



FEDERAL RESERVE BANK *of* ST. LOUIS
CENTRAL TO AMERICA'S ECONOMY*

DATE: January 20, 2021

TO: Eighth District Holding Companies with Nonbank Subsidiaries

SUBJECT: Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR Y-11) as of December 31, 2020

DUE DATE: The FR Y-11 report as of December 31, 2020, is due to this Reserve Bank by 5:00 p.m. on Monday, March 1, 2021.

**ADDITIONAL
INFORMATION:**

Top-tier holding companies must file an FR Y-11 report on a **quarterly** basis for each individual nonbank subsidiary that it owns and controls (as defined under the Federal Reserve's Regulation Y) if the top-tier holding company has total consolidated assets of \$500 million or more as of June 30, 2019, or files the FR Y-9C **and** the subsidiary meets **any one** of the following criteria:

- total assets of the nonbank subsidiary are at least \$1 billion; **or**
- total off-balance sheet activity is at least \$5 billion; **or**
- operating revenue is equal to or greater than 5 percent of the top-tier holding company's consolidated operating revenue; **or**
- equity capital is equal to or greater than 5 percent of the top-tier holding company's equity capital

Once a nonbank subsidiary satisfies the criteria, it must continue to submit the FR Y-11 report for four consecutive quarters, even if it subsequently falls below the reporting thresholds in one quarter. Alternatively, if a nonbank subsidiary does not meet the quarterly filing criteria for four consecutive quarters, the organization may revert to annual filing.

Top-tier holding companies must file an FR Y-11 report on an **annual** basis for each individual nonbank subsidiary that it owns and controls (as defined under the Federal Reserve's Regulation Y) if the nonbank 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 December 31, 2019.

As part of the transition to Reporting Central, the Federal Reserve has modified its internal procedures for handling confidentiality requests for those institutions that choose to submit data electronically. Generally, the FR Y-11

reports are available to the public upon request on an individual basis.

However, a reporting holding company may request confidential treatment for the entire report or for specific items on the FR Y-11. To better facilitate confidentiality requests and ensure the data are properly handled during the review of the request, the Federal Reserve strongly encourages institutions that are of the opinion that disclosure of certain commercial or financial information in the report would likely result in substantial harm to its (or its subsidiaries') competitive position or that disclosure of the submitted personal information would result in unwarranted invasion of personal privacy to:

- (1) notify their Reserve Bank of their intent to request confidential treatment in advance of the written request and
- (2) send the confidentiality request in writing prior to data submission.

For institutions that choose not to submit data electronically, written requests for confidentiality may be provided concurrently with the paper submission of the report.

For more information on confidentiality requests, please see the FR Y-11/S General Instructions (page GEN-6). Instructions can be found at: <http://www.federalreserve.gov/apps/reportforms/default.aspx>.

Asset Threshold Rulemaking

In addition, the federal banking agencies recently issued an [interim final rule](#) (IFR) providing relief to financial institutions with under \$10 billion in total assets as of December 31, 2019, by allowing them to calculate their asset size for applicable thresholds in certain rules during calendar years 2020 and 2021 based on the lower of total assets as of December 31, 2019, or as of the normal measurement date. In particular, the IFR adjusts the measurements dates for total asset thresholds that would trigger additional regulatory reporting requirements for the remainder of calendar years 2020 through the end of 2021. The IFR also allows institutions that temporarily exceed the \$10 billion total asset threshold to use the community bank leverage ratio framework, which is applicable to the FR Y-9C Schedule HC-R, from December 31, 2020, through December 31, 2021, provided they meet the other qualifying criteria for this framework. For each of these report dates, an institution would use the lesser of its total assets as of December 31, 2019, or as of the current quarter-end report date to determine whether it has met the \$10 billion total asset threshold. Consistent with the IFR, an HC may use the lesser of its total assets as of December 31, 2019, or as of the normal measurement date to determine whether additional filing requirements are applicable for each of the following reports:

- FR 2314/FR 2314S
- FR Y-7N/FR Y-7NS

- FR Y-9C
- FR Y-9LP
- FR Y-11/FR Y-11S

Recognition and Measurement of Financial Instruments: Investments in Equity Securities

In January 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-01, “Recognition and Measurement of Financial Assets and Financial Liabilities.” This ASU made targeted improvements to U.S. Generally Accepted Accounting Principles. As one of its main provisions, the ASU required investments in equity securities, except those accounted for under the equity method and those that result in consolidation, to be measured at fair value with changes in fair value recognized in net income. As-of December 2020, there was either a removal of references to ASU 2016-01 or updated language to indicate that all HCs are now required to have adopted this accounting standard. Please see below for applicable reporting series:

- FR 2314/FR 2314S
- FR 2886b
- FR Y-7/FR-7NS
- FR Y-9C
- FR Y-9LP
- FR Y-9SP
- FR Y-11/FR Y-11S
- FR Y-12

There were no line changes to the report for the December 31, 2020.

If you have any questions, or if you need the list of nonbank subsidiaries that are required to file for your institution, please contact one of the staff members below.

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