

## FB101, Annex C

### SUPPLEMENTAL DATA TO BE FILED WITH PROJECTION OF ASSETS, LIABILITIES, INCOME AND EXPENSE SUPPORTING APPLICATION BY FOREIGN BANKING CORPORATION TO OPEN AND MAINTAIN A BRANCH OR AGENCY

#### Projected Assets and Liabilities

1. Indicate projected annual volume for first 3 years of branch/agency operations for each of the significant components of "Loans, Advances and Overdrafts" and provide a detailed explanation of the assumptions on which the estimates are based. This explanation should cover the projected volume in each major category of lending as well as the projected volume of total loans, if loans are a substantial proportion of total projected assets. (Examples of possible loan categories include: financing international trade involving the U.S.; loans to foreign corporations or other subsidiaries with whom bank already has a credit relationship; participation in loans to new domestic corporate customers syndicated by other banks; etc.)
2. Provide an explanation of the assumptions upon which the estimates are based for "Acceptances and Deferred Payment Credits" and for any category of assets (excluding "Loans, Advances and Overdrafts") or liabilities (excluding "Due to Head Office, Branches and Wholly-owned Subsidiaries") which exceeds 20% of total projected assets or liabilities excluding acceptances. Such explanations should include information substantiating the capability of the branch or agency to generate the projected level of assets or liabilities.
3. Provide an explanation of the assumptions upon which the estimated loan loss reserve is based if such reserve is less than 0.5% of loans outstanding.
4. For purposes of calculating average assets and liabilities, for Year One, start with zero, add projections for the end of each quarter during that first year, and divide by five. For Years Two and Three, add the beginning of the year figure to each of the figures for the end of the next four quarters, and divide by five.

#### Projected Income and Expenses

1. On "salaries and other employee benefits", for each year of the projection, indicate the number of officers and employees, projected salary level for each class of officer/employee, the number of officers who are natives of the parent bank's home country. If none of the officers has U.S. banking experience, explain the steps being taken to ensure that the branch/agency will be operated on a sound basis reflecting adequate operational capabilities and knowledge of New York banking practices.
2. Will any branch/agency officers or employees be provided housing allowances, cars or other direct or indirect benefits? If so, indicate the dollar amounts involved for each person. Will the parent bank pay for any of these expenses or will they be paid by the branch/agency? If the former, indicate the dollar amounts involved.
3. With respect to occupancy expenses, what is the total square footage of premises of the branch/agency and how much is the charge per square foot? Also, provide a breakdown of occupancy expenses between rental of the premises, electricity and any other expenses.
4. Provide a detailed breakdown of initial start-up expenses (legal, accounting, promotional, etc.). How much of these costs is to be charged to the branch/agency and how much will be absorbed by the parent bank? If any such items are being amortized by the branch/agency, what is the amortization period?

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5. Furnish letters from applicant's counsel and accountant indicating the basis for the projected legal and accounting fees.
6. Will the branch/agency be charged a management or other periodic fee by the parent bank or any affiliated company which is not related to the performance of specific banking transactions for the branch/agency? If so, explain.
7. Indicate the amount of projected leasehold improvements and the manner in which such amount is reflected in the projections.
8. Explain the basis for the rate of interest to be paid by the branch/agency to its head office on funds borrowed from head office.
9. Explain the justification for the spread between the cost of funds (including the rate paid by the branch or agency on interest on borrowing from its head office and on borrowings from outside sources) and the gross rate of return on interest-earning assets.
10. Include in the projections the effect of the reserve requirements imposed by the Federal Reserve and FDIC assessments, if applicable.

### Foreign Exchange Operations

1. Report planned policy limitations on aggregate and unhedged positions in foreign currency trading in each major currency in which the branch or agency plans to deal and include maximum net overnight U.S. dollar exposure limits and maximum net U.S. dollar daylight (intraday) exposure limits.
2. Provide the same information requested in (1) above for the parent bank as a whole.
3. Provide information on the educational background, work experience and compensation of the chief foreign exchange trader of the branch/agency.

### Additional Information

1. Does the parent bank have any debt in its capital structure? If so, provide details.
2. Does the bank intend to increase its capital over the next 12 months? If so, provide details.
3. If any person, family or company owns 10% or more of the stock of the bank, provide details as their other business and banking interests, the extent of the banking experience of such persons, their ownership of any banking or business organizations with offices in the United States, and any other information that bears upon their character and financial standing.
4. Provide a list of the banks in the United States with which the parent bank has credit lines and the dollar amount of credit line with each.
5. Calculate the ratio of employee benefits (i.e., Social Security taxes, health and medical insurance, group life insurance, workmen's compensation, housing allowance, personal use of bank car, etc.) to total salaries. Explain the assumptions underlying this ratio and provide dollar amounts projected for each of the aforementioned items.
6. What proportion of the parent bank's stock is owned by the bank's Board of Directors in the aggregate?

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PROJECTION OF INCOME AND EXPENSE TO BE FILED IN CONNECTION WITH APPLICATION BY FOREIGN BANKING CORPORATION TO OPEN AND MAINTAIN A BRANCH/AGENCY

<u>OPERATING INCOME</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
1. Interest & fees on loans	_____	_____	_____
Income on:			
2.    Federal Funds	_____	_____	_____
3.    Time placements and C/Ds purchased	_____	_____	_____
4.    Securities purchased under agreements to resell	_____	_____	_____
5. Interest & dividends on investment securities	_____	_____	_____
6. Service charges, commissions and fees - foreign exchange	_____	_____	_____
7. Service charges, commissions and fees - all others	_____	_____	_____
8. Net profit on foreign exchange trading	_____	_____	_____
9. Other operating income (Itemize categories aggregating \$5,000 and over)	_____	_____	_____
 10. TOTAL OPERATING INCOME	_____	_____	_____
 <u>OPERATING EXPENSE</u>			
11. Salaries and other employee benefits	_____	_____	_____
12. Interest on time certificates of deposit of \$100,000 and over	_____	_____	_____
13. Interest on all other deposits or credit balances	_____	_____	_____
Expense incurred on:			
14.    Federal Funds purchased	_____	_____	_____
15.    Securities sold under agreements to repurchased	_____	_____	_____
16. Interest on borrowings (other than head office, branches and wholly owned subsidiaries)	_____	_____	_____
17. Interest on borrowings from head office, branches and wholly owned subsidiaries	_____	_____	_____
18. Occupancy expense - banking premises	_____	_____	_____
19. Furniture & equipment expense - including depreciation	_____	_____	_____
20. Amortization of start-up costs	_____	_____	_____
21. Travel expense	_____	_____	_____
22. Insurance expense	_____	_____	_____
23. Legal expense	_____	_____	_____
24. Audit expense	_____	_____	_____
25. Communication expense (telephone, telex, postage)	_____	_____	_____
26. Promotional expense	_____	_____	_____
27. Other operating expense (Itemize categories aggregating \$5,000 & over.)	_____	_____	_____
28. Provision for loan losses	_____	_____	_____
 29. TOTAL OPERATING EXPENSE	_____	_____	_____
30. INCOME BEFORE INCOME TAXES AND SECURITIES GAINS OR LOSSES	_____	_____	_____
31. Applicable income taxes	_____	_____	_____
32. INCOME BEFORE SECURITIES GAINS OR LOSSES	_____	_____	_____
33. Net securities gains or losses (Net of related tax effects)	_____	_____	_____
 34. NET INCOME	_____	_____	_____

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\* If projection does not show profitable operation (including provision for interest on borrowings from head office, branches and wholly owned subsidiaries) by year 3, please indicate when profits are expected.

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PROPOSED FOREIGN BANK BRANCH/AGENCY  
PROJECTED AVERAGE ASSETS AND LIABILITIES

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<u>ASSETS</u>			
1. Cash & Cash Items in Process of Collection	_____	_____	_____
2. Due from U.S. Offices of Banks (Including Placements of \$ _____)*	_____	_____	_____
3. Due from Foreign Offices of Banks (Including Placements of \$ _____)*	_____	_____	_____
4. Investment Securities	_____	_____	_____
5. Securities Purchased Under Resale Agreements*	_____	_____	_____
6. Loans, Advances, Overdrafts*	_____	_____	_____
7. Federal Funds Sold*	_____	_____	_____
8. Customers' Liability on Acceptances & Deferred Payment Credits*	_____	_____	_____
9. Bank Premises, Leasehold Improvements	_____	_____	_____
10. Furniture, Fixtures & Equipment	_____	_____	_____
11. Other Assets*	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
12. TOTAL ASSETS (Excluding Head Office, Branches & Wholly Owned Subsidiaries)	_____	_____	_____
13. Due from Head Office, Branches, Wholly Owned Subsidiaries (Including loans, overdrafts, deferred payment credits, acceptances, Federal Funds sold, etc.)	_____	_____	_____
14. TOTAL ASSETS	_____	_____	_____
<u>LIABILITIES</u>			
<u>DEMAND DEPOSITS/CREDIT BALANCES*</u>			
15. Domestic IPCs	_____	_____	_____
16. Foreign IPCs	_____	_____	_____
17. U.S. Offices of Banks	_____	_____	_____
18. Foreign Offices of Banks	_____	_____	_____
19. Foreign Governments, Central Banks, Official Institutions	_____	_____	_____
20. U.S. Government	_____	_____	_____
21. Others	_____	_____	_____
22. Certified and Official Checks	_____	_____	_____
23. Cash Margin/Cash Collateral for Loans, Advances, L/Cs	_____	_____	_____
24. TOTAL DEMAND DEPOSITS/CREDIT BALANCES	_____	_____	_____
25. TIME DEPOSITS*	_____	_____	_____
26. Time and Savings Accounts IPCs - Domestic	_____	_____	_____
26. Time and Savings Accounts IPCs - Foreign	_____	_____	_____
27. Deposits of U.S. Offices of Banks (Including C/Ds)	_____	_____	_____
28. Deposits of Foreign Offices of Banks (Including Cds)	_____	_____	_____
29. Deposits of U.S. Government	_____	_____	_____

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	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
30. Deposits of Foreign Governments, Central Banks, Official Institutions	_____	_____	_____
31. Other Deposits	_____	_____	_____
32. Certificates of Deposits - Non-Banks	_____	_____	_____
33. TOTAL TIME DEPOSITS	_____	_____	_____
34. TOTAL DEPOSITS/CREDIT BALANCES	_____	_____	_____
35. Borrowings from Banks (Outside U.S. \$ )*	_____	_____	_____
36. Securities Sold Under Repurchase Agreements *	_____	_____	_____
37. Federal Funds Purchased*	_____	_____	_____
38. Acceptances & Deferred Payment Credits	_____	_____	_____
39. Other Liabilities*	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
40. TOTAL LIABILITIES REQUIRING COVER PURSUANT TO SECTION 202-b(2) OF THE BANKING LAW	_____	_____	_____
41. Due to H.O., Branches, Wholly Owned Subsidiaries, Demand	_____	_____	_____
42. Due to H.O., Branches, Wholly Owned Subsidiaries, Time and Borrowings	_____	_____	_____
43. Reserve for Loan Losses	_____	_____	_____
44. Other Reserves (Specify)	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
45. TOTAL LIABILITIES	_____	_____	_____

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\* Excluding amounts due Head Office, Branches and Wholly Owned Subsidiaries.