

## APPENDIX B

### REPORTING AND PROPOSED DISCLOSURE OF COUNTRY EXPOSURE

#### Reporting

The federal banking agencies have required U.S. banks since 1977 to file a Country Exposure Report semi-annually for federal supervisory purposes. This report, which is published in aggregate, has proved to be very useful both for the bank supervisors and the banks themselves. Other countries have used it as a model for their own consolidated reporting systems for the country exposure of their banks. The growth of international lending and the increased number of short-term international liquidity problems suggests the desirability of more frequent reporting for supervisory purposes. Therefore, the federal banking agencies propose to require U.S. banks to file the Country Exposure Report quarterly rather than semi-annually, and on a tighter time schedule than is now required. The aggregate data would continue to be published by the supervisors.

#### Disclosure

Disclosures of concentration of country exposure in U.S. banks need to be more uniform, complete and timely. To this end, the Country Exposure Report (FFIEC Form 009) would be amended to include a disclosure section which the agencies would make available on request. The disclosure section would indicate concentrations of country risk. A sample form is attached. Country exposures exceeding one percent of bank's total assets would be profiled to detail risk. The profile would show exposure on a gross basis and adjusted for third-country guarantees and would show the exposure by sector and maturities. Country exposures between three quarters and one percent of a bank's total assets would also be indicated, but not profiled.

Attachment

REPORT OF CONCENTRATIONS OF TRANSFER RISK

(This report is being collected for public disclosure purposes and will be made available to the public upon request)

A. Exposures Exceeding One Percent of Total Assets

<u>Country</u>	Credit outstanding after mandated adjustments for transfers of exposure (1)	Credit outstanding before adjustments (2)	<u>Distribution of outstandings reported in col. 2</u>				Total commitments to provide credit, after adjustments for guarantees (8)
			To banks (3)	To public sector (4)	To others (5)	Maturing in less than one year (6)	

B. Exposure Between Three-quarters of One Percent and One Percent of Total Assets

<u>Total number of countries</u>	<u>Credit outstanding after mandated adjustments for transfers of exposure</u>	<u>List Individual Countries</u>
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GENERAL INSTRUCTIONS FOR REPORT OF CONCENTRATIONS OF TRANSFER RISK

A. Exposures Exceeding One Percent of Total Assets

The data required for this section must be submitted for each country where "credit outstanding after mandated adjustments for transfers of exposure," exceed 1 percent of a bank's total assets as of the reporting date.

Col 1 - Credit outstanding after mandated adjustments for transfer of exposure. Report the sum of the following columns from the Country Exposure Report ("CER")--Cols. 4-9 + 10-11 + 12 + (18-19 provided greater than 0).

Col 2 - Col 4 of CER

Col 3 - Col 1 of CER

Col 4 - Col 2 of CER

Col 5 - Col 3 of CER

Col 6 - Col 5 of CER

Col 7 - Sum of Cols. 6, 7, & 8 of CER

Col 8 - Cols. 14 + 15-16 + 17 of CER

B. Exposures Between Three-Quarters of One Percent and One Percent of Total Assets

Show in this section the total number of countries in which the bank's "credit outstanding in each country after mandated adjustments for transfers of exposure", as computed above, range between three-quarters of one percent and one percent of total assets as of the reporting date. Also show the aggregate amount of all credit to those countries. Finally, list the names of each country.