FFIEC 051

Draft Revisions to the Call Report Instructions

for Revisions to the FFIEC 051 Call Report

Effective September 30, 2019

These draft instructions, which are subject to change, reflect revisions to the FFIEC 051 Call Report that take effect September 30, 2019 (subject to OMB approval), as described in the federal banking agencies' Notice of Proposed Rulemaking (NPR) published on November 19, 2018 and the related final rule published on June 21, 2019. The final rule implements section 205 of the Economic Growth, Regulatory Relief, and Consumer Protection Act.

The NPR, the related final rule and the redlined FFIEC 051 reporting forms for the revisions to the FFIEC 051 Call Report that take effect on September 30, 2019, are available on the
FFIEC's web pages for the FFIEC 051 Call Report.

Draft Revisions to the Call Report Instructions for Revisions to the FFIEC 051 Call Report Effective September 30, 2019 (Subject to OMB Approval)

Contents

Note: These draft instructions reflect revisions to the FFIEC 051 Call Report that take effect September 30, 2019, subject to OMB approval, as described in the federal banking agencies' Notice of Proposed Rulemaking (NPR) published on November 19, 2018 and the related final rule published on June 21, 2019. The Federal Register notices and the redlined draft reporting form for these Call Report revisions are available on the FFIEC's web page for the FFIEC 051 Call Report.

Question concerning these draft instructions may be submitted to the FFIEC by going to https://www.ffiec.gov/contact/default.aspx, clicking on "Reporting Forms" under the "Reports" caption on the web page, and completing the Feedback Form.

GENERAL INSTRUCTIONS

Schedules RC and RC-B through RC-T constitute the FFIEC 051 version of the Consolidated Report of Condition and its supporting schedules. Schedules RI and RI-A through RI-E constitute the Consolidated Report of Income and its supporting schedules. Schedule RI-C collects certain information semiannually only from institutions with $1 billion or more in total assets. Schedule SU – Supplemental Information collects additional information in the FFIEC 051 on certain complex or specialized activities in which an institution may engage. The Consolidated Reports of Condition and Income are commonly referred to as the Call Report. For purposes of these General Instructions, the Financial Accounting Standards Board (FASB) Accounting Standards Codification is referred to as the "ASC."

Unless the context indicates otherwise, the term "bank" in the Call Report instructions refers to both banks and savings associations.

WHO MUST REPORT ON WHAT FORMS

Every national bank, state member bank, insured state nonmember bank, and savings association is required to file a consolidated Call Report normally as of the close of business on the last calendar day of each calendar quarter, i.e., the report date. The specific reporting requirements depend upon the size of the bank and whether it has any "foreign" offices. Banks must file the appropriate forms as described below:

(1) BANKS WITH FOREIGN OFFICES: Banks of <u>any</u> size that have any "foreign" offices (as defined below) must file quarterly the *Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices* (FFIEC 031). For purposes of these reports, all of the following constitute "foreign" offices:

   (a) An International Banking Facility (IBF);
   (b) A branch or consolidated subsidiary in a foreign country; and
   (c) A majority-owned Edge or Agreement subsidiary.

   In addition, for banks chartered and headquartered in the 50 states of the United States and the District of Columbia, a branch or consolidated subsidiary in Puerto Rico or a U.S. territory or possession is a "foreign" office. However, for purposes of these reports, a branch at a U.S. military facility located in a foreign country is a "domestic" office.

(2) BANKS WITHOUT FOREIGN OFFICES: Banks that have domestic offices only must file quarterly:

   (a) The *Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices* (FFIEC 031) if the bank has total consolidated assets of $100 billion or more;
   (b) The *Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only* (FFIEC 041) if the bank has total consolidated assets less than $100 billion; or
   (c) The *Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less than $5~~1~~ Billion* (FFIEC 051),

   as appropriate to the reporting institution. An institution eligible to file the FFIEC 051 report (as discussed below) may choose instead to file the FFIEC 041 report.

For banks chartered and headquartered in Puerto Rico or a U.S. territory or possession, a branch or consolidated subsidiary in one of the 50 states of the United States, the District of Columbia, Puerto Rico, or a U.S. territory or possession is a "domestic" office.

For those institutions filing the FFIEC 031 or FFIEC 041, a separate instruction book covers both of these report forms. Please refer to this separate instruction book for the General Instructions for the FFIEC 031 and the FFIEC 041 report forms.

Eligibility to File the FFIEC 051

Institutions with domestic offices only and total assets less than $5~~1~~ billion, excluding those that are advanced approaches institutions for regulatory capital purposes,[1] and those that are large or highly complex institutions for deposit insurance assessment purposes,[2] are eligible to file the FFIEC 051 Call Report. An institution's total assets are measured as of June 30 each year to determine the institution's eligibility to file the FFIEC 051 beginning in March of the following year.

For an institution otherwise eligible to file the FFIEC 051, the institution's primary federal regulatory agency, jointly with the state chartering authority, if applicable, may require the institution to file the FFIEC 041 instead based on supervisory needs. In making this determination, the appropriate agency ~~will~~ may consider criteria including, but not limited to, whether the eligible institution is significantly engaged in one or more complex, specialized, or other higher risk activities, such as those for which limited information is reported in the FFIEC 051 compared to the FFIEC 041 (trading; derivatives; mortgage banking; fair value option usage; servicing, securitization, and asset sales; and variable interest entities). The agencies anticipate making such determinations only in a limited number of cases.

Close of Business

The term "close of business" refers to the time established by the reporting bank as the cut-off time for receipt of work for posting transactions to its general ledger accounts for that day. The time designated as the close of business should be reasonable and applied consistently. The posting of a transaction to the general ledger means that both debit and credit entries are recorded as of the same date. In addition, entries made to general ledger accounts in the period subsequent to the close of business on the report date that are applicable to the period covered by the Call Report (e.g., adjustments of accruals, posting of items held in suspense on the report date to their proper accounts, and other quarter-end adjusting entries) should be reported in the Call Report as if they had actually been posted to the general ledger at or before the cut-off time on the report date.

With respect to deposits received by the reporting bank after the cut-off time for posting them to individual customer accounts for a report date (i.e., so-called "next day deposits" or "late deposits"), but which are nevertheless posted in any manner to the reporting bank's general ledger accounts for that report date (including, but not limited to, through the use of one or more general ledger contra accounts), such deposits must be reported in Schedule RC-O, Other Data for Deposit Insurance and FICO Assessments, item 1, and may also be reported in Schedule RC, Balance Sheet, item 13, "Deposits," and Schedule RC-E, Deposit Liabilities. However, the use of memorandum accounts outside the reporting bank's general ledger system for control over "next day" or "late deposits" received on the report date does not in and of itself make such deposits reportable in Schedule RC-O and Schedules RC and RC-E.

[1] In general, an advanced approaches institution, as defined in the regulatory capital rules, has consolidated total assets equal to $250 billion or more, has consolidated total on-balance sheet foreign exposure equal to $10 billion or more, is a subsidiary of a depository institution or holding company that uses the advanced approaches to calculate its total risk-weighted assets, or elects to use the advanced approaches to calculate its total risk-weighted assets. The regulatory capital rules are set forth in 12 CFR Part 3 for national banks and federal savings associations; 12 CFR Part 217 for state member banks; and 12 CFR Part 324 for state nonmember banks and state savings associations.

[2] See 12 CFR § 327.8 and 12 CFR § 327.16(f).

Frequency of Reporting[1]

Each institution is required to submit a Call Report quarterly as of the report date. However, for banks with fiduciary powers, the reporting frequency for Schedule RC-T, Fiduciary and Related Services, depends on their total fiduciary assets and their gross fiduciary and related services income. Banks with total fiduciary assets greater than ~~$250 million~~$1 billion (as of the preceding December 31) or with gross fiduciary and related services income greater than 10 percent of revenue (net interest income plus noninterest income) for the preceding calendar year must complete ~~the~~ certain applicable items of Schedule RC-T quarterly and other applicable items annually as of the December 31 report date. Banks with total fiduciary assets greater than $250 million, but less than or equal to $1 billion, (as of the preceding December 31) that do not meet the fiduciary income test described above for the preceding calendar year must complete certain applicable items of Schedule RC-T semiannually, as of the June 30 and December 30 report dates and other applicable items annually as of the December report date. All other banks with fiduciary powers must complete the applicable items of Schedule RC-T annually as of the December 31 report date.

For all institutions filing the FFIEC 051, Schedule RC-C, Part II, Loans to Small Businesses and Small Farms, must be completed semiannually as of the June 30 and December 31 report dates.

Schedule RC, Memorandum item 1, on the level of external auditing work performed for the bank, and Memorandum item 2, on the bank's fiscal year-end date, are to be reported annually as of the March 31 report date.

In addition, the following items are to be completed annually as of the December 31 report date by all institutions filing the FFIEC 051, as applicable:

(1) Schedule RI-E, items 1.a through 1.~~l~~j, on components of other noninterest income;

(2) Schedule RI-E, items 2.a through 2.p, on components of other noninterest expense;

(3) Schedule RC-C, Part I, Memorandum items 8.b and 8.c, and Schedule RI, Memorandum item 12, on closed-end 1-4 family residential mortgage loans with negative amortization features;

(4) Schedule RC-C, Part I, Memorandum items 15.a.(1) through 15.c.(2), on reverse mortgages;

(5) Schedule RC-E, Memorandum item 1.e, "Preferred deposits;"

(6) Schedule RC-M, item 6, "Does the reporting bank sell private label or third-party mutual funds and annuities?";

(7) Schedule RC-M, item 7, "Assets under the reporting bank's management in proprietary mutual funds and annuities";

(8) Schedule RC-M, item 9, "Do any of the bank's Internet websites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the website?";

(9) Schedule RC-M, item 11, "Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?";

(10) Schedule RC-M, item 12, "Does the bank provide custody, safekeeping, or other services involving the acceptance of orders for the sale or purchase of securities?"; and

(11) Schedule RC-M, items 14.a and 14.b, on assets of captive insurance and reinsurance subsidiaries.

[1] The reporting frequency for particular schedules and data items differs on the three versions of the Call Report. Please see the General Instructions for the FFIEC 031 and the FFIEC 041 for a listing of data items reported less frequently than quarterly on those report forms.

The following items, if applicable, are to be completed annually as of the December 31 report date only by institutions with $1 billion or more in total assets (measured as of June 30 of the preceding year) filing the FFIEC 051:

(1) Schedule RI, item 15, “Components of service charges on deposit accounts,” (if the bank answered “Yes” to Schedule RC-E, Memorandum item 5, which asks whether the bank offers one or more consumer deposit account products); and
(2) Schedule RC-E, Memorandum items 6 and 7, on the amount of deposits in transaction and nontransaction savings consumer deposit account products (if the bank answered “Yes” to Schedule RC-E, Memorandum item 5, which asks whether the bank offers one or more consumer deposit account products).

The following items are to be reported semiannually as of the June 30 and December 31 report dates by all institutions filing the FFIEC 051, as applicable:

(1) Schedule RI, Memorandum item 14, “Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings”;

~~(1)~~(2) Schedule RC-B, Memorandum item 3, “Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date”;

~~(2) Schedule RC-B, Memorandum items 6.a through 6.g, columns A through D, on structured financial products by underlying collateral or reference assets;~~

(3) Schedule RC-C, Part I, Memorandum items 1.a.(1) through 1.f.(5), on “Loans restructured in troubled debt restructurings that are in compliance with their modified terms” by loan category;

~~(3)~~(4) Schedule RC-C, Part I, Memorandum item 4, “Adjustable-rate closed-end loans secured by first liens on 1–4 family residential properties (included in Schedule RC-C, Part I, item 1.c.(2)(a))”;

~~(4)~~(5) Schedule RC-C, Part I, Memorandum items 7.a and 7.b, on purchased credit-impaired loans held for investment;

~~(5)~~(6) Schedule RC-C, Part I, Memorandum item 8.a, on closed-end 1-4 family residential mortgage loans with negative amortization features;

(7) Schedule RC-C, Part I, Memorandum item 12, columns A through C, “Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year”;

(8) Schedule RC-E, Memorandum item 1.a, “Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts”;

(9) Schedule RC-E, Memorandum item 5, “Does your institution offer one or more consumer deposit account products, i.e., transaction account or nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use?”;

~~(6)~~(10) Schedule RC-F, items 6.a through 6.j, on components of all other assets;

~~(7)~~(11) Schedule RC-G, items 4.a through 4.g, on components of all other liabilities;

~~(8)~~ (12) Schedule RC-L, items 9.c through 9.f, on components of all other off-balance sheet liabilities;

(13) Schedule RC-L, items, 10.b through 10.e, on components of all other off-balance sheet assets;

(14) Schedule RC-L, items 11.a and 11.b, on year-to-date merchant credit card sales volume;

(15) Schedule RC-M, items 8.a through 8.c, on website addresses and physical office trade names;

(16) Schedule RC-N, Memorandum items 1.a.(1) through 1.f.(5), columns A through C, on loans restructured in troubled debt restructurings by loan category that are past due 30 days or more and still accruing or are on nonaccrual;

(17) Schedule RC-N, Memorandum item~~,~~ 5, columns A through C, on past due and nonaccrual loans and leases held for sale;

(18) Schedule RC-N, Memorandum items 7 and 8, on additions to and sales of nonaccrual assets during the previous six months; ~~and~~

(19) Schedule RC-N, Memorandum items 9.a and 9.b, columns A through C, on purchased credit-impaired loans~~.~~;

(20) Schedule RC-R, Part II, items 1 through 25, columns A through U, as applicable, on the risk-weighting of assets and other exposures for risk-based capital purposes; and

(21) Schedule RC-R, Part II, Memorandum item 1, on the current credit exposure of all derivatives and Memorandum items 2 and 3, columns A through C, on the notional amounts of derivatives by remaining maturity and underlying risk exposure.

The following items are to be completed semiannually as of the June and December 31 report dates only by institutions with $1 billion or more in total assets (measured as of June 30 of the preceding year) filing the FFIEC 051:

(1) Schedule RI-C, items 1 through 6, columns A and B, on disaggregated data on the allowance for loan and lease losses; and

(2) For institutions that have adopted FASB Accounting Standards Update No. 2016-13 (ASU 2016-13), which governs the accounting for credit losses, Schedule RI-C, items 7 through 11, on disaggregated data on the allowance for credit losses on held-to-maturity debt securities.

In addition, in Schedule RC-M, information on “International remittance transfers offered to consumers” is to be provided in item 16.a and, if appropriate, in items 16.c and 16.d semiannually as of the June 30 and December 31 report dates. Item 16.b is to be completed annually as of the June 30 report date only.

Differences in Detail of Reports

The amount of detail required to be reported varies between the three versions of the Call Report forms, with the report form for banks with foreign offices or with total consolidated assets of $100 billion or more (FFIEC 031) having more detail than the report form for banks with domestic offices only and total consolidated assets of less than $100 billion (FFIEC 041). The report form for banks with domestic offices only and total assets less than $~~1~~ 5 billion (FFIEC 051) has the least amount of detail of the three reports.

Furthermore, as discussed below under Shifts in Reporting Status, the amount of detail also varies within each report form, primarily based on the size of the bank. See the General Instructions section of the instruction book for the FFIEC 031 and the FFIEC 041 for information on the differences in the level of detail within the FFIEC 031 and the FFIEC 041 report forms.

Differences in the level of detail within the FFIEC 051 report form are as follows:

(1) Banks with specified loan categories included in Schedule RC-C, Part I, Memorandum item 1.f, “All other loans” that exceed 10 percent of total loans restructured in troubled debt restructurings (TDRs) that are in compliance with their modified terms must report the amount of such TDRs in Memorandum items 1.f.(1), 1.f.(4)(a), 1.f.(4)(b), and 1.f.(4)(c).

(2) Banks that reported closed-end loans with negative amortization features secured by 1–4 family residential properties in Schedule RC-C, Part I, Memorandum item 8.a, as of the preceding December 31 that exceeded the lesser of $100 million or 5 percent of total loans and leases held for investment and held for sale must report certain additional information on these loans in Schedule RC-C, Part I, Memorandum items 8.b and 8.c, and Schedule RI, Memorandum item 12, annually in the December report only.

(3) Banks that reported construction, land development, and other land loans in Schedule RC-C, Part I, item 1.a, that exceeded 100 percent of total capital as of the preceding December 31 must report certain information on loans in this loan category with interest reserves in Schedule RC-C, Part I, Memorandum items 13.a and 13.b.

(4) Banks that reported in Schedule RC-M, item 16.b, that they provided more than 100 international remittance transfers in the previous calendar year or that they estimate that they will provide more than 100 international remittance transfers in the current calendar year must report certain additional information on their international remittance transfer activities during specified periods in Schedule RC-M, items 16.c and 16.d.

(5) Banks with specified loan categories included in Schedule RC-N, Memorandum item 1.f, “All other loans” that exceed 10 percent of total loans restructured in troubled debt restructurings (TDRs) that are past due 30 days or more or are in nonaccrual status must report the amount of such TDRs in Memorandum items 1.f.(1), 1.f.(4)(a), 1.f.(4)(b), and 1.f.(4)(c).

(6) Banks with total fiduciary assets greater than $250 million (as of the preceding December 31) or with gross fiduciary and related services income greater than 10 percent of revenue (net interest income plus noninterest income) for the preceding calendar year must report information on their fiduciary and related services income and on fiduciary settlements and losses in Schedule RC-T.

(7) Banks with total fiduciary assets greater than $100 million but less than or equal to $250 million (as of the preceding December 31) and with gross fiduciary and related services income less than or equal to 10 percent of revenue (net interest income plus noninterest income) for the preceding calendar year must report information on fiduciary settlements and losses in Schedule RC-T.

(8) Banks with collective investment funds and common trust funds with a total market value of $1 billion or more as of the preceding December 31 must report a breakdown of these funds by type of fund in Schedule RC-T, Memorandum items 3.a through 3.g, quarterly or annually, as appropriate.

(9) Banks that, for each of the two calendar quarters preceding the current calendar quarter, had either (a) more than $10 million in sales of 1-4 family residential mortgage loans during the calendar quarter, or (b) more than $10 million in 1-4 family residential mortgage loans held for sale or trading at calendar quarter-end must complete Schedule SU, items 2.a and 2.b.

(10) Banks servicing either (a) any closed-end 1-4 family residential mortgages or (b) more than $10 million in financial assets other than closed-end 1-4 family residential mortgages must report the total volume of such servicing in Schedule SU, item 6.a.

(11) Banks that, together with affiliated institutions, have outstanding credit card receivables that exceed $500 million as of the report date or are credit card specialty institutions as defined for Uniform Institution Performance Report purposes must report certain information on retail credit card fees and finance charges in Schedule SU, items 8.a through 8.d.

Shifts in Reporting Status

All shifts in reporting status within the FFIEC 051 report form (except as noted below) are to begin with the March Call Report. Such a shift will take place only if the reporting bank~~'~~'s total assets, agricultural loans, or credit card lines, as reflected in the Consolidated Report of Condition for June of the previous calendar year, equal or exceed the following criteria:

(1) When *total assets equal or exceed $100 million*, a bank must begin to complete Schedule RC-K, item 13, for the quarterly average of ~~"~~“Other borrowed money.~~"~~”

(2) W*hen loans to finance agricultural production and other loans to farmers exceed 5 percent of total loans and leases held for investment and held for sale* at a bank with less than $300 million in total assets, the bank must begin to report the following information for these agricultural loans: interest and fee income, quarterly average, past due and nonaccrual loans, charge-offs and recoveries, and, if certain additional criteria are met, troubled debt restructurings.

(3) *When total assets equal or exceed $300 million*, a bank must begin to complete certain Memorandum items providing the following information on loans to finance agricultural production and other loans to farmers: interest and fee income, quarterly average, past due and nonaccrual loans, charge-offs and recoveries, and, if certain additional criteria are met, troubled debt restructurings.

(4) *When total assets equal or exceed $1 billion*, a bank must begin to complete:

(a) Schedule RI, item 15, “Components of service charges on deposit accounts,” (if the bank answered “Yes” to Schedule RC-E, Memorandum item 5, which asks whether the bank offers one or more consumer deposit account products);

(b) Schedule RI-C, items 1 through 6, columns A and B, on disaggregated data on the allowance for loan and lease losses;

(c) For those institutions that have adopted ASU 2016-13, which governs the accounting for credit losses, Schedule RI-C, items 7 through 11, on disaggregated data on the allowance for credit losses on held-to-maturity debt securities;

(d) Schedule RC-E, Memorandum items 6 and 7, on the amount of deposits in transaction and nontransaction savings consumer deposit account products (if the bank answered “Yes” to Schedule RC-E, Memorandum item 5, which asks whether the bank offers one or more consumer deposit account products); and

(e) Schedule RC-O, Memorandum item 2, “Estimated amount of uninsured deposits including related interest accrued and unpaid.”

Once a bank reaches the $100 million, ~~or~~ $300 million, or $1 billion total asset threshold or exceeds the agricultural loan percentage threshold and begins to report the additional required information described above, it *must* continue to report the additional applicable information in subsequent years unless its total assets or loan percentage subsequently fall to less than the applicable threshold for four consecutive quarters. In this case, the institution may cease reporting the data items to which the threshold applies in the quarter after the four consecutive quarters in which its total assets or agricultural loans have fallen below the applicable threshold. However, if the institution exceeds the threshold as of a subsequent June 30 report date, the data items would again be required to be reported beginning in March of the following year.

For example, if June 30, 2018, is the first June 30 as of which an institution reports $300 million or more in total assets, the institution must begin reporting the data items to which the $300 million total assets threshold applies as of the March 31, 2019, report date. If the institution reports less than $300 million in total assets each quarter-end from September 30, 2018, through June 30, 2019, it may cease reporting the data items applicable to institutions with $300 million or more in total assets beginning September 30, 2019. In contrast, if instead the institution reports $300 million or more in total assets as of September 30 and December 31, 2018, but then reports less than $300 million in total assets each quarter-end from March 31, 2019, through December 31, 2019, it may cease reporting the data items applicable to institutions with $300 million or more in total assets beginning March 31, 2020.

For a bank that files the FFIEC 051 report, other shifts in reporting status occur when:

(1) The bank establishes or acquires any "foreign" office. The bank must begin filing the FFIEC 031 report form (Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices) for the first quarterly report date following the commencement of operations by the "foreign" office. However, a bank with "foreign" offices that divests itself of *all* its "foreign" offices must continue filing the FFIEC 031 report form through the end of the calendar year in which the cessation of all operations of its "foreign" offices was completed.

(2) The institution is involved in a business combination, a transaction between entities under common control, or a branch acquisition that is not a business combination. Beginning with the first quarterly report date following the effective date of a such a transaction involving an institution and one or more other depository institutions, the resulting institution, regardless of its size prior to the transaction, must (a) file the FFIEC 031 report form if it acquires any "foreign" office, or (b) ~~file the report form if its consolidated total assets after the consummation of the transaction are $1 billion or more, or (c)~~ report the additional required information described above on the FFIEC 051 report form if its total assets or agricultural loans after the consummation of the transaction surpass the $100 million, ~~or~~ $300 million, or $1 billion total asset threshold or the agricultural loan percentage.

(3) The institution becomes an advanced approaches institution for regulatory capital purposes or a large or highly complex institution for deposit insurance assessment purposes. The institution must begin filing the FFIEC 041 report for the first quarterly report date after the date it becomes such an ~~advanced approaches~~ institution (unless it establishes or acquires a "foreign office" in the same quarter that it becomes such an ~~advanced approaches~~ institution, in which case the institution must begin filing the FFIEC 031 report form for that first quarterly report date).

In addition, beginning with the first quarterly report date after an operating depository institution that was not previously a member of the Federal Deposit Insurance Corporation (FDIC) becomes an FDIC-insured institution and is eligible to, and chooses to, file the FFIEC 051, it must report the additional required information described above, based on its total assets and agricultural loans at the time it becomes FDIC-insured.

ORGANIZATION OF THE INSTRUCTION BOOK

This instruction book covers the FFIEC 051 report form.[1] It is divided into the following sections:

(1) The General Instructions describe overall reporting requirements.

(2) The Line Item Instructions for each schedule of the Consolidated Report of Income.

[1] A separate instruction book covers both the FFIEC 031 and the FFIEC 041 report forms.

Memoranda

Item No. **Caption and Instructions**

NOTE: Memorandum item 12 is to be completed by banks that are required to complete Schedule RC-C, Part I, Memorandum items 8.b and 8.c, and is to be completed annually as of the December 31 report date.

12 **Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties.** Report the amount of noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (i.e., interest income accrued and uncollected that has been added to principal) included in interest and fee income on loans secured by real estate (Schedule RI, item 1.a.(1)).

Negative amortization refers to a method in which a loan is structured so that the borrower's minimum monthly (or other periodic) payment is contractually permitted to be less than the full amount of interest owed to the lender, with the unpaid interest added to the loan's principal balance. The contractual terms of the loan provide that if the borrower allows the principal balance to rise to a pre-specified amount or maximum cap, the loan payments are then recast to a fully amortizing schedule. Negative amortization features may be applied to either adjustable rate mortgages or fixed rate mortgages, the latter commonly referred to as graduated payment mortgages (GPMs).

13 Not applicable.

NOTE: Memorandum item 14 is to be completed semiannually in the June and December reports only by institutions that have not adopted FASB Accounting Standards Update No. 2016-13 (ASU 2016-13), which governs the accounting for credit losses. Institutions that have adopted ASU 2016-13 should leave Memorandum item 14 blank.

14 **Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings.** Report the amount of other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities that have been recognized in earnings during the calendar year to date as discussed in the following paragraphs. This amount is included in the realized gains (losses) on held-to-maturity and available-for-sale securities reported in Schedule RI, items 6.a and 6.b, respectively.

When the fair value of an individual held-to-maturity or available-for-sale debt security is less than its amortized cost basis, the security is impaired and the impairment is either temporary or other-than-temporary. To determine whether the impairment is other-than-temporary, a bank must apply the relevant guidance in ASC Topic 320, Investments-Debt Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities," as amended by FASB Staff Position (FSP) FAS 115-1 and FAS 124-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments," and FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments") and ASC Subtopic 325-40, Investments-Other – Beneficial Interests in Securitized Financial Assets (formerly Emerging Issues Task Force (EITF) Issue No. 99-20, "Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets," as amended by FSP EITF 99-20-1, "Amendments to the Impairment Guidance of EITF Issue No. 99-20"), as appropriate.

When an other-than-temporary impairment loss has occurred on an individual debt security, the total amount of the loss is the entire difference between the amortized cost of the debt security and its fair value on the measurement date of the other-than-temporary impairment. For an other-than-temporary impairment loss on a debt security that the bank intends to sell

Memoranda

Item No. **Caption and Instructions**

14 (cont.) and on a debt security that it is more likely than not that the bank will be required to sell before recovery of its amortized cost basis less any current-period credit loss, the total amount of the other-than-temporary impairment loss must be recognized in earnings and must be reported in this item.

For an other-than-temporary impairment loss on a debt security when the bank does not intend to sell the security and it is not more likely than not that the bank will be required to sell the security before recovery of its amortized cost basis less any current-period credit loss, the other-than-temporary impairment loss must be separated into (a) the amount representing the credit loss, which must be recognized in earnings, and (b) the amount related to all other factors, which must be recognized in other comprehensive income. Report in this item the portion of such an other-than-temporary impairment loss that represents the credit loss.

For further information, see the Glossary entry for "securities activities."

NOTE: Memorandum items 15.a through 15.d are to be completed annually in the December report only by institutions with $1 billion or more in total assets.[1]

15 **Components of service charges on deposit accounts.** Memorandum items 15.a through 15.d are to be completed by institutions that answered "Yes" to Schedule RC-E, Memorandum item 5, "Does your institution offer one or more consumer deposit account products, i.e., transaction account or nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use?" Such institutions should report in the appropriate subitem the year-to-date amount of the specified category of service charges on deposit accounts included in Schedule RI, item 5.b, "Service charges on deposit accounts." Consistent with the instructions for Schedule RI, item 5.b, the amount of service charges on deposit accounts reported in Memorandum items 15.a through 15.d should be net of amounts refunded to depositors.

The specified categories of service charges to be reported in Schedule RI, Memorandum items 15.a through 15.c, are those levied against consumer deposit account products offered by the reporting institution during the calendar year to date that would be reportable in Schedule RC-E, Memorandum items 6.a, 6.b, 7.a.(1), and 7.b.(1).

Once a customer has opened a deposit account with the reporting institution that is a deposit product intended primarily for individuals for personal, household, or family use, the institution is not required thereafter to review the customer's status or usage of the account to determine whether the transaction account is being used for personal, household, or family purposes. Thus, when reporting the amount of service charges on consumer deposit account products in Schedule RI, Memorandum items 15.a through 15.c, below, the reporting institution is not required to identify those individual accounts within the population of a particular consumer deposit account product that are not being used for personal, household, or family purposes and remove any service charges levied against these accounts from the total amounts of overdraft-related, periodic maintenance, and customer automated teller machine (ATM) fees charged to customer accounts within that consumer deposit product.

Treatment of Transfer Fees – If the reporting institution levies a service charge or fee on a consumer deposit account for a transfer between the account holder's deposit account and another account (including a loan account) regardless of the means by which the transfer is effected (e.g., in person, by telephone, via an ATM, and via online account access), the transfer fee should be reported in Schedule RI, Memorandum item 15.d, "All other service

[1] In general, the determination as to whether an institution has $1 billion or more in total assets is measured as of June 30 of the previous calendar year. See pages 7 and 8 of the General Instructions for guidance on shifts in reporting status.

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15 (cont.) charges on deposit accounts." In contrast, if the reporting institution levies a service charge or fee on a consumer deposit account for the account holder's use of an ATM to effect a transfer between the account holder's deposit account and another account (and not for the transfer itself), the service charge or fee is considered a fee for accessing the ATM and should be reported in Schedule RI, Memorandum item 15.c, "Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use," and is not considered a transfer fee.

The sum of Memorandum items 15.a through 15.d must equal Schedule RI, item 5.b.

15.a **Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.** For deposit account products intended, marketed, or presented to the public primarily for individuals for personal, household, or family use, report the amount of service charges and fees related to the processing of payments and debits against insufficient funds, including "nonsufficient funds (NSF) check charges," that the reporting institution assesses with respect to items that it either pays or returns unpaid, and all subsequent charges levied against overdrawn accounts, but excluding those fees equivalent to interest and reported in Schedule RI, item 1, "Interest and fee income on loans."

15.b **Consumer account periodic maintenance charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.** For deposit account products intended, marketed, or presented to the public primarily for individuals for personal, household, or family use, report the amount of service charges levied on such consumer deposit accounts for account holders' maintenance of their deposit accounts with the reporting institution (often labeled "monthly maintenance charges"). Include recurring fees not subject to waiver, which include fixed monthly or other periodic charges levied against a consumer deposit account for the maintenance of the account that the account holder cannot avoid under any circumstances, including, for example, by maintaining other deposit or loan accounts with the institution, maintaining a minimum deposit balance, or engaging in a specified level of account activity (such as the number of debit card transactions) during a month or other period. Also include maintenance charges subject to waiver during a month or other period that have not been waived, but have been levied against a consumer deposit account because of the account holder's failure to maintain specified minimum deposit balances or meet other requirements (e.g., requirements related to transacting and purchasing other services).

Exclude so-called "per-check fees" levied on consumer deposit accounts regardless of whether such fees are charged, for example, (a) for each check that is paid during a month or other period, (b) if a specified minimum account balance is not maintained during a month or other period, or (c) if the number of checks paid during a month or other period exceeds a specified number. "Per-check fees" should be reported in Schedule RI, Memorandum item 15.d, "All other service charges on deposit accounts." In addition, exclude so-called"per-item fees" that function in a manner similar to "per-check fees" and report such fees in Memorandum item 15.d.

Also exclude event-based service charges and fees levied on consumer deposit accounts, such as stop payment fees and wire transfer fees. Such service charges and fees should be reported in Schedule RI, Memorandum item 15.d.

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Item No. **Caption and Instructions**

15.c **Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.** For deposit account products maintained at the reporting institution and intended, marketed, or presented to the public primarily for individuals for personal, household, or family use, report the amount of service charges and fees levied against such consumer deposit accounts by the reporting institution for the account holder's use of ATMs or remote service units (RSUs) owned, operated, or branded by the institution, other institutions, or other third-party, non-bank ATM operators to access the account holder's consumer deposit accounts at the institution for purposes of conducting transactions and other activities. Such transactions and other activities include deposits to or withdrawals from consumer deposit accounts, account balance inquiries, and transfers between the account holder's consumer deposit account and another account (including a loan account). (See the "Treatment of Transfer Fees" above in the instructions for Schedule RI, Memorandum item 15.)

Exclude service charges levied by the reporting institution against deposit accounts maintained at other institutions for transactions conducted through the use of ATMs or RSUs owned, operated, or branded by the reporting institution. Also exclude debit card interchange fees. Such service charges and interchange fees should be reported in Schedule RI, item 5.l, "Other noninterest income," not in Schedule RI, item 5.b.

15.d **All other service charges on deposit accounts.** Report all other service charges on deposit accounts (in domestic offices) levied by the reporting institution and not reported in Schedule RI, Memorandum items 15.a, 15.b, and 15.c. Include service charges and fees on the reporting institution's deposit account products intended for use by a broad range of depositors (which may include individuals), rather than being intended, marketed, or presented to the public primarily for individuals for personal, household, or family use. For deposit account products intended for use by a broad range of depositors, the reporting institution need not identify the fees charged to accounts held by individuals for personal, household, or family use and need not report these fees in one of the three categories of consumer deposit account fees above.

Include "per-check fees" and "per-item fees" (as discussed in the instructions to Schedule RI, Memorandum item 15.b, above) and event-based service charges and fees (such as stop payment fees and wire transfer fees) levied on deposit accounts, including consumer deposit accounts. See the instructions for Schedule RI, Memorandum item 15, above for information on the "Treatment of Transfer Fees."

SCHEDULE RI-C – DISAGGREGATED DATA ON THE ALLOWANCE FOR LOAN AND LEASE LOSSES

General Instructions

Schedule RI-C is to be completed semiannually in the June and December reports only by institutions with $1 billion or more in total assets.[1]

Institutions that have not adopted FASB Accounting Standards Update No. 2016-13 (ASU 2016-13), which governs the accounting for credit losses, should complete only Schedule RI-C, items 1 through 6, Disaggregated Data on the Allowance for Loans and Leases, and should leave the data items reported in items 7 through 11 blank.

Institutions that have adopted ASU 2016-13 should complete Schedule RI-C, items 1 through 11.

General Instructions for Items 1 through 6, Loans and Leases Held for Investment.

Schedule RI-C, items 1 through 6, have two columns for the disclosure of disaggregated information by portfolio category on the recorded investment in loans (and, as applicable, leases) held-for-investment (column A) and the related balance in the allowance for loan and lease losses at the end of each quarter (column B), excluding loans held for investment that the institution has elected to report at fair value under a fair value option. Loans and leases held for investment are loans and leases that the institution has the intent and ability to hold for the foreseeable future or until maturity or payoff.

Institutions that have adopted ASU 2016-13, should report the amortized cost and related allowances for credit losses by loan category in columns A and B, respectively.

The loan and lease portfolio categories for which the allowance and related recorded investments are to be reported in Schedule RI-C, Part II, represent general categories rather than the standardized loan categories defined in Schedule RC-C, Part I, Loans and Leases. Based on the manner in which it segments its portfolio for purposes of applying its allowance methodology, each institution should report each component of the overall allowance reported in Schedule RC, item 4.c, and the recorded investment amount in the related loans and leases in the Schedule RI-C, items 1 through 6, general loan category that best corresponds to the characteristics of the related loans and leases.[2]

The sum of the recorded investment amounts reported in Schedule RI-C, items 1 through 6, plus the fair value of loans held for investment for which the fair value option has been elected, must equal the balance sheet amount of held for investment loans and leases reported in Schedule RC, item 4.b, "Loans and leases held for investment." Thus, the recorded investment amounts reported in column A must be net of unearned income.

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[1] In general, the determination as to whether an institution has $1 billion or more in total assets is measured as of June 30 of the previous calendar year. See pages 7 and 8 of the General Instructions for guidance on shifts in reporting status.

[2] For example, based on its allowance methodology, one institution's allowance components for credit cards might relate to both consumer and business credit card receivables, but another institution's allowance components for credit cards might relate only to consumer credit card receivables.

As another example, based on its allowance methodology, one institution might include its loans secured by farmland in its allowance components for commercial real estate loans, but another institution might include its loans secured by farmland in its allowance components for commercial loans.

Item No.	Caption and Instructions
1	**Real estate loans:**
1.a	**Construction loans.** Report in column A the recorded investment in held-for-investment construction loans and in column B the related balance in the allowance for loan and lease losses for such loans. Exclude loans that the institution has elected to report at fair value under a fair value option.
1.b	**Commercial real estate loans.** Report in column A the recorded investment in held-for-investment commercial real estate loans and in column B the related balance in the allowance for loan and lease losses for such loans. Exclude loans that the institution has elected to report at fair value under a fair value option.
1.c	**Residential real estate loans.** Report in column A the recorded investment in held-for-investment residential real estate loans and in column B the related balance in the allowance for loan and lease losses for such loans. Exclude loans that the institution has elected to report at fair value under a fair value option.
2	**Commercial loans.** Report in column A the recorded investment in held-for-investment commercial loans and in column B the related balance in the allowance for loan and lease losses for such loans. For purposes of this item, commercial loans include all loans and leases not reported as real estate loans, credit cards, or other consumer loans in the other items of this Schedule RI-C, Part II. Exclude loans that the institution has elected to report at fair value under a fair value option.
3	**Credit cards.** Report in column A the recorded investment in held-for-investment extensions of credit arising from credit cards and in column B the related balance in the allowance for loan and lease losses for such extensions of credit. Exclude loans that the institution has elected to report at fair value under a fair value option.
4	**Other consumer loans.** Report in column A the recorded investment in held-for-investment consumer loans other than credit cards and in column B the related balance in the allowance for loan and lease losses for such loans. Exclude loans that the institution has elected to report at fair value under a fair value option.
5	**Unallocated, if any.** Report in column B the amount of any unallocated portion of the allowance for loan and lease losses. An institution is not required to have an unallocated portion of the allowance.
6	**Total.** Report the sum of items 1.a through 5. The total of column A plus the total fair value of any loans held for investment for which the fair value option has been elected must equal Schedule RC, item 4.b, "Loans and leases held for investment." The total of column B must equal Schedule RC, item 4.c, "Allowance for loan and lease losses."

Held-to-Maturity Securities

For each of the specified categories of held-to-maturity debt securities in items 7 through 10, which correspond to the securities categories defined in Schedule RC-B, report the related balance of the allowance for credit losses measured in accordance with ASC Subtopic 326-20.

Institutions that not have adopted ASU 2016-13 should leave items 7 through 11 blank.

Item No.	Caption and Instructions
7	**Securities issued by states and political subdivisions in the U.S.** Report the allowance for credit losses on held-to-maturity debt securities issued by states and political subdivisions in the U.S. (as defined for Schedule RC-B, item 3, column A).
8	**Mortgage-backed securities (MBS) (including CMOs, REMICs, and stripped MBS).** Report the allowance for credit losses on held-to-maturity mortgage-backed securities (as defined for Schedule RC-B, items 4.a, 4.b, and 4.c, column A).
9	**Asset-backed securities and structured financial products.** Report the allowance for credit losses on held-to-maturity asset-backed securities and structured financial products (as defined for Schedule RC-B, items 5.a and 5.b, column A).
10	**Other debt securities.** Report the allowance for credit losses on categories of held-to-maturity debt securities not reported in items 7 through 9, above.
11	**Total.** Report the sum of items 7 through 10. The amount reported in item 11, "Total," should equal the amount reported in Schedule RI-B, Part II, item 7, column B, "Balance end of current period," for held-to-maturity debt securities.

Part I. (cont.)

Memoranda

Item No. **Caption and Instructions**

NOTE: Schedule RC-C, Part I, Memorandum items 1.a.(1) through 1.f.(5), are to be completed semiannually in the June and December reports only. Memorandum item 1.g is to be completed quarterly.

1 **Loans restructured in troubled debt restructurings that are in compliance with their modified terms.** Report in the appropriate subitem loans that have been restructured in troubled debt restructurings and are in compliance with their modified terms. As set forth in ASC Subtopic 310-40, Receivables – Troubled Debt Restructurings by Creditors (formerly FASB Statement No. 15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings," as amended by FASB Statement No. 114, "Accounting by Creditors for Impairment of a Loan"), a troubled debt restructuring is a restructuring of a loan in which a bank, for economic or legal reasons related to a borrower's financial difficulties, grants a concession to the borrower that it would not otherwise consider. For purposes of this Memorandum item, the concession consists of a modification of terms, such as a reduction of the loan's stated interest rate, principal, or accrued interest or an extension of the loan's maturity date at a stated interest rate lower than the current market rate for new debt with similar risk, regardless of whether the loan is secured or unsecured and regardless of whether the loan is guaranteed by the government or by others.

Once an obligation has been restructured in a troubled debt restructuring, it continues to be considered a troubled debt restructuring until paid in full or otherwise settled, sold, or charged off. However, if a restructured obligation is in compliance with its modified terms and the restructuring agreement specifies an interest rate that at the time of the restructuring is greater than or equal to the rate that the bank was willing to accept for a new extension of credit with comparable risk, the loan need not continue to be reported as a troubled debt restructuring in this Memorandum item in calendar years after the year in which the restructuring took place. A loan extended or renewed at a stated interest rate equal to the current interest rate for new debt with similar risk is not considered a troubled debt restructuring. Also, a loan to a third party purchaser of "other real estate owned" by the reporting bank for the purpose of facilitating the disposal of such real estate is not considered a troubled debt restructuring. For further information, see the Glossary entry for "troubled debt restructurings."

Include in the appropriate subitem all loans restructured in troubled debt restructurings as defined above that are in compliance with their modified terms, that is, restructured loans (1) on which all contractual payments of principal or interest scheduled that are due under the modified repayment terms have been paid or (2) on which contractual payments of both principal and interest scheduled under the modified repayment terms are less than 30 days past due.

Exclude from this item (1) those loans restructured in troubled debt restructurings on which under their modified repayment terms either principal or interest is 30 days or more past due and (2) those loans restructured in troubled debt restructurings that are in nonaccrual status under their modified repayment terms. Report such loans restructured in troubled debt restructurings in the category and column appropriate to the loan in Schedule RC-N, items 1 through 7, column A, B, or C, and in Schedule RC-N, Memorandum items 1.a through 1.f, column A, B, or C.

Loan amounts should be reported net of unearned income to the extent that they are reported net of unearned income in Schedule RC-C, Part I.

Part I. (cont.)

Memoranda

Item No.	Caption and Instructions
1.a	**Construction, land development, and other land loans:**
1.a.(1)	**1-4 family construction loans.** Report all loans secured by real estate for the purpose of constructing 1-4 family residential properties (as defined for Schedule RC-C, Part I, item 1.a.(1)) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item 1-4 family construction loans restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 1.a.(1) and Memorandum item 1.a.(1)).
1.a.(2)	**Other construction loans and all land development and other land loans.** Report all construction loans for purposes other than constructing 1-4 family residential properties, all land development loans, and all other land loans (as defined for Schedule RC-C, Part I, item 1.a.(2)) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item other construction loans and all land development and other land loans restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 1.a.(2) and Memorandum item 1.a.(2)).
1.b	**Loans secured by 1-4 family residential properties.** Report all loans secured by 1-4 family residential properties (as defined for Schedule RC-C, Part I, item 1.c) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item loans secured by 1-4 family residential properties restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 1.c and Memorandum item 1.b). Also exclude from this item all 1-4 family construction loans that have been restructured in troubled debt restructurings and are in compliance with their modified terms (report in Schedule RC-C, Part I, Memorandum item 1.a.(1), above).
1.c	**Loans secured by multifamily (5 or more) residential properties.** Report all loans secured by multifamily (5 or more) residential properties (as defined for Schedule RC-C, Part I, item 1.d) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item loans secured by multifamily residential properties restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 1.d and Memorandum item 1.c).
1.d	**Secured by nonfarm nonresidential properties:**
1.d.(1)	**Loans secured by owner-occupied nonfarm nonresidential properties.** Report all loans secured by owner-occupied nonfarm nonresidential properties (as defined for Schedule RC-C, Part I, item 1.e.(1),) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item loans secured by owner-occupied nonfarm nonresidential properties restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 1.e.(1) and Memorandum item 1.d.(1)).

Part I. (cont.)

Memoranda

Item No. **Caption and Instructions**

1.d.(2) **Loans secured by other nonfarm nonresidential properties.** Report all loans secured by other nonfarm nonresidential properties (as defined for Schedule RC-C, Part I, item 1.e.(2)) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item loans secured by other nonfarm nonresidential properties restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 1.e.(2) and Memorandum item 1.d.(2)).

1.e **Commercial and industrial loans.** Report all commercial and industrial loans (as defined for Schedule RC-C, Part I, item 4) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude commercial and industrial loans restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 4 and Memorandum item 1.e).

1.f **All other loans.** Report all other loans that cannot properly be reported in Schedule RC-C, Part I, Memorandum items 1.a through 1.e, above that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item all other loans restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N).

Include in this item loans in the following categories that have been restructured in troubled debt restructurings and are in compliance with their modified terms:

(1) Loans secured by farmland (as defined for Schedule RC-C, Part I, item 1.b);
(2) Loans to depository institutions and acceptances of other banks (as defined for Schedule RC-C, Part I, item 2);
(3) Loans to finance agricultural production and other loans to farmers (as defined for Schedule RC-C, Part I, item 3);
(4) Loans to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C Part I, item 6);
(5) Obligations (other than securities and leases) of states and political subdivisions in the U.S. (as defined for Schedule RC-C, Part I, item 8); and
(6) Loans to nondepository financial institutions and other loans (as defined for Schedule RC-C, Part I, item 9)

For loans in the following loan categories within "All other loans" that have been restructured in troubled debt restructurings and are in compliance with their modified terms, report the amount of such restructured loans in the appropriate subitem of Schedule RC-C, Part I, Memorandum item 1.f, if the dollar amount of such restructured loans in that loan category exceeds 10 percent of total loans restructured in troubled debt restructurings that are in

Part I. (cont.)

Memoranda

Item No. Caption and Instructions

1.f (cont.) compliance with their modified terms (i.e., 10 percent of the sum of Schedule RC-C, Part I, Memorandum items 1.a through 1.e plus Memorandum item 1.f):

- Memorandum item 1.f.(1), “Loans secured by farmland”;
- Memorandum item 1.f.(4)(a), Consumer “Credit cards”;
- Memorandum item 1.f.(4)(b), Consumer “Automobile loans”;
- Memorandum item 1.f.(4)(c), “Other” consumer loans; and
- Memorandum item 1.f.(5) “Loans to finance agricultural production and other loans to farmers,” for banks with $300 million or more in total assets and banks with less than $300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, Part I, item 3) exceeding five percent of total loans and leases held for investment and held for sale (Schedule RC-C, Part I, item 12).

1.g **Total loans restructured in troubled debt restructurings that are in compliance with their modified terms.** In the reports for March and September, report the total amount of loans restructured in troubled debt restructurings that are in compliance with their modified terms. In the reports for June and December, r~~R~~eport the sum of Memorandum items 1.a.(1) through 1.f. Exclude amounts reported in Memorandum items 1.f.(1) through 1.f.(5) when calculating the total in Memorandum item 1.g.

2 **Maturity and repricing data for loans and leases (excluding those in nonaccrual status).** Report in the appropriate subitem maturity and repricing data for the bank's loans and leases held for investment and held for sale. Loans and leases are to be reported in this Memorandum item regardless of whether they are current or are reported as "past due and still accruing" in Schedule RC-N, columns A and B. However, exclude those loans and leases that are reported as "nonaccrual" in Schedule RC-N, column C.

The sum of Memorandum items 2.a.(1) through 2.b.(6) plus total nonaccrual loans and leases from Schedule RC-N, item 9, column C, must equal Schedule RC-C, sum of items 1 through 10.

For purposes of this memorandum item, the following definitions apply:

A fixed interest rate is a rate that is specified at the origination of the transaction, is fixed and invariable during the term of the loan or lease, and is known to both the borrower and the lender. Also treated as a fixed interest rate is a predetermined interest rate which is a rate that changes during the term of the loan on a predetermined basis, with the exact rate of interest over the life of the loan known with certainty to both the borrower and the lender when the loan is acquired. Examples of predetermined-rate transactions are: (1) Loans that carry a specified interest rate, for, say, six months and thereafter carry a rate equal to a specific percentage over the initial rate. (2) Loans that carry a specified interest rate while the loan amount is below a certain threshold amount but carry a different specified rate above that threshold (e.g., a line of credit where the interest rate is 10% when the unpaid balance of amounts advanced is $100,000 or less, and 8% when the unpaid balance is more than $100,000).

A floating rate is a rate that varies, or can vary, in relation to an index, to some other interest rate such as the rate on certain U.S. Government securities or the bank's "prime rate," or to some other variable criterion the exact value of which cannot be known in advance. Therefore, the exact rate the loan carries at any subsequent time cannot be known at the time of origination.

Memoranda

Item No.	Caption and Instructions

1 **Selected components of total deposits.** The amounts to be reported in Memorandum items 1.a through 1.f below are included as components of total deposits (Schedule RC-E, sum of item 7, columns A and C).

NOTE: Schedule RC-E, Memorandum item 1.a, is to be completed semiannually in the June and December reports only.

1.a **Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts.** Report in this Memorandum item the total of all IRA and Keogh Plan deposits included in total deposits (Schedule RC-E, sum of item 7, columns A and C). IRAs include traditional IRAs, Roth IRAs, Simplified Employee Pension (SEP) IRAs, and SIMPLE IRAs.

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).

1.b **Total brokered deposits.** Report in this Memorandum item the total of all brokered deposits included in total deposits (Schedule RC-E, sum of item 7, columns A and C), regardless of size or type of deposit instrument. (See the Glossary entry for "brokered deposits" for the definition of this term.)

Brokered deposits include “brokered reciprocal deposits.” As defined in Section 327.8(q) of the FDIC’s regulations, “brokered reciprocal deposits” are “reciprocal deposits as defined in Section 337.6(e)(2)(v) of the FDIC’s regulations that are not excepted from an institution’s brokered deposits pursuant to Section 337.6(e)” of the FDIC’s regulations.

Limited Exception for Reciprocal Deposits

Pursuant to Section 337.6(e) of the FDIC’s regulations, and consistent with Section 202 of the Economic Growth, Regulatory Relief, and Consumer Protection Act, an “agent institution” can except reciprocal deposits from being classified (and reported in this Memorandum item 1.b) as brokered deposits up to its applicable statutory caps, described below.

Definitions that apply to the limited exception for reciprocal deposits:

- “Agent institution” means an insured depository institution that places a covered deposit through a deposit placement network at other insured depository institutions in amounts that are less than or equal to the standard maximum deposit insurance amount, specifying the interest rate to be paid for such amounts, if the insured depository institution:
  - When most recently examined under section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)) was found to have a composite condition of outstanding or good, and is well capitalized;
  - Has obtained a waiver pursuant to Section 337.6(c) of the FDIC’s regulations; or
  - Does not receive an amount of reciprocal deposits that causes the total amount of reciprocal deposits held by the agent institution to be greater than its *special cap*, described below.
- “Covered deposit” means a deposit that (i) is submitted for placement through a deposit placement network by the agent institution; and (ii) does not consist of funds that were obtained for the agent institution, directly or indirectly, by or through a deposit broker before submission for placement through a deposit placement network.
- “Deposit placement network” means a network in which an insured depository institution participates, together with other insured depository institutions, for the processing and receipt of reciprocal deposits.

Memoranda

Item No. **Caption and Instructions**

4.a.(2) **Over three months through 12 months.** Report the dollar amount of:

- the bank's fixed rate time deposits of more than $250,000 with remaining maturities of over three months through 12 months, and

- the bank's floating rate time deposits of more than $250,000 with the next repricing date occurring in over three months through 12 months.

4.a.(3) **Over one year through three years.** Report the dollar amount of:

- the bank's fixed rate time deposits of more than $250,000 with remaining maturities of over one year through three years, and

- the bank's floating rate time deposits of more than $250,000 with the next repricing date occurring in over one year through three years.

4.a.(4) **Over three years.** Report the dollar amount of:

- the bank's fixed rate time deposits of more than $250,000 with remaining maturities of over three years, and

- the bank's floating rate time deposits of more than $250,000 with the next repricing date occurring in over three years.

4. b **Time deposits of more than $250,000 with a remaining maturity of one year or less.** Report all time deposits of more than $250,000 with a remaining maturity of one year or less. Include both fixed rate and floating rate time deposits of more than $250,000.

The fixed rate time deposits that should be included in this item will also have been reported by remaining maturity in Schedule RC-E, Memorandum items 4.a.(1) and 4.a.(2), above. The floating rate time deposits that should be included in this item will have been reported by next repricing date in Memorandum items 4.a.(1) and 4.a.(2), above. However, Memorandum items 4.a.(1) and 4.a.(2) may include floating rate time deposits with a remaining maturity of more than one year, but on which the interest rate can next change in one year or less; those time deposits should not be included in this Memorandum item 4.b.

NOTE: Schedule RC-E, Memorandum item 5, is to be completed semiannually in the June and December reports only.

5 **Does your institution offer one or more consumer deposit account products, i.e., transaction account or nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use?** Indicate in the boxes marked “Yes” and “No” whether your institution offers one or more transaction account or nontransaction savings account deposit products intended, marketed, or presented to the public primarily for consumer use, i.e., deposit products offered primarily to individuals for personal, household, and family use. For purposes of this item, consumer deposit account products exclude (1) time deposits, (2) certified and official checks, and (3) pooled funds and commercial products with sub-account structures, such as escrow accounts, that are held for individuals but not eligible for consumer transacting, saving, or investing. Consumer deposit account products also exclude Health Savings Accounts, Medical Savings Accounts, and Coverdell Education Savings Accounts when such accounts are offered in the form of pooled funds and commercial products.

Memoranda

Item No. **Caption and Instructions**

5 (cont.) Your institution should answer “Yes” if it offers one or more transaction account or nontransaction savings account deposit products intended primarily for consumer use even if it also offers other transaction account or nontransaction savings account deposit products intended for use by a broad range of depositors (which may include individuals) rather than being intended, marketed, or presented to the public primarily for individuals for consumer use and regardless of whether the products intended, marketed, or presented to the public primarily for consumer use carry the same terms as other deposit products intended for use by a broad range of depositors (which may include individuals).

Your institution should answer “No” if all of the transaction account and nontransaction savings account deposit products it offers are intended for use by a broad range of depositors (which may include individuals) or by non-consumer depositors and none of these products is intended, marketed, or presented to the public primarily for individuals for personal, household, or family use.

Transaction accounts include demand deposits, negotiable order of withdrawal (NOW) accounts, automatic transfer service (ATS) accounts, and telephone and preauthorized transfer accounts. Nontransaction savings accounts include money market deposit accounts (MMDAs) and other savings deposits. For the definitions of these types of accounts, see the Glossary entry for “deposits.”

Memoranda

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NOTE: Memorandum items 6 and 7 are to be completed annually in the December report only by institutions with $1 billion or more in total assets[1] that answered "Yes" to Schedule RC-E, Memorandum item 5, above.

6 and 7 **General Instructions for Consumer Deposit Account Balances** – Once a customer has opened a deposit account with the reporting institution that is a deposit product intended primarily for individuals for personal, household, or family use, the institution is not required thereafter to review the customer's status or usage of the account to determine whether the transaction account is being used for personal, household, or family purposes. Thus, when reporting the amount of consumer deposit account balances in Memorandum items 6 and 7 of Schedule RC-E, the reporting institution is not required to identify those individual accounts within the population of a particular consumer deposit account product that are not being used for personal, household, or family purposes and remove the balances of these accounts from the total amount of deposit balances held in that consumer deposit account product.

An institution may have established a retail sweep arrangement for a transaction account deposit product that is offered primarily to individuals for personal, household, and family use. Under the sweep arrangement, the institution transfers funds between a customer's transaction account and that customer's nontransaction account. The "Reporting of Retail Sweep Arrangements Affecting Transaction and Nontransaction Accounts" section of the Glossary entry for "deposits" identifies three criteria that must be met in order for a retail sweep program to comply with the Federal Reserve Regulation D definitions of "transaction account" and nontransaction "savings account." The retail sweeps section of that Glossary entry further provides that if all three criteria are met, an institution must report the transaction account and nontransaction account components of a retail sweep program separately when it reports its quarter-end deposit information in Schedule RC-E and certain other schedules. Thus, this separate reporting of the two components of a retail sweep program applies to the reporting of consumer deposit account balances in Memorandum items 6 and 7 of Schedule RC-E.

6 **Components of total transaction account deposits of individuals, partnerships, and corporations.** Report in the appropriate subitem the specified component of total transaction account deposits of individuals, partnerships, and corporations. The sum of Memorandum items 6.a and 6.b plus the total deposits in all other transaction account deposits of individuals, partnerships, and corporations must equal Schedule RC-E, item 1, column A, above.

If an institution offers one or more transaction account deposit products intended, marketed, or presented to the public primarily for individuals for personal, household, or family use, but has other transaction account deposit products intended for a broad range of depositors (which may include individuals who would use the product for personal, household, or family use), the institution should exclude the entire amount of these latter transaction account deposit products from Memorandum items 6.a and 6.b. For example, if an institution has a single negotiable order of withdrawal (NOW) account deposit product that it offers to all depositors eligible to hold such accounts, including individuals, sole proprietorships, certain

[1] In general, the determination as to whether an institution has $1 billion or more in total assets is measured as of June 30 of the previous calendar year. See pages 7 and 8 of the General Instructions for guidance on shifts in reporting status.

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6 (cont.)	nonprofit organizations, and certain government units, the institution would exclude the entire amount of its NOW accounts from Memorandum items 6.a and 6.b. The institution should not identify the NOW accounts held by individuals for personal, household, or family use and report the amount of these accounts in Memorandum item 6.b, above.
6.a	**Total deposits in those noninterest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use.** Report the amount of deposits reported in Schedule RC-E, item 1, column A, held in noninterest-bearing *transaction* accounts intended, marketed, or presented to the public primarily for individuals for personal, household, or family use. Exclude certified and official checks as well as pooled funds and commercial products with sub-account structures, such as escrow accounts, that are held for individuals but not eligible for consumer transacting, saving, or investing.
6.b	**Total deposits in those interest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use.** Report the amount of deposits reported in Schedule RC-E, item 1, column A, held in interest-bearing *transaction* accounts intended, marketed, or presented to the public primarily for individuals for personal, household, or family use. Exclude pooled funds and commercial products with sub-account structures, such as escrow accounts, that are held for individuals but not eligible for consumer transacting, saving, or investing.
7	**Components of total nontransaction savings account deposits of individuals, partnerships, and corporations.** Report in the appropriate subitem the specified component of total nontransaction savings account deposits of individuals, partnerships, and corporations. Exclude all time deposits of individuals, partnerships, and corporations reported in Schedule RC-E, item 1, column C. The sum of Memorandum items 7.a.(1), 7.a.(2), 7.b.(1), and 7.b.(2) plus all time deposits of individuals, partnerships, and corporations must equal Schedule RC-E, item 1, column C, above. If an institution offers one or more nontransaction savings account deposit products intended, marketed, or presented to the public primarily for individuals for personal, household, or family use, but has other nontransaction savings account deposit products intended for a broad range of depositors (which may include individuals who would use the product for personal, household, or family use), the institution should report the entire amount of these latter nontransaction savings account deposit products in Memorandum item 7.a.(2) or 7.b.(2), as appropriate.
7.a	**Money market deposit accounts (MMDAs) of individuals, partnerships, and corporations.** Report in the appropriate subitem the specified component of MMDA deposits of individuals, partnerships, and corporations reported in Schedule RC-E, item 1, column C, above. The sum of Memorandum items 7.a.(1) and 7.a.(2) must be less than or equal to Schedule RC-E, Memorandum item 2.a.(1), above.
7.a.(1)	**Total deposits in those MMDA deposit products intended primarily for individuals for personal, household, or family use.** Report the amount of deposits reported in Schedule RC-E, item 1, column C, held in MMDAs intended, marketed, or presented to the public primarily for individuals for personal, household, or family use. Exclude MMDAs in the form of pooled funds and commercial products with sub-account structures, such as escrow accounts, that are held for individuals but not eligible for consumer transacting, saving, or investing.

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7.a.(2) **Deposits in all other MMDAs of individuals, partnerships, and corporations.** Report the amount of all other MMDA deposits of individuals, partnerships, and corporations included in Schedule RC-E, item 1, column C, that were not reported in Memorandum item 7.a.(1).

7.b **Other savings deposit accounts of individuals, partnerships, and corporations.** Report in the appropriate subitem the specified component of other savings deposits of individuals, partnerships, and corporations reported in Schedule RC-E, item 1, column C, above. The sum of Memorandum items 7.b.(1) and 7.b.(2) must be less than or equal to Schedule RC-E, Memorandum item 2.a.(2), above.

7.b.(1) **Total deposits in those other savings deposit account deposit products intended primarily for individuals for personal, household, or family use.** Report the amount of deposits reported in Schedule RC-E, item 1, column C, held in other savings deposit accounts intended, marketed, or presented to the public primarily for individuals for personal, household, or family use. Exclude other savings deposit accounts in the form of pooled funds and commercial products with sub-account structures, such as escrow accounts, that are held for individuals but not eligible for consumer transacting, saving, or investing.

7.b.(2) **Deposits in all other savings deposit accounts of individuals, partnerships, and corporations.** Report the amount of all other savings deposits of individuals, partnerships, and corporations included in Schedule RC-E, item 1, column C, that were not reported in Memorandum item 7.b.(1).

Examples – Calculating the Special Cap

(Note: Amounts shown are in thousands of dollars.)

Example 1 – Well capitalized but not well rated

As of March 31, 2019, an institution has $9,000,000 in liabilities and $180,000 in total reciprocal deposits, is well capitalized (and has been well capitalized in every quarter for 10 years), but has a composite supervisory rating of "3". Therefore, the institution is subject to the special cap.

(1) Determine the most recent calendar quarter in which the institution was both well capitalized and had a composite CAMELS rating of "1" or "2" at quarter-end.

The effective date of the composite CAMELS rating of not "1" or "2" was March 15, 2018, the day the institution was notified in writing of a downgrade from CAMELS "2" to CAMELS "3". Thus, December 31, 2017, represents the most recent quarter-end that the bank was rated CAMELS "1" or "2" and was well capitalized

(2) Calculate the average of the total amount of reciprocal deposits held by the institution on the last day of the calendar quarter determined above (in the preceding bullet) and on each of the three preceding calendar quarters.

To calculate the special cap, the institution must calculate the average amount of total reciprocal deposits that it held as of the end of the four quarters ending December 31, 2017, September 30, 2017, June 30, 2017, and March 31, 2017. In this example, the institution received reciprocal deposits as follows for the last quarter in which it was well capitalized and had a composite CAMELS rating of "1" or "2", and for the three prior quarters:

Item No.	**Caption and Instructions**

6 (cont.) insurance company, that pays either a fixed or variable payment stream over a specified period of time. Both proprietary and private label mutual funds and annuities are established in order to be marketed primarily to a bank's or banking organization's customers. A proprietary product is a product for which the reporting bank or a subsidiary or other affiliate of the reporting bank acts as investment adviser and may perform additional support services. In a private label product, an unaffiliated entity acts as the investment adviser. The identity of the investment adviser is normally disclosed in the prospectus for a mutual fund or annuity. Mutual funds and annuities that are not proprietary or private label products are considered third party products. For example, third party mutual funds and annuities include products that are widely marketed by numerous parties to the investing public and have investment advisers that are not affiliated with the reporting bank.

7 **Assets under the reporting bank's management in proprietary mutual funds and annuities.** Report the amount of assets (stated in U.S. dollars) held by mutual funds and annuities as of the report date for which the reporting bank or a subsidiary of the bank acts as investment adviser.

A general description of a proprietary product is included in the instruction to Schedule RC-M, item 6, above. Proprietary mutual funds and annuities are typically created by large banking organizations and offered to customers of the banking organization's subsidiary banks. Therefore, small, independent banks do not normally act as investment advisers for mutual funds and annuities.

If neither the bank nor any subsidiary of the bank acts as investment adviser for a mutual fund or annuity, the bank should report a zero in this item.

NOTE: Schedule RC-M, items 8.a, 8.b, and 8.c, are to be completed semiannually in the June and December reports only. If an institution has any changes in its Internet website addresses or physical trade names in the first or third calendar quarter, the institution may, at its option, report its website addresses or physical office trade names in the March or September report, respectively, rather than waiting to report this information in the June or December report.

8 **Internet ~~W~~web-site addresses and physical office trade names.** Because the Uniform Resource Locators (URLs) of Internet ~~W~~web-sites and the physical office trade names reported in items 8.a, 8.b, and 8.c are publicly available, each institution should ensure that it accurately reports its URLs and physical office trade names, if any. This information will assist the FDIC in responding to public inquiries as to whether a particular Internet ~~W~~web-site or institution operating under a trade name that accepts or solicits deposits from the public is in fact operated by an FDIC-insured depository institution. URLs of Internet ~~W~~web-sites and physical office trade names should not exceed 75 characters in length.

8.a

Examples of URLs are www.bank.com, www.isp.com/bank/, and bank.isp.com. When entering the URL of an Internet ~~W~~web-site in items 8.a and 8.b, the URL should not be prefaced with http:// because this is already included on the form. Do not provide e-mail addresses in the spaces for URLs of Internet ~~W~~web-sites.

Uniform Resource Locator (URL) of the reporting institution's primary Internet ~~W~~web-site (home page), if any. The URL of an institution's primary Internet ~~W~~web-site is the URL of the public-facing ~~W~~web-site that the institution's customers or potential customers enter into Internet browser software in order to find the first page of the institution's principal ~~W~~web-site.

If the reporting institution has a primary Internet ~~W~~web-site or home page, report in this item the URL of this ~~W~~web-site or home page (e.g., www.examplebank.com). If the reporting institution does not have its own ~~W~~web-site or home page, but information on or functions of the institution can be accessed through the URL of an affiliate's ~~W~~web-site, the URL of that affiliate's primary ~~W~~web-site should be reported in this item.

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8.a (cont.) An institution that maintains more than one ~~W~~web-site that prominently displays the institution's legal title should report the URL of the institution's primary Internet ~~W~~web-site in this item and determine whether it should report the URLs of these other ~~W~~web-sites in Schedule RC-M, item 8.b, below.

If an institution has no ~~W~~web-site or home page of its own and the institution cannot be accessed through the URL of an affiliate's ~~W~~web-site, this item should be left blank.

8.b **URLs of all other public-facing Internet ~~W~~web-sites that the reporting institution uses to accept or solicit deposits from the public, if any.** If the reporting institution:

(1) Uses one or more trade names (other than its legal title) to accept or solicit deposits from the public, and directly or indirectly operates one or more public-facing Internet ~~W~~web-sites – other than its primary Internet ~~W~~web-site (home page) reported in Schedule RC-M, item 8.a, above – to present such trade names to the public, or

(2) Uses any other public-facing Internet ~~W~~web-sites prominently displaying the institution's legal title – other than its primary Internet ~~W~~web-site (home page) – to accept or solicit deposits from the public,

the institution should report the URLs of each of its other public-facing ~~W~~web-sites that it uses to accept or solicit deposits from the public in the text fields for items 8.b.(1) through 8.b.(10) and, if necessary, in Schedule RI-E, item 7, "Other explanations."

When reporting the URLs for public-facing ~~W~~web-sites used to accept or solicit deposits, report only the highest level URLs. For example, an institution with a legal title of XYZ Bank reports in item 8.a that the URL of its primary Internet ~~W~~web-site is www.xyzbank.com. The institution also solicits deposits using the ~~W~~web-site address www.safeandsoundbank.com and provides more specific deposit information at "www.safeandsoundbank.com/checking" and "www.safeandsoundbank.com/CDs." Only the first of these three URLs (i.e., "www.safeandsoundbank.com") should be reported in this item.

When an institution uses multiple top level domains (e.g., .com, .net, and .biz), it should separately report the URLs that are otherwise the same except for the top level domain name. For example, if XYZ Bank also uses the ~~W~~web-site address "www.xyzbank.biz" in the solicitation of deposits, it should report this URL in this item.

However, if an institution uses one or more URLs that automatically redirect the public to the institution's primary ~~W~~web-site or to another ~~W~~web-site used to accept or solicit deposits that is being reported in this item, the institution should not report these additional URLs. For example, if XYZ Bank uses the URLs "www.xyzbank.net" and "www.safeandsoundbank.net" to automatically redirect the public to "www.xyzbank.com" (reported in item 8.a as its primary ~~W~~web-site) and "www.safeandsoundbank.com" (reported in this item as the URL of another ~~W~~web-site the institution uses), respectively, it should not report the two redirecting URLs in this item.

Do not report the URLs of:

(1) Public-facing Internet ~~W~~web-sites operated by the reporting institution that do not accept or solicit deposits from the public. For example, if XYZ Bank uses the ~~W~~web-site address "www.xyzautoloans.com" but does not accept or solicit deposits through this site, its URL should not be reported in this item;

Item No. **Caption and Instructions**

8.b (cont.)

(2) Internet ~~W~~web-sites of any non-bank affiliates or subsidiaries that do not accept or solicit deposits from the public on behalf of the institution;
(3) Affiliated, separately chartered insured depository institutions;
(4) Foreign affiliates; and
(5) Third-party deposit listing services and deposit brokers.

8.c **Trade names other than the reporting institution's legal title used to identify one or more of the institution's physical offices at which deposits are accepted or solicited from the public, if any.** An institution may use a trade name other than its legal title as reflected in its charter to identify certain of its physical offices, for example, due to a merger and an interest in maintaining the presence of the acquired institution's well recognized name in the community or communities it served.

If the reporting institution operates one or more physical offices to conduct banking activities and uses one or more trade names other than its legal title to identify these physical offices (for example, via signage displayed on the facilities), the institution should report each trade name used by one or more of its physical offices at which it accepts or solicits deposits from the public in the text fields for items 8.c.(1) through 8.c.(6) and, if necessary, in Schedule RI-E, item 7, "Other explanations." Do not report the trade names used by any physical offices of the reporting institution at which the institution does not accept or solicit deposits from the public. In addition, do not report the physical office trade names of any non-bank affiliates or subsidiaries that do not accept or solicit deposits from the public on behalf of the institution. Do not report the physical office trade names of affiliated, separately chartered insured depository institutions.

For example, an institution with a legal title of XYZ Bank operates one or more branch offices under the trade name of "Community Bank of ABC" (as identified by the signage displayed on each facility) where it accepts and solicits deposits from the public. XYZ Bank should report this trade name (and any other trade names it uses at other physical office locations where it accepts or solicits deposits) in this item 8.c. XYZ Bank also has a loan production office that operates under the trade name of "XYZ Consumer Loans" and a mortgage lending subsidiary that operates physical offices using the trade name of "XYZ Mortgage Company"; deposits are not accepted nor solicited on behalf of XYZ Bank at these physical offices. Thus, neither of these two trade names should be reported in this item 8.c.

NOTE: Schedule RC-M, item 9, is to be completed annually in the December report only.

9 **Do any of the bank's Internet ~~W~~web-sites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the ~~W~~web-site?** Indicate whether any of the reporting bank's Internet ~~W~~web-sites have transactional capability. Place an "X" in the box marked "Yes" if the bank or a bank affiliate has any Internet ~~W~~web-sites that allow the bank's customers to execute transactions on their accounts through the ~~W~~web-site. Otherwise, place an "X" in the box marked "No."

The Internet Web address of the ~~W~~web-site (or sites) with transactional capability does not have to be the address of the bank's primary Internet ~~W~~web-site that is reported in Schedule RC-M, item 8, above.

10 **Secured liabilities.** Report in the appropriate subitem the carrying amount of federal funds purchased and "Other borrowings" that are secured, i.e., the carrying amount of these types of liabilities for which the bank (or a consolidated subsidiary) has pledged securities, loans, or other assets as collateral.

Memoranda

Item No. Caption and Instructions

NOTE: Schedule RC-N, Memorandum items 1.a.(1) through 1.f.(5), are to be completed semiannually in the June and December reports only. Memorandum item 1.g is to be completed quarterly.

1 **Loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above.** Report in the appropriate subitem and column loans that have been restructured in troubled debt restructurings (as described in "Definitions" above) and are past due 30 days or more or are in nonaccrual status as of the report date. Such loans will have been included in one or more of the loan categories in items 1 through 7 of this schedule. Exclude all loans restructured in troubled debt restructurings that are in compliance with their modified terms (report in Schedule RC-C, Part I, Memorandum item 1),

For further information, see the Glossary entry for "troubled debt restructurings."

1.a **Construction, land development, and other land loans:**

1.a.(1) **1-4 family construction loans.** Report in the appropriate column all loans secured by real estate for the purpose of constructing 1-4 family residential properties included in item 1.a.(1) of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.

1.a.(2) **Other construction loans and all land development and other land loans.** Report in the appropriate column all construction loans for purposes other than constructing 1-4 family residential properties, all land development loans, and all other land loans included in item 1.a.(2) of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.

1.b **Loans secured by 1-4 family residential properties.** Report in the appropriate column all loans secured by 1-4 family residential properties included in item 1.c of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.

1.c **Loans secured by multifamily (5 or more) residential properties.** Report in the appropriate column all loans secured by multifamily (5 or more) residential properties included in item 1.d of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.

1.d **Secured by nonfarm nonresidential properties:**

1.d.(1) **Loans secured by owner-occupied nonfarm nonresidential properties.** Report in the appropriate column all loans secured by owner-occupied nonfarm nonresidential properties included in item 1.e.(1) of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.

1.d.(2) **Loans secured by other nonfarm nonresidential properties.** Report in the appropriate column all nonfarm nonresidential real estate loans not secured by owner-occupied nonfarm nonresidential properties included in item 1.e.(2) of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.

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Item No. **Caption and Instructions**

1.e **Commercial and industrial loans.** Report all commercial and industrial loans included in item 4 of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.

1.f **All other loans.** Report in the appropriate column all other loans that cannot properly be reported in Schedule RC-N, Memorandum items 1.a through 1.e, above that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date. Include in the appropriate column of this item all loans in the following categories that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date:

(1) Loans secured by farmland included in Schedule RC-N, item 1.b;

(2) Loans to depository institutions and acceptances of other banks included in Schedule RC-N, item 2;

(3) Consumer credit cards included in Schedule RC-N, item 5.a;

(4) Consumer automobile loans included in Schedule RC-N, item 5.b;

(5) Other consumer loans included in Schedule RC-N, items 5.c; and

(6) All other loans included in Schedule RC-N, item 7, including:
- (a) loans to finance agricultural production and other loans to farmers included in Schedule RC-C, Part I, item 3;
- (b) obligations (other than securities and leases) of states and political subdivisions in the U.S. included in Schedule RC-C, Part I, item 8;
- (c) loans to nondepository financial institutions included in Schedule RC-C, Part I, item 9.a; and
- (d) other loans included in Schedule RC-C, Part I, item 9.b.

For loans in the following loan categories within “All other loans” that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date, report the amount of such restructured loans in the appropriate subitem of Schedule RC-N, Memorandum item 1.f, if the dollar amount of such restructured loans in that loan category exceeds 10 percent of total loans restructured in troubled debt restructurings that are in compliance with their modified terms (i.e., 10 percent of the sum of Schedule RC-N, Memorandum items 1.a through 1.f):

- Memorandum item 1.f.(1), “Loans secured by farmland”;
- Memorandum item 1.f.(4)(a), Consumer “Credit cards”;
- Memorandum item 1.f.(4)(b), Consumer “Automobile loans”;
- Memorandum item 1.f.(4)(c), “Other” consumer loans; and

  Memorandum item 1.f.(5), “Loans to finance agricultural production and other loans to farmers,” for banks with $300 million or more in total assets and banks with less than $300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, Part I, item 3) exceeding five percent of total loans and leases held for investment and held for sale (Schedule RC-C, Part I, item 12).

Memoranda

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1.g **Total loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above.** In the reports for March and September, report in columns A, B, and C, the total amount of loans restructured in troubled debt restructurings that are included in Schedule RC-N, items 1 through 7, columns A, B, and C, above, respectively. In the reports for June and December, ~~F~~for columns A through C, report the sum of Memorandum items 1.a.(1) through 1.f. Exclude amounts reported in Memorandum items 1.f.(1) through 1.f.(5) when calculating the total in this Memorandum item 1.g.

2 **Loans to finance commercial real estate, construction, and land development activities included in Schedule RC-N, items 4 and 7, above.** Report in the appropriate column the amount of loans to finance commercial real estate, construction, and land development activities ***not secured by real estate*** included in Schedule RC-C, part I, Memorandum item 3, that are past due 30 days or more or are in nonaccrual status as of the report date. Such loans will have been included in items 4 and 7 of Schedule RC-N above. Exclude from this item all loans secured by real estate included in item 1 of Schedule RC-N above.

3 Not applicable.

NOTE: Memorandum item 4 is to be completed by:

- banks with $300 million or more in total assets, and
- banks with less than $300 million in total assets that have loans to finance agricultural production and other loans to farmers, as defined for Schedule RC-C, Part I, item 3, exceeding five percent of total loans and leases held for investment and held for sale (Schedule RC-C, Part I, item 12).

4 **Loans to finance agricultural production and other loans to farmers.** Report in the appropriate column the amount of all loans to finance agricultural production and other loans to farmers included in Schedule RC-C, Part I, item 3, that are past due 30 days or more or are in nonaccrual status as of the report date. Such loans will have been included in Schedule RC-N, item 7, above.

NOTE: Memorandum item 5 is to be completed semiannually in the June and December reports only.

5 **Loans and leases held for sale.** Report in the appropriate column the carrying amount of all loans and leases classified as held for sale included in Schedule RC, item 4.a, whether measured at the lower of cost or fair value or at fair value under a fair value option, that are past due 30 days or more or are in nonaccrual status as of the report date. Such loans and leases will have been included in one or more of the loan and lease categories in items 1 through 8 of Schedule RC-N above and would, therefore, exclude any loans classified as trading assets and included in Schedule RC, item 5.

6 Not applicable.

NOTE: Memorandum items 7 and 8 are to be reported semiannually in the June and December reports only.

7 **Additions to nonaccrual assets during the previous six months.** Report the aggregate amount of all loans, leases, debt securities, and other assets (net of unearned income) that have been placed in nonaccrual status during the six months ending on the semiannual (i.e., June 30 or December 31) report date for this item. Include those assets placed in nonaccrual status during this six month period that are included as of the current report date in Schedule RC-N, column C, items 1 through 8 and 10. Also include those assets placed in nonaccrual status during this six month period that, before the current semiannual report date for this item, have been sold, paid off, charged-off, settled through foreclosure or concession of collateral (or any other disposition of the nonaccrual asset) or have been returned to accrual status. In other words, the aggregate amount of assets placed in nonaccrual status since the prior semiannual report date that should be reported in this item should not be reduced, for example, by any charge-offs or sales of such nonaccrual assets. If a given asset

SCHEDULE RC-O – OTHER DATA FOR DEPOSIT INSURANCE AND FICO ASSESSMENTS

General Instructions

Each FDIC-insured depository institution that files the FFIEC 051 must complete Schedule RC-O each quarter on an "unconsolidated single FDIC certificate number basis," unless otherwise indicated below.

Each separately chartered depository institution that is insured by the FDIC has a unique FDIC certificate number. When one FDIC-insured institution that files the FFIEC 051 owns another FDIC-insured institution as a subsidiary, the parent institution should complete items 1 through 11 (except item 9.a) and Memorandum items 1, 2 (if applicable), and 3 of Schedule RC-O by accounting for the insured institution subsidiary under the equity method of accounting instead of consolidating it, i.e., on an "unconsolidated single FDIC certificate number basis." Thus, each FDIC-insured institution should report only its own amounts in items 1 through 11 (except item 9.a) and Memorandum items 1, 2 (if applicable), and 3 of Schedule RC-O under its own FDIC certificate number without eliminating the parent and subsidiary institutions' intercompany balances. (However, an FDIC-insured institution that owns another FDIC-insured institution should complete item 9.a by consolidating its subsidiary institution.) In contrast, when an FDIC-insured institution has entities other than FDIC-insured institutions that must be consolidated for purposes of Schedule RC, Balance Sheet, the parent institution should complete items 1 through 11 and Memorandum items 1, 2 (if applicable), and 3 of Schedule RC-O on a consolidated basis with respect to these other entities.

Item Instructions

Item No.	Caption and Instructions
1	**Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.** Report on an unconsolidated single FDIC certificate number basis the gross total deposit liabilities 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 allowable exclusions from total deposits. An institution's gross total deposit liabilities are the combination of:

- All deposits reported in Schedule RC, item 13.a;
- Interest accrued and unpaid on deposits reported in Schedule RC-G, item 1.a;
- Uninvested trust funds held in the institution's own trust department;
- Deposits of consolidated subsidiaries (except any consolidated subsidiary that is an FDIC-insured institution) and the interest accrued and unpaid on such deposits;
- The amount by which demand deposits reported in Schedule RC, item 13.a, have been reduced from the netting of the reporting institution's reciprocal demand balances with foreign banks and foreign offices of other U.S. banks (other than insured branches in Puerto Rico and U.S. territories and possessions); and
- The amount by which any other deposit liabilities reported in Schedule RC, item 13.a, have been reduced by assets netted against these liabilities in accordance with generally accepted accounting principles;
- Less the amount of unamortized premiums included in the amount of deposit liabilities reported in Schedule RC, item 13.a;
- Plus the amount of unamortized discounts reflected in the amount of deposit liabilities reported in Schedule RC, item 13.a;

Memoranda

Item No. Caption and Instruction

1.d.(2) **Number of retirement deposit accounts of more than $250,000.** Report on an unconsolidated single FDIC certificate number basis 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.

NOTE: Schedule RC-O, Memorandum item 2, is to be completed on an unconsolidated single FDIC certificate number basis by banks with $1 billion or more in total assets.[1]

2 **Estimated amount of uninsured deposits including related interest accrued and unpaid.**

Report on an unconsolidated single FDIC certificate number basis the estimated amount of the bank's deposits that is not covered by federal deposit insurance. This estimate should reflect the deposit insurance limits of $250,000 for "retirement deposit accounts" (as defined in Schedule RC-O, Memorandum item 1) and $250,000 for other deposit accounts. The reporting of this uninsured deposit information is mandated by Section 7(a)(9) of the Federal Deposit Insurance Act.

The estimated amount of uninsured deposits reported in this item should be based on the bank's deposits included in Schedule RC-O, item 1, "Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations," less item 2, "Total allowable exclusions, including interest accrued and unpaid on allowable exclusions." In addition to the uninsured portion of deposits in "domestic offices" reported in Schedule RC, item 13.a, the estimate of uninsured deposits should take into account all other items included in Schedule RC-O, item 1 less item 2, including, but not limited to:

- Interest accrued and unpaid on deposits;
- Deposits of consolidated subsidiaries (including interest accrued and unpaid on these deposits); and
- Deposit liabilities that have been reduced by assets netted against these liabilities in accordance with generally accepted accounting principles.

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

(1) If the bank has brokered deposits, which must be reported in Schedule RC-E, Memorandum item 1.b, "Total brokered deposits," it must use the information it has developed for completing Schedule RC-E, Memorandum item 1.c, "Brokered deposits of $250,000 or less (fully insured brokered deposits)," to determine its best estimate of the uninsured portion of its brokered deposits.

(2) If the bank 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.

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[1] In general, the determination as to whether an institution has $1 billion or more in total assets is measured as of June 30 of the previous calendar year. See pages 7 and 8 of the General Instructions for guidance on shifts in reporting status.

Memoranda

Item No. **Caption and Instruction**

2 (cont.)

A bank with fiduciary deposit accounts with balances of more than $250,000 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.

(3) If the bank 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 bank with employee benefit plan deposit accounts with balances of more than $250,000 must diligently use the available data on these deposit accounts to determine its best estimate of the uninsured portion of these accounts.

(4) If the bank's deposit accounts include benefit-responsive "Depository Institution Investment Contracts," which must be included in Schedule RC-O, item 2, these deposit liabilities are not eligible for federal deposit insurance pursuant to Section 11(a)(8) of the Federal Deposit Insurance Act. A bank with benefit-responsive "Depository Institution Investment Contracts" must include the entire amount of these contracts in the estimated amount of uninsured deposits it reports in this Memorandum item 2.

(5) If the bank has deposit accounts with balances in excess of the federal deposit insurance limit that it has collateralized by pledging assets, such as deposits of the U.S. Government and of states and political subdivisions in the U.S. (which must be reported in Schedule RC-E, items 2 and 3), the bank should make a reasonable estimate of the portion of these deposits that is uninsured using the data available from its information systems

(6) If the bank 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 bank 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.

(7) For all other deposit accounts, the bank 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 bank 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 bank has automated information systems in place that enable it to classify accounts by deposit owner and/or ownership capacity, the bank 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 $250,000 insurance limit. Ownership capacities include, but are not limited to, single ownership, joint ownership, business (excluding sole proprietorships), revocable trusts, irrevocable trusts, and retirement accounts.

In the absence of automated information systems, a bank 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 bank'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.

Part II. (cont.)

General Instructions for Schedule RC-R, Part II.

NOTE: Schedule RC-R, Part II, items 1 through 25, columns A through U, as applicable, are to be completed semiannually in the June and December reports only. Items 26 through 31 are to be completed quarterly.

The instructions for Schedule RC-R, Part II, items 1 through 22, provide general directions for the allocation of bank balance sheet assets, credit equivalent amounts of derivatives and off-balance sheet items, and unsettled transactions to the risk-weight categories in columns C through Q (and, for items 1 through 10 only, to the adjustments to the totals in Schedule RC-R, Part II, column A, to be reported in column B) in the reports for June and December. In general, the aggregate amount allocated to each risk-weight category is then multiplied by the risk weight associated with that category. The resulting risk-weighted values from each of the risk categories are added together, and generally this sum is the bank's total risk-weighted assets, which comprises the denominator of the risk-based capital ratios.

These instructions should provide sufficient guidance for most banks for risk-weighting their balance sheet assets and credit equivalent amounts. However, these instructions do not address every type of exposure. Banks should review the regulatory capital rules of their primary federal supervisory authority for the complete description of capital requirements.

Exposure Amount Subject to Risk Weighting

In general, banks need to risk weight the exposure amount. The exposure amount is defined in §.2 of the regulatory capital rules as follows:

(1) For the on-balance sheet component of an exposure,[1] the bank's carrying value of the exposure.

(2) For a security[2] classified as AFS or HTM where the bank has made the AOCI opt-out election in Schedule RC-R, Part I, item 3.a, the carrying value of the exposure (including net accrued but uncollected interest and fees)[3] less any net unrealized gains on the exposure plus any net unrealized losses on the exposure included in AOCI.

(3) For AFS preferred stock classified as an equity security under GAAP where the bank has made the AOCI opt-out election in Schedule RC-R, Part I, item 3.a, the carrying value less any net unrealized gains that are reflected in such carrying value, but are excluded from the bank's regulatory capital components.

(4) For the off-balance sheet component of an exposure,[4] the notional amount of the off-balance sheet component multiplied by the appropriate credit conversion factor in §.33 of the regulatory capital rules.

(5) For an exposure that is an OTC derivative contract, the exposure amount determined under §.34 of the regulatory capital rules.

(6) For an exposure that is a derivative contract that is a cleared transaction, the exposure amount determined under §.35 of the regulatory capital rules.

[1] Not including: (1) an available-for-sale (AFS) or held-to-maturity (HTM) security where the bank has made the Accumulated Other Comprehensive Income (AOCI) opt-out election in Schedule RC-R, Part I, item 3.a, (2) an over-the-counter (OTC) derivative contract, (3) a repo-style transaction or an eligible margin loan for which the bank determines the exposure amount under §.37 of the regulatory capital rules, (4) a cleared transaction, (5) a default fund contribution, or (6) a securitization exposure.

[2] Not including: (1) a securitization exposure, (2) an equity exposure, or (3) preferred stock classified as an equity security under generally accepted accounting principles (GAAP).

[3] Where the bank has made the AOCI opt-out election, accrued but uncollected interest and fees reported in Schedule RC, item 11, "Other assets," associated with AFS or (HTM) debt securities that are not securitization exposures should be reported in Schedule RC-R, Part II, item 8, "All other assets."

[4] Not including: (1) an OTC derivative contract, (2) a repo-style transaction or an eligible margin loan for which the bank calculates the exposure amount under §.37 of the regulatory capital rules, (3) a cleared transaction, (4) a default fund contribution, or (5) a securitization exposure.

Item Instructions for Schedule RC-R, Part II.

Balance Sheet Asset Categories

Item No. **Caption and Instructions**

NOTE: Schedule RC-R, Part II, items 1 through 8.b, columns A through S, as applicable, are to be completed semiannually in the June and December reports only.

1 **Cash and balances due from depository institutions.** Report in column A the amount of cash and balances due from depository institutions reported in Schedule RC, sum of items 1.a and 1.b, excluding those balances due from depository institutions that qualify as securitization exposures as defined in §.2 of the regulatory capital rules.

The amount of those balances due from depository institutions reported in Schedule RC, items 1.a and 1.b, that qualify as securitization exposures must be reported in Schedule RC-R, Part II, item 9.d, column A.

- *In column C–0% risk weight*, include:
  - The amount of currency and coin reported in Schedule RC, item 1.a;
  - Any balances due from Federal Reserve Banks reported in Schedule RC, item 1.b; and
  - The insured portions of deposits in FDIC-insured depository institutions and NCUA-insured credit unions reported in Schedule RC, items 1.a and 1.b.

- *In column G–20% risk weight*, include:
  - Any balances due from depository institutions and credit unions that are organized under the laws of the United States or a U.S. state reported in Schedule RC, items 1.a and 1.b, in excess of any applicable FDIC or NCUA deposit insurance limits for deposit exposures or where the depository institutions are not insured by either the FDIC or the NCUA;
  - Any balances due from Federal Home Loan Banks reported in Schedule RC, items 1.a and 1.b; and
  - The amount of cash items in the process of collection reported in Schedule RC, item 1.a.

- *In column I–100% risk weight*, include all other amounts that are not reported in columns C through H and J.

- For balances due from foreign banks and foreign central banks that must be risk weighted according to the Country Risk Classification (CRC) methodology, assign these exposures to risk-weight categories based on the CRC methodology described in the General Instructions for Schedule RC-R, Part II, in the instructions for the FFIEC 031 and FFIEC 041 Call Reports.

If the reporting bank is the correspondent bank in a pass-through reserve balance relationship, report in column C the amount of its own reserves as well as those reserve balances actually passed through to a Federal Reserve Bank on behalf of its respondent depository institutions.

If the reporting bank is the respondent bank in a pass-through reserve balance relationship, report in column C the amount of the bank's reserve balances due from its correspondent bank that its correspondent has actually passed through to a Federal Reserve Bank on the reporting bank's behalf, i.e., for purposes of this item, treat these balances as balances due from a Federal Reserve Bank. This risk-based capital treatment differs from the required reporting described in the Glossary entry for "pass-through reserve balances," which, for legal and supervisory purposes, treats pass-through reserve balances held by a bank's

Item No. **Caption and Instructions**

8 (cont.) the reporting of default fund contributions to central counterparties in columns R and S, refer to the instructions for Schedule RC-R, Part II, item 8, in the instructions for the FFIEC 031 and FFIEC 041 Call Reports.

- For the portions of those exposures described above in the instructions for Schedule RC-R, Part II, item 8, that are exposures to sovereigns or foreign banks reported in Schedule RC, items 6 through 11, that must be risk-weighted according to the Country Risk Classification (CRC) methodology, assign these exposures to risk-weight categories based on the CRC methodology described in the General Instructions for Schedule RC-R, Part II, and the instructions for Schedule RC-R, Part, II, item 8, in the instructions for the FFIEC 031 and FFIEC 041 Call Reports.

NOTE: Schedule RC-R, Part II, items 9.a through 10, columns A, B, Q, T, and U, are to be completed semiannually in the June and December reports only.

9 **On-balance sheet securitization exposures.** When determining the amount of risk-weighted assets for securitization exposures, banks that are not subject to the market risk capital rule may elect to use either the Simplified Supervisory Formula Approach (SSFA) or the Gross-Up Approach, as described above and in §.41 to §.45 of the regulatory capital rules. However, such banks must use the SSFA or Gross-Up Approach consistently across all securitization exposures (items 9.a through 10), but banks may risk weight any individual securitization exposure at 1,250 percent in lieu of applying the SSFA or Gross-Up Approach to that individual exposure.

Banks subject to the market risk capital rule must use the SSFA when determining the amount of risk-weighted assets for securitization exposures.

For further information, refer to the discussion of "Risk-Weighted Assets for Securitization Exposures" in the General Instructions for Schedule RC-R, Part II.

9.a **Held-to-maturity securities.** Report in column A the amount of held-to-maturity (HTM) securities reported in Schedule RC, item 2.a, that qualify as *securitization exposures* as defined in §.2 of the regulatory capital rules. Refer to the instructions for Schedule RC-R, Part II, item 2.a, for a summary of the reporting locations of HTM securitization exposures.

Exposure amount to be used for purposes of risk weighting – bank has not made the Accumulated Other Comprehensive Income (AOCI) opt-out election in Schedule RC-R, Part I, item 3.a:
For a security classified as HTM where the bank has not made the AOCI opt-out election (i.e., most AOCI is included in regulatory capital), the exposure amount to be risk weighted by the bank is the carrying value of the security, which is the value of the asset reported on the balance sheet of the bank determined in accordance with GAAP and in column A.

Exposure amount to be used for purposes of risk weighting – bank has made the AOCI opt-out election in Schedule RC-R, Part I, item 3.a:
For a security classified as HTM where the bank has made the AOCI opt-out election (i.e., most AOCI is not included in regulatory capital), the exposure amount to be risk weighted by the bank is the carrying value of the security reported on the balance sheet of the bank and in column A, less any unrealized gain on the exposure or plus any unrealized loss on the exposure included in AOCI.

If an HTM securitization exposure will be risk weighted using either the Simplified Supervisory Formula Approach (SSFA) or the Gross-Up Approach, include as part of the exposure amount to be risk weighted in this item any accrued interest receivable on the HTM security that is reported in Schedule RC, item 11, "Other assets," and included in Schedule RC-R, Part II, item 9.d, columns A and B. Do not report this accrued interest receivable in column A or B of this item.

Item No. **Caption and Instructions**

10 (cont.) this item and the exposure amount for those off-balance sheet items that qualify as securitization exposures and will be risk weighted by applying the 1,250 percent risk weight.

- *In column Q*, report the exposure amount of those off-balance sheet securitization exposures that are assigned a 1,250 percent risk weight (i.e., those off-balance sheet securitization exposures for which the risk-weighted asset amount is not calculated using the SSFA or the Gross-Up Approach).

- *In column T,* report the risk-weighted asset amount (not the exposure amount) of those off-balance sheet securitization exposures for which the risk-weighted asset amount is calculated using the SSFA, as described above in the General Instructions for Schedule RC-R, Part II, and in §.41 to §.45 of the regulatory capital rules.

- *In column U,* report the risk-weighted asset amount (not the exposure amount) of those off-balance sheet securitization exposures for which the risk-weighted asset amount is calculated using the Gross-Up Approach, as described above in the General Instructions for Schedule RC-R, Part II, and in §.41 to §.45 of the regulatory capital rules.

NOTE: Schedule RC-R, Part II, item 11, columns A through R, are to be completed semiannually in the June and December reports only.

11 **Total assets.** For columns A through R, report the sum of items 1 through 9. The sum of columns B through R must equal column A. Schedule RC-R, Part II, item 11, column A, must equal Schedule RC, item 12, "Total assets."

Part II. (cont.)

Derivatives, Off-Balance Sheet Items, and Other Items Subject to Risk Weighting (Excluding Securitization Exposures)

Treatment of Derivatives and Off-Balance Sheet Items that are Securitization Exposures – Any derivatives or off-balance sheet items reported in Schedule RC-L or Schedule SU that qualify as securitization exposures, including liquidity facilities to asset-backed commercial paper programs, are to be reported in Schedule RC-R, Part II, item 10, column A, and excluded from Schedule RC-R, Part II, items 12 through 21 below.

Repo-style Transactions – The regulatory capital rules permit some repo-style transactions to be risk weighted on a netting set basis. Where netting is permitted, a bank will combine both on-balance and off-balance sheet repo-style transactions in order to determine a capital requirement for a netting set to a single counterparty. In such cases, a bank should combine securities purchased under agreements to resell (i.e., reverse repos) and securities sold under agreements to repurchase (i.e., repos) with off-balance sheet repo-style transactions (i.e., securities borrowing and securities lending transactions) in Schedule RC-R, Part II, item 16, and report the netting set exposure to each counterparty under the appropriate risk weight column.

Credit Conversion Factors for Off-Balance Sheet Items – A summary of the credit conversion factors (CCFs) by which the exposure amount of off-balance sheet items are to be multiplied follows. For further information on these factors, refer to the regulatory capital rules.

Off-balance sheet items subject to a zero percent CCF:
(1) Unused portions of commitments that are unconditionally cancelable at any time by the bank.

Off-balance sheet items subject to a 20 percent CCF:
(1) Commercial and similar letters of credit with an original maturity of one year or less, including short-term, self-liquidating, trade-related contingent items that arise from the movement of goods.
(2) Commitments with an original maturity of one year or less that are not unconditionally cancelable.

Off-balance sheet items subject to a 50 percent CCF:
(1) Transaction-related contingent items, including performance standby letters of credit, bid bonds, performance bonds, and warranties.
(2) Commercial and similar letters of credit with an original maturity exceeding one year.
(3) Commitments with an original maturity exceeding one year that are not unconditionally cancelable by the bank, including underwriting commitments and commercial credit lines.

Off-balance sheet items subject to a 100 CCF:
(1) Financial standby letters of credit.
(2) Repo-style transactions, including off-balance sheet securities lending transactions, off-balance sheet securities borrowing transactions, securities purchased under agreements to resell, and securities sold under agreements to repurchase.
(3) Guarantees, certain credit-enhancing representations and warranties, and forward agreements.

Item No. Caption and Instructions

NOTE: Schedule RC-R, Part II, items 12 through 22, columns A through S, are to be completed semiannually in the June and December reports only.

12 **Financial standby letters of credit.** For financial standby letters of credit reported in Schedule RC-L, item 2, that do not meet the definition of a *securitization exposure* as described in §.2 of the regulatory capital rules, but are credit enhancements for assets, report *in column A:*

Part II. (cont.)

Item No. **Caption and Instructions**

Totals

NOTE: Schedule RC-R, Part II, items 23 and 25, columns C through Q, as applicable, are to be completed semiannually in the June and December reports only. Items 26 through 31 are to be completed quarterly.

23 **Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk weight category.** For each of columns C through P, report the sum of items 11 through 22. For column Q, report the sum of items 10 through 22.

24 **Risk weight factor.**

25 **Risk-weighted assets by risk weight category.** For each of columns C through Q, multiply the amount in item 23 by the risk weight factor specified for that column in item 24.

26 **Risk-weighted assets base for purposes of calculating the allowance for loan and lease losses 1.25 percent threshold.** In the reports for March and September, report the amount of the risk-weighted assets base for purposes of calculating the allowance for loan and lease losses 1.25 percent threshold. In the reports for June and December, r~~R~~eport the sum of:

- Schedule RC-R, Part II:
  - Items 2.b through 20, column S,
  - Items 9.a, 9.b, 9.c, 9.d, and 10, columns T and U, and
  - Item 25, columns C through Q
- Schedule RC-R, Part I:
  - The portion of item 10.b composed of “Investments in the institution’s own shares to the extent not excluded as part of treasury stock,”
  - The portion of item 10.b composed of “Reciprocal cross-holdings in the capital of financial institutions in the form of common stock,”
  - Items 11 and 13 through 16,
  - Item 24, excluding the portion of item 24 composed of tier 2 capital deductions reported in Part I, item 33, for which the institution does not have a sufficient amount of tier 2 capital before deductions reported in Part I, item 32, to absorb these deductions, and
  - Item 33.

For institutions that have adopted the current expected credit losses methodology (CECL), the risk-weighted assets base reported in this item 26 is for purposes of calculating the adjusted allowances for credit losses (AACL) 1.25 percent threshold.

NOTE: Item 27 is applicable only to banks that are subject to the market risk capital rule.

27 **Standardized market risk-weighted assets.** Report the amount of the bank's standardized market risk-weighted assets. This item is applicable only to those banks covered by Subpart F of the regulatory capital rules (i.e., the market risk capital rule), as provided in §.201 of the regulatory capital rules and in the discussion of “Banks That Are Subject to the Market Risk Capital Rule” in the General Instructions for Schedule RC-R, Part II.

A bank’s measure for market risk for its covered positions is the sum of its value-at-risk (VaR)-based, stressed VaR-based, incremental risk, and comprehensive risk capital requirements plus its specific risk add-ons and any capital requirement for de minimis exposures. A bank's standardized market risk-weighted assets equal its measure for market risk multiplied by 12.5 (the reciprocal of the minimum 8.0 percent capital ratio).

For further information on the meaning of the term “covered position,” refer to the discussion of “Banks That Are Subject to the Market Risk Capital Rule” in the General Instructions for Schedule RC-R, Part II.

Part II. (cont.)

Item No.	Caption and Instructions
28	**Risk-weighted assets before deductions for excess allowance for loan and lease losses and allocated transfer risk reserve.** <u>In the reports for March and September, report the amount of risk-weighted assets before deductions for excess allowance for loan and lease losses and allocated transfer risk reserve. In the reports for June and December, r</u>~~R~~eport the sum of items 2.b through 20, column S; items 9.a, 9.b, 9.c, 9.d, and 10, columns T and U; item 25, columns C through Q; and, if applicable, item 27. (Item 27 is applicable only to banks that are subject to the market risk capital rule.) For institutions that have adopted the current expected credit losses methodology (CECL), the risk-weighted assets reported in this item 28 represents the amount of risk-weighted assets before deductions for excess adjusted allowances for credit losses (AACL) and allocated transfer risk reserve.

Part II. (cont.)

Memoranda

Item No. Caption and Instructions

NOTE: Schedule RC-R, Part II, Memorandum items 1 through 3.g, are to be completed semiannually in the June and December reports only.

1 **Current credit exposure across all derivative contracts covered by the regulatory capital rules.** Report the total current credit exposure amount after considering applicable legally enforceable bilateral netting agreements for all interest rate, foreign exchange rate, gold, credit (investment grade reference assets), credit (non-investment grade reference assets), equity, precious metals (except gold), and other derivative contracts that are over-the-counter derivative contracts (as defined in §.2 of the regulatory capital rules) or derivative contracts that are cleared transactions (as described in §.2 of the regulatory capital rules) and are covered by §.34 and §.35 of the regulatory capital rules, respectively. Banks that are subject to the market risk capital rule should exclude all covered positions subject to that rule, except for foreign exchange derivatives that are outside of the trading account.[28] Foreign exchange derivatives that are outside of the trading account and all over-the-counter derivatives continue to have a counterparty credit risk capital charge and, therefore, a current credit exposure amount for these derivatives should be reported in this item.

Include the current credit exposure arising from credit derivative contracts where the bank is the protection purchaser (beneficiary) and the credit derivative contract is either (a) defined as a covered position under the market risk capital rule or (b) not defined as a covered position under the market risk capital rule and not recognized as a guarantee for regulatory capital purposes.

As discussed further below, current credit exposure (sometimes referred to as the replacement cost) is the fair value of a derivative contract when that fair value is positive. The current credit exposure is zero when the fair value is negative or zero.

Exclude the positive fair value of derivative contracts that are neither over-the-counter derivative contracts nor derivative contracts that are cleared transactions under §.2 of the regulatory capital rules. Such derivative contracts include written option contracts, including so-called “derivative loan commitments,” i.e., a lender’s commitment to originate a mortgage loan that will be held for resale. Written option contracts that are, in substance, financial guarantees, are discussed below. For “derivative loan commitments,” which are reported as over-the-counter written option contracts in Schedule RC-L, if the fair value of such a commitment is positive and reported as an asset in Schedule RC, item 11, this positive fair value should be reported in the appropriate risk-weight category in Schedule RC-R, Part II, item 8, and not as a component of the current credit exposure to be reported in this item.

Purchased options held by the reporting bank that are traded on an exchange are covered by the regulatory capital rules unless such options are subject to a daily variation margin. Variation margin is defined as the gain or loss on open positions, calculated by marking to market at the end of each trading day. Such gain or loss is credited or debited by the clearing house to each clearing member's account, and by members to their customers' accounts.

If a written option contract acts as a financial guarantee that does not meet the definition of a *securitization exposure* as described in §.2 of the regulatory capital rules, then for risk-based capital purposes the notional amount of the option should be included in Schedule RC-R, Part II, item 17, column A, as part of "All other off-balance sheet liabilities." An example of

[28] For further information on the market risk capital rule and the meaning of the term “covered position,” refer to the discussion of “Banks That Are Subject to the Market Risk Capital Rule” in the General Instructions for Schedule RC-R, Part II, in the instructions for the FFIEC 031 and FFIEC 041 Call Reports.

Part II. (cont.)

Memoranda

Item No.	Caption and Instructions
2.f and 3.f	**Precious metals (except gold).** Report the remaining maturities of other precious metals contracts that are subject to the regulatory capital rules. Report all silver, platinum, and palladium contracts.
2.g and 3.g	**Other.** Report the remaining maturities of other derivative contracts that are subject to the regulatory capital rules. For contracts with multiple exchanges of principal, notional amount is determined by multiplying the contractual amount by the number of remaining payments (i.e., exchanges of principal) in the derivative contract.

NOTE: Memorandum items 4.a through 4.c should be completed quarterly only by institutions that have adopted FASB Accounting Standards Update No. 2016-13 (ASU 2016-13), which governs the accounting for credit losses.

4	**Amount of allowances for credit losses on purchased credit-deteriorated assets.** ASU 2016-13 introduces the concept of purchased credit-deteriorated (PCD) assets as a replacement for purchased credit-impaired (PCI) assets. The PCD asset definition covers a broader range of assets than the PCI asset definition. As defined in ASU 2016-13, “purchased credit-deteriorated assets” are acquired individual financial assets (or acquired groups of financial assets with similar risk characteristics) accounted for in accordance with ASC Topic 326, Financial Instruments–Credit Losses, that, as of the date of acquisition, have experienced a more-than-insignificant deterioration in credit quality since origination, as determined by the acquiring institution’s assessment. ASU 2016-13 requires institutions to estimate and record a credit loss allowance for a PCD asset at the time of purchase. The credit loss allowance is then added to the purchase price to determine the amortized cost basis of the asset for financial reporting purposes. Post-acquisition increases in credit loss allowances on PCD assets will be established through a charge to earnings. This accounting treatment for PCD assets is different from the current treatment of PCI assets, for which institutions are not permitted to estimate and recognize credit loss allowances at the time of purchase. Rather, in general, credit loss allowances for PCI assets are estimated subsequent to the purchase only if there is deterioration in the expected cash flows from the assets.
4.a	**Loans and leases held for investment.** Report all allowances for credit losses on PCD loans and leases held for investment.
4.b	**Held-to-maturity debt securities.** Report all allowances for credit losses on PCD held-to-maturity debt securities.
4.c	**Other financial assets measured at amortized cost.** Report all allowances for credit losses on all other PCD financial assets, excluding PCD loans and leases held for investment, held-to-maturity debt securities, and available-for-sale debt securities.

SCHEDULE RC-T – FIDUCIARY AND RELATED SERVICES

General Instructions

This schedule should be completed on a fully consolidated basis, i.e., including any trust company subsidiary (or subsidiaries) of the reporting institution.

Item No. **Caption and Instructions**

1 **Does the institution have fiduciary powers?** Federally-chartered institutions granted trust powers by the OCC to administer accounts in a fiduciary capacity should answer "Yes." State-chartered institutions should answer "Yes" if (a) the state has granted trust powers to the institution to offer fiduciary services as defined by the state ***and*** (b) the institution's federal supervisory agency (the FDIC or the Federal Reserve) has granted consent to exercise the trust powers (see Sections 333.2 and 333.101 of the FDIC's regulations and Federal Reserve Regulation H). Institutions with trust company subsidiaries should also answer “Yes.” Institutions responding "No" should not complete the remainder of this schedule. Fiduciary capacity generally means trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, custodian under a uniform gifts to minors act, investment adviser (if the institution receives a fee for its investment advice), any capacity in which the institution possesses investment discretion on behalf of another, or any other similar capacity.

2 **Does the institution exercise the fiduciary powers it has been granted?** Institutions exercising their fiduciary powers should respond "Yes." Exercising fiduciary powers means that an institution, or a trust company subsidiary of the institution, serves in a fiduciary capacity as defined in the instructions for item 1 of this schedule.

3 **Does the institution have fiduciary or related activity (in the form of assets or accounts) to report in this schedule?** Institutions (including their trust company subsidiaries) with fiduciary assets, accounts, income, or other reportable fiduciary related services should respond "Yes." Institutions responding "No" should not complete the remainder of this schedule.

Reportable fiduciary and related services include activities that do not require trust powers but are incidental to fiduciary services. Specifically, this includes custodial services for assets held by the institution in a fiduciary capacity. An institution should report custodial activities that are offered through the fiduciary business unit or through another distinct business unit that is devoted to institutional custodial services. Institutions should exclude those custodial and escrow activities related to commercial bank services such as hold-in-custody repurchase assets, escrow assets held for the benefit of third parties, safety deposit box assets, and any other similar commercial arrangement.

Institutions with fiduciary activities that are limited to only land trusts and/or custodial activity for mortgage-backed securities (such as GNMA or FNMA) should respond "No."

If the answer to item 3 is "Yes," complete the applicable items of Schedule RC-T, as follows:

Institutions with total fiduciary assets (item 10, sum of columns A and B) greater than $1~~250 m~~billion (as of the preceding December 31) or with gross fiduciary and related services

Item No. **Caption and Instructions**

3 (cont.) income greater than 10 percent of revenue (net interest income plus noninterest income) for the preceding calendar year must complete:

- Items 4 through 22 quarterly;
- Items 23 through 26 annually with the December report;
- Memorandum item 3 quarterly; and
- Memorandum items 1, 2, and 4 annually with the December report.

Institutions with total fiduciary assets (item 10, sum of columns A and B) of greater than $250 million but less than or equal to $1 billion (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 22 semiannually with the June and December reports;
- Items 23 through 26 annually with the December report;
- Memorandum item 3 semiannually with the June and December reports; and
- Memorandum items 1, 2, and 4 annually with the December report.

Institutions with total fiduciary assets (item 10, sum of columns A and B) of less than or equal to $250 million (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 13 annually with the December report; and
- Memorandum items 1 through 3 annually with the December report.

In addition, institutions with total fiduciary assets greater than $100 million but less than or equal to $250 million (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must also complete Memorandum item 4 annually with the December report.

Fiduciary and Related Assets

Institutions should generally report fiduciary and related assets using their market value as of the report date. While market value quotations are readily available for marketable securities, many financial and physical assets held in fiduciary accounts are not widely traded or easily valued. If the methodology for determining market values is not set or governed by applicable law (including the terms of the prevailing fiduciary agreement), the institution may use any reasonable method to establish values for fiduciary and related assets for purposes of reporting on this schedule. Reasonable methods include appraised values, book values, or reliable estimates. Valuation methods should be consistent from reporting period to reporting period. This "reasonable method" approach to reporting market values applies both to financial assets that are not marketable and to physical assets. Common physical assets held in fiduciary accounts include real estate, equipment, collectibles, and household goods.

Only those Individual Retirement Accounts, Keogh Plan accounts, Health Savings Accounts, and similar accounts offered through a fiduciary business unit of the reporting institution should be reported in Schedule RC-T. When such accounts are not offered through an institution's fiduciary business unit, they should not be reported in Schedule RC-T. Accounts that consist solely of deposits in the bank itself should not be reported in Schedule RC-T.

If two institutions are named co-fiduciary in the governing instrument, both institutions should report the account. In addition, where one institution contracts with another for fiduciary or related services (i.e., Bank A provides custody services to the trust accounts of Bank B, or Bank A provides investment management services to the trust accounts of Bank B), both institutions should report the accounts in their respective capacities.