

Schedule RAL

- (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.

Item 1(e) Loans, net of unearned income.

Report in the appropriate columns the amounts from Schedule C, part I, item 11, columns A and B. For a detailed description of loans, see the discussion in the introduction to Schedule C.

Item 1(f) Trading assets.

Branches and agencies that (a) regularly underwrite or deal in securities; interest rate, foreign exchange rate, commodity, equity, and credit derivative contracts; other financial instruments; and other assets for resale; (b) acquire or take positions in such items principally for the purpose of selling in the near term or otherwise with the intent to resell in order to profit from short-term price movements; or (c) acquire or take positions in such items as an accommodation to customers or for other trading purposes shall report in items 1(f)(1) through 1(f)(4) the fair value of such assets or positions on the report date. Assets and other financial instruments held for trading shall be consistently valued at fair value. See the Glossary entry for "trading account" for further information.

Trading assets also include the amount of revaluation gains (i.e., assets) from the "marking to market" of derivative contracts held for trading purposes. Revaluation gains and losses (i.e., assets and liabilities) from the "marking to market" of the reporting branch or agency's derivative contracts with the same counterparty that meet the criteria for a valid right of setoff contained in FASB Interpretation No. 39 (e.g., those contracts subject to a qualifying master netting agreement) may be reported on a net basis using this item and Schedule RAL, item 4(e), "Trading liabilities," as appropriate. For further information, see the Glossary entry for "offsetting."

Do not include in this item the carrying value of any securities that are available for sale or any loans or leases

that are held for sale. Available-for-sale securities should be reported in Schedule RAL, item 1(b) or 1(c), and in Schedule RAL, Memorandum items 3 and 4. Loans and leases that are held for sale should be reported in Schedule RAL, item 1(e), and in Schedule C.

Item 1(f)(1) U.S. Treasury and Agency securities.

Report the fair value of all U.S. Treasury securities and U.S. Government agency and corporation obligations held for trading by the reporting branch or agency. Exclude mortgage-backed securities.

Item 1(f)(2) Mortgage-backed securities.

Item 1(f)(2)(a) Issued or guaranteed by U.S. Government agencies.

Report the fair value of all mortgage-backed securities (as defined in item 1.c.(2) above) issued by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC) or guaranteed by the Government National Mortgage Association (GNMA) held for trading by the reporting branch or agency. Also include REMICs issued by the U.S. Department of Veterans Affairs (VA) held for trading by the reporting branch or agency.

Item 1(f)(2)(b) Other.

Report the fair value of all mortgage-backed securities (as defined in item 1.c.(2) above) issued by non-U.S.-government issuers (e.g., other depository institutions, insurance companies, and state and local housing authorities in the U.S.) held for trading by the reporting branch or agency.

Item 1(f)(3) Other asset-backed securities.

Report the fair value of all other asset-backed securities (as defined in item 1.c.(3) above), including asset-backed commercial paper, held for trading by the reporting branch or agency. Include asset-backed securities collateralized by credit card receivables (i.e., extensions of credit to individuals for household, family, and other personal expenditures arising from credit cards), home equity lines of credit (i.e., revolving, open-end lines of credit secured by 1-to-4 family residential properties), automobile loans (i.e., loans to individuals for the purpose of purchasing private passenger vehicles, including minivans, vans, sport utility vehicles, pickup trucks, and similar light trucks for personal use), other consumer

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loans (i.e., loans to individuals for household, family, and other personal expenditures), commercial and industrial loans (i.e., loans for commercial and industrial purposes to sole proprietorships, partnerships, corporations, and other business enterprises, whether secured (other than by real estate) or unsecured, single-payment or installment), and all other asset-backed securities collateralized by non-mortgage loans.

Item 1(f) ~~(4)~~ ⁽⁵⁾ Other trading assets.

Report the fair value of all other assets held for trading by the reporting branch or agency. Other trading assets include, but are not limited to:

- ~~(1) securities issued by states and political subdivisions in the U.S.~~
- ~~(2) other bonds, notes, and debentures.~~
- (1) ~~(2)~~ certificates of deposit;
- (2) ~~(1)~~ commercial paper;
- (3) ~~(2)~~ bankers acceptances;
- (4) ~~(3)~~ loans; and
- (5) ~~(4)~~ derivatives with a positive fair value.

Item 1(g) Not applicable.

Item 1(h) Other assets (including other claims on nonrelated parties).

Report the total of all other claims on related nondepository and nonrelated parties, and other assets, which cannot properly be reported in Asset items 1(a) through 1(g) of this schedule.

Include:

- (1) Income earned or accrued but not collected on loans, securities, and other interest-bearing assets.
- (2) Prepaid expenses (i.e., those applicable as a charge against operations in future periods).
- (3) Accrued interest on securities purchased.
- (4) Cash items not conforming to the definition of "Cash items in process of collection" found in the instructions to Schedule A, item 1.
- (5) Credit or debit card sales slips in process of collection until the reporting branch or agency has been

notified that it has been given credit (thereafter report in Schedule A, item 3 or 4, as appropriate).

- (6) Derivative instruments with nonrelated parties that have a positive fair value that are held for purposes other than trading.
- (7) Purchased computer software, net of accumulated amortization, and unamortized costs of computer software to be sold, leased, or otherwise marketed capitalized in accordance with the provisions of FASB Statement No. 86.
- (8) Bullion not held for trading (e.g., gold or silver).
- (9) Original art objects, including paintings, antique objects, and similar valuable decorative articles (report at cost, unless there has been a decline in value, judged to be other than temporary, in which case the object should be written down to its fair value).
- (10) Cash surrender value of life insurance policies for which the branch or agency is the beneficiary.
- (11) The book value, less accumulated depreciation or amortization, of all premises, equipment, furniture and fixtures. Any method of depreciation conforming to acceptable accounting principles may be used. Do *not* deduct mortgages or other liens on such property (report in Liability item 4(f)).

Include:

- (a) Premises that are actually owned by the reporting institution and that are entirely or partly occupied (or are to be occupied, if under construction) by the reporting institution.
- (b) Leasehold improvements, vaults, and fixed machinery and equipment.
- (c) Remodeling costs to existing premises, real estate acquired and intended to be used for future expansion, and parking lots, whether adjoining or not adjoining the reporting institution's premises, that are owned by the reporting institution and that are used by its customers or employees.
- (d) All furniture, fixtures, and movable equipment.
- (e) The amounts assigned to leases acquired in purchase and assumption transactions.
- (f) The amount of stocks and bonds that indirectly

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Item 1(f)(4) Other securities.

Report the fair value of all other securities held for trading by the reporting branch or agency. Include securities issued by states and political subdivisions in the U.S., securities of foreign governments and official institutions, and all other bonds, notes and debentures not reported in items 1.f.(1) through 1.f.(3) above, held for trading purposes.