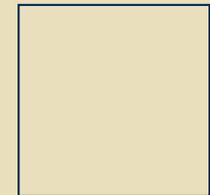


STATISTICS and RESERVE ACCOUNTS



The FR Y-9SP: Small Parent Report



Updated: 01/01/2014



THE FEDERAL RESERVE BANK OF RICHMOND

RICHMOND ■ BALTIMORE ■ CHARLOTTE



FR Y-9 Series of Reporting

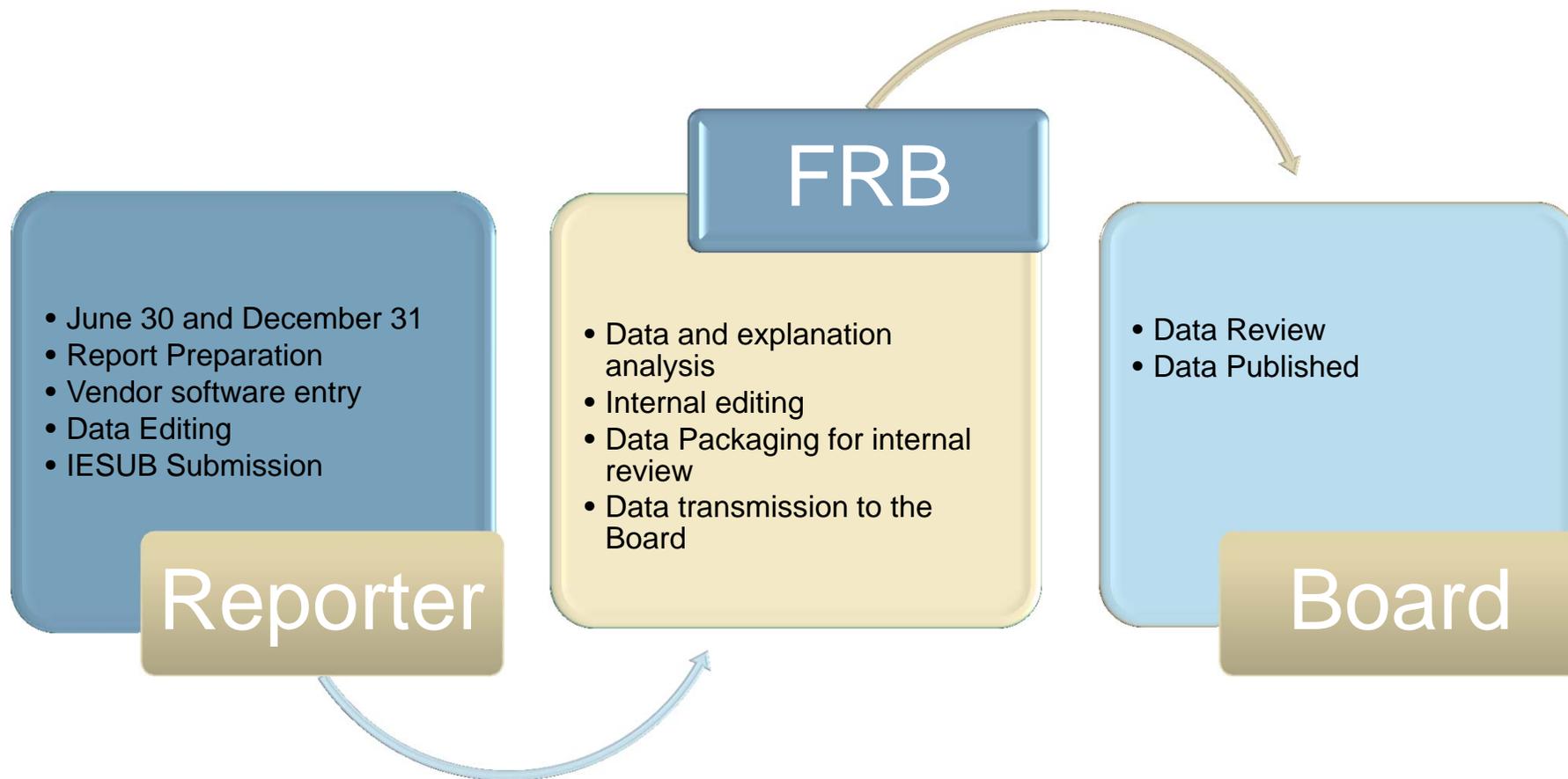
Today's Agenda

- Introduction and overview of FR Y-9SP reporting
- Importance and Uses of Data
- Overview of the FR Y-9SP Report
 - Income Statement
 - Balance Sheet
 - Memoranda
- Useful Resources





Report Processing Cycle





FR Y-9 Series of Reporting

Why are these reports collected?

- Analyze the holding company's overall financial condition
- Allow for offsite review and pre-inspection analysis
- The uniform data collected on these reports also allow for detection of emerging financial problems and industry trends

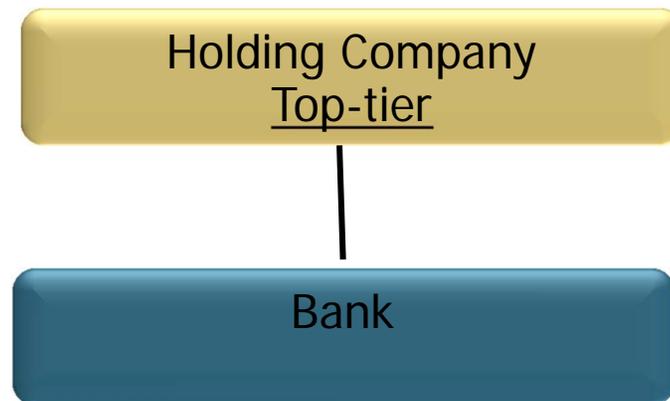




Definition of Tiered Holding Companies

Single-Tier Holding Company

- A holding company that directly owns a bank
- Most common organizational structure of a single-tier holding company

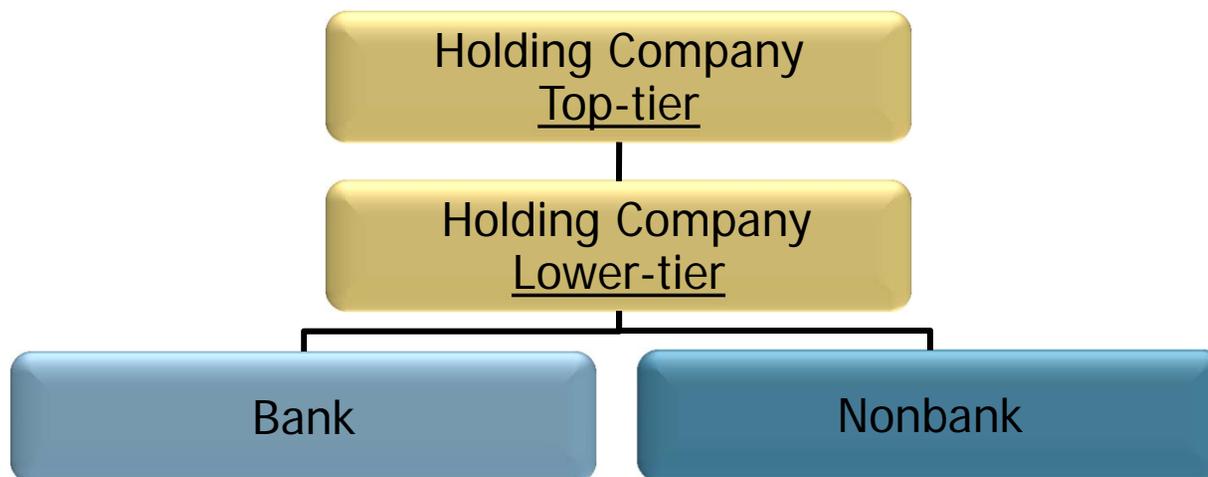


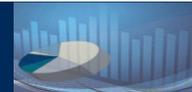


Definition of Tiered Holding Companies

Multi-Tier Holding Company

- A holding company that directly owns or is directly owned by another holding company or companies (and directly or indirectly owns a bank).





Reporting Requirements

- Filed by holding companies with total consolidated assets of less than \$500 million
 - For tiered holding companies: each tier must file a separate FR Y-9SP Report
- This report must be filed on a parent-company only basis
- Semiannually as of last calendar day of **June** and **December**
- Collects basic financial data from small domestic holding companies on a parent-only basis

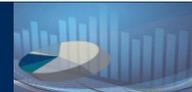




Shifts in Reporting Status of FR Y-9 Reports

- Occurs when a holding company reaches \$500 million as of June 30th, requires filing of the FR Y-9C/9LP reports beginning March 31st of the following year
- If the \$500 million threshold results from a business combination, the change will occur the next calendar quarter
- If consolidated assets of a current FR Y-9C filer decline to less than \$500 million for four consecutive quarters then reporter generally may revert to filing the FR Y-9SP





Importance of the FR Y-9 Data

- Detect emerging economic and financial trends
- Federal Open Market Committee (FOMC)
- Statistical releases
- To approve mergers and acquisitions
- Monitor compliance and supervisory issues
 - Bank Holding Company Performance Reports (BHCPR)





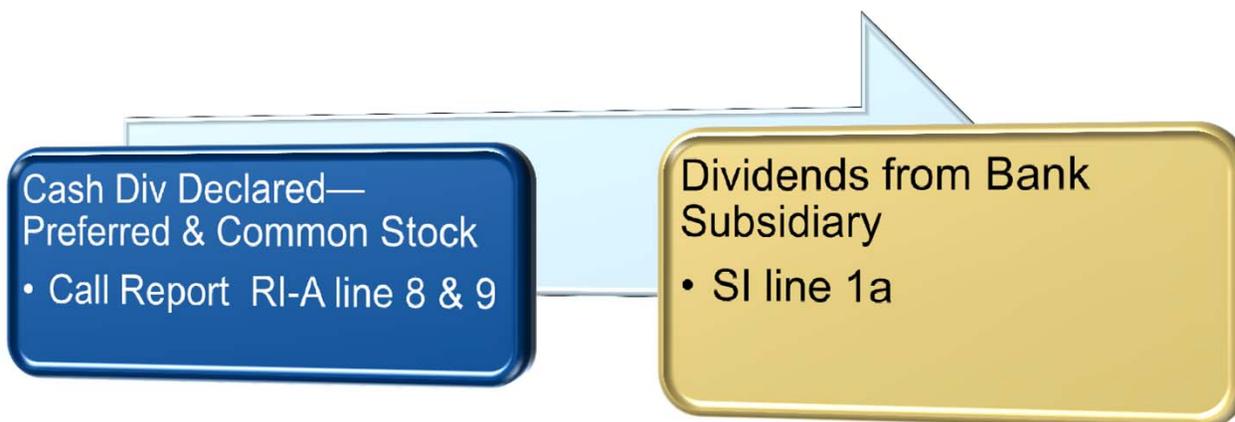
Income Statement





Income Statement

- Line item 1a: Dividends from Bank Subsidiary



- Line item 1b: Other Income from Bank Subsidiary





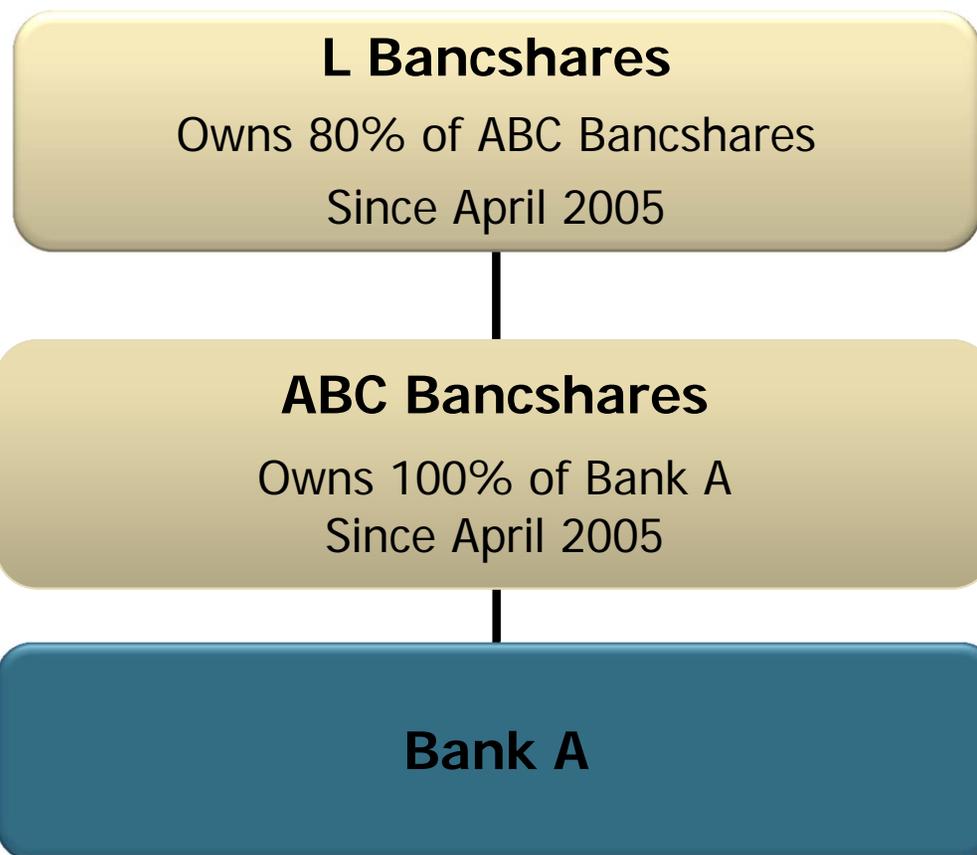
Income Statement

- Line 2a: Dividends from nonbank subsidiary
 - Report the proportionate share of the dividends
- Line 2b: Other income from nonbank subsidiary
 - This item includes but is not limited to interest income, non-interest income, management fees, and rental income.
- Line 3a: Dividends from subsidiary BHC
- Line 3b: Other Income from subsidiary BHC





Income Statement: Example





Income Statement: Example

- On March 2nd of 2011 Bank A paid \$10,000 in cash dividends to ABC Bancshares.
- Then on March 5th of 2011 ABC Bancshares paid \$10,000 in cash dividends to its common stock shareholders.



ABC Bancshares

Name of Bank Holding Company

Parent Company Only Financial Statements for Small Bank Holding Companies

For Federal Reserve Bank Use Only		
RSSD Number	_____	
C.I.	___	S.F. ___

The Income Statement is to be reported on a calendar year-to-date basis in thousands of dollars.

Schedule SI—Income Statement

	Dollar Amounts in Thousands			
	BHSP	Mil	Thou	
1. Income from bank subsidiary(s):				
a. Dividends.....	0508		10	1.a.
b. Other income.....	2111			1.b.
2. Income from nonbank subsidiary(s):				
a. Dividends.....	0523			2.a.
b. Other income.....	0530			2.b.
3. Income from subsidiary bank holding company(s): ¹				
a. Dividends.....	0206			3.a.
b. Other income.....	1283			3.b.
4. Other income.....	0447			4.
5. TOTAL OPERATING INCOME (Sum of items 1, 2, 3, and 4).....	4000			5.

L Bancshares

Name of Bank Holding Company

Parent Company Only Financial Statements for Small Bank Holding Companies

For Federal Reserve Bank Use Only		
RSSD Number	_____	
C.I.	_____	S.F. _____

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a. Dividends.....	0523			2.a.
b. Other income.....	0530			2.b.
3. Income from subsidiary bank holding company(s): ¹				
a. Dividends.....	0206		8	3.a.
b. Other income.....	1283			3.b.
4. Other income.....	0447			4.
5. TOTAL OPERATING INCOME (Sum of items 1, 2, 3, and 4).....	4000			5.



Income Statement

- Line item 4: Other income
- Line item 5: Total operating income





Income Statement

- Line item 6: Interest Expense
 - Interest expense accrued on borrowings
 - Balance Sheet Line items 10a, 10b, and 11
- Line item 7: Other expenses
 - Include interest expense related to TPS debt.
- Line item 8: Total Operating Expense

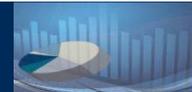




Income Statement

- Line item 9: Income (loss) before income taxes and before undistributed income of subsidiary(s)
 - Total operating income minus Total operating expense
- Line item 10: Applicable income taxes (estimated)
- Line item 11: Income (loss) before undistributed income of subsidiary(s)





Income Statement

- Line item 12a: Equity in undistributed income (loss) of bank subsidiary(s)

Equity in undistributed income
or loss of the bank subsidiary
(Sch. SI 12a.)



Net Income – Div. declared
(Sch. RI 12 – Sch. RI-A 8 and/or 9)

- Exclude dividends declared by the bank subsidiary to the parent BHC.





Income Statement

- Line item 12b: Equity in undistributed income (loss) of nonbank subsidiary(s)

Equity in undistributed income
or loss of nonbank subsidiary
(Sch. SI 12b.)



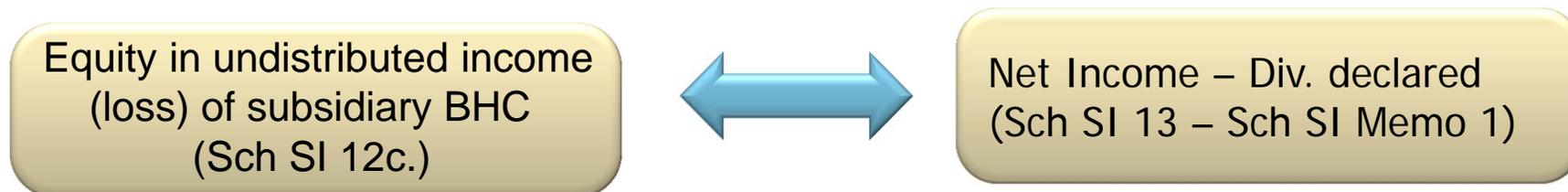
Net Income – Div. declared
(Nonbank sub. Fin. statements)





Income Statement

- Line item 12c: Equity in undistributed income (loss) of subsidiary BHC



- This item is to be reported only by those holding companies that are tiered bank holding companies.





Income Statement

- Line item 13 Net income (loss)
 - Income (loss) before undistributed income of subsidiary(s) plus Equity in undistributed income (loss) of subsidiary(s)
(Line item 11 plus Line item 12)





Income Statement

- Line item Memo 1: Cash dividends declared by the bank holding company to its shareholders
- Line item Memo 2: Subchapter S election
- Line item Memo 3: Interest expense paid to special-purpose subsidiaries that issued trust preferred securities (included in item 7– Other Expenses)
- Line item Memo 4: Net changes in fair values of financial instruments accounted for under a fair value option





Balance Sheet: Assets





Negative Entries

Negative entries are generally not appropriate

- Some exceptions
 - SC lines 4a, 5a, 6a
 - SC lines 4b, 5b, 6b
 - SC line 16c, “Retained Earnings”
 - SC line 16d, “Accumulated other comprehensive income”
 - SC line 16e, “Other equity capital components”





Balance Sheet - Assets

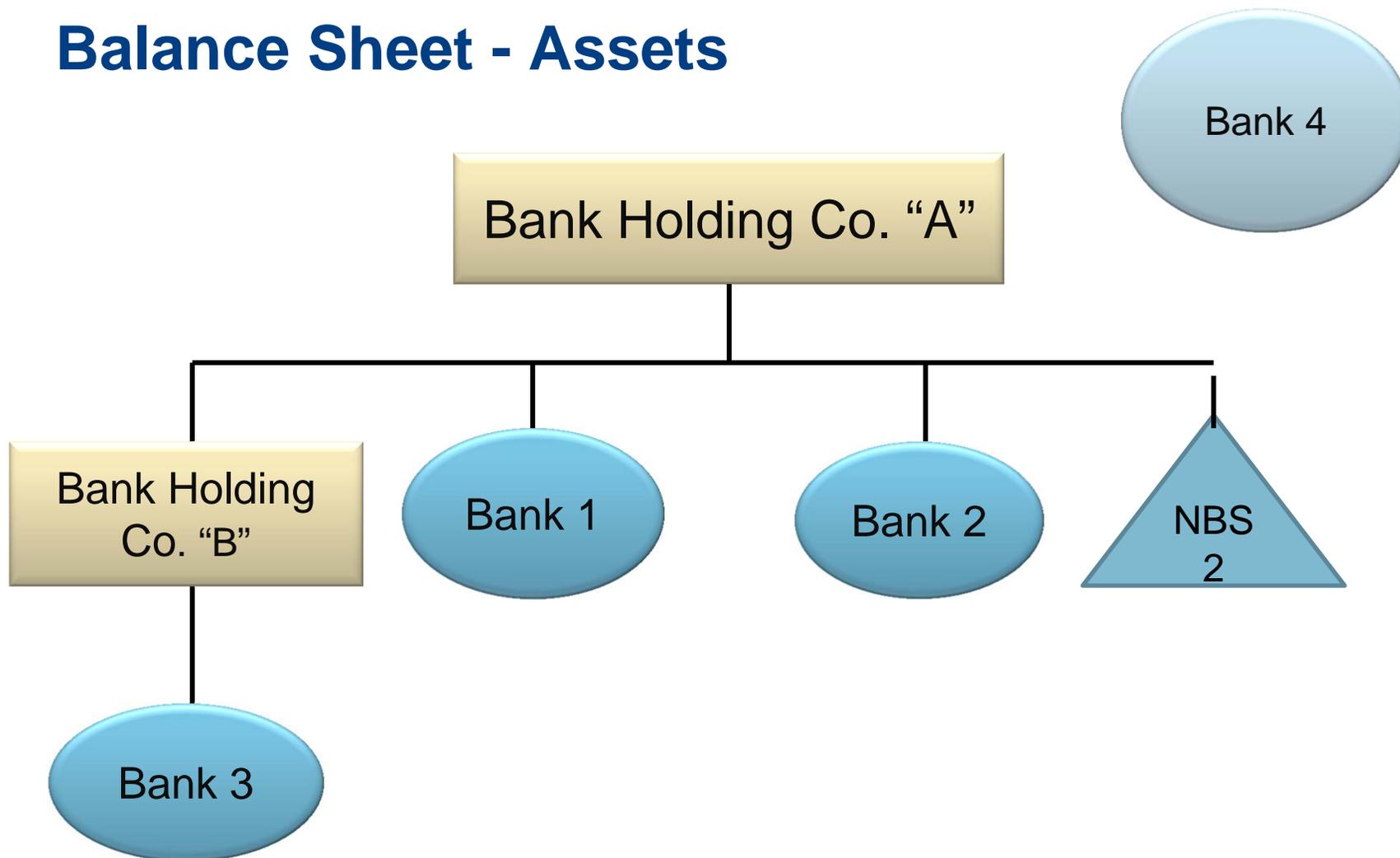
Line 1-Cash and due from depository institutions

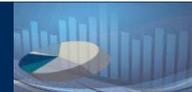
- Line 1a: Balances with subsidiary or affiliated depository institutions
 - Currency and coin
 - Demand, time and savings balances
 - Other cash items due from, or held with subsidiary
- Line 1b: Balances with unrelated depository institutions





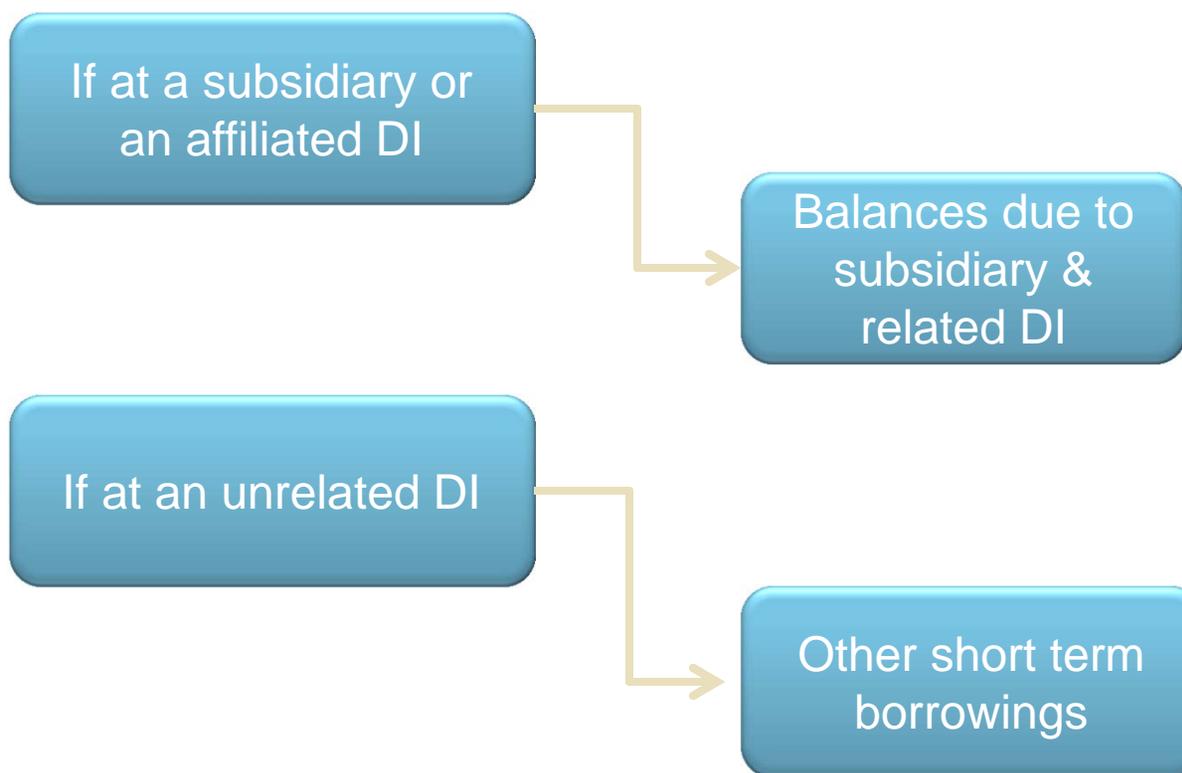
Balance Sheet - Assets

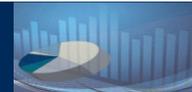




Balance Sheet - Assets

So where do overdrafts get reported?





Balance Sheet - Assets

- Line 2: Securities
 - Debt and Equity Securities at Fair Value
 - Debt securities must include amortization of premium and accretion of discount on securities purchased at other than par or face value.





Balance Sheet - Assets

- Line 3a: Loan and leases, net of unearned income.
 - Extensions of credit between the BHC and its customers
 - Purchase of loans and participations in loans without recourse from bank subsidiaries or non bank subsidiaries
 - Purchase of loans and participations in loans from others
- Line 3b: Less: Allowance for loan and lease losses
 - Amount of the allowance on the balance sheet should be adequate to absorb anticipated losses.

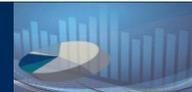




Balance Sheet - Assets

- Line 4a: Equity investment in bank subsidiary
 - BHC's proportionate interest
 - Include the net unrealized holding gains (losses) on AFS
- Line 4b: Goodwill
- Line 4c: Loans and advances to and receivables due from bank subsidiary
 - Dividends declared by the bank but not yet paid
 - Tax receivables and any other accounts receivable
 - Loans and participations that do not qualify as a sale purchased from bank subsidiary





Balance Sheet - Assets

- Line 5a: Equity investment in nonbank subsidiary
 - BHC's proportionate interest
 - Include the net unrealized holding gains (losses) on AFS
- Line 5b: Goodwill
- Line 5c: Loans and advances to and receivables due from bank subsidiary
 - Dividends declared by the bank but not yet paid
 - Tax receivables and any other accounts receivable
 - Loans and participations that do not qualify as a sale purchased from bank subsidiary





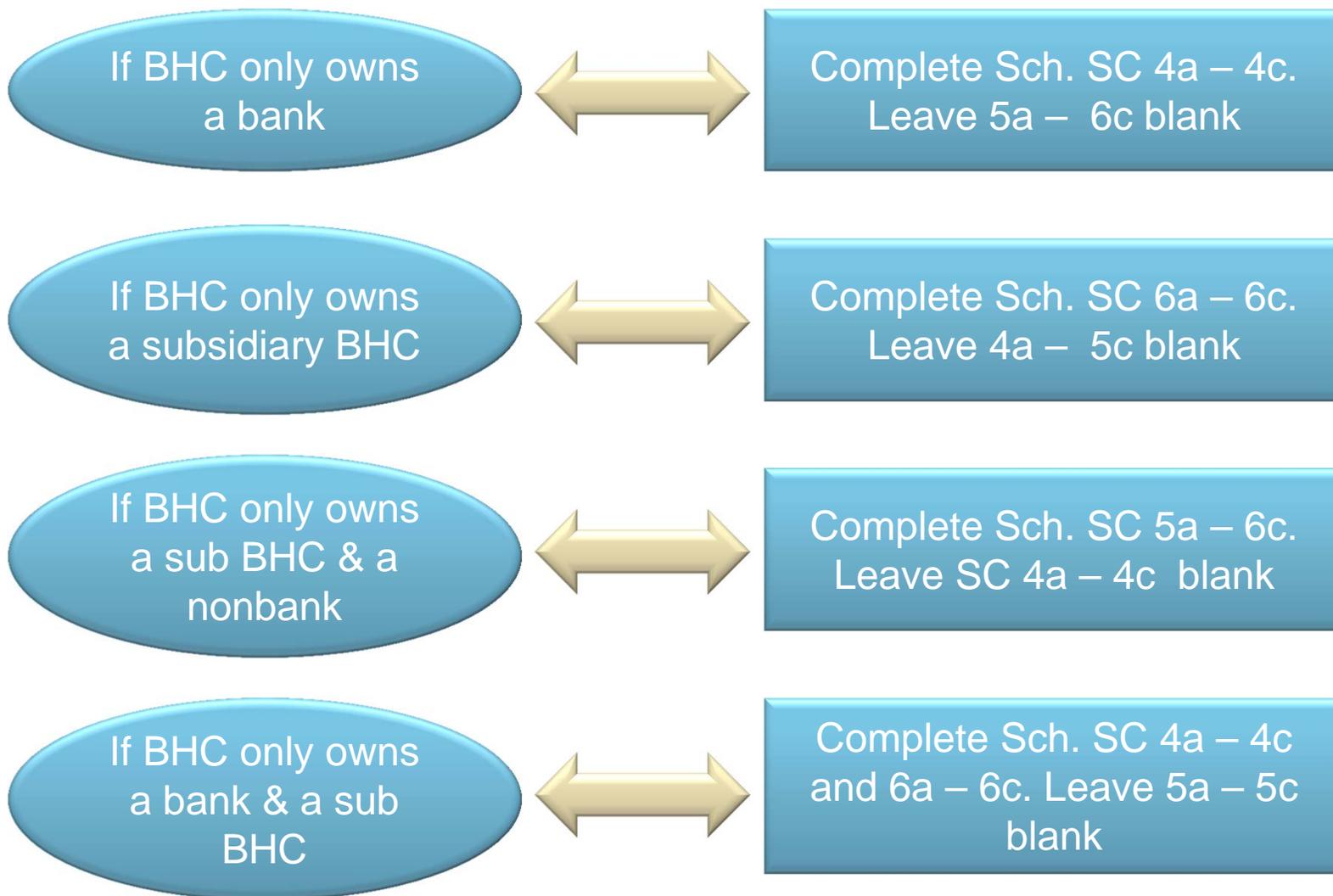
Balance Sheet - Assets

- Line 6a: Equity investment in subsidiary bank holding companies
 - BHC's proportionate interest
- Line 6b: Goodwill
- Line 6c: Loans and advances to and receivables due from subsidiary bank holding companies
 - Dividends declared by the bank but not yet paid
 - Tax receivables and any other accounts receivable
 - Loans and participations that do not qualify as a sale purchased from bank subsidiary





Balance Sheet - Assets





Balance Sheet - Assets

- Line 7: Other Assets
- Include:
 - Total value of remaining assets not reportable in the previous categories
 - Equity securities that do not have readily determinable values





Balance Sheet - Assets

- Line 8: Balances due from related nonbank companies (other than investments)
 - Item only applies to lower-tier BHC's
 - Include balance due from and extensions of credit to related nonbank companies
 - Exclude balances that are reportable in Line items 5 and 6 above.
- Line 9: Total Assets





Balance Sheet: Liabilities and Equity Capital





Balance Sheet - Liabilities

- Line 10a: Commercial paper
 - Commercial paper consists of short-term negotiable promissory notes that mature in 270 days or less.
- Line 10b: Other short-term borrowings
- Line 11: Long term borrowings
 - Maturity or a “scheduled debt retirement” of greater than one year, include limited life preferred stock
- Line 12: Accrued interest payable
- Line 13: Other liabilities





Balance Sheet - Liabilities

- Line 14a: Balances due to subsidiary bank(s)
 - All balances due to bank(s) that is directly or indirectly owned or controlled by the parent BHC
- Line 14b: Balance due to nonbank subsidiaries and related institutions
 - Include the subordinated debenture on trust preferred securities and the accrued interest payable on those trust preferred securities





Balance Sheet - Liabilities

- *Line 14b: Balance due to nonbank subsidiaries and related institutions
 - For multi-tiered structures where the respondent is the top-tier, include balances due to lower-tiered BHC's
 - For multi-tiered structures where the respondent is the lower-tier, include balances due to the parent company of the respondent

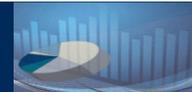




Balance Sheet – Equity Capital

- Line 16a/b: Stock
 - Report the aggregate par value of:
 - 16a: Perpetual preferred stock and any related surplus
 - 16b: Common stock and any related surplus
- Line 16c: Retained Earnings
 - Exclude surplus, which is reported in Line item 16a or 16b
 - Should generally be cumulative from formation date forward





Balance Sheet – Equity Capital

- Line 16d: Accumulated Other Comprehensive Income
- Line 16e: Other Equity Capital Components
 - Treasury stock
 - Unearned Employee Stock Ownership Plan shares





Balance Sheet - Memoranda

- Memoranda Line 1: Engaged in a full scope
 - To be completed annually only by top-tier and single-tier bank holding companies for **December 31** report date
- Memoranda Line 2: Audit Firm info
 - The Federal Reserve considers the name of the engagement partner as confidential information.
 - Leave blank if the answer to M1 is “no.”





Balance Sheet - Memoranda

- Memoranda Line item 3: Financial assets and liabilities measured at fair value
 - ASC 820 – Fair Value Measurements
 - ASC 825 – Fair Value Option for Financial Assets and Financial Liabilities
 - ASC 815 – Accounting for Certain Hybrid Financial Instruments
 - ASC 860 – Accounting for Servicing of Financial Assets





Memoranda Schedule SC-M





Memoranda Schedule SC-M

Line 1: Total consolidated assets of the bank holding company
Total Consolidated Assets Reconciliation:

• Parent total assets (FR-Y9SP B/S item 9)	25,011
• Bank total assets (Call Report B/S item 12)	314,824
• Nonbank total assets (if consolidated)	0
• Total assets before eliminations	339,835
• Eliminate Investment in Bank subs (FR-Y9SP B/S item 4a)	(24,841)
• Eliminate equity ownership in nonbank subs (if consolidated) (FR-Y9SP B/S item 5a)	0
• Eliminate Intercompany Account (FR-Y9SP B/S item 1a)	(170)
• Eliminate Other Assets (FR-Y9SP B/S item 7) (only if its an intercompany receivable from bank)	<u>0</u>
▪ Total Consolidated Assets	314,824





Memoranda Schedule SC-M

- Memoranda line 2: Bank holding company borrowings not held by financial institutions or insiders and their interests
- Memoranda line 3: Treasury Stock
- Memoranda line 4: Amount of nonvoting equity capital, including related surplus
 - Perpetual preferred stock and common stock at par value, including the related surplus
 - Retained Earnings and Accumulated Other Comprehensive Income





Memoranda Schedule SC-M

- Memoranda line 5: Total loans from parent bank holding company and nonbank subsidiaries to insiders (excluding directors) and their interest
 - Loans extended by the holding company should be included in Schedule SC line item 3.a.
 - Loans extended by the nonbank subsidiary would not have been included on Schedule SC





Memoranda Schedule SC-M

- Memoranda line 6: Pledged securities
 - Report the amortized cost of all held-to-maturity securities pledged for any purpose
 - Report the fair value of all available-for-sale securities pledged for any purpose





Memoranda Schedule SC-M

- Memoranda line 7a & 7b
 - 7.a. Fair value of Available-for-Sale securities
 - 7.b. Amortized cost of Held-to-Maturity securities





Memoranda Schedule SC-M

- Memoranda line 8a: Total off-balance sheet activities
 - Unused commitments, letters of credit, derivative contracts
- Memoranda line 8b: Total debt and equity securities
 - Limited-life preferred stock
 - Perpetual preferred stock
 - Common stock





Memoranda Schedule SC-M

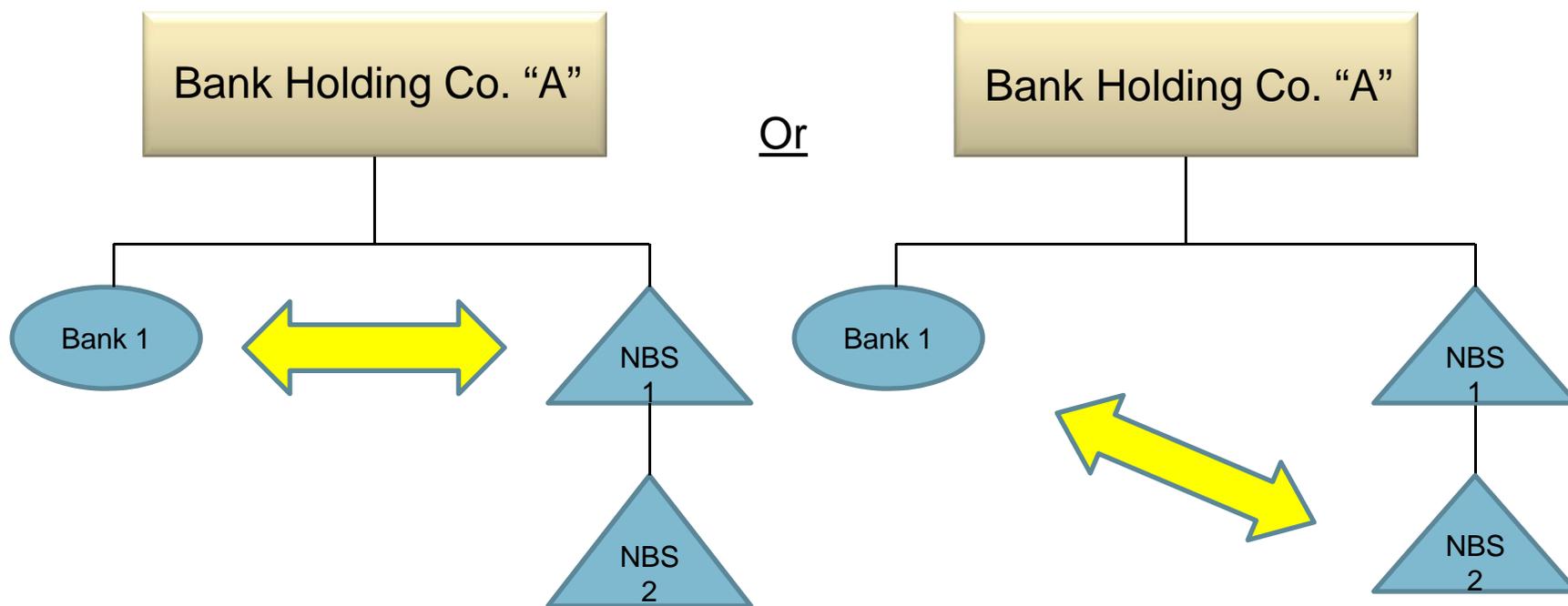
- Memoranda Line 9: Balances held by the subsidiary bank(s) **due from** nonbank subs of the parent BHC
- Memoranda Line 10: Balances held by the subsidiary bank(s) **due to** nonbank subs of the parent BHC





Memoranda Schedule SC-M

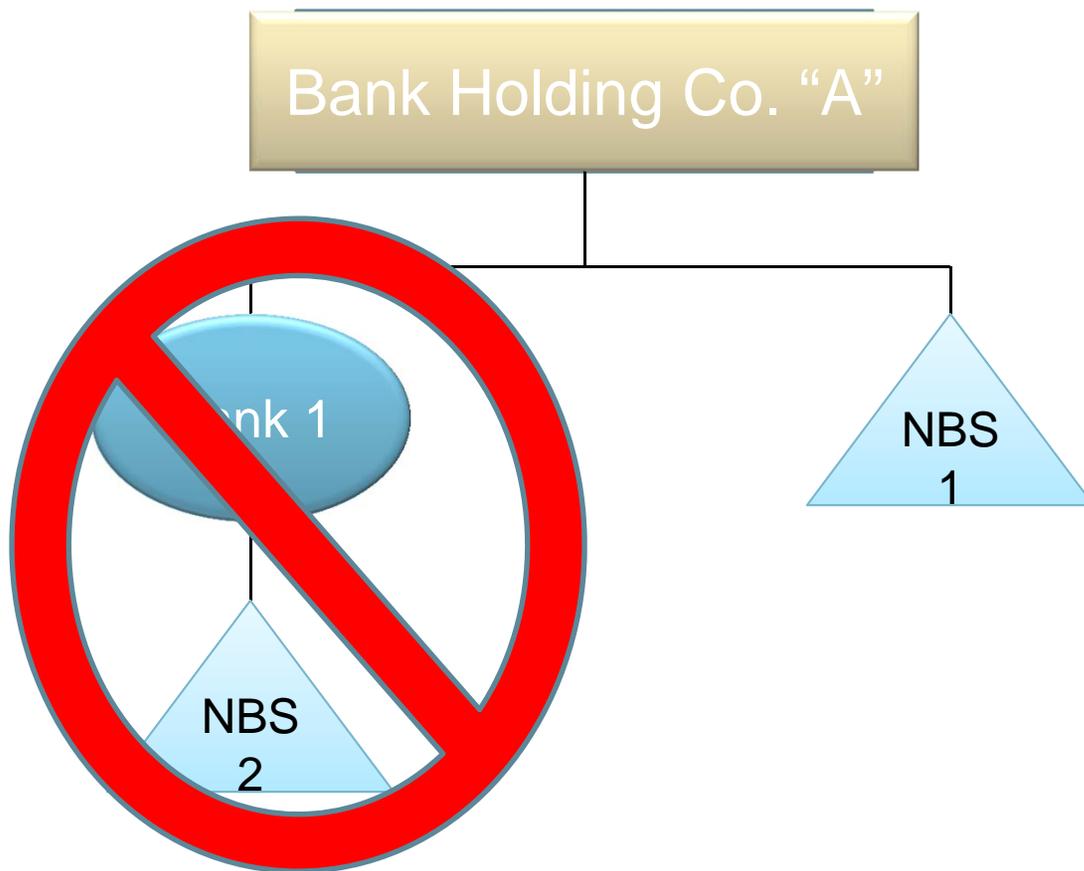
Memoranda items 9 and 10:





Memoranda Schedule SC-M

Memoranda items 9 and 10:





Memoranda Schedule SC-M

- Memoranda Line 11: Other Assets
- Memoranda Line 12: Other Liabilities

11. Other assets (only report amounts that exceed 25 percent of balance sheet, line item 7):					
a.	Accounts receivable	A024			M.11.a.
b.	Income taxes receivable.....	C256			M.11.b.
c.	Premises and fixed assets	2145			M.11.c.
d.	Net deferred tax assets	2148			M.11.d.
e.	Cash surrender value of life insurance policies.....	C009			M.11.e.
f.					
	TEXT 8520	8520			M.11.f.
g.					
	TEXT 8521	8521			M.11.g.
h.					
	TEXT 8522	8522			M.11.h.
12. Other liabilities (only report amounts that exceed 25 percent of balance sheet, line item 13):					
a.	Accounts payable	3066			M.12.a.
b.	Income taxes payable	C257			M.12.b.
c.	Dividends payable	2932			M.12.c.
d.	Net deferred tax liabilities	3049			M.12.d.
e.					
	TEXT 8523	8523			M.12.e.
f.					
	TEXT 8524	8524			M.12.f.
g.					
	TEXT 8525	8525			M.12.g.





Memoranda Schedule SC-M

- Memoranda Line 13: Notes payable to special-purpose subsidiaries that issued trust preferred securities
 - Exclude amount related to common stock
- Memoranda line 14: FR Y-10 screening
 - Answering “1” means:
 - Yes, I have reported all changes or
 - I have no changes to report.
 - Answering “0” means:
 - I have changes, but I have not reported them but will file a FR Y-10.





Schedule SC- M Memoranda

- *Memoranda Line 15: Short-term borrowings
 - 15a. Parent bank holding company
 - 15b. Subsidiary bank holding company

- *Memoranda Line 16: Long-term borrowings
 - 16a. Parent bank holding company
 - 16b. Subsidiary bank holding company

****To be completed by tiered BHC's only***





Schedule SC- M Memoranda

- Memoranda line 17a - 17f: To be completed only by top-tier BHC's
 - 17a – Total nonbank assets of nonbank subs
 - 17b – Total combined loans and leases of nonbank subs
(exclude intercompany loans made to parent; include in 17a)
 - 17c – Total aggregate operating revenue of nonbank subs





Schedule SC- M Memoranda

- Memoranda Line 17d: Total combined thrift assets included in 17(a)
 - Federal savings associations
 - Federal savings banks
 - Thrift subsidiaries
- Memoranda Line 17e: Number of nonbank subs included in 17(a)
- Memoranda Line 17f: Number of thrift subsidiaries included in 17(d)





Schedule SC- M Memoranda

- Memoranda Line 18: Does the BHC hold any nonfinancial equity investments?
 - If no, proceed to 20.a. and 20.b.
 - If yes, proceed to 19
- Memoranda Line 19: Do your aggregate nonfinancial equity investments equal or exceed 10% of the BHC's total capital?
 - If yes, complete FR Y-12 and proceed to item 21
 - If no, do not complete FR Y-12 and proceed to items 20.a. and 20.b.





Schedule SC- M Memoranda

- Memoranda Line 20.a.
 - Has the BHC sold or liquidated its holdings of any nonfinancial equity investment since the previous reporting period?
- Memoranda Line 20.b.
 - Does the BHC manage any nonfinancial equity investments for the benefit of others?





Schedule SC- M Memoranda

- Memoranda Line 21: Net assets if broker dealer subsidiaries engaged in underwriting
- Memoranda Line 22: Net assets of subs engaged in insurance and reinsurance underwriting
 - Both line items are to be completed only by top-tier BHC's (and single-tier bank holding companies) who have made an effective election to become a financial holding company.





Schedule SC- M Memoranda

- Memoranda Line 23. Issuances associated with the U.S. Department of Treasury Capital Purchase Program.
 - 23(a) Senior perpetual preferred stock or similar items.
 - 23(b) Warrants to purchase common stock or similar items.





Schedule SC- M Memoranda

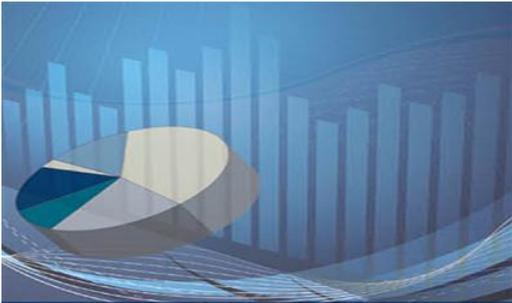
- 1# Notes to the Financial Statements
 - Outstanding issuances of perpetual preferred stock associated with the U.S. Department of Treasury Community Development Capital Initiative (CDCI) program included in Schedule SC, item 16.a, Perpetual preferred stock including related surplus (for Subchapter S corporations, outstanding issuances of subordinated debt securities associated with CDCI included in Schedule SC, item 11, Long-term borrowings)



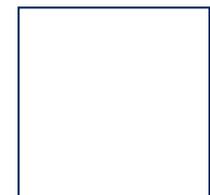
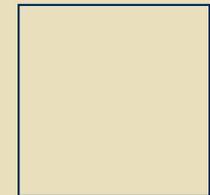


Questions?





STATISTICS and RESERVE ACCOUNTS



THE FEDERAL RESERVE BANK OF RICHMOND
RICHMOND ■ BALTIMORE ■ CHARLOTTE