

Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies

FR Y-11 and FR Y-11S

GENERAL INSTRUCTIONS

Who Must Report

The Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR Y-11/FR Y-11S) must be filed either quarterly or annually by the top-tier holding company for each individual nonbank subsidiary¹ that it owns or controls.

For purposes of this report, holding company is collectively used for bank holding company, U.S. intermediate holding company, savings and loan holding company, and securities holding company.

The FR Y-11/FR Y-11S must be submitted for each legal entity subject to reporting requirements. Therefore, consolidation of individual entities is not permitted.

For purposes of this report, nonbank subsidiaries include, but are not limited to, commercial finance companies, leasing companies, mortgage banking companies, consumer finance companies, venture capital corporations, small business investment companies, and data processing and information services companies (also see exemptions).

Also for purposes of this report, a subsidiary includes any organization in which shares have been acquired, directly or indirectly, by a financial holding company under Section 4(k)(4) of the Bank Holding Company Act of 1956 (BHC Act), as amended by the Gramm–Leach–Bliley Act for bank holding companies or Section 10(c)(2)(H) of the HOLA for savings and loan holding companies,

1. For purposes of this report, the term subsidiary for bank holding companies, 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 and for savings and loan holding companies the term subsidiary, is defined by Section 238.2 of Federal Reserve Regulation LL, which generally includes companies more than 25 percent owned or controlled by another company.

domiciled in the United States,² (except subsidiaries that are functionally regulated as discussed in the exemptions section below.) Refer to the FR Y-9C Glossary entry for “Domicile” for guidance in determining domicile.

4 Quarterly Filers-Detailed Report (FR Y-11)

A top-tier holding company must file the FR Y-11 quarterly for each nonbank subsidiary that it owns and controls if the top-tier holding company has total consolidated assets of \$500 million or more as of June 30 of the preceding year or files the FR Y-9C to meet supervisory needs **and** the subsidiary meets **any one** of the following criteria:

- (1) The total assets of the nonbank subsidiary are equal to or greater than \$1 billion;
- (2) The nonbank subsidiary’s off-balance-sheet activities³ are equal to or greater than \$5 billion;
- (3) The nonbank subsidiary’s equity capital is equal to or greater than 5 percent of the top-tier holding company’s consolidated equity capital; or
- (4) The nonbank subsidiary’s consolidated operating revenue is equal to or greater than 5 percent of the top-tier holding company’s consolidated operating revenue.

2. Any such organization domiciled outside the United States should file either the Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314) or the Abbreviated Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314S) pursuant to the reporting threshold requirements for those reports.

3. Off-balance-sheet activities (defined as the sum of Schedule BS, items 20 through 30) include commitments to purchase foreign currencies and U.S. dollar exchange, all other futures and forward contracts, option contracts, and the notional value of interest rate swaps, exchange swaps, and other swaps.

General Instructions

Operating revenue is defined as the sum of total interest income and total noninterest income (before deduction of expenses).

For nonbank subsidiaries held by a holding company in the United States that is, in turn, owned by a foreign banking organization (FBO), the operating revenue and equity capital of the U.S. holding company are used as the top-tier organization's values.

If a nonbank subsidiary meets the criteria above to file quarterly as of June 30 of the preceding year, the holding company must file the FR Y-11 quarterly for the subsidiary beginning in March of the current year. In addition, if the subsidiary meets the quarterly criteria due to being newly formed or a business combination, then the holding company must report the FR Y-11 quarterly beginning with the first quarterly report date following the effective date of the inception of the subsidiary or business combination, respectively.

Once a nonbank subsidiary begins filing the FR Y-11 quarterly, it should file a complete FR Y-11 quarterly report going forward. If the holding company has total consolidated assets of \$500 million or more as of June 30 of the preceding year or files the FR Y-9C to meet supervisory needs **and** the subsidiary does not meet any one of the other quarterly nonbank subsidiary filing criteria for four consecutive quarters, then the holding company may revert to annual filing beginning with the first upcoming December report date.

Nonbank subsidiaries that do not meet the quarterly filing thresholds may be requested to file quarterly if the Federal Reserve Bank has determined that these subsidiaries have significant risk exposures.

Annual Filers-Detailed Report (FR Y-11)⁵

A nonbank subsidiary that does not meet any of the criteria to file quarterly, but has total assets greater than or equal to \$500 million and less than \$1 billion as of the report date must file the entire FR Y-11 report on an annual basis.

Annual Filers-Abbreviated Report (FR Y-11S)⁶

A nonbank subsidiary that does not meet the criteria to file the detailed report, but has total assets greater than or equal to \$250 million and less than \$500 million as of the report date must file the Abbreviated Financial State-

ments of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR Y-11S) on an annual basis.

Other Reporting Criteria

- Each holding company must submit a separate FR Y-11/FR Y-11S for each of its nonbank subsidiaries satisfying the above criteria whether directly or indirectly owned. Each holding company must submit a report on a parent only (non-consolidated) basis for each parent nonbank subsidiary meeting the criteria and submit individual reports for each lower level nonbank subsidiary required to file the report.
- Consolidation of individual entities, including variable interest entities (VIEs), is not permitted. Each holding company should separately assess whether a VIE meets the definition of subsidiary and determine if any such entity meets the criteria for filing this report.
- The FR Y-11/FR Y-11S report for a nonbank subsidiary owned by more than one holding company should be submitted in its entirety by the holding company with the majority ownership. If a nonbank subsidiary is equally owned by two or more holding companies, the FR Y-11/FR Y-11S report should be submitted in its entirety by the largest holding company based on total consolidated assets.

Exemptions from Reporting Nonbank Subsidiary Financial Statements

The following subsidiaries are exempt from submitting the financial statements of nonbank subsidiaries of holding companies:

- Any nonbank subsidiary with less than \$250 million in total assets unless the quarterly reporting criteria is met;
- Any nonbank subsidiary in which the primary regulator, or "functional regulator," is an organization other than the Federal Reserve System, such as the Securities and Exchange Commission, Commodity Futures Trading Commission, State Insurance Commissioners, or State Securities departments;
- Any subsidiary that is required to file a Report of Condition for Edge or Agreement Corporations (FR 2886b);
- Any subsidiary, joint venture, or portfolio investment that is required to file the Financial Statements of

⁴ For report dates through December 31, 2021, quarterly filing not required if nonbank subsidiary has total assets of at least \$500 million but less than \$1 billion using the lesser of normal reporting applicability measurement date or 12/31/2019 as-of-date and does not meet any of other criteria to file quarterly.

⁵ For report dates through December 31, 2021, annual filing not required if nonbank subsidiary has total assets less than \$500 million using the lesser of normal reporting applicability measurement date or 12/31/2019 as-of-date and does not meet any of other criteria to file quarterly.

⁶ For report dates through December 31, 2021, annual filing (abbreviated report) not required if nonbank subsidiary total assets was not greater than \$250 million and less than \$500 million using the lesser of normal reporting applicability measurement date or 12/31/2019 as-of-date and does not meet any of other criteria to file quarterly.

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