

**LEGITIMATE DIFFERENCES
BETWEEN
TIC B REPORTS
AND
FFIEC 002**

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TIC BC & TIC BQ-2

TIC BC, Column 2
(*Claims on Foreign Banks & Foreign Official Institutions*)

TIC BC, Column 4
(*Claims on All Other Foreigners*)

TIC BQ-2, Column 4
(*Claims on Foreigners*)

FFIEC 002

Schedule RAL
Item 1.C.1
(*Securities of Foreign Governments & Official Institutions*)

Item 1.C.4
(*All Other*)

Item 1.F.2
(*Other Trading Assets*)

Item 1.G.2
(*Non-U.S. Addressees*)

Item 1.H
(*Other Assets Including Other Claims on Non-Related Parties*)

(Minus)
Memorandum Item 10
(*Revaluation Gains*)

TIC BC

Description:

The TIC BC column 2, includes U.S. dollar denominated negotiable certificates of deposits and short-term negotiable securities issued by foreign banks and foreign official institutions.

The TIC BC column 4, includes all U.S. dollar denominated short-term negotiable securities issued by foreigners other than foreign banks and foreign official institutions.

TIC BQ-2

Description:

The TIC BQ-2 column 4, includes foreign currency denominated claims (converted to U.S. dollars using the spot exchange rate on the as of date) on foreigners other than non-negotiable foreign deposits, which are reported in column 3. These claims include funds loaned under resale agreements and similar financing agreements of foreigners and all non-negotiable securities issued by foreigners.

FFIEC 002, SCHEDULE RAL

Description:

Schedule RAL, Column A, Item 1.C.1, includes securities of foreign governments and official institutions not held for trading.

Schedule RAL, Column A, Item 1.C.4, includes bonds, notes, debentures, commercial paper and equity securities with readily determinable market values not held for trading.

Schedule RAL, Column A, 1.F.2, includes the fair value of all other assets held for trading by the reporting branch or agency.

Schedule RAL, Column A, 1.G.2, includes non U.S. customer liabilities to this branch or agency on acceptances outstanding.

Schedule RAL, Column A, 1.H, includes the total of all claims on related non-depository and non-related parties not included in total assets above.

(Minus)

Memorandum Item 10 includes the positive fair value of derivative contracts held for trading.

Legitimate Differences:

- TRADE DATE VERSUS SETTLEMENT DATE ACCOUNTING
TIC B data should be reported using settlement date accounting. The FFIEC 002 uses trade date accounting.
- CLASSIFICATION OF SECURITIES
The TIC B includes only short-term securities. However, Schedule RAL of the FFIEC 002, includes all securities.
- OWN FOREIGN OFFICES
The TIC BC and TIC BQ-2 include non-negotiable deposits and other claims on foreigners, including affiliates and own foreign offices. However, Schedule RAL of the FFIEC 002, excludes claims on related depository institutions but includes claims on related non-depository institutions.
- OTHER ASSETS
The FFIEC 002 includes other assets not reported on the TIC BC & TIC BQ-2 reports such as:
 - Cash items not conforming to the definition of “Cash items in process of collection”
 - Derivative contracts with non-related parties that have a positive fair value that are held for purposes other than trading
 - Bullion not held for tradingFor further clarification, see Schedule RAL, 1H (Other Assets) instructions for the preparation of reporting form FFIEC 002.

TIC BC & TIC BQ-2 versus FFIEC 002 Schedule A

TIC BC & TIC BQ-2

TIC BC, Column 1
(*Claims on Foreign Banks &
Foreign Official Institutions*)

TIC BQ-2, Column 3
(*Claims on Foreigners*)

FFIEC 002

Schedule A, Column A

Item 4A (*Foreign Branches of U.S. Banks*)

Item 4B (*Banks in Home Country & Home
Country Central Bank*)

Item 4C (*All Other Banks in Foreign
Countries & Foreign Central
Banks*)

TIC BC

Description:

The TIC BC column 1, includes U.S. dollar denominated, non-negotiable deposits due from foreign banks and foreign official institutions, including demand, time and savings deposits.

TIC BQ-2

Description:

The TIC BQ-2 column 3, includes foreign currency denominated, non-negotiable deposits (converted to U.S. dollars using the spot exchange rate on the as of date) due from foreigners including affiliates, own foreign offices and unaffiliated counterparties.

FFIEC 002, SCHEDULE A

Description:

Schedule A, Item 4 of the FFIEC 002, includes a breakdown of balances as follows: (4A) due from foreign branches of non-related U.S. banks, (4B) due from non-related banks in the reporting branch's home country and the home country's central bank, and (4C) due from all other non-related banks in foreign countries and foreign central banks. Balances due from banks in foreign countries and foreign central banks cover all interest-bearing and non-interest bearing balances excluding any balances that the reporting branch or agency holds for trading.

Legitimate Differences:

- RECIPROCAL BALANCES
TIC B data should be reported gross (i.e., no FIN 39 netting). However, on Schedule A of the FFIEC 002, reciprocal balances may be reported net.
- NEGOTIABLE CERTIFICATES OF DEPOSITS
Negotiable certificates of deposits are excluded from the TIC BC column 1, and the TIC BQ-2 column 3. On the FFIEC 002, negotiable certificates of deposits are considered deposits and are included on Schedule A.
- OWN FOREIGN OFFICES
The TIC BC and TIC BQ-2, include non-negotiable deposits to foreigners including affiliates and own foreign offices. On the FFIEC 002, all balances with related depository institutions are excluded from Schedule A.
- BALANCES HELD FOR TRADING
The TIC BC and TIC BQ-2, include deposit balances held for trading. On the FFIEC 002, deposit balances held in the trading account are excluded from Schedule A.

TIC BC & TIC BQ-2 versus FFIEC 002 Schedule C

TIC BC

TIC BC, Column 3
(Claims on Foreign Banks & Foreign Official Institutions)

TIC BC, Column 5
(Claims on All Other Foreigners)

(Minus)

TIC BC, Grand Total Column 9
(Resale Agreements)

TIC BQ-2

TIC BQ-2, Column 4
(Claims on Foreigners)

(Minus)

TIC BQ-2, Column 4,
Memorandum Item 8110-8
(Negotiable CDs)

TIC BQ-2, Column 4
Memorandum Item 8120-5
(Short-Term Negotiable Securities)

TIC BQ-2, Column 4
Memorandum Item 8400-7
(Repurchase Resale Agreements)

TIC BC

Description:

The TIC BC column 3, includes all U.S. dollar denominated non-negotiable short-term securities and funds loaned under resale agreements and similar financing agreements to foreign banks and foreign official institutions. Also included are claims on foreign banks and foreign official institutions, except non-negotiable foreign deposits, negotiable CDs and negotiable short-term securities.

The TIC BC column 5, includes all U.S. dollar denominated non-negotiable short-term securities and funds loaned under resale agreements and similar financing agreements to “other foreigners”. Also included are claims on “other foreigners” except short-term securities (reported in column 4).

(Minus)

The TIC BC column 9, includes the amounts in column 3 and 5 that represent funds loaned to foreigners under resale agreements and similar financing arrangements.

FFIEC 002

Schedule C, Column A

To Banks in Foreign Countries
Item 2C1
(Foreign Branches of U.S. Banks)

Item 2C2
(Other Banks in Foreign Countries)

Commercial and Industrial Loans
Item 4B
(Non-U.S. Addressees)

Item 6
(Loans to Foreign Governments and Official Institutions, including Foreign Central Banks)

Item 9B
(Of Non-U.S. Addressees)

TIC BQ-2

Description:

The TIC BQ-2 column 4, includes all foreign currency denominated claims (converted to U.S dollars using the spot exchange rate on the as of date) on foreigners, other than non-negotiable foreign deposits reported in column 3. Also included are funds loaned under resale agreements and similar financing agreements of foreigners and all short-term securities issued by foreigners.

(Minus)

The TIC BQ-2 column 4 (Negotiable CDs), includes the amounts from the Grand Total row which represent negotiable certificates of deposit issued by foreigners.

The TIC BQ-2 column 4 (Short-Term Negotiable Securities), includes the amounts from the Grand Total which represent all negotiable securities with an original maturity of one year or less, issued by foreigners.

The TIC BQ-2 column 4 (Repurchase/Resale Agreements), includes the amounts from the Grand Total row which represent funds loaned to foreigners under resale agreements and similar financing agreements.

FFIEC 002, SCHEDULE C

Description:

Schedule C, Item 2.C.1, includes all loans to and acceptances of foreign branches of other U.S. banks.

Schedule C, Item 2.C.2, includes all loans to and acceptances of banks in foreign countries, other than branches of other U.S. banks located outside the U.S. and any banks related to the reporting institution. Also included are loans to and acceptances of banking subsidiaries of U.S. banks located outside the U.S..

Schedule C, Item 4.B, includes all commercial and industrial loans to non-U.S. addressees.

Schedule C, Item 6, includes all loans (other than those secured by real estate), including planned and unplanned overdrafts, to governments in foreign countries, to their official institutions and to international and regional institutions. Also included are bankers' acceptances, accepted by the reporting bank and held in its portfolio when the account party is a foreign government or official institution, including acceptances for the purpose of financing dollar exchange.

Schedule C, Item 9.B, includes all balances relating to direct financing and leveraged leases on property acquired by the branch or agency for leasing to non-U.S. addressees.

Legitimate Differences:

- RELATED/UNRELATED INSTITUTIONS
Schedule C of the FFIEC 002, excludes all balances with related depository institutions but includes loans to related non-depository institutions. However, the TIC BC and TIC BQ-2 include claims on foreigners including affiliates, own foreign offices (both banking and non-banking) and unaffiliated counterparties and non-depository institutions.
- BALANCES HELD FOR TRADING
The TIC BC and TIC BQ-2 include balances held for trading. On the FFIEC 002, all loans and leases held for trading are excluded from Schedule C.

TIC BL-1 & TIC BQ-2 versus FFIEC 002 Schedule E

TIC BL-1& TIC BQ-2

FFIEC 002

TIC BL-1, Column 1
(Liabilities To Foreign Official Institutions)

Schedule E, Columns A + C + D

Item 1B (Deposit Liabilities)

TIC BL-1, Column 3
(Liabilities To Foreign Banks)

Item 3A (Foreign Branches of U.S. Banks)

Item 3B (Other Banks in Foreign Countries)

TIC BL-1, Column 5
(Liabilities To All Other Foreigners)

Item 4 (Foreign Government & Official Institutions)

TIC BQ-2, Column 1
(Liabilities to Foreigners)

Item 5 (All Other Deposits & Credit Balances)

TIC BL-1

Description:

The TIC BL-1 columns 1, 3 and 5, include all U.S. dollar denominated non-negotiable deposits to foreigners.

TIC BQ-2

Description:

The TIC BQ-2 column 1, includes foreign currency denominated, non-negotiable deposit liabilities (converted to U.S. dollars using the spot exchange rate on the as of date) to foreigners, including affiliates, own foreign offices and unaffiliated counterparties.

FFIEC 002, SCHEDULE E

Description:

Schedule E, of the FFIEC 002 includes deposits and credit balances, excluding the IBF, in the first three columns and the deposit liabilities of the IBF in the last column regardless of currency. All balances with related depository institutions are excluded from this schedule and reported in Schedule M.

Legitimate Differences:

- RECIPROCAL BALANCES
TIC B series data should be reported gross (i.e., no FIN 39 netting). However, on Schedule E of the FFIEC 002, reciprocal balances may be reported net.
- NEGOTIABLE CERTIFICATES OF DEPOSITS
Negotiable certificates of deposits are excluded from the TIC BL-1. However, on the FFIEC 002 negotiable certificates of deposits are included.
- OWN FOREIGN OFFICES
The TIC BL-1 includes all U.S. dollar denominated non-negotiable deposits to foreigners including affiliates and own foreign offices. On the FFIEC 002, all liabilities to related depository institutions are excluded from Schedule E.

TIC BL-1 versus FFIEC 002 Schedule M

TIC BL-1

TIC BL-1, Column 8
(Liabilities to Own Foreign Offices Grand Total)

FFIEC 002

Schedule M, Column B
Non-U.S. Domiciled Offices of Related
Depository Institutions
Item 2.A (Head Office of Parent Bank)

Non-U.S. Branches and Agencies of the
Parent Bank
Item 2.B.1 (Offices in the Caribbean)

Item 2.B.2 (Other Offices)

TIC BL-1

Description:

The TIC BL-1 column 8 (Grand Total), includes U.S. dollar denominated non-negotiable deposits and other liabilities due to the reporters' own foreign offices, that is the direct parent and any of its non-U.S. offices.

FFIEC 002, SCHEDULE M

Description:

Schedule M, of the FFIEC 002 includes gross due to positions with related depository institutions including offices of affiliated banks, by location and type of related depository institution. Item 2(a) includes positions with the **head office of the parent bank** of the reporting branch or agency. Item 2(b) includes positions with non-U.S. branches and agencies of the parent bank of the reporting branch or agency subdivided into two geographic components. Item 2(b).1 includes **offices located in Puerto Rico and U.S. territories and possessions located in the Caribbean**. Items 2(b).2 includes **offices of the parent bank located in foreign countries outside the Caribbean and in the U.S. territories and possessions outside the Caribbean**.

Legitimate Differences:

- DERIVATIVE CONTRACTS
The fair value of derivative contracts is excluded from TIC B reports. On the FFIEC 002, the fair value of derivative contracts is included.
- CLASSIFICATION OF U.S TERRITORIES & COMMONWEALTHS
The TIC B classifies the fifty States of the United States, the District of Columbia, Commonwealths and Puerto Rico as domestic entities. However, on Schedule M of the FFIEC 002, entities located in Puerto Rico are classified as foreign.
- U.S. DOLLAR DENOMINATED/FOREIGN CURRENCY
The TIC BL-1 only includes liabilities denominated in U.S. dollars. The FFIEC 002 includes U.S. dollar denominated and foreign currency denominated liabilities on Schedule M.
- OWN FOREIGN OFFICES
The TIC BL-1, own foreign offices, includes only U.S. dollar denominated non-negotiable deposits and other liabilities to the direct foreign parent and any of its non-U.S. offices. Liabilities due to offices of its affiliated banks and non-banking offices of the reporter's parent are excluded. On the FFIEC 002, all balances with related depository institutions are included on Schedule M. However, balances with related non-depository institutions are excluded from Part I and Part II of Schedule M.

TIC BC versus FFIEC 002 Schedule M

TIC BC

TIC BC, Column 8
(*Claims on Own Foreign Offices Grand Total*)

FFIEC 002

Schedule M, Column A
*Non-U.S. Domiciled Offices of Related
Depository Institutions*
Item 2.A (*Head Office of Parent Bank*)

*Non-U.S. Branches and Agencies of the
Parent Bank*
Item 2.B.1 (*Offices in the Caribbean*)

Item 2.B.2 (*Other Offices*)

TIC BC

Description:

The TIC BC column 8 (Grand Total) includes U.S. dollar denominated claims due from the reporters' own foreign offices, that is the direct parent and any of its non-U.S. offices.

FFIEC 002, SCHEDULE M

Description:

Schedule M, of the FFIEC 002 includes gross due from positions with related depository institutions including offices of affiliated banks, by location and type of related depository institution. Item 2(a) includes positions with the **head office of the parent bank** of the reporting branch or agency. Item 2(b) includes positions with non-U.S. branches and agencies of the parent bank of the reporting branch or agency subdivided into two geographic components. Item 2(b).1 includes **offices located in Puerto Rico and U.S. territories and possessions located in the Caribbean**. Items 2(b).2 includes **offices of the parent bank located in foreign countries outside the Caribbean and in the U.S. territories and possessions outside the Caribbean**.

Legitimate Differences:

- DERIVATIVE CONTRACTS
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The TIC B classifies the fifty States of the United States, the District of Columbia, Commonwealths and Puerto Rico as domestic entities. However, on Schedule M of the FFIEC 002, entities located in Puerto Rico are classified as foreign.
- U.S. DOLLAR DENOMINATED/FOREIGN CURRENCY
The TIC BC only includes claims on foreigners denominated in U.S. dollars. However, the FFIEC 002 includes U.S. dollar denominated and foreign currency denominated claims on Schedule M.
- OWN FOREIGN OFFICES
The TIC BC, own foreign offices, includes only U.S. dollar denominated, non-negotiable deposits and other claims one the direct foreign parent and of its non-U.S offices). Claims due from offices of affiliated banks and non-banking offices of the reporter's parent are excluded. On the FFIEC 002, all balances with related depository institutions are included on Schedule M. However, balances with related non-depository institutions are excluded from Part I and Part II of Schedule M.