

**Draft**

# **FFIEC 009 – Country Exposure Report**

**Proposed Revisions to the FFIEC 009  
for September 30, 2016**

**The attached draft revised FFIEC 009 cover page and draft revised General Instructions section of the Instructions for the Preparation of the Country Exposure Report reflect the proposed revisions described in the federal banking agencies' final Paperwork Reduction Act Federal Register notice published in the Federal Register on July 20, 2016. The Federal Register notice for these proposed Call Report revisions is available at [http://www.ffiec.gov/forms009\\_009a.htm](http://www.ffiec.gov/forms009_009a.htm).**

**NOTE: The agencies have not proposed any revisions to the four schedules of the FFIEC 009 reporting form or to the rest of the Instructions for the Preparation of the Country Exposure Report.**

**Draft as of July 20, 2016**

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Federal Financial Institutions Examination Council



Country Exposure Report—FFIEC 009

Report at the close of business

Month / Day / Year

This report is required to be filed pursuant to authority contained in the following statutes: 12 U.S.C. §§ 161 and 1817 (national banks), 12 U.S.C. § 1464 (federal savings associations), 12 U.S.C. §§ 248(a), 1844(c), and 3906 (state member banks and bank holding companies); 12 U.S.C. §§ 1467a(b)(2) and 5412 (savings and loan holding companies); 12 U.S.C. 5365(a) (intermediate holding companies); and 12 U.S.C. §§ 1817 and 1820 (insured state nonmember commercial and savings banks and insured state savings associations).

All FFIEC 009 respondents must submit their completed report via the Federal Reserve System's Reporting Central application within 45 days of the reporting date for March 31, June 30, and September 30, and within 50 calendar days of the December 31 reporting date. Any FFIEC 009 respondent who needs guidance on Reporting Central is encouraged to visit the Federal Reserve System website <http://www.frbervices.org/centralbank/reportingcentral/index.html>, for additional information.

Each report submitted should be signed and certified by an executive officer of the reporting institution. "Executive Officer" is defined in 12 C.F.R. § 215.2 (e)(1). To fulfill the signature and attestation requirement for the Country Exposure Report for this report date, attach a signed copy of this page (or a photocopy or a computer-generated version of this page) to the paper-copy record of the completed report that the respondent places in its files.

The Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation are of the view that individual respondent information reported on this form is exempt from public disclosure under Section (b)(8) of the Freedom of Information Act (5 U.S.C. § 552 (b)(8)). Accordingly, individual respondent information reported on this form will be considered confidential and will not be voluntarily disclosed by the Office of the Comptroller of the Currency, the Federal Reserve System, or the Federal Deposit Insurance Corporation.

Name, title, and phone number of the person to whom inquiries regarding this report may be directed:

Name \_\_\_\_\_  
 Title \_\_\_\_\_ Area Code / Phone Number \_\_\_\_\_

Charter Number (National Banks Only) \_\_\_\_\_  
 Reporting Institution \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_

Legal Entity Identifier (LEI) of the Reporting Institution (Report only if the reporting institution already has an LEI.)

I, \_\_\_\_\_,  
 Name \_\_\_\_\_, an authorized officer  
 Title \_\_\_\_\_  
 of the reporting institution named above, hereby certify on the  
 \_\_\_\_\_ day of \_\_\_\_\_, that this  
 Day Month Year  
 report has been examined by me and is true and complete to the best of my  
 knowledge and belief.

Signature \_\_\_\_\_

Public reporting burden for this collection of information is estimated to average 131 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. A federal agency may not conduct or sponsor, and an organization (or a person) is not required to respond to a collection of information, unless it displays a currently valid OMB control number. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503, and to one of the following: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551; Assistant Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429; and Legislative and Regulatory Analysis Division, Office of the Comptroller of the Currency, Washington, DC 20219.

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# Instructions for the Preparation of the Country Exposure Report (FFIEC 009)

## Draft Revised General Instructions

### I. General Instructions

#### A. Introduction and Purpose

The FFIEC 009 provides information on the distribution, by country, of claims on, and liabilities to, foreign residents held by United States banks, savings associations, bank holding companies, savings and loan holding companies, and intermediate holding companies. The data collected are used to determine the presence of credit and related risks, including transfer and country risk. These data are also aggregated and released to the public. Aggregate data are provided to the Bank for International Settlements (BIS), as part of an international cooperative effort to compile and publish global data on claims on foreign residents. The aggregated data, along with applicable individual data reported on the FFIEC 009a, are available electronically through the E.16 Statistical Release (located at: <http://www.ffiec.gov/E16.htm>).

#### B. Summary Description of this Report

The FFIEC 009 consists of four schedules (with one, Schedule C, containing two parts). Schedule C, Part I collects information on the claims on an “immediate-counterparty” basis, i.e., on the basis of the country of residence of the borrower (except claims resulting from the fair value of derivative contracts). Part I also includes the redistribution of immediate-counterparty claims to an “ultimate-risk” basis, i.e., on the basis of the country of residence of the guarantor or collateral provided (i.e., the “ultimate obligor”). In Columns 1 through 12 of Part I, data are collected on an immediate-counterparty basis. In Columns 13 through 22 of Part I, the inward and outward redistribution of claims from an immediate-counterparty basis to an ultimate-risk basis is shown. These redistributions arise from arrangements such as formal guarantees, the provision of collateral, and the purchase of credit protection as defined in Sections II.F and II.H.

Schedule C, Part II, collects information on the reporter’s claims on an ultimate-risk basis and memorandum items providing additional details related to those claims. Claims on an ultimate-risk basis are shown in Columns 1 through 11 of Schedule C, Part II. Schedule C, Part II, also contains memorandum items relating to claims reported on an ultimate-risk basis. Column 12 shows the amounts reported in Columns 1 through 10 of Schedule C, Part II, that are held-to-maturity and available-for-sale securities. Columns 13 through 16 collect information on collateral mitigants that do not meet the criteria for the purposes of risk transfers of claims as defined in this report. Column 17 shows the amount of claims, on an ultimate-risk basis (reported in Columns 1 through 10 of Part II), that are held for trading. Column 18 provides any offsetting positions held for the trading book, where an effective offset exists (see Section II.G for a discussion of effective netting and offsetting).

Schedule L collects information on foreign-office liabilities. Columns 1 and 2 show, by country and currency, foreign-office liabilities for which no payment is guaranteed at locations outside the country of the office, reported by the country of the foreign office. Column 3 shows all liabilities booked at foreign offices by the country of the creditor. Column 4 shows the net positions of the foreign office with related offices in other countries. These net positions are not reported elsewhere on this report, due to the consolidation rules.

Schedule O collects information on off-balance-sheet exposures from commitments, guarantees, and credit derivatives. Column 1 collects any unused or undrawn commitments, on an ultimate-risk basis, by country of the ultimate obligor of the commitment. In Column 2, the amount of all legally binding guarantees provided, *except* credit derivatives written, are reported by country of the counterparty to whom the guarantee is being provided. Columns 3 through 6 provide a breakdown of the notional amount of credit derivatives positions purchased and sold (by country of the reference entity), on a gross-gross and gross-net basis (see Section II.H for definitions of these terms). **Credit derivatives purchased that result in a risk transfer on Schedule C, Parts I and II, are excluded from this schedule.** Column 7 shows the claims, on an ultimate-risk basis (reported in Columns 1 through 10 of Schedule C, Part II, and Columns 1 and 2 of Schedule O), that are trade finance related.

Schedule D collects information on the fair value of derivative contracts of the reporter by country of counterparty (including the United States). A sector distribution and the total are collected in Columns 1 through 5. In Column 6, claims on bank branches that are not formally and legally guaranteed by the head office are reported in the country rows corresponding to the country in which the branch is located (instead of the country of the head office). These claims represent risk that could potentially remain in the countries in which the branches are located.

## C. Administrative Issues

### 1. Authority

This report is required to be filed by national banks, federal savings associations, state member banks, bank holding companies, savings and loan holding companies, intermediate holding companies, insured state nonmember commercial and savings banks, and insured state savings associations pursuant to authority contained in the following statutes:

Board of Governors of the Federal Reserve System – Section 11a of the Federal Reserve Act (12 U.S.C. 248a), Section 5c of the Bank Holding Company Act (12 U.S.C. 1844c), Section 907 of the International Lending Supervision Act of 1983 (12 U.S.C. 3906), and Section 165(a) of the Dodd-Frank Act (12 U.S.C. 5365(a));

Office of the Comptroller of the Currency – the National Bank Act, as amended (12 U.S.C. 161) and Home Owners Loan Act (12 U.S.C. 1464); and

Federal Deposit Insurance Corporation – Sections 7 and 10 of the Federal Deposit Insurance Act (12 U.S.C. 1817 and 1820).

### 2. Confidentiality

The individual FFIEC 009 reports are given confidential treatment under 5 U.S.C. 552(b)(4) and (b)(8). However, aggregated data that do not reveal the activities of individual banks do not receive confidential treatment and are made public. Portions of the aggregated data are also reported to the Bank for International Settlements as part of an international cooperative effort to compile and publish worldwide data on cross-border claims.

## D. Who Must Report

### Reportable Entities

The Country Exposure Report (FFIEC 009) is required to be filed quarterly by banks, savings associations, bank holding companies, savings and loan holding companies, and intermediate holding companies meeting the criteria listed below:

Schedules C, L, and O must be completed by:

(1) Every U.S. chartered insured bank or savings association in the 50 States of the United States, the District of Columbia, Puerto Rico, and U.S. territories and possessions, that has, on a fully consolidated basis, total outstanding claims on residents of foreign countries exceeding \$30 million in the aggregate, and has at least one of the following:

- A branch in a foreign country;
- A consolidated subsidiary in a foreign country;
- An Edge or Agreement subsidiary;
- A branch in Puerto Rico or in any U.S. territory or possession (except that a bank or savings association with its head office in Puerto Rico or any U.S. territory or possession need not report if it meets only this criterion); or
- An International Banking Facility (IBF).

All references to “bank(s)” are inclusive of “savings association(s),” unless otherwise noted.

(2) Every Edge and/or Agreement corporation that has total outstanding claims on residents of foreign countries exceeding \$30 million, *unless* it is majority owned by a bank or savings association that is required to file a report.

(3) Every institution that meets the Schedule D reporting requirements (see below).

(4) Every U.S. bank holding company that is required to file the FR Y-6 report (Bank Holding Company Annual Report) and has a subsidiary bank that is required to file this report.

(5) Every savings and loan holding company that meets the criteria for banks in (1) above.<sup>1</sup>

(6) Every intermediate holding company that meets the criteria for banks in (1) above.

All references to “bank holding company(s)” are inclusive of “savings and loan holding company(s)” and “intermediate holding company(s),” unless otherwise noted.

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<sup>1</sup> Savings and loan holding companies (SLHCs) 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.

However, to reduce reporting burden:

(1) If a bank holding company has only one subsidiary bank that meets the reporting requirements and that subsidiary bank accounts for 90 percent or more of the consolidated holding company's total claims on foreigners, either the holding company or the bank (but not both) should prepare a report. However, if the only subsidiary bank that is required to report accounts for less than 90 percent of the consolidated holding company's claims, only the holding company should prepare a (consolidated) report.

(2) If a bank holding company has two or more subsidiary banks that meet the reporting requirements and these subsidiary banks, together, account for 90 percent or more of the consolidated holding company's total claims on foreigners, the holding company need not file a separate report.

Column 3 of Schedule L—Total Liabilities Booked at Foreign Offices (by country of creditor)—is required to be reported only by those reporters that have one or more branches or subsidiaries located outside the fifty states of the United States, the District of Columbia, or a U.S. military facility (regardless of where located) that meet the following criteria:

- Branches filing the Foreign Branch Report of Condition (FFIEC 030) that report total assets of \$500 million or more (denominated in all currencies) on Line Item 11 on a report date,
- Subsidiaries filing the quarterly Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314) that have a banking charter and engage in banking business, and that report \$2 billion or more in total assets in Schedule BS, item 10, and \$10 million or more in total deposits in Schedule BS-M, item 6.

The total assets test defined above applies to the total of the foreign branch's or subsidiary's international and local assets, regardless of the currency in which the assets are payable. If any foreign office of a reporter exceeds the reporting threshold, then column should 3 be completed for the reporter's entire organization and not just for the offices exceeding the threshold.

A Schedule D must be completed by every institution whose FFIEC 031 or FR Y-9C (or for Edge and/or Agreement corporations the FR 2886b) as of December 31 of the previous year shows:

(1) Total gross notional values of derivative contracts (the sum of items 7.a.(1) through 7.a.(4), Columns A and B, and items 12.a through 12.e, Columns A through D, on Schedule RC-L of the FFIEC 031 or the sum of items 7.a.(1) through 7.a.(4), Columns A and B, and items 11.a through 11.e, Columns A through D, on Schedule HC-L of the FR Y-9C) in excess of \$10 billion.

*or*

(2) Total gross fair values of derivative contracts (the sum of items 7.b.(1) and 7.b.(2), Columns A and B and items 15.a and 15.b, Columns A through D, on Schedule RC-L of the FFIEC 031 or the sum of items 7.b.(1) and 7.b.(2), Columns A and B, and items 14.a and 14.b, Columns A through D, on Schedule HC-L of the FR Y-9C) in an amount greater than 5 percent of their total assets.

In addition, the bank regulatory authorities may specifically require a report (or any specific schedule therein) to be filed by other banking organizations that the authorities deem to have significant country exposures.



## Consolidation Rules

The information should be reported on a fully consolidated basis. For reports from banks, the scope of coverage and the consolidation of information should be in accordance with the procedures and tests of significance set forth in the instructions for preparation of the FFIEC 031. For reports from bank holding companies, the information should be consolidated in accordance with the principles set forth in the instructions for the preparation of the FR Y-9C. For Edge and/or Agreement corporations, the information should be consolidated in accordance with the principles set forth in the instructions for the preparation of the FR 2886b.

As a best practice, the data reported on the FFIEC 009 can be reconciled to the FR Y-9C (or Call Report). However, there are no requirements to perform such a reconciliation.

### **E. Accounting Issues**

All amounts should be reported in U.S. dollars regardless of the currencies in which the balances are denominated. The translations should be made on the same basis used to prepare its (or its subsidiary bank's) FFIEC 031 and the FR Y-9C.

Claims, liabilities, and unused commitments should be reported using the same accounting basis as used on the FFIEC 031 and FR Y-9C, unless stated otherwise in these instructions.

Edge and/or Agreement corporations should reference the instructions for the preparation of the FFIEC 031 for further information on reporting definitions and generally accepted accounting principles.

Round all amounts reported on this form to the nearest million dollars. Negative amounts are only permissible in Column 4 of Schedule L.

#### **1. Differences between FFIEC 009 Reporting and U.S. GAAP**

The differences in accounting treatment between the FFIEC 009 and U.S. GAAP are as follows:<sup>2</sup>

Reporting Item	U.S. GAAP	FFIEC 009
Netting of Derivative Contracts	Offsetting of positive and negative fair values are permitted when a "right of setoff" exists under ASC Subtopic 210-20, Balance Sheet-Offsetting (formerly FASB Interpretation No. 39, <i>Offsetting of Amounts Related to Certain Contracts</i> ).	Offsetting of positive and negative fair values is permitted, consistent with U.S. GAAP. However, only net positive fair values are reported on the FFIEC 009.
Netting of Trading Assets	Although there is no official FASB pronouncement, it is industry practice to net trading assets against trading liabilities in the same security (i.e., with the same CUSIP or ISIN).	CUSIP netting is allowed for the FFIEC 009 report. In addition, short positions in the same issuer and asset class of the trading asset may be reported as an offsetting position on Schedule C, Part II, Column 18.

<sup>2</sup> In the previous version of this report it was required that available-for-sale securities be reported at amortized cost instead of fair value. This treatment is no longer required.

## **F. Submission of Reports**

The FFIEC 009 report is to be prepared quarterly, as of the last calendar day of March, June, September, and December. For each quarter the reporting requirements are met (according to Section I.D), all reporters must use the Federal Reserve System's Reporting Central system to submit their completed report to the Federal Reserve Bank of New York (FRBNY). The submission deadline is 45 calendar days after the March 31, June 30, and September 30 as of date. The submission deadline is 50 calendar days after the December 31 as of date.

If the submission deadline falls on a weekend or holiday, the report must be received on the first business day after the Saturday, Sunday, or holiday.

The Federal Reserve System Website <http://www.frb services.org/centralbank/index.html> provides additional information on Reporting Central. The Website also includes a link that reporters may use to contact FRBNY for technical assistance.

Each reporter should keep a copy of each report. This copy should be signed and certified by an Executive Officer (as defined in 12 CFR 215.2(e)(1)) of the bank or bank holding company.

## **G. Legal Entity Identifier (LEI)**

The LEI is a 20-digit alpha-numeric code that uniquely identifies entities that engage in financial transactions. A reporter must provide its LEI on the cover page of this report only if it already has an LEI. The LEI must be a currently issued, maintained, and valid LEI, not an LEI that has lapsed. If a reporter does not have an LEI, it is not required to obtain one for purposes of reporting it on this report.