporting bank holding company's income from direct investments in and transactions with direct and indirect bank subsidiaries and associated banks according to the appropriate captions, *excluding equity in undistributed income*.

Line Item 1(a)(1) Dividends.

Report dividend income declared or paid to the reporting bank holding company from bank subsidiaries and associated banks.

Line Item 1(a)(2) Interest.

Report interest income paid or payable to the reporting bank holding company related to cash and balances due from and extensions of credit to bank subsidiaries and associated banks.

Exclude interest from balances due from depository institutions that are not related to the parent bank holding company. Such interest should be reported in item 1(e) below.

Line Item 1(a)(3) Management and service fees.

Report management and service fees paid or payable to the reporting bank holding company by the bank subsidiaries and associated banks.

Line Item 1(a)(4) Other.

Report all other income paid or payable by bank subsidiaries or associated banks to the reporting bank holding

company related to transactions with bank subsidiaries and associated banks. Exclude amounts reported in Items 1(a)(1), 1(a)(2), and 1(a)(3). Exclude the parent's equity in the undistributed earnings of bank subsidiaries and associated banks.

Line Item 1(a)(5) Total.

Report the sum of Items 1(a)(1) through 1(a)(4).

Line Item 1(b) Income from nonbank subsidiaries and associated nonbank companies, excluding equity in undistributed income.

Report the reporting bank holding company's income from direct investments in and transactions with direct and indirect nonbank subsidiaries and associated nonbank companies according to the appropriate captions, *excluding equity in undistributed income*. Exclude income from banks (as defined in the Act), subsidiaries of banks, and Edge Act and Agreement subsidiaries.

Line Item 1(b)(1) Dividends.

Report dividend income declared or paid to the reporting bank holding company by nonbank subsidiaries and associated nonbank companies.

Line Item 1(b)(2) Interest.

Report interest income paid or payable to the reporting bank holding company related to cash and balances due from and extensions of credit to nonbank subsidiaries and associated nonbank companies.

Line Item 1(b)(3) Management and service fees.

Report management and service fee income paid or payable by the nonbank subsidiaries and associated nonbank companies to the reporting bank holding company in connection with services rendered to nonbank subsidiaries and associated nonbank companies.

LINE ITEM INSTRUCTIONS FOR

Investments in Subsidiaries and Associated Companies

Schedule PC-A

A savings and loan holding company should report its equity investment in its savings association (as defined in Regulation LL), nonbank subsidiary and subsidiary savings and loan holding company following the same guidelines and accounting rules set forth in these instructions for a bank holding company.

Line Item 1(a) Equity investments in bank subsidiaries and associated banks.

Report in items 1(a)(1) and 1(a)(2)(a) and 1(a)(2)(b) the reporting bank holding company's equity investment in banks (as defined in the Bank Holding Company Act), in Edge Act and Agreement subsidiaries, and, for purposes of this report, industrial banks that file the commercial bank Reports of Condition and Income with the federal banking agencies. The reporting bank holding company should account for investments in common stock of bank subsidiaries and associated banks by the equity method. (For further guidance refer to ~~APB Opinion No. 18.~~)

Line Item 1(a)(1) Common and preferred stock.

The amount reported should include (1) the cost of the reporting bank holding company's common and preferred stock (including related surplus) in subsidiaries and associated banks exclusive of any intangible assets (including goodwill) applicable to common stock investments reported in item 1(a)(2); and (2) the reporting company's proportional share in the net assets (net of declared or cumulative preferred dividends) of the investee since the date of their acquisition (net of declared or cumulative preferred dividends) and any dividends declared or paid. Also add or subtract the positive amount of any adjustments since the date of acquisition resulting from differences between the fair value and historical cost of the investee's net assets.

This item includes any other equity elements including the net unrealized holding gains (losses) on available-for-sale securities that are recorded by the bank subsidiaries and associated banks and stock-based employee compensation expense that has been credited to the subsidiary's equity (surplus) as described in ASC Topic 718, Compensation-Stock Compensation (formerly FASB Statement No. 123(R), *Shared-Based Payment*), and reported in Schedule PC, item 5, "investments in and

receivables due from subsidiaries and associated companies."

Line Item 1(a)(2) Intangible assets.

Line Item 1(a)(2)(a) Goodwill.

Report the amount of goodwill associated with the acquisition of subsidiary banks and associated banks that has not been "pushed down" to the books of the subsidiary banks and associated banks for financial reporting purposes. This asset represents the excess of the cost of the bank subsidiaries over the sum of the fair values of the tangible assets and identifiable intangible assets acquired less the fair value of liabilities assumed in a business combination involving a bank and accounted for as a purchase.

For purposes of this schedule, any goodwill that has not been pushed down to the books of the subsidiary banks and associated banks, and is included in the investment in subsidiary account on the parent's books, should be reported in this item. Any goodwill that has been pushed down to the books of the subsidiary banks and associated banks should not be reported separately in this item. The amount pushed down would be included as part of the investment in subsidiary as reported in line item 1(a)(1), common and preferred stock."

Line Item 1(a)(2)(b) Other identifiable intangibles.

Report the amount of other specifically identifiable intangible assets related to the acquisition of subsidiary banks and associated banks, such as core deposit intangibles, and favorable leasehold rights that have not been "pushed down" to the books of the subsidiary banks and associated banks.

Organization costs should not be included in this item but should be expensed as incurred.

For purposes of this schedule, other identifiable intangible assets that have not been pushed down to the books

ASC Subtopic 323-10, Investments-Equity Method and Joint Ventures - Overall (formerly APB Opinion No. 18, The Equity Method of Accounting for Investments in Common Stock).

Schedule PC-B

is a direct or indirect subsidiary of the top tier parent bank holding company.

Report in item 12(b) all balances (that is, balances due from, securities, federal funds sold, securities purchased under agreements to resell, loans, or any other assets) that are booked as assets on the books of a subsidiary bank of the bank holding company that are due from direct or indirect nonbank subsidiaries of the top-tier parent bank holding company.

Lower-tiered bank holding companies should report in item 12(a) balances held by subsidiary banks of the lower-tier bank holding company that are due from other subsidiary banks of the lower-tier holding company or are due from related banks that are direct or indirect subsidiaries of the top-tier bank holding company.

Lower-tier bank holding companies should report in item 12(b) balances held by bank subsidiaries of the lower-tier holding company due from related nonbank subsidiaries that are direct or indirect subsidiaries of the top-tier holding company.

Exclude balances of foreign bank subsidiaries if they are consolidated on the domestic bank subsidiary's commercial Reports of Condition and Income (FFIEC 031).

Line Item 13 Balances held by subsidiary banks of the bank holding company due to other bank subsidiaries of the bank holding company or due to nonbank subsidiaries of the bank holding company.

Report in item 13(a) liabilities (that is, deposits, federal funds purchased, securities sold under agreements to repurchase, borrowings, or other liabilities) that are on the books of the subsidiary bank of the bank holding company that are due to a bank that is a direct or indirect subsidiary of the top-tier parent bank holding company.

Lower-tiered bank holding companies should report in item 13(a) balances held by subsidiary banks of the lower-tier bank holding company that are due to other subsidiary banks of the lower-tier holding company or are due to related banks that are direct or indirect subsidiaries of the top-tier bank holding company.

Lower-tier bank holding companies should report in item 13(b) balances held by bank subsidiaries of the lower-tier holding company due to related nonbank the top-tier holding company.

Report in item 13(b) all liabilities (that is, deposits, federal funds purchased, securities sold under agree-

ments to repurchase, borrowings, or other liabilities) that are on the books of a subsidiary bank of the bank holding company that are due to direct or indirect nonbank subsidiaries of the top tier parent bank holding company.

Line Item 14 Bank holding company (parent company only) borrowings not held by financial institutions or by insiders (including directors) and their interests.

Report the amount of all borrowings (parent company only) that are reported in Schedule PC, liability items 13 through 16 that are not held by financial institutions or by the bank holding company's officers, directors, or shareholders and their related interests. For reporting purposes, a related interest is a company in which an officer, director, or shareholder of the bank holding company or former shareholder of the bank holding company has a direct or indirect interest.

New paragraph: A savings and loan holding company should not include its consolidated savings association (as defined in Regulation LL) in items 15a through 15(h).

Line Item 15 To be completed only by the top-tier bank holding company for its consolidated nonbank and thrift subsidiaries.

This item is to be completed only by the financial top-tier parent bank holding company that files the FR Y-9C. Lower-tier bank holding companies that file this report (FR Y-9LP) should leave items 15(a) through 15(h) blank.

If the top-tier parent bank holding company is an ESOP, then the lower-tier parent bank holding company should report in memorandum items 15(a) through 15(h). The top-tier ESOP bank holding company should leave memorandum items 15(a) through 15(h) blank.

The term “**subsidiary**,” is defined by Section 225.2 of Federal Reserve Regulation Y, which generally includes companies 25 percent or more owned or controlled by another company. **However, for purposes of this reporting item, the term “subsidiary” includes only companies in which the bank holding company directly or indirectly owns or controls more than 50 percent of the outstanding voting stock, and these companies have been consolidated using generally accepted accounting principles for purposes of financial reporting in the FR Y-9C.**

Nonbank subsidiaries, for purposes of reporting these items, include but are not limited to: securities brokerage

Schedule PC-B

delete

and underwriting firms (including Section 20 subsidiaries); federal savings associations, federal savings banks and thrift institutions (~~including any thrift institution filing the Thrift Financial Report~~); depository institutions (other than U.S. banks); industrial banks that do not file the commercial bank Reports of Condition and Income with the federal banking agencies; Edge and Agreement corporations and their subsidiaries that are not held through a bank subsidiary; industrial loan companies; venture capital corporations; leasing companies; bank premises subsidiaries; mortgage banking companies; consumer finance companies; sales finance companies; acceptance corporations; factoring companies; insurance brokerage and insurance underwriting companies; business investment companies; data processing and information services companies; nonbanking companies; management consulting companies; service companies; companies that print or sell MICR encoded items; financial and investment advisory companies; credit bureaus; collection agencies; real estate settlement companies.

For savings and loan holding companies, this definition of nonbank subsidiary excludes federal savings associations, federal savings banks and thrift institutions.

For purposes of reporting these items, foreign nonbank subsidiaries include those subsidiaries that meet the definition of a nonbank subsidiary provided above that have been consolidated using generally accepted accounting principles for purposes of financial reporting in the FR Y-9C, but are not domiciled in the U.S. In addition, Edge and Agreement corporations and their subsidiaries that are not held through a bank subsidiary should be reported as foreign nonbank subsidiaries.

Nonbank subsidiaries exclude all banks (including commercial, savings and industrial banks that file the commercial bank Reports of Condition and Income) and their subsidiaries; Edge and Agreement corporations and their subsidiaries that are held through a bank subsidiary.

All intercompany assets and operating revenue among the nonbanking subsidiaries should be eliminated, but assets and operating revenue with the reporting bank holding company and with subsidiary banks should be included. For example, eliminate the loans made by one nonbank subsidiary to a second nonbank subsidiary, but do not eliminate loans made by one nonbank subsidiary to the parent bank holding company or a subsidiary bank.

Include the combined assets and operating revenue of inactive nonbanking subsidiaries to the extent that the top-tier bank holding company directly or indirectly owns or controls more than 50 percent of the outstanding

voting stock, and these companies have been consolidated using generally accepted accounting principles for purposes of reporting in the FR Y-9C.

Enter "zero" if the reporting top-tier bank holding company does not have any nonbank subsidiary assets or operating revenue to report.

Line Item 15(a) Total combined nonbank assets of nonbank subsidiaries.

Report the dollar amount of the reporting bank holding company's total combined nonbank assets of nonbank subsidiaries (as defined above) held direct and indirect

The top-tier parent bank holding company should report in this item all assets of nonbank subsidiaries, whether held directly or indirectly or held through lower-tier bank holding companies. The lower-tier parent bank holding company in a multi-tier bank holding company who files this report (FR Y-9LP) should leave items 15(a) through 15(h) blank.

Line Item 15(b) Total combined loans and leases of nonbank subsidiaries.

Report the dollar amount of total combined loans and leases on the books of nonbank subsidiaries of the reporting bank holding company even if on the report date they are past due and collection is doubtful. Nonbank loans and leases include the loans and leases of all foreign and domestic nonbank subsidiaries (as defined above) and their majority-owned direct and indirect subsidiaries.

Exclude balances due from related institutions on the books of nonbank subsidiaries of the reporting bank holding company (e.g., loans to the parent bank holding company). Report such balances in item 15(a).

Exclude any loans or leases the subsidiaries have sold or charged off. Report the combined book value of all loans and leases before deduction of the allowance for loan and lease losses. The amount should be reported net of unearned income (to the extent possible), and deposits accumulated for the payment of personal loans (hypothecated deposits).