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**Instructions for the New and Revised Report of Assets and
Liabilities of U.S. Branches and Agencies of Foreign Banks
for June 30, 2008 and September 30, 2008
FFIEC 002**

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Instructions for the New and Revised Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks for June 30, 2008 and September 30, 2008

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**Instructions for the New and Revised Report of Assets and Liabilities of
U.S. Branches and Agencies of Foreign Banks
For June 30, 2008 and September 30, 2008**

Schedule RAL - Assets and Liabilities

Item No. Caption and Instructions

1.d.(1)a. **Federal Funds sold with commercial banks in the U.S.**
In column A, report federal funds sold (as defined above) to all non-related commercial banks **domiciled** in the U.S. For purposes of this schedule, commercial banks include:

- (1) national banks;
- (2) state-chartered commercial banks;
- (3) trust companies that perform a commercial banking business;
- (4) industrial banks;
- (5) private or unincorporated banks;
- (6) International Banking Facilities (IBFs) of U.S. banking institutions;
- (7) Edge and Agreement corporations; **and**
- (8) **U.S. branches and agencies of foreign banks (including their IBFs).**

For purposes of this schedule, the term “U.S. Branches and agencies of foreign banks” covers:

- (1) **the U.S. branches and agencies of other foreign banks;**
- (2) **the U.S. branches and agencies of foreign official banking institutions, including central banks, nationalized banks, and other banking institutions owned by foreign governments; and**
- (3) **investment companies that are chartered under Article XII of the New York State banking law and that are majority-owned by one or more nonrelated foreign banks.**

NOTE: IBFs are to report in column B, federal funds sold to:

- (1) **IBFs of all nonrelated commercial banks in the U.S., including IBFs of U.S. branches and agencies of foreign banks; and**
- (2) **non-related U.S. and foreign commercial banks domiciled in Puerto Rico and in the U.S. territories and possessions, including branches and agencies of other foreign banks located in Puerto Rico and in the U.S. territories and possessions.**

1.d.(1)b. **Federal Funds sold with nonbank brokers and dealers in securities.** In column A, report federal funds sold (as defined above) to nonbank brokers and dealers in securities.

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Schedule RAL - Assets and Liabilities – (con't)

<u>Item No.</u>	<u>Caption and Instructions</u>
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1.d.(1)b. (con't)	<i>NOTE:</i> In the IBF column, report federal funds sold to:
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- (1) persons or other nonbank entities domiciled in the U.S. and;
- (2) persons domiciled in foreign countries.

1.d.(1)c.	<u>Federal Funds sold with others.</u>
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In column A, report federal funds sold (as defined above) to *nonrelated* institutions not covered in item 1.d.(1)a. or 1.d.(1)b., such as other **depository** institutions, state and local governments, agencies of the U.S. Government, banks in foreign countries (including branches and subsidiaries of U.S. banks), and any other *nonrelated* institution or organization located in the U.S. or abroad.

NOTE: In the IBF column, report federal funds sold to:

- (1) IBFs of all nonrelated depository institutions in the U.S., including IBFs of U.S. branches and agencies of foreign banks;
- (2) nonrelated U.S. and foreign depository institutions domiciled in Puerto Rico and in the U.S. territories and possessions, including branches and agencies of other foreign banks located in Puerto Rico and the U.S. territories and possessions; and
- (3) IBFs of all nonrelated depository institutions other than commercial banks.

1.d.(2)a.	<u>Securities purchased under agreements to resell with commercial banks in the U.S.</u> In column A, report securities purchased under agreements to resell (as defined above) with all non-related commercial banks domiciled in the U.S. For purposes of this schedule, commercial banks include:
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- (1) national banks;
- (2) state-chartered commercial banks;
- (3) trust companies that perform a commercial banking business;
- (4) industrial banks;
- (5) private or unincorporated banks;
- (6) International Banking Facilities (IBFs) of U.S. banking institutions; and
- (7) Edge and Agreement corporations; and
- (8) **U.S. branches and agencies of foreign banks (including their IBFs).**

For purposes of this schedule, the term “U.S. Branches and agencies of foreign banks” covers:

- (1) **the U.S. branches and agencies of other foreign banks;**

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Schedule RAL - Assets and Liabilities – (con't)

<u>Item No.</u>	<u>Caption and Instructions</u>
1.d.(2)a. (con't)	<p>(2) the U.S. branches and agencies of foreign official banking institutions including central banks, nationalized banks, and other banking institutions owned by foreign governments; and</p> <p>(3) investment companies that are chartered under Article XII of the New York State banking law and that are majority-owned by one or more nonrelated foreign banks.</p> <p><i>NOTE:</i> IBFs are to report in column B, securities purchased under agreements to resell with:</p> <p>(1) IBFs of all nonrelated commercial banks in the U.S., including IBFs of U.S. branches and agencies of foreign banks; and</p> <p>(2) non-related U.S. and foreign commercial banks domiciled in Puerto Rico and in the U.S. territories and possessions, including branches and agencies of other foreign banks located in Puerto Rico and in the U.S. territories and possessions.</p>
1.d.(2)b.	<p><u>Securities purchased under agreements to resell with nonbank brokers and dealers in securities.</u> In column A, report securities purchased under agreements to resell (as defined above) with nonbank brokers and dealers in securities.</p> <p><i>NOTE:</i> In the IBF column, report securities purchased under agreements to resell with:</p> <p>(1) persons or other nonbank entities domiciled in the U.S.; and</p> <p>(2) persons domiciled in foreign countries.</p>
1.d.(2)c.	<p><u>Securities purchased under agreements to resell with others.</u> In column A, report securities purchased under agreements to resell (as defined above) with <i>nonrelated</i> institutions not covered in item 1.d.(2)a., or 1.d.(2)b., such as other depository institutions, state and local governments, agencies of the U.S. Government, banks in foreign countries (including branches and subsidiaries of U.S. banks), and any other <i>nonrelated</i> institution or organization located in the U.S. or abroad.</p> <p><i>NOTE:</i> In the IBF column, report securities purchased under agreements to resell with:</p> <p>(1) IBFs of all nonrelated depository institutions in the U.S., including IBFs of U.S. branches and agencies of foreign banks;</p>

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Schedule RAL - Assets and Liabilities – (con't)

<u>Item No.</u>	<u>Caption and Instructions</u>
1.d.(2)c	(2) nonrelated U.S. and foreign depository institutions domiciled in Puerto Rico and in the U.S. territories and possessions, including branches and agencies of other foreign banks located in Puerto Rico and the U.S. territories and possessions; and
.	(3) IBFs of all nonrelated depository institutions other than commercial banks.
1.h.	<u>Other assets including other claims on nonrelated parties.</u> (18) The liability to the reporting institution of its customers on drafts and bills of exchange that have been accepted by the reporting institution, or its agents, and that are outstanding (that is, not held by the reporting branch or agency) on the date of the report. Amounts reportable in Liability item 4.f., “Other liabilities to nonrelated parties” cannot be netted against this item or vice versa. Similarly, participations in acceptances—regardless of form or terminology—cannot be netted from this item. For further information, see the Glossary entry for “bankers acceptances.”
4.b.(1)a.	<u>Federal Funds purchased with commercial banks in the U.S.</u> In column A, report federal funds purchased (as defined above) from all non-related commercial banks domiciled in the U.S. For purposes of this schedule, commercial banks include: (1) national banks; (2) state-chartered commercial banks; (3) trust companies that perform a commercial banking business; (4) industrial banks; (5) private or unincorporated banks; (6) International Banking Facilities (IBFs) of U.S. banking institutions; and (7) Edge and Agreement corporations; and (8) U.S. branches and agencies of foreign banks (including their IBFs). For purposes of this schedule, the term “U.S. Branches and agencies of foreign banks” covers: (1) the U.S. branches and agencies of other foreign banks; (2) the U.S. branches and agencies of foreign official banking institutions, including central banks, nationalized banks, and other banking institutions owned by foreign governments; and (3) investment companies that are chartered under Article XII of the New York State banking law and that are majority-owned by one or more nonrelated foreign banks.

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Schedule RAL - Assets and Liabilities – (con't)

Item No. Caption and Instructions

4.b.(1)a.
(con't)

NOTE: IBFs are to report in column B, federal funds purchased from:

- (1) IBFs of all nonrelated commercial banks in the U.S., **including IBFs of U.S. branches and agencies of foreign banks**; and

- (2) **non-related U.S. and foreign commercial banks domiciled in Puerto Rico and in the U.S. territories and possessions, including branches and agencies of other foreign banks located in Puerto Rico and in the U.S. territories and possessions.**

4.b.(1)b.

Federal Funds purchased with others.

In column A, report federal funds purchased (as defined above) from *nonrelated* institutions not covered in item 4.b.(1)a., such as other depository institutions, state and local governments, agencies of the U.S. Government, banks in foreign countries (including branches and subsidiaries of U.S. banks), and any other *nonrelated* institution or organization located in the U.S. or abroad. :

NOTE: In the IBF column, report federal funds purchased from:

- (1) IBFs of all nonrelated depository institutions in the U.S., including IBFs of U.S. branches and agencies of foreign banks;

- (2) nonrelated U.S. and foreign depository institutions domiciled in Puerto Rico and in the U.S. territories and possessions, including branches and agencies of other foreign banks located in Puerto Rico and the U.S. territories and possessions;

- (3) IBFs of all nonrelated depository institutions other than commercial banks;

- (4) persons or other nonbank entities domiciled in the U.S; and

- (5) persons domiciled in foreign countries.

4.b.(2)a.

Securities sold under agreements to repurchase with commercial banks in the U.S.

In column A, report securities sold under agreements to repurchase (as defined above) with all non-related commercial banks domiciled in the U.S. For purposes of this schedule, commercial banks include:

- (1) national banks;
- (2) state-chartered commercial banks;
- (3) trust companies that perform a commercial banking business;
- (4) industrial banks;
- (5) private or unincorporated banks;
- (6) International Banking Facilities (IBFs) of U.S. banking institutions; and
- (7) Edge and Agreement corporations; **and**
- (8) **U.S. branches and agencies of foreign banks (including their IBFs).**

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Schedule RAL - Assets and Liabilities – (con't)

<u>Item No.</u>	<u>Caption and Instructions</u>
4.b.(2)a. (con't)	<p>For purposes of this schedule, the term “U.S. Branches and agencies of foreign banks” covers:</p> <p>(1) the U.S. branches and agencies of other foreign banks;</p> <p>(2) the U.S. branches and agencies of foreign official banking institutions, including central banks, nationalized banks, and other banking institutions owned by foreign governments; and</p> <p>(3) investment companies that are chartered under Article XII of the New York State banking law and that are majority-owned by one or more nonrelated foreign banks.</p> <p><i>NOTE:</i> IBFs are to report in column B, securities sold under agreements to repurchase with:</p> <p>(1) IBFs of all nonrelated commercial banks in the U.S., including IBFs of U.S. branches and agencies of foreign banks; and</p> <p>(2) non-related U.S. and foreign commercial banks domiciled in Puerto Rico and in the U.S. territories and possessions, including branches and agencies of other foreign banks located in Puerto Rico and in the U.S. territories and possessions.</p>
4.b.(2)b.	<p><u>Securities sold under agreements to repurchase with others.</u></p> <p>In column A, report securities sold under agreements to repurchase (as defined above) with <i>nonrelated</i> institutions not covered in item 4.b.(2)a., such as other depository institutions, state and local governments, agencies of the U.S. Government, banks in foreign countries (including branches and subsidiaries of U.S. banks), and any other <i>nonrelated</i> institution or organization located in the U.S. or abroad.</p> <p><i>NOTE:</i> In the IBF column, report securities sold under agreements to repurchase with:</p> <p>(1) IBFs of all nonrelated depository institutions in the U.S., including IBFs of U.S. branches and agencies of foreign banks;</p> <p>(2) nonrelated U.S. and foreign depository institutions domiciled in Puerto Rico and in the U.S. territories and possessions, including branches and agencies of other foreign banks located in Puerto Rico and the U.S. territories and possessions;</p> <p>(3) IBFs of all nonrelated depository institutions other than commercial banks;</p> <p>(4) persons or other nonbank entities domiciled in Puerto Rico or in the U.S. territories and possessions; and</p>

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Schedule RAL - Assets and Liabilities – (con't)

<u>Item No.</u>	<u>Caption and Instructions</u>
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4.b.(2)b. (con't)	(5) persons domiciled in foreign countries.
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4.f.	<u>Other liabilities to nonrelated parties.</u>
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(10) The amount of drafts and bills of exchange accepted by the reporting branch or agency, or by its agents, that are outstanding and that are not owned by the reporting branch or agency on the date of the report. Amounts reportable in item 1.h., “Other assets including other claims on nonrelated parties” cannot be netted against this item and vice versa. Similarly, participations in acceptances—regardless of form or terminology—cannot be netted from this item. For further information, see the Glossary entry for “bankers acceptances.”

Memoranda

<u>Item No.</u>	<u>Caption and Instructions</u>
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5.a	<u>Loans secured by real estate.</u> In column A, report in the appropriate subitem the total fair value of loans secured by real estate (as defined for Schedule C, part I, item 1) held for trading. In column B, IBFs are to report in the appropriate subitem the total fair value of loans secured by real estate (as defined for Schedule C, part I, item 1) held for trading.
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5.a.(1)	<u>Construction, land development, and other land loans.</u> Report the total fair value of construction, land development, and other land loans (as defined for Schedule C, part I, item 1.a) held for trading.
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5.a.(2)	<u>Secured by farmland.</u> Report the total fair value of loans secured by farmland (as defined for Schedule C, part I, item 1.b) held for trading.
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5.a.(3)	<u>Secured by 1-4 family residential properties.</u> Report in the appropriate subitem the total fair value of all open-end and closed-end loans secured by real estate (as defined for Schedule C, part I, item 1.c) held for trading.
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5.a.(3)(a)	<u>Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.</u> Report the total fair value of revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit (as defined for Schedule C, part I, item 1.c.(1)) held for trading.
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5.a.(3)(b)	<u>Closed-end loans secured by 1-4 family residential properties.</u> Report the total fair value of all closed-end loans secured by real estate (as defined for Schedule C, part I, item 1.c.(2)) held for trading.
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5.a.(4)	<u>Secured by multifamily (5 or more) residential properties.</u> Report the total fair value of loans secured by multifamily (5 or more) residential properties (as defined for Schedule C, part I, item 1.d) held for trading.
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Schedule RAL - Assets and Liabilities – (con't)

Memoranda (con't)

- | <u>Item No.</u> | <u>Caption and Instructions</u> |
|-----------------|--|
| 5.a.(5) | <u>Secured by nonfarm nonresidential properties.</u> Report the total fair value of loans secured by nonfarm nonresidential properties (as defined for Schedule C, part I, item 1.e) held for trading. |
| 5.b | <u>Commercial and industrial loans.</u> Report the total fair value of commercial and industrial loans (as defined for Schedule C, part I, item 4) held for trading. |
| 5.c | <u>Other loans.</u> Report the total fair value of all other loans held for trading that cannot properly be reported in one of the preceding subitems of this item 5. Such loans include “Loans to depository institutions and acceptances of other banks,” “Loans to financial institutions,” “Loans for purchasing or carrying securities,” “Loans to foreign governments and official institutions,” and “All other loans” (as defined for Schedule C, part I, items 2, 3, 6, 7, and 8). |
| 6.a | <u>Loans secured by real estate.</u> In column A, report in the appropriate subitem the unpaid principle balance of loans measured at fair value that are secured by real estate reported in memorandum item 5. In column B, IBFs are to report in the appropriate subitem the unpaid principle balance of loans measured at fair value that are secured by real estate reported in memorandum item 5. |
| 6.a.(1) | <u>Construction, land development, and other land loans.</u> Report the unpaid principle balance of construction, land development, and other land loans reported in memorandum item 5.a.(1). |
| 6.a.(2) | <u>Secured by farmland.</u> Report the unpaid principle balance of loans secured by farmland reported in memorandum item 5.a.(2). |
| 6.a.(3) | <u>Secured by 1-4 family residential properties.</u> Report the unpaid principle balance in the appropriate subitem of all open-end and closed-end loans secured by real estate reported in memorandum item 5.a.(3). |
| 6.a.(3)(a) | <u>Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.</u> Report the unpaid principle balance of revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit reported in memorandum item 5.a.(3)(a). |
| 6.a.(3)(b) | <u>Closed-end loans secured by 1-4 family residential properties.</u> Report the unpaid principle balance of all closed-end loans secured by real estate reported in memorandum item 5.a.(3)(b). |
| 6.a.(4) | <u>Secured by multifamily (5 or more) residential properties.</u> Report the unpaid principle balance of loans secured by multifamily (5 or more) residential properties reported in memorandum item 5.a.(4). |

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Schedule RAL - Assets and Liabilities – (con't)

Memoranda

Item No. Caption and Instructions

- 6.a.(5)** **Secured by nonfarm nonresidential properties.** Report the unpaid principle balance of loans secured by nonfarm nonresidential properties reported in memorandum item 5.a.(5).
- 6.b** **Commercial and industrial loans.** Report the unpaid principle balance of loans of commercial and industrial loans reported in memorandum item 5.b.
- 6.c** **Other loans.** Report the unpaid principle balance of all other loans held for trading that cannot properly be reported in one of the preceding subitems of this item 6. Such loans include “Loans to depository institutions and acceptances of other banks,” “Loans to financial institutions,” “Loans for purchasing or carrying securities,” “Loans to foreign governments and official institutions,” and “All other loans” (as defined for Schedule C, part I, items 2, 3, 6, 7, and 8) reported in memorandum item 5.c.

Schedule C, Part I - Loans and Leases

Item No. Caption and Instructions

- 1** **Loans secured by real estate.** In column A, report in the appropriate subitem all loans secured by real estate. In column B, IBFs are to report all loans secured by real estate. Include all loans (other than those to states and political subdivisions in the U.S.), regardless of purpose and regardless of whether originated by the bank or purchased from others, that are secured by real estate as evidenced by mortgages, deeds of trust, land contracts, or other instruments, whether first or junior liens (e.g., equity loans, second mortgages) on real estate. See the Glossary entry for "loans secured by real estate" for the definition of this term.

Include as loans secured by real estate:

- (1) Loans secured by residential properties that are guaranteed by the Farmers Home Administration (FmHA) and extended, collected, and serviced by a party other than the FmHA.
- (2) Loans secured by properties and guaranteed by governmental entities in foreign countries.
- (3) Participations in pools of Federal Housing Administration (FHA) Title I home improvement loans that are secured by liens (generally, junior liens) on residential properties.

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Schedule C, Part I - Loans and Leases – (con't)

<u>Item No.</u>	<u>Caption and Instructions</u>
1 (con't)	<p>Exclude from loans secured by real estate:</p> <p>(1) Loans to real estate companies, real estate investment trusts, mortgage lenders, and foreign non-governmental entities that specialize in mortgage loan originations and that service mortgages for other lending institutions when the real estate mortgages or similar liens on real estate are not sold to the branch or agency but are merely pledged as collateral (report in Schedule C, part I, item 2, "Loans to depository institutions and acceptances of other banks," or as all other loans in Schedule C, part I, item 8).</p> <p>(2) Bonds issued by the Federal National Mortgage Association or by the Federal Home Loan Mortgage Corporation that are collateralized by residential mortgages.</p> <p>(3) Pooled residential mortgages for which participation certificates have been issued or guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation. However, if the reporting branch or agency is the seller-servicer of the residential mortgages backing such securities and, as a result of a change in circumstances, it must rebook any of these mortgages because one or more of the conditions for sale accounting in FASB Statement No. 140 are no longer met, the rebooked mortgages should be included in Schedule C, part I, as loans secured by real estate.</p>
1.a	<p><u>Construction, land development, and other land loans.</u> Report loans secured by real estate made to finance land development (i.e., the process of improving land – laying sewers, water pipes, etc.) preparatory to erecting new structures or the on-site construction of industrial, commercial, residential, or farm buildings. For this item, "construction" includes not only construction of new structures, but also additions or alterations to existing structures and the demolition of existing structures to make way for new structures.</p> <p>Also include in this item:</p> <p>(1) Loans secured by vacant land, except land known to be used or usable for agricultural purposes, such as crop and livestock production (which should be reported in Schedule C, part I, item 1.b, below, as loans secured by farmland).</p> <p>(2) Loans secured by real estate the proceeds of which are to be used to acquire and improve developed and undeveloped property.</p> <p>(3) Loans made under Title I or Title X of the National Housing Act that conform to the definition of construction stated above and that are secured by real estate. Exclude loans to finance construction and land development that are not secured by real estate (report in other items of Schedule C, part I, as appropriate).</p>
1.b	<p><u>Secured by farmland.</u> Report loans secured by farmland and improvements thereon, as evidenced by mortgages or other liens. Farmland includes all land</p>

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Schedule C, Part I - Loans and Leases – (con't)

<u>Item No.</u>	<u>Caption and Instructions</u>
1.b. (con't)	<p>.known to be used or usable for agricultural purposes, such as crop and livestock production. Farmland includes grazing or pasture land, whether tillable or not and whether wooded or not. Include loans secured by farmland that are guaranteed by the Farmers Home Administration (FmHA) or by the Small Business Administration (SBA) and that are extended, serviced, and collected by any party other than FmHA or SBA. Exclude loans for farm property construction and land development purposes (report in Schedule C, part I, item 1.a).</p>
1.c	<p><u>Secured by 1-4 family residential properties.</u> Report in the appropriate subitem open-end and closed-end loans secured by real estate as evidenced by mortgages (FHA, FmHA, VA, or conventional) or other liens on:</p> <p>(1) Nonfarm property containing 1-to-4 dwelling units (including vacation homes) or more than four dwelling units if each is separated from other units by dividing walls that extend from ground to roof (e.g., row houses, townhouses, or the like).</p> <p>(2) Mobile homes where (a) state laws define the purchase or holding of a mobile home as the purchase or holding of real property and where (b) the loan to purchase the mobile home is secured by that mobile home as evidenced by a mortgage or other instrument on real property.</p> <p>(3) Individual condominium dwelling units and loans secured by an interest in individual cooperative housing units, even if in a building with five or more dwelling units.</p> <p>(4) Housekeeping dwellings with commercial units combined where use is primarily residential and where only 1-to-4 family dwelling units are involved.</p> <p>Exclude loans for 1-to-4 family residential property construction and land development purposes (report in Schedule C, part I, item 1.a). Also exclude loans secured by vacant lots in established single-family residential sections or in areas set aside primarily for 1-to-4 family homes (report in Schedule C, part I, item 1.a).</p>
1.c.(1)	<p><u>Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.</u> Report the amount outstanding under revolving, open-end lines of credit secured by 1-to-4 family residential properties. These lines of credit, commonly known as home equity lines, are typically secured by a junior lien and are usually accessible by check or credit card.</p>
1.c.(2)	<p><u>Closed-end loans secured by 1-4 family residential properties.</u> Report the amount of all closed-end loans secured by 1-to-4 family residential properties (i.e., closed-end first mortgages and junior liens).</p>
1.d	<p><u>Secured by multifamily (5 or more) residential properties.</u> Report all other</p>

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Schedule C, Part I - Loans and Leases –(con’t)

<u>Item No.</u>	<u>Caption and Instructions</u>
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1.d. (con’t)	nonfarm residential loans secured by real estate as evidenced by mortgages (FHA and conventional) or other liens that are not reportable in Schedule C, part I, item 1.c.
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Specifically, include loans on:

(1) Nonfarm properties with 5 or more dwelling units in structures (including apartment buildings and apartment hotels) used primarily to accommodate households on a more or less permanent basis.

(2) 5 or more unit housekeeping dwellings with commercial units combined where use is primarily residential.

(3) Cooperative-type apartment buildings containing 5 or more dwelling units. Exclude loans for multifamily residential property construction and land development purposes (report in Schedule C, part I, item 1.a). Also exclude loans secured by nonfarm nonresidential properties (report in Schedule C, part I, item 1.e).

1.e	<u>Secured by nonfarm nonresidential properties.</u> Report loans secured by real estate as evidenced by mortgages or other liens on business and industrial properties, hotels, motels, churches, hospitals, educational and charitable institutions, dormitories, clubs, lodges, association buildings, "homes" for aged persons and orphans, golf courses, recreational facilities, and similar properties. Exclude loans for nonfarm nonresidential property construction and land development purposes (report in Schedule C, part I, item 1.a).
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Memoranda

<u>Item No.</u>	<u>Caption and Instructions</u>
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5.a	<u>Loans secured by real estate.</u> In column A, report in the appropriate subitem the total fair value of loans secured by real estate (as defined for Schedule C, part I, item 1). In column B, IBFs are to report in the appropriate subitem the total fair value of loans secured by real estate (as defined for Schedule C, part I, item 1).
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5.a.(1)	<u>Construction, land development, and other land loans.</u> Report the total fair value of construction, land development, and other land loans (as defined for Schedule C, part I, item 1.a).
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5.a.(2)	<u>Secured by farmland.</u> Report the total fair value of loans secured by farmland (as defined for Schedule C, part I, item 1.b).
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Schedule C, Part I - Loans and Leases – (con't)

Memoranda

- | <u>Item No.</u> | <u>Caption and Instructions</u> |
|-----------------|---|
| 5.a.(3) | <u>Secured by 1-4 family residential properties.</u> Report in the appropriate subitem the total fair value of all open-end and closed-end loans secured by real estate (as defined for Schedule C, part I, item 1.c). |
| 5.a.(3)(a) | <u>Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.</u> Report the total fair value of revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit (as defined for Schedule C, part I, item 1.c.(1)). |
| 5.a.(3)(b) | <u>Closed-end loans secured by 1-4 family residential properties.</u> Report the total fair value of all closed-end loans secured by real estate (as defined for Schedule C, part I, item 1.c.(2)). |
| 5.a.(4) | <u>Secured by multifamily (5 or more) residential properties.</u> Report the total fair value of loans secured by multifamily (5 or more) residential properties (as defined for Schedule C, part I, item 1.d). |
| 5.a.(5) | <u>Secured by nonfarm nonresidential properties.</u> Report the total fair value of loans secured by nonfarm nonresidential properties (as defined for Schedule C, part I, item 1.e). |
| 5.b | <u>Commercial and industrial loans.</u> Report the total fair value of commercial and industrial loans (as defined for Schedule C, part I, item 4). |
| 5.c | <u>Other loans.</u> Report the total fair value of all other loans that cannot properly be reported in one of the preceding subitems of this item 5. Such loans include “Loans to depository institutions and acceptances of other banks,” “Loans to financial institutions,” “Loans for purchasing or carrying securities,” “Loans to foreign governments and official institutions,” and “All other loans” (as defined for Schedule C, part I, items 2, 3, 6, 7, and 8). |
| 6.a | <u>Loans secured by real estate.</u> In column A, report in the appropriate subitem the unpaid principle balance of loans measured at fair value that are secured by real estate reported in memorandum item 5. In column B, IBFs are to report in the appropriate subitem the unpaid principle balance of loans measured at fair value that are secured by real estate reported in memorandum item 5. |
| 6.a.(1) | <u>Construction, land development, and other land loans.</u> Report the unpaid principle balance of construction, land development, and other land loans reported in memorandum item 5.a.(1). |
| 6.a.(2) | <u>Secured by farmland.</u> Report the unpaid principle balance of loans secured by farmland reported in memorandum item 5.a.(2). |

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Schedule C, Part I - Loans and Leases – (con't)

Memoranda

- | <u>Item No.</u> | <u>Caption and Instructions</u> |
|-----------------|---|
| 6.a.(3) | <u>Secured by 1-4 family residential properties.</u> Report the unpaid principle balance in the appropriate subitem of all open-end and closed-end loans secured by real estate reported in memorandum item 5.a.(3). |
| 6.a.(3)(a) | <u>Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.</u> Report the unpaid principle balance of revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit reported in memorandum item 5.a.(3)(a). |
| 6.a.(3)(b) | <u>Closed-end loans secured by 1-4 family residential properties.</u> Report the unpaid principle balance of all closed-end loans secured by real estate reported in memorandum item 5.a.(3)(b). |
| 6.a.(4) | <u>Secured by multifamily (5 or more) residential properties.</u> Report the unpaid principle balance of loans secured by multifamily (5 or more) residential properties reported in memorandum item 5.a.(4). |
| 6.a.(5) | <u>Secured by nonfarm nonresidential properties.</u> Report the unpaid principle balance of loans secured by nonfarm nonresidential properties reported in memorandum item 5.a.(5). |
| 6.b | <u>Commercial and industrial loans.</u> Report the unpaid principle balance of loans of commercial and industrial loans reported in memorandum item 5.b. |
| 6.c | <u>Other loans.</u> Report the unpaid principle balance of all other loans that cannot properly be reported in one of the preceding subitems of this item 6. Such loans include “Loans to depository institutions and acceptances of other banks,” “Loans to financial institutions,” “Loans for purchasing or carrying securities,” “Loans to foreign governments and official institutions,” and “All other loans” (as defined for Schedule C, part I, items 2, 3, 6, 7, and 8) reported in memorandum item 5.c. |

Schedule E – Deposit Liabilities and Credit Balances

Column Instructions

Column D, IBF Deposit Liabilities. Report in column D all deposit liabilities of the branch or agency's International Banking Facility liabilities, regardless of whether they are transaction or nontransaction accounts. For purposes of this report, IBF deposit liabilities include deposits, placements, acknowledgements of advance, or similar instruments that are *not* issued in negotiable or bearer form and that are issued to other IBFs or to nonrelated non-U.S. addressees, including banks.

NOTE: Balances due from IBFs of related depository institutions are excluded from this schedule and reported in Schedule M. Amounts in this column should *exclude* federal funds purchased and

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Schedule E – Deposit Liabilities and Credit Balances (con't)

securities sold under agreements to repurchase (which are reported in Schedule RAL, item 4(b), as appropriate).

Memoranda

<u>Item No.</u>	<u>Caption and Instructions</u>
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- | | |
|-------------|---|
| 1.b. | <p><u>Individual Retirement Accounts (IRAs) and Keogh Plan accounts included in Memorandum item 1.a “Total time deposits of \$100,000 or more,” above.</u> Report in this item all IRA and Keogh Plan time deposits of \$100,000 or more included above in Schedule E, Memorandum item 1.a. IRAs include traditional IRAs, Roth IRAs, Simplified Employee Pension (SEP) IRAs, and SIMPLE IRAs.</p> <p>Exclude deposits in "Section 457" deferred compensation plans and self-directed defined contribution plans, which are primarily 401(k) plan accounts. Also exclude deposits in Health Savings Accounts, Medical Savings Accounts, and Coverdell Education Savings Accounts (formerly known as Education IRAs).</p> |
|-------------|---|

Schedule L – Derivatives and Off-Balance-Sheet Items

<u>Item No.</u>	<u>Caption and Instructions</u>
-----------------	---------------------------------

- | | |
|------------|---|
| 6 | <p><u>Credit derivatives.</u> Report in the appropriate subitem and column the notional amount and fair value of all credit derivatives. In general, credit derivatives are arrangements that allow one party (the "beneficiary") to transfer the credit risk of a "reference asset" or "reference entity" to another party (the "guarantor"). Branches and agencies should report the notional amounts of credit derivatives by type of instrument in Schedule L, items 6.a.(1) through 6.a.(4). Branches and agencies should report the gross positive and negative fair values of all credit derivatives in Schedule L, items 6.b.(1) and 6.b.(2). For both the notional amounts and gross fair values, report credit derivatives for which the branch or agency is the guarantor in column A and those on which the branch or agency is the beneficiary in column B.</p> <p>No netting of contracts is permitted for purposes of this item. Therefore, do not net the notional amounts or fair values of: (1) credit derivatives with third parties on which the reporting branch or agency is the beneficiary against credit derivatives with third parties on which the reporting branch or agency is the guarantor, or (2) contracts subject to bilateral netting agreements. The notional amount of credit derivatives should not be included in Schedule L, items 9 through 11, and the fair value of credit derivatives should not be included in Schedule L, item 12.</p> |
| 6.a | <p><u>Notional amounts.</u> Report in the appropriate subitem and column the notional amount (stated in U.S. dollars) of all credit derivatives. For tranching credit derivative transactions that relate to an index, e.g., the Dow Jones CDX NA index, report as the notional amount the dollar amount of the tranche upon which the reporting branch or agency's credit derivative cash flows are based.</p> |

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Schedule L – Derivatives and Off-Balance-Sheet Items – (con't)

<u>Item No.</u>	<u>Caption and Instructions</u>
6.a.(1)	<p><u>Credit default swaps.</u> Report in the appropriate column the notional amount of all credit default swaps. A credit default swap is a contract in which a guarantor (risk taker), for a fee, agrees to reimburse a beneficiary (risk hedger) for any losses that occur due to a credit event on a particular entity, called the “reference entity.” If there is no credit default event (as defined by the derivative contract), then the guarantor makes no payments to the beneficiary and receives only the contractually specified fee. Under standard industry definitions, a credit event is normally defined to include bankruptcy, failure to pay, and restructuring. Other potential credit events include obligation acceleration, obligation default, and repudiation/moratorium.</p>
6.a.(2)	<p><u>Total return swaps.</u> Report in the appropriate column the notional amount of all total return swaps. A total return swap transfers the total economic performance of a reference asset, which includes all associated cash flows, as well as capital appreciation or depreciation. The protection buyer receives a floating rate of interest and any depreciation on the reference asset from the protection seller. The protection seller (guarantor) has the opposite profile. The guarantor receives cash flows on the reference asset, plus any appreciation, and it pays any depreciation to the beneficiary, plus a floating interest rate. A total return swap may terminate upon a default of the reference asset.</p>
6.a.(3)	<p><u>Credit options.</u> Report in the appropriate column the notional amount of all credit options. A credit option is a structure that allows investors to trade or hedge changes in the credit quality of the reference asset. For example, in a credit spread option, the option writer (guarantor) assumes the obligation to purchase or sell the reference asset at a specified “strike” spread level. The option purchaser (beneficiary) buys the right to sell the reference asset to, or purchase it from, the option writer at the strike spread level.</p>
6.a.(4)	<p><u>Other credit derivatives.</u> Report in the appropriate column the notional amount of all other credit derivatives. Other credit derivatives consist of any credit derivatives not reportable as a credit default swap, a total return swap, or a credit option. Credit linked notes are cash securities and should not be reported as other credit derivatives.</p>
6.b	<p><u>Gross fair values.</u> Report in the appropriate subitem and column the gross fair values of all credit derivatives. As defined in FASB Statement No. 133, fair value is the amount at which an asset (liability) could be bought (incurred) or sold (settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and should be used as the basis for the measurement, if available. If a quoted market price is available, the fair value is the product of the number of trading units times that market price. If a quoted market price is not available, the estimate of fair value should be based on the best information available in the circumstances. The estimate of fair value should consider prices</p>

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Schedule L – Derivatives and Off-Balance-Sheet Items – (con't)

<u>Item No.</u>	<u>Caption and Instructions</u>
6.b. (con't)	for similar assets or similar liabilities and the results of valuation techniques to the extent available in the circumstances. For purposes of this item, the reporting branch or agency should determine the fair value of its credit derivative contracts in the same manner that it determines the fair value of these contracts for other financial reporting purposes.
6.b.(1)	<u>Gross positive fair value.</u> Report in the appropriate column the total fair value of those credit derivatives reported in Schedule L, items 6.a.(1) through 6.a.(4), above, with positive fair values.
6.b.(2)	<u>Gross negative fair value.</u> Report in the appropriate column the total fair value of those credit derivatives reported in Schedule L, items 6.a.(1) through 6.a.(4), above, with negative fair values. Report the total fair value as an absolute value; do not enclose the total fair value in parentheses or use a minus (-) sign.

Schedule M – (Confidential)

<u>Item No.</u>	<u>Caption and Instructions</u>
6	<p><u>Credit derivatives.</u> Report in the appropriate subitem and column the notional amount and fair value of all credit derivatives. In general, credit derivatives are arrangements that allow one party (the "beneficiary") to transfer the credit risk of a "reference asset" or "reference entity" to another party (the "guarantor"). Branches and agencies should report the notional amounts of credit derivatives by type of instrument in Schedule M, items 6.a.(1) through 6.a.(4). Branches and agencies should report the gross positive and negative fair values of all credit derivatives in Schedule M, items 6.b.(1) and 6.b.(2). For both the notional amounts and gross fair values, report credit derivatives for which the branch or agency is the guarantor in column A and those on which the branch or agency is the beneficiary in column B.</p> <p>No netting of contracts is permitted for purposes of this item. Therefore, do not net the notional amounts or fair values of: (1) credit derivatives with third parties on which the reporting branch or agency is the beneficiary against credit derivatives with third parties on which the reporting branch or agency is the guarantor, or (2) contracts subject to bilateral netting agreements. The notional amount of credit derivatives should not be included in Schedule M, items 9 through 11, and the fair value of credit derivatives should not be included in Schedule M, item 12.</p>
6.a	<u>Notional amounts.</u> Report in the appropriate subitem and column the notional amount (stated in U.S. dollars) of all credit derivatives. For tranching credit derivative transactions that relate to an index, e.g., the Dow Jones CDX NA index, report as the notional amount the dollar amount of the tranche upon which the reporting branch or agency's credit derivative cash flows are based.

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Schedule M – (Confidential) - (con't)

<u>Item No.</u>	<u>Caption and Instructions</u>
6.a.(1)	<p><u>Credit default swaps.</u> Report in the appropriate column the notional amount of all credit default swaps. A credit default swap is a contract in which a guarantor (risk taker), for a fee, agrees to reimburse a beneficiary (risk hedger) for any losses that occur due to a credit event on a particular entity, called the “reference entity.” If there is no credit default event (as defined by the derivative contract), then the guarantor makes no payments to the beneficiary and receives only the contractually specified fee. Under standard industry definitions, a credit event is normally defined to include bankruptcy, failure to pay, and restructuring. Other potential credit events include obligation acceleration, obligation default, and repudiation/moratorium.</p>
6.a.(2)	<p><u>Total return swaps.</u> Report in the appropriate column the notional amount of all total return swaps. A total return swap transfers the total economic performance of a reference asset, which includes all associated cash flows, as well as capital appreciation or depreciation. The protection buyer receives a floating rate of interest and any depreciation on the reference asset from the protection seller.</p> <p>The protection seller (guarantor) has the opposite profile. The guarantor receives cash flows on the reference asset, plus any appreciation, and it pays any depreciation to the beneficiary, plus a floating interest rate. A total return swap may terminate upon a default of the reference asset.</p>
6.a.(3)	<p><u>Credit options.</u> Report in the appropriate column the notional amount of all credit options. A credit option is a structure that allows investors to trade or hedge changes in the credit quality of the reference asset. For example, in a credit spread option, the option writer (guarantor) assumes the obligation to purchase or sell the reference asset at a specified “strike” spread level. The option purchaser (beneficiary) buys the right to sell the reference asset to, or purchase it from, the option writer at the strike spread level.</p>
6.a.(4)	<p><u>Other credit derivatives.</u> Report in the appropriate column the notional amount of all other credit derivatives. Other credit derivatives consist of any credit derivatives not reportable as a credit default swap, a total return swap, or a credit option. Credit linked notes are cash securities and should not be reported as other credit derivatives.</p>
6.b	<p><u>Gross fair values.</u> Report in the appropriate subitem and column the gross fair values of all credit derivatives. As defined in FASB Statement No. 133, fair value is the amount at which an asset (liability) could be bought (incurred) or sold (settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and should be used as the basis for the measurement, if available. If a quoted market price is available, the fair value is the product of the number of trading units times that market price. If a quoted market price is not available, the estimate of fair value should be based on the best information available in the circumstances. The estimate of fair value should consider prices</p>

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Schedule M – (Confidential) - (con't)

<u>Item No.</u>	<u>Caption and Instructions</u>
6.b. (con't)	for similar assets or similar liabilities and the results of valuation techniques to the extent available in the circumstances. For purposes of this item, the reporting branch or agency should determine the fair value of its credit derivative contracts in the same manner that it determines the fair value of these contracts for other financial reporting purposes.
6.b.(1)	<u>Gross positive fair value.</u> Report in the appropriate column the total fair value of those credit derivatives reported in Schedule M, items 6.a.(1) through 6.a.(4), above, with positive fair values.
6.b.(2)	<u>Gross negative fair value.</u> Report in the appropriate column the total fair value of those credit derivatives reported in Schedule M, items 6.a.(1) through 6.a.(4), above, with negative fair values. Report the total fair value as an absolute value; do not enclose the total fair value in parentheses or use a minus (-) sign.

Schedule O – Other Data for Deposit Insurance Assessments (JUNE 2008)

General Instructions

Each FDIC-insured branch must complete either (1) items A through C and Memorandum items 1 through 3 or (2) items 1 through 7 and Memorandum items 1 through 5. An FDIC-insured branch that chooses to complete items A through C must continue to complete these items each quarter thereafter. An FDIC-insured branch that completes items A through C may also choose to complete items D through F, but must continue to complete items D through F each quarter thereafter.

<u>Item No.</u>	<u>Caption and Instructions</u>
A	<u>Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.</u> Report on an unconsolidated basis the gross total deposit liabilities, including IBFs, as of the calendar quarter-end report date that meet the statutory definition of deposits in Section 3(l) of the Federal Deposit Insurance Act before deducting exclusions from total deposits that are allowed in the determination of the assessment base upon which deposit insurance assessments (and FICO premiums) are calculated. Since the FDIC's amendments to its assessment regulations in 2006 did not substantially change the definition of deposits for assessment purposes, an institution's gross total deposit liabilities are the combination of all deposits in "domestic offices" reported in Schedule RAL, item 4.a; and the amounts that would otherwise be reported in items 4 through 7 of the current format of Schedule O (i.e., excluding unposted debits and unposted credits that would otherwise be reported in items 2 and 3 of Schedule O). See the Glossary entry for "deposits" for the statutory definition of deposits. An institution's documentation to support the amounts reported for purposes of determining its assessment base has always been, and continues to be, subject to verification. This documentation includes the actual system control summaries in the

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Schedule O – Other Data for Deposit Insurance Assessments – (con't)

General Instructions

A (con't) institution's systems that provide the detail sufficient to track, control, and handle inquiries from depositors about their specific individual accounts. These systems can be automated or manual. If the system control summaries have been reduced by accounts that are overdrawn, these overdrawn accounts are extensions of credit that must be treated and reported as "loans" rather than being treated as negative deposit balances. Unposted debits and unposted credits should not be included in an institution's system control summaries. However, if they are included in the gross total deposit liabilities reported in this item, they may be excluded in Schedule O, item B below.

B **Total allowable exclusions (including foreign deposits).** Report the total amount of allowable exclusions from deposits as of the calendar quarter-end report date if the institution maintains such records as will readily permit verification of the correctness of its reporting of exclusions. The allowable exclusions include:

(1) *Foreign Deposits:* As defined in Section 3(l)(5) of the Federal Deposit Insurance Act, foreign deposits include:

(A) any obligation of a depository institution which is carried on the books and records of an office of such institution located outside of any State, unless –

(i) such obligation would be a deposit if it were carried on the books and records of the depository institution, and would be payable at, an office located in any State; and

(ii) the contract evidencing the obligation provides by express terms, and not by implication, for payment at an office of the depository institution located in any State; and

(B) any international banking facility deposit, including an international banking facility time deposit, as such term is from time to time defined by the Board of Governors of the Federal Reserve System in regulation D or any successor regulation issued by the Board of Governors of the Federal Reserve System.

(2) *Reciprocal balances:* Any demand deposit due from or cash item in the process of collection due from any depository institution (not including a foreign bank or foreign office of another U.S. depository institution) up to the total amount of deposit balances due to and cash items in the process of collection due such depository institution.

(3) *Drafts drawn on other depository institutions:* Any outstanding drafts (including advices and authorization to charge the depository institution's balance in another bank) drawn in the regular course of business by the reporting depository institution.

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Schedule O – Other Data for Deposit Insurance Assessments – (con't)

General Instructions

B (con't) (4) *Pass-through reserve balances*: Reserve balances passed through to the Federal Reserve by the reporting institution that are also reflected as deposit liabilities of the reporting institution. This exclusion is not applicable to an

institution that does not act as a correspondent in any pass-through reserve balance relationship. A state nonmember bank generally cannot act as a pass-through correspondent unless it maintains an account for its own reserve balances directly with the Federal Reserve.

(5) *Depository institution investment contracts*: Liabilities arising from depository institution (cont.) investment contracts that are not treated as insured deposits under section 11(a)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(5)). A Depository Institution Investment Contract is a separately negotiated depository agreement between an employee benefit plan and an insured depository institution that guarantees a specified rate for all deposits made over a prescribed period and expressly permits benefit responsive withdrawals or transfers.

(6) *Accumulated deposits*: Deposits accumulated for the payment of personal loans that are assigned or pledged to assure payment of the loans at maturity. Deposits that simply serve as collateral for loans are not an allowable exclusion.

C **Total foreign deposits (included in total allowable exclusions)**. Report the total amount of foreign deposits (including International Banking Facility deposits) as of the calendar quarter-end report date included in Schedule O, item B above.

D **Total daily average of deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations**. Report the total daily average for the quarter of gross total deposit liabilities that meet the statutory definition of deposits in Section 3(l) of the Federal Deposit Insurance Act before deducting exclusions from total deposits that are allowed in the determination of the assessment base upon which deposit insurance assessments (and FICO premiums) are calculated. For further information on deposit amounts to be included, see the instructions for Schedule O, item A above. For information on calculating the total daily average for the quarter, see the General Instructions for Schedule O above.

E **Total daily average of allowable exclusions (including foreign deposits)**. Report the **total daily average** for the quarter of the total amount of allowable exclusions from deposits (as defined in Schedule RC-O, item B, above) if the institution maintains such records as will readily permit verification of the correctness of its reporting of exclusions.

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F **Total daily average of foreign deposits.** Report the **total daily average** for the quarter of the total amount of foreign deposits (including International Banking Facility deposits) included in Schedule O, item E above.

Schedule Q – Financial Assets and Liabilities Measured at Fair Value

General Instructions

Schedule RC-Q is to be completed by institutions that have adopted FASB Statement No. 157, “Fair Value Measurements” (FAS 157), and either:

(1) Have elected to report certain assets and liabilities at fair value with changes in fair value recognized in earnings in accordance with U.S. generally accepted accounting principles (GAAP) (i.e., FASB Statement No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (FAS 159); FASB Statement No. 155, “Accounting for Certain Hybrid Financial Instruments” (FAS 155); and FASB Statement No. 156, “Accounting for Servicing of Financial Assets” (FAS 156)). This election is generally referred to as the fair value option.

OR

(2) Have trading assets of \$2 million or more for any quarter of the preceding calendar year. For purposes of the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (RAL), institutions must adopt FAS 157 in accordance with its effective date. Except for institutions that have issued financial statements and filed RALs that include the adoption of FAS 157 in its entirety, institutions must adopt FAS 157 for all financial assets and financial liabilities and for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually) in the first fiscal quarter of their first fiscal year beginning after November 15, 2007. Institutions must adopt FAS 157 for all other nonfinancial assets and nonfinancial liabilities in the first fiscal quarter of their first fiscal year beginning after November 15, 2008. Thus, branches and agencies with a calendar year fiscal year that did not early adopt FAS 157 must adopt this accounting standard for all financial assets and financial liabilities and for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value on a recurring basis as of January 1, 2008, and for all other nonfinancial assets and nonfinancial liabilities as of January 1, 2009.

Column Instructions

Column A, Total Fair Value Reported on Schedule RAL

For items 1, 2.a, 3, 4, 6, and 7, include in Column A the total fair value of those assets and liabilities reported on Schedule RAL, Assets and Liabilities, that the branch or agency has elected to report at fair value under a fair value option. For items 2 and 5, include in Column A the total amount of trading assets and trading liabilities, including items accounted for under a fair value option that are designated as trading, reported in Schedule RAL C, item 1.f and item 4.e, respectively.

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Schedule Q – Financial Assets and Liabilities Measured at Fair Value – (con’t)

Columns B through E, Fair Value Measurements and Netting Adjustments

For items reported in Column A, report in Columns C, D, and E the fair value amounts which fall in their entirety in Levels 1, 2, and 3, respectively. The level in the fair value hierarchy within which a fair value measurement in its entirety falls should be determined based on the lowest level input that is significant to the fair value measurement in its entirety. Thus, for example, if the fair value of an asset or liability has elements of both Level 2 and Level 3 measurement inputs, report the entire fair value of the asset or liability in Column D or Column E based on the lowest level measurement input with the most significance to the fair value of the asset or liability in its entirety as described in FAS 157. For assets and liabilities that the branch or agency has netted under legally enforceable master netting agreements in accordance with FASB Interpretation No. 39, “Offsetting of Amounts Related to Certain Contracts,” or FASB Interpretation No. 41, “Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements,” report the gross amounts in Columns C, D, and E and the related netting adjustment in Column B. For more information on Level 1, 2, and 3 measurement inputs, see the Glossary entry for “fair value.”

Item Instructions

For each item in Schedule Q, the sum of columns C, D, and E less column B must equal column A.

<u>Item No.</u>	<u>Caption and Instructions</u>
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- | | |
|-----|---|
| 1 | <u>Loans and leases.</u> Report in the appropriate column the total fair value of those loans reported in Schedule C that the branch or agency has elected to report under the fair value option; the fair values determined using Level 1, Level 2, and Level 3 measurement inputs; and any netting adjustments. Loans held for investment that the bank has elected to report under the fair value option are included in Schedule C and Schedule RAL, item 1.e. Leases are generally not eligible for the fair value option. Exclude loans that have been reported as trading assets in Schedule RAL, item 1.f. |
| 2 | <u>Trading assets.</u> Report in the appropriate column the total fair value of trading assets as reported in Schedule RAL, item 1.f; the fair values determined using Level 1, Level 2, and Level 3 measurement inputs, including loans that have been reported as trading; and any netting adjustments. |
| 2.a | <u>Nontrading securities at fair value with changes in fair value reported in current earnings.</u> Report in the appropriate column the total fair value of those securities the bank has elected to report under the fair value option that is included in Schedule Q, item 2 above; the fair values determined using Level 1, Level 2, and Level 3 measurement inputs; and any netting adjustments. Securities that the branch or agency has elected to report at fair value under the fair value option are reported as trading securities pursuant to FAS 159 even though management did not acquire the securities principally for the purpose of trading. |

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- 3 **All other financial assets and servicing assets.** Report in the appropriate column the total fair value of all other assets (except loan commitments reported in Schedule Q, item 7 below) the branch or agency has elected to report under the fair value option that is included in Schedule RAL, Assets and Liabilities, and is not reported in Schedule Q, items 1 and 2 above; the fair values determined using Level 1, Level 2, and Level 3 measurement inputs; and any netting adjustments.

Exclude assets required to be measured at fair value for which the fair value option would not be applicable, such as derivative assets held for purposes other than trading and interest only strips receivable (not in the form of a security). Because these categories of assets are required to be reported at fair value on the balance sheet under applicable accounting standards, the fair value option cannot be applied to them.

- 4 **Deposits.** Report in the appropriate column the total fair value of those deposits the branch or agency has elected to report under the fair value option that is included in Schedule RAL, item 4.a; the fair values determined using Level 1, Level 2, and Level 3 measurement inputs; and any netting adjustments. **Deposits withdrawable on demand (e.g., demand and savings deposits in domestic offices) are generally not eligible for the fair value option.**

- 5 **Trading liabilities.** Report in the appropriate column the total fair value of trading liabilities as reported in Schedule RAL, item 4.f; the fair values determined using Level 1, Level 2, and Level 3 measurement inputs; and any netting adjustments.

- 6 **All other financial liabilities and servicing liabilities.** Report in the appropriate column the total fair value of all other liabilities (except loan commitments reported in Schedule Q, item 7 below) the branch or agency has elected to report under the fair value option that is included in Schedule RAL, Assets and Liabilities, and is not reported in Schedule Q, items 4 and 5 above; the fair values determined using Level 1, Level 2, and Level 3 measurement inputs; and any netting adjustments.

Exclude liabilities required to be measured at fair value for which the fair value option would not be applicable, such as derivative liabilities held for purposes other than trading. Because these liabilities are required to be reported at fair value on the balance sheet under applicable accounting standards, the fair value option cannot be applied to them.

- 7 **Loan commitments (not accounted for as derivatives).** Report in the appropriate column the total fair value of those unused loan commitments the branch or agency has elected to report under the fair value option that is included in Schedule RAL, Assets and Liabilities; the fair values determined using Level 1, Level 2, and Level 3 measurement inputs; and any netting adjustments.

Exclude unused loan commitments that meet the definition of a derivative under GAAP. For purposes of this item, report the net fair value of unused loan commitments reported as assets and those reported as liabilities. If the net fair value is a liability, report it as a negative number.

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Schedule S – Servicing, Securitization, and Asset Sale Activities

Column Instructions

Column G, All Other Loans, All Leases, and All Other Assets:

All other loans are loans that cannot properly be reported in Columns A through F of this schedule as defined for Schedule C, part I, items 1.a, 1.b, 1.d, 1.e, 2, 3, and 6 through 8. All leases are all lease financing receivables as defined for Schedule C, part I, item 9. All other assets are all assets other than loans and leases, e.g., securities.

Glossary

Fair Value: The accounting standard for fair value measurements that should be applied in accounting pronouncements that require or permit fair value measurements is FASB Statement No. 157, “Fair Value Measurements” (FAS 157). For further information, refer to FASB Statement No. 157.

FAS 157 defines fair value and establishes a framework for measuring fair value. The definition of fair value for an asset or liability is the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants (not a forced liquidation or distressed sale) in the asset’s or liability’s principal (or most advantageous) market at the measurement date. The transaction is assumed to occur based on an exit price notion versus an entry price.

FAS 157 establishes a three level fair value hierarchy that prioritizes inputs used to measure fair value. The highest priority is given to Level 1 and the lowest priority to Level 3.

Level 1 fair value measurement inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a bank has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 fair value measurement inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Depending on the specific factors related to an asset or a liability, certain adjustments to Level 2 inputs may be necessary to determine the fair value of the asset or liability. If those adjustments are significant to the asset or liability’s fair value in its entirety, the adjustments may render the fair value hierarchy classification to a Level 3 fair value measurement rather than a Level 2 fair value measurement.

Level 3 fair value measurement inputs are unobservable inputs for the asset or liability. Although these inputs may not be readily observable in the market, the fair value measurement objective is, nonetheless, to obtain an exit price for the asset or liability from the perspective of a market participant. Therefore, Level 3 fair value measurement inputs should reflect the institution’s own assumptions about the assumptions that a market participant would use in pricing an asset or liability and should be based on the best information available in the circumstances.

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FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Earlier application is permitted, provided that the institution has not yet issued financial statements for that fiscal year, including financial statements or Report of Assets and Liabilities for an interim period within that fiscal year. For purposes of these reports, institutions must adopt FAS 157 upon the statement's effective date based on their fiscal year, with earlier application permitted consistent with the statement.