

Board of Governors of the Federal Reserve System



Instructions for Preparation of **Annual Report of Bank Holding Companies**

Reporting Form FR Y-6

Reissued December 2004

Instructions for Preparation of the Annual Report of Bank Holding Companies FR Y-6

Who Must Report

The FR Y-6 is to be filed by all top-tier bank holding companies organized under U.S. law. In addition, the FR Y-6 must be filed by: any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under section 211.23 of Regulation K (12 CFR 211.23); and by any top-tier bank holding company that is organized under foreign law but is not a foreign banking organization.¹ Employee stock ownership plans (ESOP) that are also bank holding companies as defined under section 2(a)(1) of the Bank Holding Company Act and section 225.2(c) of Regulation Y must file the FR Y-6 if the ESOP is the top-tier bank holding company.

In the case of multi-tiered bank holding companies that are direct or indirect subsidiaries of another bank holding company the top-tier bank holding company must file the FR Y-6 on behalf of all lower tier bank holding companies. The top-tier bank holding company must submit individual responses to Report Items 3 and 4 for each subsidiary bank holding company. Individual responses to Report Items 1 and 2 for each subsidiary bank holding company would duplicate the information submitted by the top-tier bank holding company and are therefore not required.

Additional copies of this instruction book may be obtained from the Federal Reserve Bank in the district where the reporting bank holding company submits its

1. Bank holding companies that are qualifying foreign banking organizations and those treated as such under section 211.23(a) of Regulation K (12 C.F.R. 211.23), are not required to file the FR Y-6. In general, a qualifying foreign banking organization is a company that is organized under foreign law and mainly engaged in the business of banking, and that conducts the majority of its banking business outside the U.S. Qualifying foreign banking organizations must comply with reporting requirements contained in the FR Y-7, Annual Report of Foreign Banking Organizations.

FR Y-6 report or may be found on the Federal Reserve Board's public web site (www.federalreserve.gov).

Where to Submit the Reports

Submit to the appropriate Federal Reserve Bank the original report and the number of copies specified by that Reserve Bank. In general, the appropriate Reserve Bank is the Reserve Bank of the Federal Reserve District in which the bank holding company's banking operations are principally conducted, as measured by total domestic deposits in its subsidiary banks.

All reports shall be made out clearly and legibly, submitted in typewritten form or in ink. Reports completed in pencil will not be accepted.

When to Submit the Report

The FR Y-6 is required to be submitted as of the end of the top-tier bank holding company's fiscal year end.

The FR Y-6 must be received by the appropriate Federal Reserve Bank **no later than 90 calendar days** after the top-tier bank holding company's fiscal year end. Bank holding companies filing a tiered report should file as of the fiscal year end of the top-tier bank holding company. The report is due at the appropriate Federal Reserve Bank by 5:00 P.M. on the submission date. The filing of a completed report will be considered timely, regardless of when the report is received by the appropriate Federal Reserve Bank, if the report is mailed first class and postmarked no later than the third calendar day preceding the submission deadline. In the absence of a postmark, a company whose completed FR Y-6 is received late may be called upon to provide proof of timely mailing. A "Certificate of Mailing" (U.S. Postal Service Form 3817) may be used to provide such proof. If an overnight

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delivery service is used, entry of the completed original report into the delivery system on the day before the submission deadline will constitute timely submission. In addition, the hand delivery of the completed original report on or before the submission deadline to the location to which the report would otherwise be mailed is an acceptable alternative to mailing such report. Companies that are unable to obtain the required officers' signatures on their completed original reports in sufficient time to file these reports so that they are received by the submission deadline should contact the Federal Reserve Bank to which they mail their original reports to arrange for the timely submission of their report data and the subsequent filing of their signed reports.

If the submission deadline falls on a weekend (Saturday or Sunday) or holiday, the report must be received by 5:00 P.M. on the first business day after the weekend or holiday. Any report received after 5:00 P.M. on the first business day after the weekend or holiday deadline will be considered late unless it has been postmarked three calendar days prior to the original weekend or holiday submission deadline (original deadline), or the institution has a record of sending the report by overnight service one day prior to the original deadline.

How to Prepare the Report

A. Confidentiality

The information submitted by top-tier bank holding companies in the FR Y-6 is available to the public upon request.

If any top-tier bank holding company is of the opinion that disclosure of certain commercial or financial information contained in the report would likely result in substantial harm to its competitive position or to the competitive position of its subsidiaries, or that disclosure of submitted information is of a personal nature that would result in a clearly unwarranted invasion of personal privacy, that bank holding company may request confidential treatment for the report.

This request for confidential treatment must be submitted in writing concurrently with the submission of the FR Y-6. In the request, the top-tier bank holding company must provide a detailed discussion that justifies

confidential treatment of that item. The top-tier bank holding company's reasons for requesting confidentiality should clearly demonstrate the specific nature of the harm that would result from public release of the specific data. Simply stating that in general the release of the data would result in competitive harm or that it is personal in nature is not sufficient.

Bank holding companies requesting confidential treatment of information should be advised that it is Federal Reserve policy to disclose the names and the number and percentage of voting securities provided in response to Report Item 3 that pertain to shareholders who control 10 percent or more of any class of voting shares of a bank holding company, unless there is shown to be a well-defined present threat to the liberty or personal security of individuals.

Bank holding companies requesting confidential treatment of information should be advised that the Federal Reserve typically grants confidential treatment to information regarding insiders' position, title, and securities holdings in companies unrelated to the reporter, unless such information is otherwise publicly available.

Bank holding companies that have requested confidential treatment for specific responses to the FR Y-6 must submit the report in two sections. Bank holding companies must separate the data for which confidential treatment is requested from the data for which confidential treatment is not requested. The section containing the information for which confidential treatment is requested must be bound separately from other information submitted on the FR Y-6 and must be labeled "Confidential." In completing the public section of the FR Y-6, top-tier bank holding companies must respond to each report item. For items submitted separately with a request for confidential treatment, the bank holding company must state in the public submission that this information has been submitted separately in the confidential section.

Information for which confidential treatment is requested may be released subsequently by the Federal Reserve System if the Board of Governors determines that the disclosure of such information is required by law or in the public interest.

B. Audit Requirements

Top-tier bank holding companies do not have to *submit*

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audited financial statements as part of the requirements of the FR Y-6. However, the Federal Reserve requires that top-tier bank holding companies with total consolidated assets of \$500 million or more as of the end of the bank holding company's fiscal year must have an annual audit of its consolidated financial statements in accordance with generally accepted auditing standards (balance sheets, statements of income, changes in equity capital, and cash flows, with accompanying footnote disclosure) by an independent public accountant. The scope of the audit engagement shall be sufficient to permit such accountant to determine and report whether the financial statements are presented fairly and in accordance with generally accepted accounting principles. Bank holding companies who must comply with this audit requirement must have their audited financial statements on file and readily available for their appropriate Federal Reserve Bank. In addition, the Federal Reserve may request audited consolidated financial statements from any bank holding company with total consolidated assets of less than \$500 million if deemed warranted for supervisory purposes.

C. Additional Information

The Federal Reserve System reserves the right to require the filing of additional statements and information if the information submitted in the FR Y-6 report is not sufficient to appraise the financial soundness of the bank holding company or to determine its compliance with applicable laws and regulations.

D. What Must Be Submitted

Top-tier bank holding companies must submit responses to each of the following report items. If certain report items are not applicable to the reporting bank holding company, a response of "None" must be reported for those report items:

Cover Page: The cover page of the FR Y-6 must be signed by an authorized person that is both a director and officer of the top-tier bank holding company. The signed cover page should be submitted with the FR Y-6 report.

For Use By Tiered Bank Holding Companies: The top-tier bank holding company of a tiered bank holding

company must complete the information required in COV-2 for each of its subsidiary bank holding companies. COV-2 should be submitted with the FR Y-6 report.

Report Item 1: Annual Report to Shareholders

A bank holding company that prepares an annual report for its shareholders and is **not registered** with the Securities and Exchange Commission (SEC) must submit a copy of the annual report with its FR Y-6. If the annual report is not available by the submission date, the bank holding company must inform the appropriate Federal Reserve Bank that it will forward its annual report to the appropriate Federal Reserve Bank as soon as practicable.

A top-tier bank holding company that is not registered with the SEC must indicate on the cover page that an annual report to shareholders; (a) is included with the FR Y-6 report, (b) will be sent under separate cover, or (c) is not prepared.

An annual report is to be submitted to the Federal Reserve only if such a report is created for shareholders. Bank holding companies do not need to create an annual report if such report is not normally created for shareholders.

Bank holding companies may be required to submit, at the discretion of their appropriate Federal Reserve Bank, free-form comparative financial statements, footnotes and any other information that is deemed necessary by their appropriate Federal Reserve Bank to fulfill its supervisory responsibilities. The Federal Reserve may request that such financial statements and footnotes be audited by an independent public accountant.

Report Item 2: Organization Chart

Submit an organization chart indicating the top tier organization and its holdings of all companies as defined below. This includes: (a) companies reportable on the Report of Changes in Organizational Structure (FR Y-10) and (b) additional companies reportable on the FR Y-6. The organization chart may be in a diagram or list format. It should disclose the:

1. full legal names (use abbreviations **only** if part of the legal name),
2. location (i.e., city and state/country),

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3. intercompany ownership and control relationships, and
4. percentage ownership (of voting and nonvoting equity or other interests) by the bank holding company.

Because the FR Y-6 Organization Chart may have companies in addition to those reportable on the FR Y-10, the top-tier bank holding company may choose how to report those differences. One option is a single organization chart, annotated to indicate those companies reportable on the FR Y-6 Organizational Chart, but not reportable on the FR Y-10. Another option is an organization chart showing the companies that are reportable on the FR Y-10 and a separate list of all additional companies that are reportable on the FR Y-6.

Companies reportable on the FR Y-10 and thus reportable on the FR Y-6:

- (1) Top-tier bank holding companies organized under U.S. law, regardless of financial holding company status;
- (2) Foreign banking organizations that do not meet the requirements of and are not treated as qualifying foreign banking organizations under section 211.23 of Regulation K;
- (3) Bank holding companies, U.S. banks or foreign banking organizations in which a reporter directly or indirectly in the aggregate controls, owns, or holds, more than 5 percent of any class of voting shares,² or which the reporter otherwise directly or indirectly controls;
- (4) Companies other than bank holding companies, U.S. banks or foreign banking organizations (“nonbanking companies” for purposes of the FR Y-6) that the reporter controls directly or indirectly.³ This includes

2. In general, a reporter is considered to control all shares which it or its subsidiaries have the power to vote, but not shares held in a fiduciary capacity. However, shares held by a reporter (or its subsidiary) as fiduciary are deemed controlled by the reporter if the shares are held for the benefit of employees, shareholders, members, affiliates of the reporter or any reporter subsidiary, or if the shares are of a bank holding company or bank organized under U.S. law and the reporter has directly or indirectly had the sole power to vote the shares for more than 2 years. In addition, a security that is convertible into a voting security at a holder’s option is deemed to be a share of the class into which the security is convertible. The bank holding company should check to see if any other basis for control exists (such as a management agreement or the power to control the election of a majority of directors).

3. To determine whether one company controls another company, apply the standard for control beginning on page NONBANKING - 1 of the

financial and other nonbank subsidiaries of national or state banks controlled by a bank holding company;

- (5) Specific merchant banking and insurance company investments made by an affiliate of a financial holding company are reportable if the financial holding company and its affiliates on a combined basis acquired more than 5 percent of the voting shares, assets, or ownership interest of a company engaged in a nonfinancial activity at a cost that exceeds the lesser of 5 percent of the parent financial holding company’s Tier 1 capital (or total capital for FR Y-9SP filers) or \$200 million; and
- (6) Any entity not mentioned above that is required to file a regulatory financial report with the Federal Reserve System.

This list of companies reportable on the FR Y-10 includes a reporter’s directly or indirectly held subsidiaries that are direct or indirect holders of any of the above companies.

Additional companies reportable on the FR Y-6:

Include nonbanking companies in which the reporter directly or indirectly in the aggregate controls more than 5 percent, but less than 25 percent, of the outstanding shares of any class of voting securities. With respect to such companies, a reporter need not report on its organizational chart the exact percentage of the voting shares that it controls, and need only indicate that the company is not reportable on the FR Y-10.

Companies not reportable on the FR Y-6 Organization Chart:

- (1) *Companies Held by a Small Business Investment Company:* Any company controlled directly or indirectly by a Small Business Investment Company that is registered with the Small Business Administration, unless the interest in the company is a reportable merchant banking or insurance company investment on the FR Y-10;
- (2) *Debts Previously Contracted:* Any nonbanking company acquired in full or in part to satisfy a debt previously contracted or that solely holds assets acquired in satisfaction of a debt previously contracted;

instructions for completing the FR Y-10.

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- (3) *Interests Held as Collateral*: Interest held solely as collateral securing an extension of credit.
- (4) *Companies Controlled Through an Insurance Underwriter*: Any nonbanking company organized under U.S. federal or state law, if controlled directly or indirectly by an insurance underwriter. This exception does not apply to any of the following: (a) a nonbanking company that is the underwriter's highest-tier provider in the U.S. of any primary line of insurance, (b) a nonbanking company required to file a financial report with the Federal Reserve System, or (c) any interest that is a reportable merchant banking or insurance company investment;
- (5) *Advising and Administering a Mutual Fund*: Note that advising and administering a mutual fund does not by itself constitute a reportable interest of a reporter in a fund;
- (6) *Inactive Companies*: Any company that exists as a matter of law, but does not engage in any business activity. The company becomes reportable once it begins to engage in business. Note that inactive companies include companies that have been set-up as name-saving organizations or have been formed or incorporated but do not yet conduct any business activity. Any company that has become inactive as of the end of the reporting period does not need to be reported on the FR Y-6;
- (7) *Special Purpose Vehicles (SPV)*: Any company formed for specific leasing transactions, such as a special purpose vehicle engaged in a single leasing transaction;⁴
- (8) *Companies Required to be Conformed or Divested*: Any company which must be divested, or the activities of which must be conformed, pursuant to Sections 4(a)(2) or 4(n)(7) of the Bank Holding Company Act or pursuant to a commitment made to the Board or the Federal Reserve Bank (see also 12 C.F.R. 225.85); and
- (9) *Other Merchant Banking or Insurance Company Investments*. Unless such an investment is reportable on the FR Y-10 (see above), it is not reportable on the FR Y-6.

4. Note that an interest in a Variable Interest Entity (as defined in Financial Accounting Standards Board Interpretation No. 46) typically will not be reportable on either on the FR Y-6 or FR Y-10 so long as the reporter does not control the entity.

See Appendix A for a sample organization chart.

Report Item 3: Shareholders

The top-tier bank holding company must file Report Item 3. In a multi-tiered bank holding company organization the top-tier bank holding company must also submit as part of its FR Y-6 a separate Report Item 3 for each lower tier bank holding company.

- (1) List each shareholder, of record, that directly or indirectly owns, controls, or holds with power to vote 5 percent or more of any class of voting securities of the bank holding company as of the fiscal year end of the bank holding company. In addition, list each person or entity that holds options, warrants or other securities or rights that can be converted into or exercised for voting securities, which, in their aggregate, and including voting securities currently held, would equal or exceed 5 percent of any such class of voting securities. For example, an individual or entity that currently holds 2 percent of a class of voting securities and options that would represent an additional 3 percent of such class of voting securities if exercised should be included in this report item. When the shares of the bank holding company are held by a nominee or in street names, list beneficial owners to the extent information is available. For bank holding companies that are partnerships, list each partner who has a 5 percent or more ownership interest. For each individual or entity listed, provide the following:
 - (a) Name, city and state/country;
 - (b) Country of citizenship (if an individual) or country of incorporation (if a company);
 - (c) Number of shares and percentage of each class of voting securities owned, controlled, or held with power to vote (listing separately the number of options, warrants or other securities or rights) or, in the case of a partnership, the proportionate interest.

Note: Do not include street address or social security number.

- (2) List any shareholder not listed in section 3(1) above that owned or controlled 5 percent or more of any class of voting securities in the bank holding company during the fiscal year for which the report

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is being filed. In addition, list each person or entity that held options, warrants or other securities or rights that could have been converted into or exercised for voting securities, which, in their aggregate, and including voting securities held, would have equalled or exceeded 5 percent of any such class of voting securities. For each shareholder list the following:

- (a) Name, city and state/country;
- (b) Country of citizenship (if an individual) or country of incorporation (if a company); and
- (c) Number of shares and percentage of each class of voting securities owned, controlled, or held with power to vote (listing separately the number of options, warrants or other securities or rights) or, in the case of a partnership, the proportionate interest.

Note: Do not include street address or social security number.

For trusts that meet the definition of a company contained in Regulation Y (12 CFR 225.2(d)), including employee benefit plans (i.e., ESOPs, profit sharing trusts, etc.) that are bank holding companies, report each trustee or designated individual that has the power to vote those shares held in the employee benefit plan. In addition, describe the provision in the trust for voting the shares controlled by the plan.

The estate of deceased shareholders should be recorded as the shareholder of record until the estate has been settled.

See Appendix A for a sample of a shareholder list.

Report Item 4: Insiders

The top-tier bank holding company must file Report Item 4. In a multi-tiered bank holding company organization the top-tier bank holding company must also submit as part of its FR Y-6 a separate Report Item 4 for each lower tier bank holding company.

List each principal shareholder, director, trustee, partner, executive officer, or person exercising similar functions, regardless of title or compensation, as of the fiscal year

end of the bank holding company, showing the following:

- (1) Name, city and state/country;
- (2) Principal occupation, if other than with the holding company organization;
- (3) Title or position with:
 - (a) the banking holding company;
 - (b) all direct and indirect subsidiaries (including names) of the bank holding company; and
 - (c) any other company in which the person is a director, trustee, partner, or executive officer;
- (4) Percentage of each class of voting securities owned, controlled, or held with power to vote in:
 - (a) the bank holding company;
 - (b) direct and indirect subsidiaries (including names) of the bank holding company; and
 - (c) any other company, if 25 percent or more of its outstanding voting securities or proportionate interest in a partnership are held. List the name of the company and the percentage of voting securities owned, controlled, or held with power to vote.

Note: Do not include street address or social security number.

See Appendix A for a sample of an Insider list.

For purposes of Report Item 4, the following definitions hold:

An “*executive officer*” of a company or bank generally means a person who participates or has authority to participate (other than in the capacity of a director) in major policy-making functions of the company or bank, whether or not: (1) the officer has an official title, (2) the title designates the officer an assistant, or (3) the officer is serving without salary or other compensation. Trustees and administrative committee members are considered executive officers of an employee benefit plan.

An “*insider*” means an executive officer, director, or principal shareholder, and includes any related interest of such a person.

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A “*principal shareholder*” generally means an individual or a company (other than an insured bank) that directly or indirectly, or acting through or in concert with one or more persons, owns, controls, or has the power to vote more than 10 percent of any class of voting securities of a member bank or company.

For complete definitions of these terms, see Federal Reserve Regulation O (12 CFR 215).

Appendix A

FR Y-6 Example Format and Guidance*

* Under the Federal Reserve Board's Regulatory Reports Monitoring Program, required items for non-automated reports should be appropriately completed and contain all of the specified information. If a required item is not appropriately completed, containing all the specified information, the report will be considered to be false. The reporting bank holding company has discretion regarding the format of this report as long as each reporting item is included in the report. This example does not include every situation or relationship that is reportable in the FR Y-6 report. It is solely intended to provide bank holding companies assistance in completing the FR Y-6.

FR Y-6

Example Format and Guidance

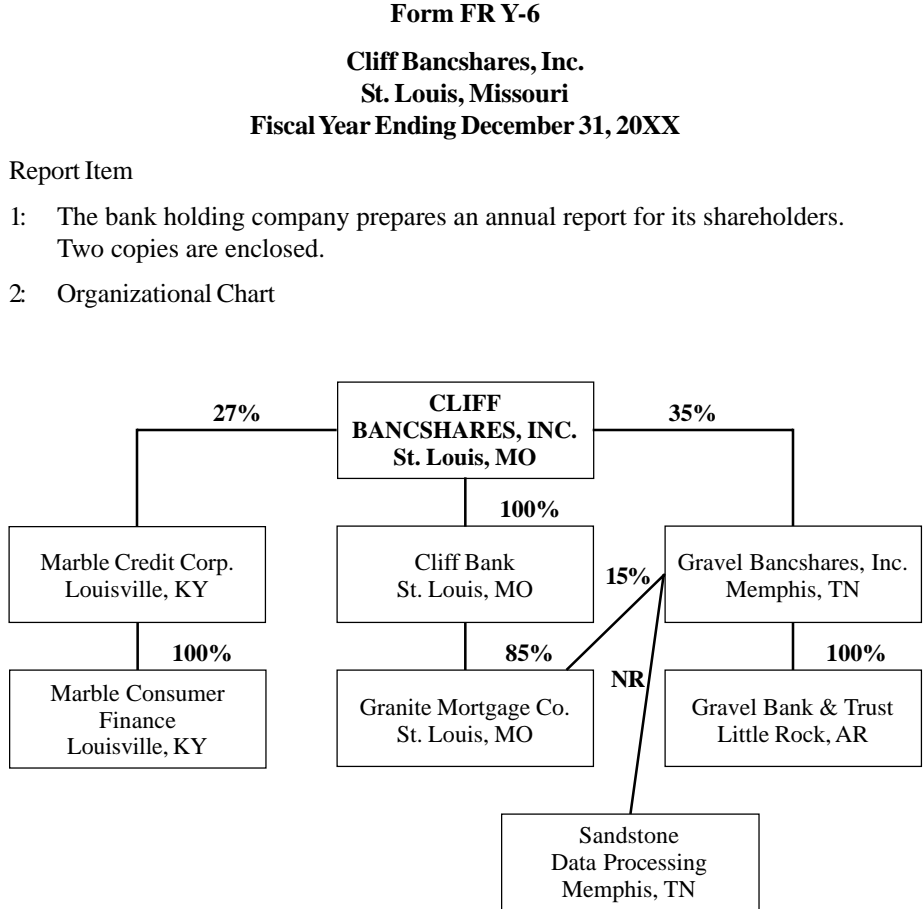
SAMPLE

Organization Chart

- 1: Include the full legal name and the city and state (U.S. entities) or the city and country (non-U.S. entities) or the physical location of the principal office.
- 2: Include all entities of which more than 5 percent of any class of voting shares is owned or controlled and all entities, regardless of the amount of voting shares owned, that are otherwise controlled by the top-tier bank holding company, directly or indirectly through subsidiaries.

Report Item

- 1: The bank holding company prepares an annual report for its shareholders. Two copies are enclosed.
- 2: Organizational Chart



NR= Ownership percentage not reportable on the FR Y-10. **Percentage of ownership is less than 25% and the companies are not controlled by any other means.**

Example Format and Guidance

SAMPLE

Form FR Y-6
Legal Title of Bank Holding Company
Fiscal Year Ending December 31, 20XX

Report Item 3: Shareholders

(1)(a)(b)(c) and (2)(a)(b)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-20XX

Shareholders not listed in 3(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-20XX

(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
James Doe Anywhere, MO	USA	720 - 27% Common Stock 100 - 4% Options on Common Stock	Jeannine Doe Anywhere, MO	USA	160 - 6% Common Stock (repurchased) 160 - 6% Options on Common Stock (expired)
Cindy Doe Anywhere, MO	USA	665 - 25% Common Stock	ABC Company St. Louis, MO	USA	100 - 50% Pre- ferred Stock (repurchased)
Gregory Doe Anywhere, MO	USA	293 - 11% Common Stock	XYZ Company St. Louis, MO	USA	100 - 50% Pre- ferred Stock (repurchased)
Taylor Family Trust John Taylor - Trustee St. Louis, MO	USA	160 - 6% Common Stock			
Mary Doe Anywhere, MO	USA	60 - 2% Common Stock 160 - 6% Options on Common Stock			
The estate of Joe Doe St. Louis, MO	USA	135 - 5% Common Stock			

Example Format and Guidance

SAMPLE

Form FR Y-6
Legal Title of Bank Holding Company
Fiscal Year Ending December 31, 20XX

Report Item 4: Insiders

(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
James Doe Anywhere, MO	N/A	Director & Chairman	Director & President (Cliff Bank)	N/A	27%	None	N/A
Cindy Doe Anywhere, MO	N/A	Director & President	Director & Vice President (Cliff Bank)	N/A	25%	5% (Cliff Bank)	N/A
Gregory Doe Anywhere, MO	N/A	N/A	N/A	N/A	11%**	None	N/A
Mary Doe Anywhere, MO	Manufactur- ing Widget Corp.	Director	None	President - Widget Corp. Anywhere, MO	2%	None	Widget Corp. (35%)
Jeannine Doe Anywhere, MO	College Administra- tor	Director & Sec./ Treasurer	None	President Anywhere College Anywhere, MO	None	2% (Cliff Bank)	N/A

** Note: Although Gregory Doe is not a director or officer of the bank holding company, information must be provided because he is considered a "principal shareholder" of the bank holding company. This definition can be found in the FR Y-6 instructions.