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FFIEC 002

Schedule O - Memoranda

Item M1 Total deposits of the branch (excluding IBF).

Memorandum items M1(a)(1), M1(b)(1), M1(b)(2), M1(c)(1), M1(d)(1), and M1(d)(2) are to be completed each quarter. Memorandum items M1(a)(2) and M1(c)(2) are to be completed for the June report only. The dollar amounts used as the basis for reporting the number and amount of deposit accounts in these eight Memorandum items reflect the deposit insurance limits in effect for "retirement deposit accounts" and other deposit accounts on the report date, which are \$250,000 and \$100,000, respectively.

"Retirement deposit accounts" that are eligible for \$250,000 in deposit insurance coverage are deposits made in connection with the following types of retirement plans:

- Individual Retirement Accounts (IRAs), including traditional and Roth IRAs;
- Simplified Employee Pension (SEP) plans;
- "Section 457" deferred compensation plans;
- Self-directed Keogh (HR 10) plans; and
- Self-directed defined contribution plans, which are primarily 401(k) plan accounts.

The term "self-directed" means that the plan participants have the right to direct how their funds are invested, including the ability to direct that the funds be deposited at an FDIC-insured institution.

Retirement deposit accounts exclude Coverdell Education Savings Accounts, formerly known as Education IRAs.

When determining the number and size of deposit accounts, each individual certificate, passbook, account, and other evidence of deposit is to be treated as a separate account. For purposes of completing this Memorandum item, multiple accounts of the same depositor should not be aggregated. In situations where a branch assigns a single account number to each depositor so that one account number may represent multiple deposit contracts between the branch and the depositor (e.g., one demand deposit account, one money market deposit account, and three certificates of deposit), each deposit contract is a separate account.

Item M1(a) Deposit accounts (excluding retirement accounts) of \$100,000 or less.

Report in the appropriate subitem the amount outstanding and the number of deposit accounts, excluding retirement deposit accounts (as defined in Schedule O, Memorandum item M1), with a balance of \$100,000 or less as of the report date.

Item M1(a)(1) Amount of deposit accounts (excluding retirement accounts) of \$100,000 or less.

Report the aggregate balance of all deposit accounts, certificates, or other evidences of deposit (demand, savings, and time), excluding retirement deposit accounts, with a balance on the report date of \$100,000 or less. This amount should represent the total of the balances of the deposit accounts enumerated in Schedule O, Memorandum item M1(a)(2) below.

Item M1(a)(2) Number of deposit accounts (excluding retirement accounts) of \$100,000 or less.

(To be completed for the June report only.) Report the total number of deposit accounts (demand, savings, and time), excluding retirement deposit accounts, with a balance on the report date of \$100,000 or less. Count *each* certificate, passbook, account, and other evidence of deposit that has a balance of \$100,000 or less.

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Item M1(b) Deposit accounts (excluding retirement accounts) of more than \$100,000.

Report in the appropriate subitem the amount outstanding and the number of deposit accounts, excluding retirement deposit accounts (as defined in Schedule O, Memorandum item M1), with a balance of more than \$100,000 as of the report date.

Item M1(b)(1) Amount of deposit accounts (excluding retirement accounts) of more than \$100,000.

Report the aggregate balance of all deposit accounts, certificates, or other evidences of deposit (demand, savings, and time), excluding retirement deposit accounts, with a balance on the report date of more than \$100,000. This amount should represent the total of the balances of the deposit accounts enumerated in Schedule O, Memorandum item M1(b)(2) below.

Item M1(b)(2) Number of deposit accounts (excluding retirement accounts) of more than \$100,000.

Report the total number of deposit accounts (demand, savings, and time), excluding retirement deposit accounts, with a balance on the report date of more than \$100,000. Count *each* certificate, passbook, account, and other evidence of deposit that has a balance of more than \$100,000.

Item M1(c) Retirement deposit accounts of \$250,000 or less.

Report in the appropriate subitem the amount outstanding and the number of retirement deposit accounts (as defined in Schedule O, Memorandum item M1) with a balance of \$250,000 or less as of the report date.

Item M1(c)(1) Amount of retirement deposit accounts of \$250,000 or less.

Report the aggregate balance of all retirement deposit accounts, certificates, or other evidences of deposit (demand, savings, and time) with a balance on the report date of \$250,000 or less. This amount should represent the total of the balances of the retirement deposit accounts enumerated in Schedule RC-O, Memorandum item M1(c)(2) below.

Item M1(c)(2) Number of retirement deposit accounts of \$250,000 or less.

(To be completed for the June report only.) Report the total number of retirement deposit accounts (demand, savings, and time) with a balance on the report date of \$250,000 or less. Count *each* certificate, passbook, account, and other evidence of deposit which has a balance of \$250,000 or less.

Item M1(d) Retirement deposit accounts of more than \$250,000. Report in the appropriate subitem the amount outstanding and the number of retirement deposit accounts (as defined in Schedule O, Memorandum item M1) with a balance of more than \$250,000 as of the report date.

Item M1(d)(1) Amount of retirement deposit accounts of more than \$250,000. Report the aggregate balance of all retirement deposit accounts, certificates, or other evidences of deposit (demand, savings, and time) with a balance on the report date of more than \$250,000. This amount should represent the total of the balances of the retirement deposit accounts enumerated in Schedule O, Memorandum item M1(d)(2) below.

Item M1(d)(2) Number of retirement deposit accounts of more than \$250,000. Report the total number of retirement deposit accounts (demand, savings, and time) with a balance on the report date of more than \$250,000. Count *each* certificate, passbook, account, and other evidence of deposit which has a balance of more than \$250,000.

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Item M2 Estimated amount of uninsured deposits in the branch (excluding IBF).

Schedule O, Memorandum item M2, is to be completed by branches with \$1 billion or more in total assets.

The information in this Memorandum item is requested pursuant to Section 141 of the Federal Deposit Insurance Corporation Improvement Act of 1991.

Report the estimated amount of the branch's deposits (excluding IBF deposit liabilities) that is not covered by federal deposit insurance. This estimate should reflect the deposit insurance limits in effect for "retirement deposit accounts" (as defined in Schedule O, Memorandum item M1) and other deposit accounts on the report date, which are \$250,000 and \$100,000, respectively. The reporting of this information is mandated by Section 7(a)(9) of the Federal Deposit Insurance Act.

The branch's estimate of its uninsured deposits should be reported in accordance with the following criteria. In this regard, it is recognized that a branch may have multiple automated information systems for different types of deposits and that the capabilities of a branch's information systems to provide an estimate of its uninsured deposits will differ from branch to branch at any point in time and, within an individual institution, may improve over time.

(1) If the branch has deposit accounts whose ownership is based on a fiduciary relationship, Part 330 of the FDIC's regulations generally states that the titling of the deposit account (together with the underlying records) must indicate the existence of the fiduciary relationship in order for insurance coverage to be available on a "pass-through" basis. Fiduciary relationships include, but are not limited to, relationships involving a trustee, agent, nominee, guardian, executor, or custodian.

A branch with fiduciary deposit accounts with balances of \$100,000 or more must diligently use the available data on these deposit accounts, including data indicating the existence of different principal and income beneficiaries and data indicating that some or all of the funds on deposit represent retirement deposit accounts eligible for \$250,000 in deposit insurance coverage, to determine its best estimate of the uninsured portion of these accounts.

(2) If the branch has deposit accounts of employee benefit plans, Part 330 of the FDIC's regulations states that these accounts are insured on a "pass-through" basis for the non-contingent interest of each plan participant provided that certain prescribed recordkeeping requirements are met. A branch with employee benefit plan deposit accounts with balances of \$100,000 or more must diligently use the available data on these deposit accounts to determine its best estimate of the uninsured portion of these accounts.

(3) If the branch has deposit accounts with balances in excess of the federal deposit insurance limit for which it has acquired private deposit insurance to cover this excess amount, the branch should make a reasonable estimate of the portion of these deposits that is not insured by the FDIC using the data available from its information systems.

(4) For all other deposit accounts, the branch should make a reasonable estimate of the portion of these deposits that is uninsured using the data available from its information systems. In developing this estimate, if the branch has automated information systems in place that enable it to identify jointly owned accounts and estimate the deposit insurance coverage of these deposits, the higher level of insurance afforded these joint accounts should be taken into consideration. Similarly, if the branch has automated information systems in place that enable it to classify accounts by deposit owner and/or ownership capacity, the branch should incorporate this information into its estimate of the amount of uninsured deposits by aggregating accounts held by the same deposit owner in the same ownership capacity before applying the \$100,000 or \$250,000 insurance limit, as appropriate. Ownership capacities include, but are not limited to, single ownership, joint ownership, business (excluding sole proprietorships), revocable trusts, irrevocable trusts, and retirement accounts.

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In the absence of automated information systems, a branch may use nonautomated information such as paper files or less formal knowledge of its depositors if such information provides reasonable estimates of appropriate portions of its uninsured deposits. A branch's use of such nonautomated sources of information is considered appropriate unless errors associated with the use of such sources would contribute significantly to an overall error in the FDIC's estimate of the amount of insured and uninsured deposits in the banking system.