FR Y-9LP
OMB Number 7100-0128
Approval expires December 31, 2022

Board of Governors of the Federal Reserve System

Parent Company Only Financial Statements for Large Holding Companies—FR Y-9LP

Report at the close of business as of the last calendar day of the quarter

This Report is required by law: Section 5(c) of the BHC Act (12 U.S.C. § 1844(c)), section 10 of Home Owners' Loan Act (HOLA) (12 U.S.C. § 1467a(b)), section 618 of the Dodd-Frank Act (12 U.S.C. § 1850a(c)(1)), section 165 of the Dodd-Frank Act (12 U.S.C. § 5365), and section 252.153(b)(2) of Regulation YY (12 CFR 252.153(b)(2)).

This report form is to be filed by the parent company of large holding companies. For purposes of this report, large holding companies are holding companies with total consolidated assets of $3 billion or more, or holding companies that meet certain criteria, regardless of size. When such holding companies are tiered holding companies, separate reports are also to be filed by each of the subsidiary holding companies. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

NOTE: *The Parent Company Only Financial Statements for Large Holding Companies must be signed and attested by the Chief Financial Officer (CFO) of the reporting holding company (or by the individual performing this equivalent function).*

Date of Report: **December 31, 2019**
Month / Day / Year (BHCP 9999)

I, the undersigned CFO (or equivalent) of the named holding company, attest that the *Parent Company Only Financial Statements for Large Holding Companies* for this report date have been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Jerry Salinas
Printed Name of Chief Financial Officer (or Equivalent) (BHCP C490)

Signature of Chief Financial Officer (or Equivalent) (BHCP H321)

02/04/2020
Date of Signature (MM/DD/YYYY) (BHPX J196)

CULLEN/FROST BANKERS, INC.
Legal Title of Holding Company (RSSD 9017)

111 WEST HOUSTON STREET
(Mailing Address of the Holding Company) Street / P.O. Box (RSSD 9110)

SAN ANTONIO	TX	78205
City (RSSD 9130)	State (RSSD 9200)	Zip Code (RSSD 9220)

Holding companies must maintain in their files a manually signed and attested printout of the data submitted.

Person to whom questions about this report should be directed:

STEVEN M. GARZA, VICE-PRESIDENT
Name / Title (BHPX 8901)

210-220-4864
Area Code / Phone Number (BHPX 8902)

210-220-4325
Area Code / FAX Number (BHPX 9116)

sgarza@frostbank.com
E-mail Address of Contact (BHPX 4086)

For Federal Reserve Bank Use Only

RSSD ID _____
C.I. _____ S.F. _____

Public reporting burden for this information collection is estimated to vary from 2 to 13.5 hours per response, with an average of 5.25 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing the burden, may be sent to Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0128), Washington, DC 20503.

CULLEN/FROST BANKERS, INC.
Name of Holding Company

For Federal Reserve Bank Use Only
RSSD ID _____
C.I. _____ S.F. _____

Schedule PI—Parent Company Only Income Statement

Report at the close of business 20191231
MM / DD / YYYY

Report the Income Statement on a calendar year-to-date basis.

Dollar Amounts in Thousands	BHCP	Amount	
1. Operating Income:			
a. Income from bank subsidiaries and associated banks, excluding equity in undistributed income:			
(1) Dividends	0508	234531	1.a.(1)
(2) Interest	0512	2858	1.a.(2)
(3) Management and service fees	0515	0	1.a.(3)
(4) Other	0518	0	1.a.(4)
(5) Total (sum of items 1.a(1) through 1.a(4))	0520	237389	1.a.(5)
b. Income from nonbank subsidiaries and associated nonbank companies, excluding equity in undistributed income:			
(1) Dividends	1275	1822	1.b.(1)
(2) Interest	1276	0	1.b.(2)
(3) Management and service fees	1277	0	1.b.(3)
(4) Other	1278	0	1.b.(4)
(5) Total (sum of items 1.b(1) through 1.b(4))	1279	1822	1.b.(5)
c. *(This item is to be completed only by holding companies that have subsidiary holding companies or associated holding companies.)* Income from subsidiary holding companies and associated holding companies, excluding equity in undistributed income:			
(1) Dividends	0206		1.c.(1)
(2) Interest	0207		1.c.(2)
(3) Management and service fees	0208		1.c.(3)
(4) Other	0209		1.c.(4)
(5) Total (sum of items 1.c(1) through 1.c(4))	0210		1.c.(5)
d. Securities gains/(losses)	4091	0	1.d.
e. All other operating income	0447	10	1.e.
f. Total operating income (sum of items 1.a(5), 1.b(5), 1.c(5), 1.d, and 1.e)	4000	239221	1.f.
2. Operating expense:			
a. Salaries and employee benefits	4135	1551	2.a.
b. Interest expense	4073	4657	2.b.
c. Provision for loan and lease losses[1]	JJ33	0	2.c.
d. All other expenses	0522	12739	2.d.
e. Total operating expense (sum of items 2.a through 2.d)	4130	18947	2.e.
3. a. Income (loss) before unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations (item1.f minus item 2.e)	HT69	220274	3.a.
b. Unrealized holding gains (losses) on equity securities not held for trading[2]	HT70	0	3.b.
c. Income (loss) before applicable income taxes, discontinued operations and undistributed income (sum of items 3.a and 3.b)	4250	220274	3.c.
4. Applicable income taxes	4302	-5135	4.
5. Discontinued operations, net of applicable income taxes	FT28	0	5.
6. Income (loss) before undistributed income of subsidiaries and associated companies (sum of items 3.c and 5 minus item 4)	0496	225409	6.
7. Equity in undistributed income (losses) of subsidiaries and associated companies:			
a. Bank	3156	219001	7.a.
b. Nonbank	3147	-811	7.b.
c. Subsidiary holding companies	3513	0	7.c.
8. Net Income (loss) (sum of items 6, 7.a, 7.b, and 7.c)	4340	443599	8.

1. Institutions that have adopted ASU 2016-13 should report in item 2.c the provision for credit loss for all financial assets.
2. Item 3.b is to be completed only by holding companies that have adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities. See the instructions for further detail on ASU 2016-01.

Schedule PI—Continued

Memoranda

Dollar Amounts in Thousands	BHCP	Amount	
1. Noncash items included in operating expense	4647	0	M.1.
2. Loan and lease financing receivables charged-off	4635	0	M.2.
3. Loan and lease financing receivables recoveries	4605	0	M.3.
4. Interest expense paid to special-purpose subsidiaries that issued trust preferred securities (included in item 2.d above)	C254	5706	M.4.
Memorandum item 5 is to be completed by holding companies that have elected to account for financial instruments or servicing assets and liabilities at fair value under a fair value option.			
5. Net change in fair values of financial instruments accounted for under a fair value option	J980		M.5.

Schedule PI-A—Cash Flow Statement

Dollar Amounts in Thousands	BHCP	Amount	
Part I. Cash Flows from Operating Activities:	BHPA		
1. Net income (loss) (must equal Schedule PI, item 8)	4340	443599	1.
2. Adjustments to reconcile net income to net cash provided by operating activities:	BHCP		
a. Provision for deferred income taxes	3611	0	2.a.
b. (Gain) or loss on sales of assets	3612	0	2.b.
c. Equity in undistributed (earnings) losses of subsidiaries	3613	-218190	2.c.
d. Not applicable			
e. Net change in other liabilities	3615	15425	2.e.
f. Net change in other assets	3616	6577	2.f.
g. Other, net	3617	1234	2.g.
h. Total adjustments (sum of items 2.a through 2.g)	3618	-194954	2.h.
3. Net cash provided (used) by operating activities (sum of Part I, items 1 and 2.h)	3619	248645	3.

	BHCP	Amount	
Part II. Cash Flows from Investing Activities:			
1. Purchases of held-to-maturity and available-for-sale securities	6552	0	1.
a. Purchases of equity securities with readily determinable fair value[1]	HU25	0	1.a.
2. Sales and maturities of held-to-maturity and available-for-sale securities	6567	0	2.
a. Sales and maturities of equity securities with readily determinable fair value[1]	HU26	0	2.a.
3. Payments for investments in and advances to subsidiaries	6571	0	3.
4. Sale or repayment of investments in and advances to subsidiaries	6573	0	4.
5. Outlays for business acquisitions	F737	0	5.
6. Proceeds from business divestitures	F817	0	6.
7. Other, net	6588	-33000	7.
8. Net cash provided (used) by investing activities (sum of Part II, items 2, 2.a, 4, 6, and 7 minus items 1, 1.a, 3, and 5)	6589	-33000	8.

	BHCP	Amount	
Part III. Cash Flows from Financing Activities:			
1. Net change in purchased funds and other short-term borrowings	F818	0	1.
2. Not applicable			
3. Proceeds from advances from subsidiaries	6592	0	3.
4. Repayment of advances from subsidiaries	6596	0	4.
5. Proceeds from issuance of long-term debt	6600	0	5.
6. Repayment of long-term debt	6604	0	6.
7. Proceeds from issuance of common stock	6607	0	7.
8. Payment to repurchase common stock	8518	68793	8.
9. Proceeds from issuance of preferred stock	6619	0	9.
10. Payment to repurchase preferred stock	6741	0	10.
11. Dividends paid	6742	185069	11.
12. Other, net	6743	35936	12.
13. Net cash provided (used) by financing activities (sum of Part III, items 1, 3, 5, 7, 9, and 12 minus items 4, 6, 8, 10, and 11)	6744	-217926	13.

	BHCP	Amount	
Part IV. Cash and Cash Equivalents:			
1. Net (decrease) increase in cash and cash equivalents (sum of Part I, item 3, Part II, item 8, and Part III, item 13)	6758	-2281	1.
2. Cash and cash equivalents at beginning of year	6773	11397	2.
3. Cash and cash equivalents, current year-to-date (sum of Part IV, items 1 and 2)	6775	9116	3.

1. To be completed only by holding companies that have adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities. See the instructions for further detail on ASU 2016-01.

Schedule PC—Parent Company Only Balance Sheet

Dollar Amounts in Thousands	BHCP	Amount	
Assets			
1. Cash and balances due from depository institutions:			
a. Balances with subsidiary or affiliated depository institutions	5993	9116	1.a.
b. Balances with unrelated depository institutions	0010	0	1.b.
2. Securities:[1]			
a. U.S. Treasury securities	0400	0	2.a.
b. Securities of U.S. Government agencies and corporations and securities issued by states and political subdivisions	6791	0	2.b.
c. Other debt and equity securities	1299	0	2.c.
3. Securities purchased under agreements to resell[2]	0277	0	3.
4. Loans and lease financing receivables:			
a. Loans:			
(1) To U.S. addressees (domicile)	0362	0	4.a.(1)
(2) To non-U.S. addressees (domicile)	0363	0	4.a.(2)
b. LESS: Unearned income on loans	2123	0	4.b.
c. Loans, held for investment and held for sale (sum of items 4.a(1) and 4.a(2) minus item 4.b)	0364	0	4.c.
d. Lease financing receivables, net of unearned income	2165	0	4.d.
e. LESS: Allowance for loan and lease losses[3]	3123	0	4.e.
f. Loans and leases, held for investment and held for sale, net of allowance for loan and lease losses (sum of items 4.c and 4.d minus item 4.e)	2125	0	4.f.
5. Investments in and receivables due from subsidiaries and associated companies (from Schedule PC-A, item 4)	0365	4154962	5.
6. Premises and fixed assets (including capitalized leases)	2145	0	6.
7. Intangible assets (other than reported in item 5 above):			
a. Goodwill	3163	0	7.a.
b. Mortgage servicing assets	3164	0	7.b.
c. Other identifiable intangibles	3165	0	7.c.
8. Other assets[2]	2160	2545	8.
9. Balances due from related institutions, other than investments:			
a. Related banks	3602	0	9.a.
b. Related nonbank companies	3603	0	9.b.
c. Related holding companies	3604	0	9.c.
10. TOTAL ASSETS (sum of items 1.a through 3, and 4.f through 9.c above)	2170	4166623	10.

1. Institutions that have adopted ASU 2016-13 should report held-to-maturity securities net of any applicable allowance for credit loss.
2. Institutions that have adopted ASU 2016-13 should report in items 3 and 8 amounts net of any applicable allowance for credit loss.
3. Institutions that have adopted ASU 2016-13 should report in item 4.e the allowance for credit losses on loans and leases.

Schedule PC—Continued

Dollar Amounts in Thousands	BHCP	Amount	
Liabilities and Equity Capital			
11. Deposits	2200	0	11.
12. Securities sold under agreements to repurchase	0279	0	12.
13. Borrowings with a remaining maturity of one year or less:			
a. Commercial paper	2309	0	13.a.
b. Other borrowings	2332	0	13.b.
14. Other borrowed money with a remaining maturity of more than one year	0368	0	14.
15. Not applicable			
16. Subordinated notes and debentures[1]	4062	98865	16.
17. Other liabilities	2930	19791	17.
18. Balances due to subsidiaries and related institutions:			
a. Subsidiary banks	3605	0	18.a.
b. Nonbank subsidiaries	3606	136299	18.b.
c. Related holding companies	3607	0	18.c.
19. Not applicable			
20. Equity Capital:			
a. Perpetual preferred stock (including related surplus)	3283	144486	20.a.
b. Common stock (par value)	3230	642	20.b.
c. Surplus (exclude all surplus related to preferred stock)	3240	983250	20.c.
d. Retained earnings	3247	2667534	20.d.
e. Accumulated other comprehensive income[2]	B530	267370	20.e.
f. Other equity capital components[3]	A130	-151614	20.f.
g. Not applicable			
h. TOTAL EQUITY CAPITAL (sum of items 20.a through 20.f)	3210	3911668	20.h.
21. TOTAL LIABILITIES AND EQUITY CAPITAL (sum of items 11 through 20.f)	3300	4166623	21.
Memoranda			
Memoranda items 1.a and 1.b are to be completed by holding companies that have elected to account for financial instruments or servicing assets and liabilities at fair value under a fair value option.			
1. Financial assets and liabilities measured at fair value:			
a. Total assets	F819		M.1.a.
b. Total liabilities	F820		M.1.b.

1. Includes limited-life preferred stock and related surplus.
2. Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments.
3. Includes treasury stock and unearned Employee Stock Ownership Plan shares.

Schedule PC-A—Investments in Subsidiaries and Associated Companies

Dollar Amounts in Thousands	BHCP	Amount	
1. a. Equity investments in bank subsidiaries and associated banks:			
(1) Common and preferred stock (net of amount reported in item 1.a(2))	3239	3889782	1.a.(1)
(2) Intangible assets:			
(a) Goodwill	3238	2285	1.a.(2)(a)
(b) Other identifiable intangibles	4485	0	1.a.(2)(b)
b. Nonequity investments in and receivables due from bank subsidiaries and associated banks:			
(1) Loans, advances, notes, bonds, and debentures	0533	0	1.b.(1)
(2) Other receivables	0534	258000	1.b.(2)
2. a. Equity investments in nonbank subsidiaries and associated nonbank companies:			
(1) Common and preferred stock (net of amount reported in items 2.a(2))	1273	4895	2.a.(1)
(2) Intangible assets:			
(a) Goodwill	0087	0	2.a.(2)(a)
(b) Other identifiable intangibles	0536	0	2.a.(2)(b)
b. Nonequity investments in and receivables due from nonbank subsidiaries and associated nonbank companies:			
(1) Loans, advances, notes, bonds, and debentures	0537	0	2.b.(1)
(2) Other receivables	0538	0	2.b.(2)
3. *(This item is to be completed only by holding companies that have subsidiary holding companies or associated holding companies.)*			
a. Equity investments in subsidiary holding companies and associated holding companies:			
(1) Common and preferred stock (net of amount reported in Item 3.a(2))	0201		3.a.(1)
(2) Intangible assets:			
(a) Goodwill	0202		3.a.(2)(a)
(b) Other identifiable intangibles	0203		3.a.(2)(b)
b. Nonequity investments in and receivables due from subsidiary holding companies and associated holding companies:			
(1) Loans, advances, notes, bonds, and debentures	0204		3.b.(1)
(2) Other receivables	0205		3.b.(2)
	BHPA		
4. TOTAL (sum of items 1 through 3) (must equal Schedule PC, item 5)	0365	4154962	4.

Schedule PC-B—Memoranda

Dollar Amounts in Thousands	BHCP	Amount	
1. Amount of assets scheduled to mature within one year (including contractual payments to be repaid within one year)	0543	267116	1.
2. Amount of borrowings included in Schedule PC, items 16 and 18 that is scheduled to mature within one year (exclude short-term debt)	3409	0	2.
3. Amount of liabilities (other than borrowings) scheduled to mature within one year (including any contractual payments to be repaid within one year)	3609	2130	3.
4. Amount of borrowings from unaffiliated parties guaranteed by the parent with respect to the following subsidiaries:			
a. Bank	0540	0	4.a.
b. Nonbank	0541	0	4.b.
c. Related holding companies	0542	0	4.c.
5. Borrowing by the parent from subsidiaries and associated companies (included in Schedule PC, item 18):			
a. Bank	0467	0	5.a.
b. Nonbank	1274	136299	5.b.
c. Related holding companies	0539	0	5.c.
6. Long-term debt that reprices within one year	3298	0	6.
7. Loans and lease financing receivables of the parent:			
a. Past due 90 days or more and still accruing	1407	0	7.a.
b. Nonaccrual status	1403	0	7.b.
8. Loans of the parent restructured in troubled debt restructurings that are in compliance with their modified terms	K297	0	8.
9. Not applicable			
10. Pledged securities[1]	0416	0	10.
11. a. Fair value of securities classified as available-for-sale in Schedule PC, items 2.a through 2.c	8516	0	11.a.
b. Amortized cost of securities classified as held-to-maturity in Schedule PC, items 2.a through 2.c	8517	0	11.b.
c. Fair value of equity securities with readily determinable fair values not held for trading in Schedule PC, items 2.a through 2.c[2]	JA22	0	11.c.
12. Balances held by subsidiary banks of the holding company due from:			
a. Other bank subsidiaries of the holding company	6792	0	12.a.
b. Nonbank subsidiaries of the holding company	6793	0	12.b.
13. Balances held by subsidiary banks of the holding company due to:			
a. Other bank subsidiaries of the holding company	6794	0	13.a.
b. Nonbank subsidiaries of the holding company	6795	637	13.b.
14. Holding company (parent company only) borrowings not held by financial institutions or by insiders (including directors) and their interests	3152	0	14.
15. *(To be completed only by the top-tier holding company for its consolidated nonbank and thrift subsidiaries.[3])*			
a. Total combined nonbank assets of nonbank subsidiaries	4778	637	15.a.
b. Total combined loans and leases of nonbank subsidiaries	C427	0	15.b.
c. Total aggregate operating revenue of nonbank subsidiaries	C428	1137	15.c.
d. Combined thrift assets included in 15.a *(to be completed only by a bank holding company)*	2792	0	15.d.
e. Combined foreign nonbank subsidiary assets included in 15.a	2793	0	15.e.

		Number (Unrounded)	
f. Number of nonbank subsidiaries included in 15.a	2794	1	15.f.
g. Number of thrift subsidiaries included in 15.d *(to be completed only by a bank holding company)*	2796	0	15.g.
h. Number of foreign nonbank subsidiaries included in 15.e	2831	0	15.h.

1. Includes held-to-maturity securities at amortized cost and available-for-sale securities at fair value.
2. Item 11.c is to be completed only by holding companies that have adopted ASU 2016-01, which includes provisions governing the accounting for investments in equity securities. See the instructions for further detail on ASU 2016-01.
3. A savings and loan holding company should not include its consolidated savings association in items 15(a) through 15(h). See the instructions for more details.

Schedule PC-B—Memoranda—Continued

Dollar Amounts in Thousands	BHCP	Amount	
16. Notes payable to special-purpose subsidiaries that issued trust preferred securities (included in Schedule PC, item 18.b and item 5.b above)	C255	133000	16.
17. Total nonbank assets of a holding company subject to the Federal Reserve Board's capital plan rule. (To be completed only by a top-tier holding company that is subject to the Federal Reserve Board's capital plan rule (12 CFR 225.8)	HK02		17.

Notes to the Parent Company Only Financial Statements

Enter in the lines provided below any additional information on specific line items on the financial statements that the holding company wishes to explain, that has been separately disclosed in the holding company's quarterly reports to its shareholders, in its press releases, or on its quarterly reports to the Securities and Exchange Commission (SEC).

Each additional piece of information disclosed should include the appropriate reference to schedule and item number, as well as a description of the additional information and the dollar amount (in thousands of dollars) associated with that disclosure.

Example

A parent holding company has guaranteed a new loan for its leveraged Employee Stock Ownership Plan (ESOP) for $500 thousand and that amount has increased the parent company's long-term unsecured debt by a material amount. Enter on the line item below the following information:

TEXT		BHCP	Amount
0000	Sch. PC, item 14, New loan to holding company's ESOP guaranteed		
	by holding company parent		
		0000	500

Notes to the Financial Statements

	TEXT	Dollar Amounts in Thousands	BHCP	Amount	
1.	5485	PI-A Part I item 2g includes 214,000 amortization of debt issue cost, and 240,000 in net tax			
		benefit from stock compensation arrangements and 780,000 recognition of stock based			
		compensation.	5485	1234	1.
2.	5486	PI-A Part II item 7 includes changes in Repurchase Agreements of 33,000,000.			
			5486	33000	2.
3.	5487	PI-A Part III item 12 includes 20,770,000 proceeds from stock option exercises and			
		15,166,000 from stock based compenation activities.			
			5487	35936	3.
4.	5488	PC item 20e includes additional minimum pension liability of -45,933,000; unrealized loss on			
		AFS of 309,540,000 and securities AFS and HTM transfer of 3,763,000.			
			5488	267370	4.
5.	5489	PC item 20f includes treasury stock of 1,567,302 shares at December 31, 2019.			
			5489	-151614	5.