

**FFIEC 002**  
**Draft Instructions for Revisions Proposed to**  
**Take Effect September 30, 2023**

The following draft instructions, which are subject to change, present the pages from the FFIEC 002 as they are proposed to be revised, subject to final approval by the Office of Management and Budget. These proposed revisions are described in the federal banking agencies' initial Paperwork Reduction Act (PRA) Federal Register notice published in the Federal Register on February 21, 2023. (see [FIL-7-2023](#), dated February 22, 2023). As discussed in the agencies' final PRA Federal Register notice published in the Federal Register on June 13, 2023, the agencies are proceeding with the revisions to the FFIEC 002, with certain modifications.

The initial and final PRA Federal Register notice and draft redlined reporting form for these proposed revisions to the FFIEC 002 are available on the [FFIEC webpage for the FFIEC 002](#).

# Other Data for Deposit Insurance Assessments

## Schedule O

### General Instructions

This schedule is to be completed only by branches whose deposits are insured by the FDIC. Each FDIC-insured branch must complete items 1 and 2, 4 through 6, Memorandum items 1, ~~6, and 7~~, and if applicable, item 3 and Memorandum items ~~2 and 3~~ each quarter.

and 6,

, 3, 8, and 9.

in accordance with generally accepted accounting principles;

- Deposits in the insured branch to the credit of the branch's parent foreign bank or any of its offices, branches, agencies, or wholly owned subsidiaries; and
- Other obligations meeting the Section 3(l) statutory definition of a deposit that may be housed in systems of record not normally thought of as deposit systems, such as loan, payroll, and escrow systems and manual records that contain information needed to answer depositors' questions on their deposits.

See the Glossary entry for “[deposits](#)” for the statutory definition of deposits.

If unposted debits and unposted credits are included in the gross total deposit liabilities reported in this item, they may be excluded in Schedule O, item 2 below.

### Item Instructions

#### Item 1 Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.

Report 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 and credit balances to nonrelated parties reported in Schedule RAL, item 4.a, column A;
- Interest accrued and unpaid on all deposits and credit balances to nonrelated parties included in Schedule RAL, item 4.f, column A;
- Deposits of majority-owned depository subsidiaries of the parent foreign bank and the interest accrued and unpaid on such deposits;
- The amount by which demand deposits reported in Schedule RAL, item 4.a, column A, have been reduced from the netting of the reporting branch's reciprocal demand balances with U.S. branches and agencies of foreign banks;
- The amount by which any other deposit liabilities reported in Schedule RAL, item 4.a, column A, have been reduced by assets netted against these liabilities

#### Item 2 Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits).

Report the total amount of allowable exclusions from deposits as of the calendar quarter-end report date if the branch maintains such records as will readily permit verification of the correctness of its reporting of exclusions. Any accrued and unpaid interest on the allowable exclusions listed below should also be reported in this item as an allowable exclusion.

The allowable exclusions include:

- (1) *Foreign Deposits*: As defined in Section 3(l)(5) of the Federal Deposit Insurance Act, foreign deposits include
  - (a) any obligation of a depository institution which is carried on the books and records of

---

## Schedule O

(4) For all other deposit accounts, the branch should make a reasonable estimate of the portion of these deposits that is uninsured using the data available from its information systems. In developing this estimate, if the branch has automated information systems in place that enable it to identify jointly owned accounts and estimate the deposit insurance coverage of these deposits, the higher level of insurance afforded these joint accounts should be taken into consideration. Similarly, if the branch has automated information systems in place that enable it to classify accounts by deposit owner and/or ownership capacity, the branch should incorporate this information into its estimate of the amount of uninsured deposits by aggregating accounts held by the same deposit owner in the same ownership capacity before applying the \$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 branch may use nonautomated information such as paper files or less formal knowledge of its depositors if such information provides reasonable estimates of appropriate portions of its uninsured deposits. A branch's use of such nonautomated sources of information is considered appropriate unless errors associated with the use of such sources would contribute significantly to an overall error in the FDIC's estimate of the amount of insured and uninsured deposits in the banking system.

### **Item M3 Preferred deposits.**

(To be completed for the December report only.) Report in this item all deposits of states and political subdivisions in the U.S. included in Schedule E, item 5, columns A and C, which are secured or collateralized as required under state law. Exclude deposits of the U.S. Government which are secured or collateralized as required under federal law. Also exclude deposits of trust funds which are secured or collateralized as required under state law unless the beneficiary is a state or political subdivision in the U.S. The amount reported in this memorandum item must be less than

or equal to the sum of Schedule E, item 5, column A, and item 5, column C.

Deposits of states and political subdivisions in the U.S. include deposits of public funds standing to the credit of states, counties, municipalities, and local housing authorities; school, irrigation, drainage, and reclamation districts; or other instrumentalities of one or more states of the United States, the District of Columbia, Puerto Rico, and U.S. territories and possessions. Deposits of states and political subdivisions in the U.S. also include deposits of funds advanced to states and political subdivisions by U.S. Government agencies and corporations and deposits of withheld income taxes of states and political subdivisions.

State law may require an institution to pledge securities (or other readily marketable assets) to cover the uninsured portion of the deposits of a state or political subdivision. If the institution has pledged securities with a value that exceeds the amount of the uninsured portion of the state or political subdivision's deposits, only the uninsured amount (and none of the insured portion of the deposits) should be reported as a "preferred deposit." For example, a political subdivision has \$350,000 in deposits at an institution which, under state law, is required to pledge securities to cover only the uninsured portion of such deposits (\$250,000 in this example). The institution has pledged securities with a value of \$300,000 to secure these deposits. Only \$250,000 of the political subdivision's \$350,000 in deposits (the uninsured amount) would be considered "preferred deposits."

### **Item M4 & M5**

Not Applicable.

### **Item M6 Outstanding balance of Paycheck Protection Program (PPP) loans**

The PPP was established by Section 1102 of the 2020 Coronavirus Aid, Relief, and Economic Security Act, which was enacted on March 27, 2020. PPP covered loans, as defined in Section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)), are fully guaranteed as to principal and accrued interest by the U.S. Small Business Administration.

Report the aggregate amount at which PPP loans held for investment and held for sale are included in Schedule C, Part I, and PPP loans held for trading are

# Schedule O

included in Schedule RAL, item 1(f)(5), as of the report date.

**Item M7**  
Not Applicable.

~~**Item M7 Quarterly average amount of holdings of assets purchased from money market funds under the Money Market Mutual Fund Liquidity Facility (MMLF)**~~

To prevent the disruption in the money markets from destabilizing the financial system, the Board of Governors of the Federal Reserve System authorized the Federal Reserve Bank of Boston on March 19, 2020, to establish the MMLF pursuant to Section 13(3) of the Federal Reserve Act (12 U.S.C. 343(3)). Under the MMLF, the Federal Reserve Bank of Boston will extend non-recourse loans to eligible borrowers to purchase eligible assets from money market mutual funds, which will be posted as collateral to the Federal Reserve Bank of Boston.

Report the quarterly average amount of holdings of assets purchased under the MMLF.

This quarterly average should be consistent with and calculated using the same averaging method used for calculating the “Average consolidated total assets for the calendar quarter” reported in Schedule O, item 4. If the quarterly average reported in Schedule O, item 4, is calculated on a daily average basis, the quarterly average reported in this Memorandum item 7 should also be calculated on a daily average basis. If the quarterly average reported in Schedule O, item 4, is calculated on a weekly average basis, the quarterly average reported

~~in this Memorandum item 7 should also be calculated on a weekly average basis.~~

**Item M8 Sweep deposits**

Report in the appropriate subitem the indicated sweep deposit data (as defined in the Glossary entry for “Sweep Deposits”).

**Item M8(a) Fully insured, affiliate sweep deposits**

Report the amount of affiliate sweep deposits that are fully insured.

**Item M8(b) Not fully insured, affiliate sweep deposits**

Report the amount of affiliate sweep deposits for which less than the entire amount of the deposit is covered by deposit insurance.

**Item M8(c) Fully insured, non-affiliate sweep deposits**

Report the amount of non-affiliated sweep deposits that are fully insured.

**Item M8(d) Not fully insured, non-affiliate sweep deposits**

Report the amount of non-affiliate sweep deposits for which less than the entire amount of the deposit is covered by deposit insurance.

**Item M9 Total sweep deposits that are not brokered deposits**

Report the total amount of sweep deposits that are excluded from being reported as brokered deposits.