Draft Instructions

for Revised Call Report Schedule RC-O –

Other Data for Deposit Insurance and FICO Assessments,

for June 2011

(Updated June 20, 2011)

NOTE: These draft instructions apply to Call Report Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments, as it will be revised effective June 30, 2011. The instructions have been updated and revised to address comments received on the banking agencies' Federal Register notice proposing assessment-related reporting changes that was published on March 16, 2011. These Call Report revisions have been approved by the U.S. Office of Management and Budget.

Questions and comments concerning these draft instructions may be submitted to the FFIEC by going to http://www.ffiec.gov/contact/default.aspx, clicking on "FFIEC Content" toward the bottom of the Web page, and completing the Feedback Form.

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

General Instructions

Each institution must complete items 1 and 2, 4 through 11, Memorandum items 1 and 5, and, if applicable, item 3 and Memorandum items 2 and 3 each quarter. Each "large institution" and each "highly complex institution," which generally are institutions with $10 billion or more in total assets, must complete Memorandum items 6 through 12 and 13.a each quarter. In addition, each "large institution" must complete Memorandum items 13.b through 13.g and each "highly complex institution" must complete Memorandum items 14 and 15 each quarter. The terms "large institution" and "highly complex institution" are more fully described in the General Instructions preceding Memorandum item 6.

Schedule RC-O should be completed on an "unconsolidated single FDIC certificate number basis." Each separately chartered depository institution that is insured by the FDIC has a unique FDIC certificate number. When one FDIC-insured institution owns another FDIC-insured institution as a subsidiary, it should complete Schedule RC-O by accounting for this subsidiary under the equity method of accounting instead of consolidating it. Thus, each FDIC-insured institution should report only its own amounts in Schedule RC-O under its own FDIC certificate number without eliminating the parent and subsidiary institutions' intercompany balances. 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 institution should complete 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 in "domestic offices" reported in Schedule RC, item 13.a;
- All deposits in "foreign offices" reported in Schedule RC, item 13.b, on the FFIEC 031 report;
- Interest accrued and unpaid on deposits in "domestic offices" reported in Schedule RC-G, item 1.a;
- Interest accrued and unpaid on deposits in "foreign offices" included in Schedule RC-G, item 1.b;
- Uninvested trust funds held in the institution's own trust department;
- Deposits of consolidated subsidiaries and the interest accrued and unpaid on such deposits;
- The amount by which demand deposits reported in Schedule RC, item 13, 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

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1 (cont.)

- The amount by which any other deposit liabilities reported in Schedule RC, item 13, 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;
- Plus the amount of unamortized discounts reflected in the amount of deposit liabilities reported in Schedule RC, item 13;
- Plus 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 RC-O, item 2 below.

2 **Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits).** Report on an unconsolidated single FDIC certificate number basis the total amount of allowable exclusions from deposits as of the calendar quarter-end report date if the institution maintains such records as will readily permit verification of the correctness of its reporting of exclusions.

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 an office of such bank or savings association located outside of any State, unless –

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

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

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2 (cont.)

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

NOTE: Foreign deposits are deposit obligations under the FDIC certificate number of the reporting bank only. Deposit obligations of a subsidiary depository institution chartered in a foreign country should not be included in amounts reported in Schedule RC-O under the domestic bank's FDIC certificate number.

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

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

(4) *Pass-through reserve balances*: Reserve balances passed through to the Federal Reserve by the reporting institution that are also reflected as deposit liabilities of the reporting institution. This exclusion is not applicable to an institution that does not act as a correspondent bank in any pass-through reserve balance relationship. A state nonmember bank generally cannot act as a pass-through correspondent unless it maintains an account for its own reserve balances directly with the Federal Reserve.

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

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

NOTE: Item 3 is applicable only to banks filing the FFIEC 031 report form.

3 **Total foreign deposits, including interest accrued and unpaid thereon (included in item 2 above).** Report on an unconsolidated single FDIC certificate number basis the total amount of foreign deposits (including International Banking Facility deposits), including interest accrued and unpaid on these deposits, as of the calendar quarter-end report date included in Schedule RC-O, item 2 above.

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4 **Average consolidated total assets.** Report average consolidated total assets for the calendar quarter on a single FDIC certificate number basis.

Averaging methods – An institution that reported $1 billion or more in quarter-end consolidated total assets in its Consolidated Reports of Condition and Income (Schedule RC, item 12, "Total assets") or Thrift Financial Report (Schedule SC, line item SC60, "Total assets") for March 31, 2011, and any institution that becomes FDIC-insured after March 31, 2011, must report average consolidated total assets in this item on a daily average basis. An institution that reported less than $1 billion in quarter-end consolidated total assets in its Consolidated Reports of Condition and Income (Schedule RC, item 12, "Total assets") or Thrift Financial Report (Schedule SC, line item SC60, "Total assets") for March 31, 2011, may report average consolidated total assets in this item on a weekly average basis, or it may at any time opt permanently to report average consolidated total assets on a daily average basis. Once an institution that reports average consolidated total assets using a weekly average reports average consolidated total assets of $1 billion or more in this item for two consecutive quarters, it must permanently report average consolidated total assets using daily averaging beginning the next quarter.

Daily average consolidated total assets should be calculated by adding the institution's consolidated total assets as of the close of business for each day of the calendar quarter and dividing by the number of days in the calendar quarter (the number of days in a quarter ranges from 90 days to 92 days). For days that an institution is closed (e.g., Saturdays, Sundays, or holidays), the amount from the previous business day would be used. An institution is considered closed if there are no transactions posted to the general ledger as of that date.

Weekly average consolidated total assets should be calculated by adding the institution's consolidated total assets as of the close of business on each Wednesday during the calendar quarter and dividing by the number of Wednesdays in the quarter.

An institution that becomes newly insured and begins operating during the calendar quarter should report average consolidated total assets on a daily average basis. Daily average consolidated total assets for such an institution should be calculated by adding the institution's consolidated total assets as of the close of business for each day during the quarter since it became insured and operational, and dividing by the number of calendar days since it became insured and operational.

Measuring consolidated total assets – Consolidated total assets should be measured in accordance with the instructions for Schedule RC-K, item 9, average "Total assets," except as follows:

(1) If the reporting institution has an FDIC-insured depository institution subsidiary, the subsidiary should not be consolidated. Instead, the reporting institution's investment in this subsidiary should be included in average consolidated total assets using the equity method of accounting.

(2) If the reporting institution is the surviving or resulting institution in a merger or consolidation that occurred during the calendar quarter, the reporting institution should calculate its average consolidated total assets by including the consolidated total assets of all entities that were merged or consolidated into the reporting institution as if the merger or consolidation occurred on the first day of the calendar quarter. Acceptable methods for including a merged or consolidated entity's consolidated total assets in this

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4 (cont.) calculation for the days during the calendar quarter preceding the merger or consolidation date include using either (a) the acquisition date fair value of the merged or consolidated entity's consolidated total assets for all days (or all Wednesdays) during the calendar quarter preceding the acquisition date or (b) the merged or consolidated entity's consolidated total assets, as defined for Schedule RC-K, item 9, average "Total assets," for each day (or each Wednesday) during the calendar quarter preceding the acquisition date.

(3) If the reporting institution was acquired in a transaction that became effective during the calendar quarter and push down accounting was used to account for the acquisition, the reporting institution should calculate its average consolidated total assets as if the acquisition occurred on the first day of the calendar quarter. Acceptable methods for including the institution's consolidated total assets in this calculation for the days during the calendar quarter preceding the acquisition date include using either (a) the acquisition date fair value of the reporting institution's consolidated total assets for all days (or all Wednesdays) during the calendar quarter preceding the acquisition date or (b) the reporting institution's consolidated total assets, as defined for Schedule RC-K, item 9, average "Total assets," for each day (or each Wednesday) during the calendar quarter preceding the acquisition date.

4.a **Averaging method used.** Indicate the averaging method that the reporting institution used to report its average consolidated total assets in Schedule RC-O, item 4, above. For daily averaging, enter the number "1"; for weekly averaging, enter the number "2."

5 **Average tangible equity.** Report average tangible equity for the calendar quarter on a single FDIC certificate number basis. For purposes of this item, tangible equity is defined as Tier 1 capital as set forth in the banking agencies' regulatory capital standards and reported in Schedule RC-R, item 11.

Averaging methods – An institution that reported $1 billion or more in quarter-end consolidated total assets in its Consolidated Reports of Condition and Income (Schedule RC, item 12, "Total assets") or Thrift Financial Report (Schedule SC, line item SC60, "Total assets") for March 31, 2011, and any institution that becomes FDIC-insured after March 31, 2011, must report average tangible equity on a monthly average basis. An institution that reported less than $1 billion in quarter-end consolidated total assets in its Consolidated Reports of Condition and Income (Schedule RC, item 12, "Total assets") or Thrift Financial Report (Schedule SC, line item SC60, "Total assets") for March 31, 2011, may report its quarter-end tangible equity rather than an average amount, or it may at any time opt permanently to report average tangible equity on a monthly average basis. Once an institution that reports average consolidated total assets using a weekly average reports average consolidated total assets of $1 billion or more in Schedule RC-O, item 4, for two consecutive quarters, it must permanently report average tangible equity using monthly averaging beginning the next quarter.

Monthly average tangible equity should be calculated by adding Tier 1 capital as of each month-end date during the calendar quarter and dividing by three. For example, monthly average tangible equity for June 30, 2011, would be the sum of Tier 1 capital as of April 30, May 31, and June 30, 2011, divided by three.

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5 (cont.) An institution that becomes newly insured and begins operating during the calendar quarter should report average tangible equity on a monthly average basis. Monthly average tangible equity for such an institution should be calculated by adding the institution's Tier 1 capital as of each month-end date during the quarter since it became insured and operational, and dividing by the number of month-end dates since it became insured and operational.

Measuring tangible equity – Tangible equity should be measured in accordance with the instructions for Schedule RC-R, item 11, "Tier 1 capital," except as follows:

(1) If the reporting institution has an FDIC-insured depository institution subsidiary, the subsidiary should not be consolidated. Instead, the reporting institution should measure its equity capital and its Tier 1 capital by accounting for this subsidiary using the equity method of accounting.

(2) If the reporting institution is the surviving or resulting institution in a merger or consolidation that occurred after the end of the first month of the calendar quarter and it reports its average tangible equity on a monthly average basis, the reporting institution should calculate its average tangible equity as if the merger or consolidation occurred on the first day of the calendar quarter. An acceptable method for measuring tangible equity for month-end dates during the calendar quarter preceding the merger or consolidation date would be to use the amount of Tier 1 capital for the month-end date immediately following the merger or consolidation date as the amount of Tier 1 capital for the month-end date or dates preceding the merger or consolidation date.

(3) If the reporting institution was acquired in a transaction that became effective after the end of the first month of the calendar quarter, push down accounting was used to account for the acquisition, and the institution reports its average tangible equity on a monthly average basis, the reporting institution should calculate its average tangible equity as if the acquisition occurred on the first day of the calendar quarter. An acceptable method for measuring tangible equity for month-end dates during the calendar quarter preceding the acquisition date would be to use the amount of Tier 1 capital for the month-end date immediately following the acquisition date as the amount of Tier 1 capital for the month-end date or dates preceding the acquisition date.

6 **Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions.** Report the balance sheet amount of the reporting institution's holdings of long-term unsecured debt issued by other FDIC-insured depository institutions. Long-term unsecured debt includes senior unsecured debt, subordinated debt, and limited-life preferred stock with remaining maturity of at least one year that has been issued by another depository institution. Any debt for which the reporting institution has the option to redeem the debt within the next 12 months is not considered long-term and may be excluded from this item.

Depending on the form of the debt and the intent for which it is held, holdings of long-term unsecured debt issued by other insured depository institutions are included in Schedule RC-B, item 6.a, "Other domestic debt securities"; Schedule RC-C, part I, item 2, "Loans to depository institutions and acceptances of other banks"; Schedule RC-D, item 5.b, "All other debt securities"; and Schedule RC-D, item 6.d, "Other loans." For an institution that does not complete Schedule RC-D – Trading Assets and Liabilities, long-term unsecured debt issued by other insured depository institutions that is held for trading is included in Schedule RC, item 5, "Trading assets."

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6 (cont.)	Exclude holdings of long-term unsecured debt issued by bank and thrift holding companies. Also exclude holdings of debt issued by other insured depository institutions that are guaranteed by the FDIC under the Debt Guarantee Program component of the FDIC's Temporary Liquidity Guarantee Program.
7	**Unsecured "Other borrowings" with a remaining maturity of.** Report the amount of the bank's unsecured "Other borrowings" (as defined for Schedule RC-M, item 5.b) in the appropriate subitems according to the amount of time remaining until their final contractual maturities. Include both fixed rate and floating rate "Other borrowings" that are unsecured. In general, "Other borrowings" are unsecured if the bank (or a consolidated subsidiary) has not pledged securities, loans, or other assets as collateral for the borrowing. Exclude "Other borrowings" that are guaranteed by the FDIC under the Debt Guarantee Program component of the FDIC's Temporary Liquidity Guarantee Program. The sum of Schedule RC-O, items 7.a through 7.d, must be less than or equal to Schedule RC-M, items 5.b.(1)(a) through (d) minus item 10.b.
7.a	**One year or less.** Report all unsecured "Other borrowings" with a remaining maturity of one year or less. Include unsecured "Other borrowings" with a remaining maturity of over one year for which the holder has the option to redeem the debt instrument within one year of the report date. Except for such optionally redeemable borrowings, the unsecured "Other borrowings" that should be included in this item will also have been reported in Schedule RC-M, item 5.b.(2), "Other borrowings with a remaining maturity of one year or less."
7.b	**Over one year through three years.** Report all unsecured "Other borrowings" with a remaining maturity of over one year through three years.
7.c	**Over three years through five years.** Report all unsecured "Other borrowings" with a remaining maturity of over three years through five years.
7.d	**Over five years.** Report all unsecured "Other borrowings" with a remaining maturity of over five years.
8	**Subordinated notes and debentures with a remaining maturity of.** Report the amount of the bank's subordinated notes and debentures (as defined for Schedule RC, item 19) in the appropriate subitems according to the amount of time remaining until their final contractual maturities. Include both fixed rate and floating rate subordinated notes and debentures. The sum of Schedule RC-M, items 8.a through 8.d, must equal Schedule RC, item 19, "Subordinated notes and debentures."
8.a	**One year or less.** Report all subordinated notes and debentures with a remaining maturity of one year or less. Include subordinated notes and debentures with a remaining maturity of over one year for which the holder has the option to redeem the subordinated debt within one year of the report date.
8.b	**Over one year through three years.** Report all subordinated notes and debentures with a remaining maturity of over one year through three years.
8.c	**Over three years through five years.** Report all subordinated notes and debentures with a remaining maturity of over three years through five years.

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8.d	**Over five years.** Report all subordinated notes and debentures with a remaining maturity of over five years
9	**Reciprocal brokered deposits.** Report the amount of reciprocal deposits included in the amount of brokered deposits reported in Schedule RC-E, (part I,) Memorandum item 1.b, "Total brokered deposits." As defined in Section 327.8(s) of the FDIC's regulations, "reciprocal deposits" are "[d]eposits that an insured depository institution receives through a deposit placement network on a reciprocal basis, such that: (1) for any deposit received, the institution (as agent for depositors) places the same amount with other insured depository institutions through the network; and (2) each member of the network sets the interest rate to be paid on the entire amount of funds it places with other network members."
10	**Banker's bank certification: Does the reporting institution meet both the statutory definition of a banker's bank and the business conduct test set forth in FDIC regulations?** If the reporting institution meets both of these criteria, it is a qualifying banker's bank and should answer "Yes" to item 10 and complete items 10.a and 10.b. If the reporting institution does not meet both of these criteria, it should answer "No" to item 10 and it should not complete items 10.a and 10.b. The definition of "banker's bank" is set forth in 12 U.S.C. 24, which states that a banker's bank is an FDIC-insured bank where the stock of the bank or its parent holding company "is owned exclusively (except to the extent directors' qualifying shares are required by law) by depository institutions or depository institution holding companies (as defined in section 1813 of this title)" and the bank or its parent holding "company and all subsidiaries thereof are engaged exclusively in providing services to or for other depository institutions, their holding companies, and the officers, directors, and employees of such institutions and companies, and in providing correspondent banking services at the request of other depository institutions or their holding companies." A bank that would otherwise meet the definition of a banker's bank, but has received funds from federal capital infusion programs (such as the Troubled Assets Relief Program and the Small Business Lending Fund), has stock owned by the FDIC as a result of bank failures, or has non-bank-owned stock resulting from equity compensation programs, is not excluded from the definition of a banker's bank for purposes of Schedule RC-O, item 10, provided the bank also meets the business conduct test. To meet the business conduct test, which is set forth in Section 327.5(b)(3) of the FDIC's regulations, a bank must conduct 50 percent or more of its business with entities other than its parent holding company or entities other than those controlled either directly or indirectly by its parent holding company. Control has the same meaning as in section 3(w)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(5)).
10.a	**Banker's bank deduction.** A qualifying banker's bank is eligible to have the FDIC deduct certain assets from its assessment base, subject to a limit. Report in this item the banker's bank deduction, which equals the sum of a qualifying banker's bank's average balances due from Federal Reserve Banks plus its average federal funds sold. These averages should be calculated on a daily or weekly basis consistent with the qualifying banker's bank's calculation of its average consolidated total assets in Schedule RC-O, item 4 (and as reported in Schedule RC-O, item 4.a).

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10.a (cont.) Balances due from Federal Reserve Banks include the total balances due from Federal Reserve Banks, including the qualifying banker's bank's own reserves and other balances as well as reserve balances actually passed through to a Federal Reserve Bank by the banker's bank on behalf of its respondent depository institutions (as described in the instructions for Schedule RC-A, item 4, "Balances due from Federal Reserve Banks"). For a qualifying banker's bank that is a respondent in a pass-through reserve relationship with a correspondent bank, balances due from Federal Reserve Banks include the reserve balances the correspondent bank has passed through to a Federal Reserve Bank for the respondent banker's bank. Balances due from Federal Reserve Banks also include the qualifying banker's bank's excess balance accounts, which are limited-purpose accounts at Federal Reserve Banks for maintaining an institution's excess balances that are eligible to earn interest on their Federal Reserve balances. See the Glossary entry for "pass-through reserve balances."

Federal funds sold are defined in the instructions for Schedule RC, item 3.a, "Federal funds sold." See also the Glossary entry for "federal funds transactions."

10.b **Banker's bank deduction limit.** A qualifying banker's bank is eligible to have the FDIC deduct certain assets from its assessment base, subject to a limit. Report in this item the banker's bank deduction limit, which equals the sum of a qualifying banker's bank's average deposits of commercial banks and other depository institutions in the U.S. plus its average federal funds purchased. These averages should be calculated on a daily or weekly basis consistent with the qualifying banker's bank's calculation of its average consolidated total assets in Schedule RC-O, item 4 (and as reported in Schedule RC-O, item 4.a).

Deposits of commercial banks and other depository institutions in the U.S. are defined in the instructions for Schedule RC-E, item 4.

Federal funds purchased are defined in the instructions for Schedule RC, item 14.a, "Federal funds purchased." See also the Glossary entry for "federal funds transactions."

11 **Custodial bank certification: Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations?** If the reporting institution meets the custodial bank definition, it should answer "Yes" to item 11 and complete items 11.a and 11.b. If the reporting institution does not meet the custodial bank definition, it should answer "No" to item 11 and it should not complete items 11.a and 11.b.

A custodial bank, as defined in Section 327.5(c)(1) of the FDIC's regulations, is an insured depository institution that had:

(1) "Fiduciary and custody and safekeeping assets" (the sum of item 10, columns A and B, plus item 11, column B, in Schedule RC-T – Fiduciary and Related Services) of $50 billion or more as of the end of the previous calendar year, or

(2) Income from fiduciary activities (Schedule RI, item 5.a) that was 50 percent or more of its total revenue (interest income plus noninterest income, which is the sum of items 1.h and 5.m of Schedule RI) during the previous calendar year.

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11.a **Custodial bank deduction.** An institution that meets the definition of a custodial bank is eligible to have the FDIC deduct certain assets from its assessment base, subject to a limit. Report in this item the custodial bank deduction, which equals average qualifying low-risk assets. Qualifying low-risk assets are determined without regard to the maturity of the assets. Average qualifying low-risk assets equals the sum of:

(1) The average amount of cash and balances due from depository institutions with a risk weighting for risk-based capital purposes of zero percent (as defined for Schedule RC-R, item 34, column C) plus 50 percent of the average amount of cash and balances due from depository institutions with a risk weighting of 20 percent (as defined for Schedule RC-R, item 34, column D);
(2) The average amount of held-to-maturity securities with a risk weighting for risk-based capital purposes of zero percent (as defined for Schedule RC-R, item 35, column C) plus 50 percent of the average amount of held-to-maturity securities with a risk weighting of 20 percent (as defined for Schedule RC-R, item 35, column D);
(3) The average amount of available-for-sale securities with a risk weighting for risk-based capital purposes of zero percent (as defined for Schedule RC-R, item 36, column C) plus 50 percent of the average amount of available-for-sale securities with a risk weighting of 20 percent (as defined for Schedule RC-R, item 36, column D); and
(4) The average amount of federal funds sold and securities purchased under agreements to resell with a risk weighting for risk-based capital purposes of zero percent (as defined for Schedule RC-R, item 37, column C) plus 50 percent of the average amount of federal funds sold and securities purchased under agreements to resell with a risk weighting of 20 percent (as defined for Schedule RC-R, item 37, column D).

These averages should be calculated on a daily or weekly basis consistent with the custodial bank's calculation of its average consolidated total assets in Schedule RC-O, item 4 (and as reported in Schedule RC-O, item 4.a).

11.b **Custodial bank deduction limit.** An institution that meets the definition of a custodial bank is eligible to have the FDIC deduct certain assets from its assessment base, subject to a limit. Report in this item the custodial bank deduction limit, which equals the average amount of the institution's transaction account deposit liabilities identified by the institution as being directly linked to a fiduciary, custodial, or safekeeping account reported in Schedule RC-T – Fiduciary and Related Services. The titling of a transaction account or specific references in the deposit account documents should clearly demonstrate the link between the transaction account and a fiduciary, custodial, or safekeeping account.

For deposits in domestic offices, the term "transaction account" is defined in Federal Reserve Regulation D and in the Glossary entry for "deposits" and such deposits are reported in Schedule RC-E, (part I,) item 7, column A. In general, a transaction account is a deposit or account from which the depositor or account holder is permitted to make transfers or withdrawals by negotiable or transferable instruments, payment orders of withdrawal, telephone transfers, or other similar devices for the purpose of making payments or transfers to third persons or others or from which the depositor may make third party payments at an automated teller machine, a remote service unit, or another electronic device, including by debit card. For purposes of reporting the custodial bank deduction limit in this item, a custodial bank with deposits in foreign offices should include foreign office deposit liabilities (reported in Schedule RC-E, part II) with the characteristics of a transaction account that are linked to a fiduciary, custody, or safekeeping account reported in Schedule RC-T – Fiduciary and Related Services.

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11.b (cont.)	Exclude from this item escrow accounts, Interest on Lawyers Trust Accounts, and other trust and custody-related deposit accounts related to commercial bank services, or otherwise offered outside a custodial bank's fiduciary business unit or another distinct business unit devoted to institutional custodial services. Also exclude all nontransaction account deposit liabilities (i.e., savings and time deposits). This average should be calculated on a daily or weekly basis consistent with the custodial bank's calculation of its average consolidated total assets in Schedule RC-O, item 4 (and as reported in Schedule RC-O, item 4.a).

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Item No. **Caption and Instruction**

1 **Total deposit liabilities of the bank (including related interest accrued and unpaid), less allowable exclusions (including related interest accrued and unpaid).**
Memorandum items 1.a.(1) through 1.d.(2) are to be completed each quarter. These Memorandum items should be reported on an unconsolidated single FDIC certificate number basis.

The sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal 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 (including foreign deposits)." Accordingly, all amounts included in the bank's total deposit liabilities less allowable exclusions, not just those included in its "Deposits in domestic offices" (reported in Schedule RC, item 13.a), should be reported in the appropriate subitem of Memorandum item 1. For example, the interest accrued and unpaid on a deposit account (that is not an allowable exclusion) should be reported together with the deposit account in Memorandum item 1.a.(1), 1.b.(1), 1.c.(1), or 1.d.(1), as appropriate.

The dollar amounts used as the basis for reporting the number and amount of deposit accounts in Memorandum items 1.a.(1) through 1.d.(2) reflect the deposit insurance limits of $250,000 for "retirement deposit accounts" and $250,000 for other deposit accounts.

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

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

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

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

In some cases, brokered certificates of deposit are issued in $1,000 amounts under a master certificate of deposit issued by a bank to a deposit broker in an amount that exceeds $250,000. For these so-called "retail brokered deposits," multiple purchases by individual depositors from an individual bank normally do not exceed the applicable deposit insurance limit ($250,000), but under current deposit insurance rules the deposit broker is not required to provide information routinely on these purchasers and their account ownership capacity to the bank issuing the deposits. If this information is not readily available to the issuing bank, these brokered certificates of deposit in $1,000 amounts may be rebuttably presumed to be fully insured and should be reported as "Deposit accounts of $250,000 or less" in

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1 (cont.)	Schedule RC-O, Memorandum item 1.a, below. In addition, some brokered deposits are transaction accounts or money market deposit accounts (MMDAs) that are denominated in amounts of $0.01 and established and maintained by the deposit broker (or its agent) as agent, custodian, or other fiduciary for the broker's customers. An individual depositor's deposits within the brokered transaction account or MMDA normally do not exceed the applicable deposit insurance limit. As with retail brokered deposits, if information on these depositors and their account ownership capacity is not readily available to the bank establishing the transaction account or MMDA, the amounts in the transaction account or MMDA may be rebuttably presumed to be fully insured and should be reported as "Deposit accounts of $250,000 or less" in Schedule RC-O, Memorandum item 1.a, below. Time deposits issued to deposit brokers in the form of large ($250,000 or more) certificates of deposit that have been participated out by the broker in shares of less than $250,000 should also be reported as "Deposit accounts of $250,000 or less" in Schedule RC-O, Memorandum item 1.a, below. When determining the number and size of deposit accounts, each individual certificate, passbook, account, and other evidence of deposit is to be treated as a separate account. For purposes of completing this Memorandum item, multiple accounts of the same depositor should not be aggregated. In situations where a bank assigns a single account number to each depositor so that one account number may represent multiple deposit contracts between the bank and the depositor (e.g., one demand deposit account, one money market deposit account, and three certificates of deposit), each deposit contract is a separate account.
1.a	**Deposit accounts (excluding retirement accounts) of $250,000 or less.** Report in the appropriate subitem the amount outstanding and the number of deposit accounts, excluding retirement deposit accounts (as defined in Schedule RC-O, Memorandum item 1), with a balance of $250,000 or less as of the report date.
1.a.(1)	**Amount of deposit accounts (excluding retirement accounts) of $250,000 or less.** Report the aggregate balance of all deposit accounts, certificates, or other evidences of deposit (demand, savings, and time), excluding retirement deposit accounts, with a balance on the report date of $250,000 or less. This amount should represent the total of the balances of the deposit accounts enumerated in Schedule RC-O, Memorandum item 1.a.(2) below.
1.a.(2)	**Number of deposit accounts (excluding retirement accounts) of $250,000 or less.** Report the total number of deposit accounts (demand, savings, and time), excluding retirement deposit accounts, with a balance on the report date of $250,000 or less. Count each certificate, passbook, account, and other evidence of deposit that has a balance of $250,000 or less.
1.b	**Deposit accounts (excluding retirement accounts) of more than $250,000.** Report in the appropriate subitem the amount outstanding and the number of deposit accounts, excluding retirement deposit accounts (as defined in Schedule RC-O, Memorandum item 1), with a balance of more than $250,000 as of the report date.

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Item No.	Caption and Instruction
1.b.(1)	**Amount of deposit accounts (excluding retirement accounts) of more than $250,000.** Report the aggregate balance of all deposit accounts, certificates, or other evidences of deposit (demand, savings, and time), excluding retirement deposit accounts, with a balance on the report date of more than $250,000. This amount should represent the total of the balances of the deposit accounts enumerated in Schedule RC-O, Memorandum item 1.b.(2) below.
1.b.(2)	**Number of deposit accounts (excluding retirement accounts) of more than $250,000.** Report the total number of deposit accounts (demand, savings, and time), excluding retirement deposit accounts, with a balance on the report date of more than $250,000. Count each certificate, passbook, account, and other evidence of deposit that has a balance of more than $250,000.
1.c	**Retirement deposit accounts of $250,000 or less.** Report in the appropriate subitem the amount outstanding and the number of retirement deposit accounts (as defined in Schedule RC-O, Memorandum item 1) with a balance of $250,000 or less as of the report date.
1.c.(1)	**Amount of retirement deposit accounts of $250,000 or less.** Report the aggregate balance of all retirement deposit accounts, certificates, or other evidences of deposit (demand, savings, and time) with a balance on the report date of $250,000 or less. This amount should represent the total of the balances of the retirement deposit accounts enumerated in Schedule RC-O, Memorandum item 1.c.(2) below.
1.c.(2)	**Number of retirement deposit accounts of $250,000 or less.** Report the total number of retirement deposit accounts (demand, savings, and time) with a balance on the report date of $250,000 or less. Count each certificate, passbook, account, and other evidence of deposit which has a balance of $250,000 or less.
1.d	**Retirement deposit accounts of more than $250,000.** Report in the appropriate subitem the amount outstanding and the number of retirement deposit accounts (as defined in Schedule RC-O, Memorandum item 1) with a balance of more than $250,000 as of the report date.
1.d.(1)	**Amount of retirement deposit accounts of more than $250,000.** Report the aggregate balance of all retirement deposit accounts, certificates, or other evidences of deposit (demand, savings, and time) with a balance on the report date of more than $250,000. This amount should represent the total of the balances of the retirement deposit accounts enumerated in Schedule RC-O. Memorandum item 1.d.(2) below.
1.d.(2)	**Number of retirement deposit accounts of more than $250,000.** Report the total number of retirement deposit accounts (demand, savings, and time) with a balance on the report date of more than $250,000. Count each certificate, passbook, account, and other evidence of deposit which has a balance of more than $250,000.
2	**Estimated amount of uninsured deposits (in domestic offices of the bank and in insured branches in Puerto Rico and U.S. territories and possessions), including related interest accrued and unpaid.**

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.

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Item No.	Caption and Instruction
2 (cont.)	Report the estimated amount of the bank's deposits (in domestic offices and in insured branches in Puerto Rico and U.S. territories and possessions) that is not covered by federal deposit insurance. This estimate should reflect the temporary unlimited insurance coverage on noninterest-bearing transaction accounts[1] (as defined in Schedule RC-O, Memorandum item 5) as well as 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 (exclusive of noninterest-bearing transaction 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 (including foreign deposits)." 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 in domestic offices;
- Deposits in insured branches in Puerto Rico and U.S. territories and possessions (including interest accrued and unpaid on these deposits);
- Deposits of consolidated subsidiaries in domestic offices and in insured branches in Puerto Rico and U.S. territories and possessions (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. Regardless of these criteria, all noninterest-bearing transaction accounts (as defined in Schedule RC-O, Memorandum item 5) must be treated as insured deposits and excluded from the estimate of uninsured deposits. Furthermore, 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, "Fully insured brokered deposits," to determine its best estimate of the uninsured portion of its brokered deposits.

[1] Pursuant to Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, unlimited insurance coverage on noninterest-bearing transaction accounts is in effect from December 31, 2010, through December 31, 2012.

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Item No.	Caption and Instruction
2 (cont.)	(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. 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, and, on the FFIEC 031 report form, in Schedule RC-E, part II, item 5), 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

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Item No.	Caption and Instruction
2 (cont.)	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.

3 **Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report or Thrift Financial Report?** If the reporting bank is owned by another bank or savings association and that parent bank or parent savings association is consolidating the reporting bank as part of the parent institution's Call Report or Thrift Financial Report for this report date, report the legal title and FDIC Certificate Number of the parent institution in this item.

4 Not applicable.

5 **Noninterest-bearing transaction accounts (as defined in Section 343 of the Dodd-Frank Act) of more than $250,000.**

NOTE: Schedule RC-O, Memorandum items 5.a and 5.b, below, for the amount and number of noninterest-bearing transaction accounts of more than $250,000 are to be completed – beginning in the reports for December 31, 2010 – by all FDIC-insured depository institutions, whether or not they had previously opted to participate in the FDIC's Transaction Account Guarantee Program. Memorandum items 5.a and 5.b are to be reported as of the quarter-end report date, not as daily averages for the quarter.

Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act amended Section 11(a)(1)(B) of the Federal Deposit Insurance Act (FDI Act) with respect to the insurance coverage of noninterest-bearing transaction accounts. These amendments take effect December 31, 2010, and require the FDIC to "fully insure the net amount that any depositor at an insured depository institution maintains in a noninterest-bearing transaction account." This unlimited insurance coverage will be in effect only through December 31, 2012.

As defined in Section 11(a)(1)(B) of the FDI Act, as added by Section 343 of the Dodd-Frank Act and as subsequently amended, a "noninterest-bearing transaction account" is:

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Item No.	Caption and Instruction
5 (cont.)	(1) A deposit or an account (in a domestic office or an insured branch in Puerto Rico or a U.S. territory or possession): (a) "with respect to which interest is neither accrued nor paid;" (b) "on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and" (c) "on which the insured depository institution does not reserve the right to require advance notice of an intended withdrawal; and" (2) "a trust account established by an attorney or law firm on behalf of a client, commonly known as an 'Interest on Lawyers Trust Account', or a functionally equivalent account, as determined by the Corporation." Thus, the term "noninterest-bearing transaction account" includes all demand deposits, including certified checks and official checks (such as cashiers' checks and money orders) drawn on the reporting institution. However, pursuant to Section 627 of the Dodd-Frank Act, as of July 21, 2011, institutions will no longer be restricted from paying interest on demand deposit accounts. At that time, if an institution modifies the terms of its demand deposit account agreement so that the account may earn interest, the account will no longer satisfy the definition of a noninterest-bearing transaction account, will no longer be eligible for full deposit insurance coverage, and should no longer be reported in Memorandum items 5.a and 5.b. Even if checks may be drawn on the account, a "noninterest-bearing transaction account" does not include, for example, any transaction account that may earn interest, such as a negotiable order of withdrawal (NOW) account, or a money market deposit account (MMDA) as defined in Federal Reserve Regulation D. Account features such as the waiver of fees or the provision of fee-reducing credits do not prevent an account from qualifying as a noninterest-bearing transaction account as long as the account otherwise satisfies the definition of a noninterest-bearing transaction account. In determining whether funds are in a noninterest-bearing transaction account for purposes of reporting in Memorandum items 5.a and 5.b, the FDIC will apply its normal rules and procedures under Section 360.8 of the FDIC's regulations for determining account balances at a failed insured depository institution. Under these procedures, funds may be swept or transferred from a noninterest-bearing transaction account to another type of deposit account or product that is not a noninterest-bearing transaction account. Except as described in the following sentence, unless the funds are in a noninterest-bearing transaction account after the completion of a sweep under Section 360.8, the funds in the resulting account or product will not be eligible for full deposit insurance coverage and they should not be reported in Memorandum items 5.a and 5.b. However, in the case of funds swept from a noninterest-bearing transaction account to a noninterest-bearing savings account as defined in Federal Reserve Regulation D, the FDIC will treat the swept funds as being in a noninterest-bearing transaction account. If the sum of the swept funds in the noninterest-bearing savings account plus any amount remaining in the related noninterest-bearing transaction account is

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Item No.	Caption and Instruction
5 (cont.)	more than $250,000, this sum should be reported in Memorandum item 5.a and the swept funds and the related noninterest-bearing transaction account should be reported as one account in Memorandum item 5.b. Include public funds held in "noninterest-bearing transaction accounts" of more than $250,000 whether or not they are collateralized with pledged securities or other pledged assets. Report in the appropriate subitem the amount outstanding and the number of noninterest-bearing transaction accounts (as defined above and in the FDIC's regulations implementing Section 343) with a balance on the report date of more than $250,000. An institution may exclude noninterest-bearing transaction accounts with a balance of more than $250,000 if the entire balance in the account is fully insured under the FDIC's regular deposit insurance rules (i.e., without considering the insurance protection provided under Section 343), such as joint account relationship rules or "pass-through" insurance coverage rules. In noninterest-bearing transaction accounts with a balance of more than $250,000 where the entire balance is not fully insured, an institution may exclude any amounts over $250,000 that are otherwise insured under the FDIC's regular deposit insurance rules. These amounts may be excluded to the extent that they can be determined by the institution and fully supported in the institution's workpapers for this report. An institution is not required to make a determination of amounts otherwise insured but may do so at its option.
5.a	**Amount of noninterest-bearing transaction accounts of more than $250,000.** Report the aggregate balance of all noninterest-bearing transaction accounts (as defined in Schedule RC-O, Memorandum item 5, above) with a balance on the report date of more than $250,000. This amount should represent the total of the balances of the noninterest-bearing transaction accounts enumerated in Call Report Schedule RC-O, Memorandum item 5.b, below.
5.b	**Number of noninterest-bearing transaction accounts of more than $250,000.** Report the total number of noninterest-bearing transaction accounts (as defined in Schedule RC-O, Memorandum item 5, above) with a balance on the report date of more than $250,000.

General Instructions for Schedule RC-O, Memorandum items 6 through 15

Memorandum items 6 through 15 are applicable only to large institutions and/or highly complex institutions. Amounts reported in Memorandum items 6 through 9, 14, and 15 will not be made available to the public on an individual institution basis.

According to Section 327.8(f) of the FDIC's regulations, a large institution is an FDIC-insured bank or savings association that reported total assets of $10 billion or more as of December 31, 2006, that does not meet the definition of a highly complex institution. After December 31, 2006, if a bank or savings association not previously classified as a large institution reports total assets of $10 billion or more for four consecutive quarters, the bank or savings association will be classified as a large institution beginning the following quarter. In the Consolidated Reports of Condition and Income, an FDIC-insured depository institution's total assets is reported in Schedule RC, item 12.

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General Instructions for Schedule RC-O, Memorandum items 6 through 16 (cont.)

According to Section 327.8(g) of the FDIC's regulations, a highly complex institution is an FDIC-insured bank or savings association (excluding a credit card bank[1]) that:

(1) Has had $50 billion or more in total assets for at least four consecutive quarters that either is controlled by a U.S. parent holding company that has had $500 billion or more in total assets for four consecutive quarters, or is controlled by one or more intermediate U.S. parent holding companies that are controlled by a U.S. holding company that has had $500 billion or more in total assets for four consecutive quarters; or

(2) Is a processing bank or trust company that has had $10 billion or more in total assets for at least four consecutive quarters. According to Section 327.8(s) of the FDIC's regulations, a processing bank or trust company is "an institution whose last three years' non-lending interest income, fiduciary revenues, and investment banking fees, combined, exceed 50 percent of total revenues (and its last three years fiduciary revenues are non-zero), and whose total fiduciary assets total $500 billion or more."

If, after December 31, 2010, a bank or savings association classified as a highly complex institution falls below $50 billion in total assets for four consecutive quarters, or its parent company or companies fall below $500 billion in total assets for four consecutive quarters, or a processing bank or trust company falls below $10 billion in total assets for four consecutive quarters, the FDIC will reclassify the bank or savings association as a large institution or a small institution, as appropriate, beginning the quarter after the fourth consecutive quarter.

Transition Guidance for Reporting "Subprime Consumer Loans" and "Leveraged Loans and Securities" as Defined for Assessment Purposes Only in FDIC Regulations[2] – For loans originated or purchased prior to October 1, 2011, and for securities where the underlying loans were originated predominantly prior to October 1, 2011, for which the reporting institution does not have the information necessary to determine subprime consumer or leveraged status in accordance with the definitions of these asset categories set forth in the FDIC's assessment regulations and these instructions, the institution may use its existing internal methodology for identifying subprime consumer or leveraged loans and securities as the basis for reporting these assets for deposit insurance assessment purposes in Schedule RC-O, Memorandum items 8 and 9. Institutions that do not have an existing methodology in place to identify subprime consumer or leveraged loans and securities (because they are not required to report on these exposures to their primary federal regulator for examination or other supervisory purposes or did not measure and monitor loans and securities with these characteristics for internal risk management purposes) may, as an alternative to applying the definitions in the FDIC's assessment regulations to pre-October 1, 2011, loans and securities, apply existing guidance provided by their primary federal regulator, the agencies' 2001 Expanded Guidance for Subprime Lending Programs,[3] or the February 2008 Comptroller's Handbook on Leveraged Lending[4] for purposes of identifying subprime consumer and leveraged loans originated or

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[1] As defined in Section 327.8(t) of the FDIC's regulation, a credit card bank is "a bank for which credit card receivables plus securitized receivables exceed 50 percent of assets plus securitized receivables."

[2] The definitions for subprime consumer and leveraged loans included in these Instructions are essentially the same as the definitions for subprime consumer and leveraged loans included in the FDIC's assessment regulations (12 CFR Part 327). However, to assist institutions in properly identifying subprime consumer and leveraged loans for reporting in Schedule RC-O and deposit insurance pricing purposes, certain clarifications to the definitions in the assessment regulations have been included in these instructions to facilitate the identification of such loans for assessment reporting purposes.

[3] http://www.fdic.gov/news/news/press/2001/pr0901a.html.

[4] http://www.occ.gov/static/publications/handbook/LeveragedLending.pdf.

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General Instructions for Schedule RC-O, Memorandum items 6 through 16 (cont.)

purchased prior to October 1, 2011, and subprime consumer and leveraged securities where the underlying loans were originated predominantly prior to October 1, 2011. All loans originated on or after October 1, 2011, and all securities where the underlying loans were originated predominantly on or after October 1, 2011, must be reported according to the definitions of these asset categories set forth in the FDIC's assessment regulations and these instructions.

For loans purchased on or after October 1, 2011, institutions may apply this transition guidance to loans originated prior to that date. Loans purchased on or after October 1, 2011, that also were originated on or after that date must be reported as subprime or leveraged according to the definitions of these asset categories set forth in the FDIC's assessment regulations and these instructions.

Amounts Guaranteed or Insured by the U.S. Government, its Agencies, or its Government-Sponsored Agencies – The instructions for Schedule RC-O, Memorandum items 6 through 9, 10.b, 11, and 13, refer to amounts recoverable from, or guaranteed or insured by, the U.S. government, its agencies, or its government-sponsored agencies under guarantee or insurance provisions. Examples include guarantees or insurance (or reinsurance) provided by the Department of Veterans Affairs, the Federal Housing Administration, the Small Business Administration (SBA), the Department of Agriculture Rural Development Loan Program, and the Department of Education for individual loans as well as coverage provided by the FDIC under loss-sharing agreements. For loan securitizations and securities, examples include those guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac) as well as SBA Guaranteed Loan Pool Certificates and securities covered by FDIC loss-sharing agreements. However, if an institution holds securities backed by mortgages it has transferred to Fannie Mae or Freddie Mac with recourse or other transferor-provided credit enhancements, these securities should not be considered guaranteed to the extent of the institution's maximum contractual credit exposure arising from the credit enhancements. NOTE: Because certain information on coverage under FDIC loss-sharing agreements is reported elsewhere in the Consolidated Reports of Condition and Income, the treatment of FDIC loss-sharing agreements varies in Schedule RC-O, Memorandum items 6 through 9, 10.b, 11, and 13.

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Item No. Caption and Instruction

NOTE: Memorandum items 6 through 12 are to be completed by "large institutions" and "highly complex institutions."

6 **Criticized and classified items.** Criticized and classified items include all on- and off-balance sheet items an institution or its primary federal regulator has graded Special Mention or worse (Substandard, Doubtful, or Loss). Such items include, but are not limited to, retail items adversely classified under the agencies' Uniform Retail Credit Classification and Account Management Policy,[1] securities, funded and unfunded loans,[2] other real estate

[1] http://www.fdic.gov/news/news/financial/2000/fil0040a.pdf.

[2] The amount of the unfunded loan that should be reported as criticized or classified should equal the amount that the borrower is entitled to draw upon as of the reporting date, i.e., the unused commitment as defined in the instructions for Schedule RC-L, item 1.

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Item No.	Caption and Instruction
6 (cont.)	owned, other assets, and marked-to-market counterparty positions (less credit valuation adjustments for these counterparty positions).[1] Criticized and classified items exclude loans and securities reported as trading assets, and the amount recoverable on an on- or off-balance sheet item from the U.S. government, its agencies, or its government-sponsored agencies under guarantee or insurance provisions, including FDIC loss-sharing agreements. For purposes of the criticized and classified items definition, Loss items include any items graded Loss that have not yet been written off against the allowance for loan and lease losses (or another valuation allowance) or charged directly to earnings, as appropriate. However, because an item should be written off or charged off in the period in which the item is deemed Loss, the amount reported in Memorandum item 6.d, below, generally should be zero. A marked-to-market counterparty position is equal to the sum of the net marked-to-market derivative exposures for each counterparty. The net marked-to-market derivative exposure equals the sum of all positive marked-to-market exposures net of legally enforceable netting provisions and net of all collateral held under a legally enforceable Credit Support Annex plus any exposure where excess collateral has been posted to the counterparty. For purposes of this item, a marked-to-market counterparty position less any credit valuation adjustment can never be less than zero.
6.a	**Special mention.** Report the amount of on- and off-balance sheet items the reporting institution or its primary federal regulator has graded Special Mention.
6.b	**Substandard.** Report the amount of on- and off-balance sheet items the reporting institution or its primary federal regulator has graded Substandard.
6.c	**Doubtful.** Report the amount of on- and off-balance sheet items the reporting institution or its primary federal regulator has graded Doubtful.
6.d	**Loss.** Report the amount of on- and off-balance sheet items the reporting institution or its primary federal regulator has graded Loss.
7	**"Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations.** Report the balance sheet amount of nontraditional 1-4 family residential mortgage loans (in domestic offices), as defined for assessment purposes only in Appendix C to Subpart A to Part 327 of the FDIC's regulations, which includes all 1-4 family residential loan products that allow the borrower to defer repayment of principal or interest and includes all interest-only products, teaser rate mortgages, and negative amortizing mortgages, with the exception of home equity lines of credit and reverse mortgages. Nontraditional mortgage loans do not include loans reported as trading assets in Schedule RC, item 5; conventional fully amortizing adjustable rate mortgage loans that do not have a teaser rate; and interest-only residential construction loans, but include conventional fully amortizing adjustable rate mortgage loans that have a teaser rate.

[1] An institution that has not previously measured its marked-to-market counterparty positions net of any applicable credit valuation adjustments for purposes of reporting criticized and classified items internally and to its primary federal regulator may report these positions in this same manner in Schedule RC-O, Memorandum item 6, particularly if the institution concludes that updating its reporting systems to net these adjustments would impose an undue burden on the institution.

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Item No.	Caption and Instruction
7 (cont.)	A teaser-rate mortgage loan is defined for assessment purposes as a mortgage with a discounted initial rate. A discounted initial rate is an effective interest rate at the time of origination or refinancing that is less than the rate the bank is willing to accept for an otherwise similar extension of credit with comparable risk. A mortgage loan is no longer considered a nontraditional mortgage once the teaser rate has expired, or in the case of an escalating interest rate, once the rate is no longer discounted and the borrower is making full principal and interest payments (has not been granted any principal and interest concessions). Nontraditional mortgage loans can be reclassified as traditional loans once they become fully amortizing loans, provided they no longer have a teaser rate. Nontraditional 1-4 family residential mortgage loans as defined for assessment purposes also include securitizations where more than 50 percent of the assets backing the securitization meet one or more of the preceding criteria for nontraditional 1-4 family residential mortgage loans, with the exception of those securities reported as trading assets in Schedule RC, item 5. The amount to be reported in this item for nontraditional mortgage loans should include purchased credit impaired loans as defined in ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer"), provided they meet the characteristics of nontraditional as described above. The amount to be reported in this item should exclude amounts recoverable on nontraditional mortgage loans from the U.S. government, its agencies, or its government-sponsored agencies under guarantee or insurance provisions, including FDIC loss-sharing agreements.
8	**"Subprime consumer loans" as defined for assessment purposes only in FDIC regulations.** Report the balance sheet amount of subprime consumer loans, as defined for assessment purposes only in Appendix C to Subpart A to Part 327 of the FDIC's regulations, excluding subprime consumer loans that have been reported as nontraditional 1-4 family residential mortgage loans in Memorandum item 7 above. For assessment purposes, subprime consumer loans are loans secured by 1-4 family residential properties (as defined for Schedule RC-C, part I, item 1.c) and loans to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, item 6) that have been made to borrowers who display one or more of the following credit risk characteristics at origination or upon refinancing, whichever is more recent: • Two or more 30-day delinquencies in the last 12 months, or one or more 60-day delinquencies in the last 24 months; • Judgment, foreclosure, repossession, or charge-off in the prior 24 months; • Bankruptcy in the last 5 years; or • Debt service-to-income ratio of 50 percent or greater, or otherwise limited ability to cover family living expenses after deducting total monthly debt-service requirements from monthly income.[1]

[1] http://www.fdic.gov/news/news/press/2001/pr0901a.html; however, the definition of subprime consumer loans in the FDIC's assessment regulations and in the instructions for this Memorandum item excludes any reference to FICO or other credit bureau scores.

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Item No.	Caption and Instruction
8 (cont.)	For assessment purposes, subprime consumer loans also include loans identified by an insured depository institution as subprime loans based upon similar borrower characteristics and securitizations where more than 50 percent of assets backing the securitization meet one or more of the preceding criteria for subprime loans, excluding those securities reported as trading assets in Schedule RC, item 5. The amount to be reported in this item for subprime consumer loans should include purchased credit impaired loans as defined in ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer"), provided they meet the characteristics of subprime above. The amount to be reported in this item should exclude consumer loans reported as trading assets in Schedule RC, item 5, and amounts recoverable on subprime consumer loans from the U.S. government, its agencies, or its government-sponsored agencies under guarantee or insurance provisions, including FDIC loss-sharing agreements.
9	**"Leveraged loans and securities" as defined for assessment purposes only in FDIC regulations.** Report the balance sheet amount plus the unfunded amount of leveraged loans and securities as defined for assessment purposes only in Appendix C to Subpart A to Part 327 of the FDIC's regulations. For assessment purposes, leveraged loans and securities include: (1) All commercial and industrial loans (funded and unfunded) (as defined for Schedule RC-C, part I, item 4, but excluding loans to individuals for commercial, industrial, and professional purposes) with an original amount[1] greater than $1 million that meet any one of the conditions[2] below at either origination or renewal;

[1] The following guidelines should be used to determine the "original amount" of a loan:

(1) For loans drawn down under lines of credit or loan commitments, the "original amount" of the loan is the size of the line of credit or loan commitment when the line of credit or loan commitment was most recently approved, extended, or renewed prior to the report date. However, if the amount currently outstanding as of the report date exceeds this size, the "original amount" is the amount currently outstanding on the report date.
(2) For loan participations and syndications, the "original amount" of the loan participation or syndication is the entire amount of the credit originated by the lead lender.
(3) For all other loans, the "original amount" is the total amount of the loan at origination or the amount currently outstanding as of the report date, whichever is larger.

Consistent with the definition of "original amount" in the instructions for Schedule RC-C, part II, multiple loans to one borrower should be combined and reported on an aggregate basis rather than as separate individual loans to the extent that the loan systems in which the institution's business loan data are maintained can provide aggregate individual borrower data without undue cost to the reporting institution. However, if the burden of such aggregation would be excessive, the institution may treat multiple loans to one borrower as separate individual loans.

[2] The leveraged loans criteria to be used for assessment purposes are based on guidance issued by the Office of the Comptroller of the Currency in its Comptroller's Handbook on Leveraged Lending, http://www.occ.gov/static/publications/handbook/LeveragedLending.pdf, but do not include all of the criteria in the handbook.

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Item No.	Caption and Instruction
9 (cont.)	(2) Securities issued by commercial borrowers that meet any one of the conditions below at either origination or renewal, except securities reported as trading assets in Schedule RC, item 5; and
	(3) Securitizations that are more than 50 percent collateralized by assets that meet any one of the conditions below at either origination or renewal, except securities reported as trading assets in Schedule RC, item 5.

Leveraged loans exclude loans secured by real estate (as defined for Schedule RC-C, part I, item 1), loans to finance agricultural production and other loans to farmers (as defined for Schedule RC-C, part I, item 3), and commercial and industrial loans reported as trading assets in Schedule RC, item 5..

The conditions to be considered when evaluating whether loans or securities should be reported as leveraged loans or securities are:

- Loans or securities where the borrower's post-financing total debt or senior debt to trailing twelve-month earnings before interest, taxes, depreciation, and amortization (EBITDA) (i.e., operating leverage ratio) is greater than 4 or 3 times, respectively. For purposes of this calculation, the only permitted EBITDA adjustments are those adjustments specifically permitted for that borrower in its credit agreement; or
- Loans or securities that are designated as highly leveraged transactions by the syndication agent.[1]

For the purposes of calculating debt/EBITDA ratios, total debt is defined as short-term borrowings plus long-term borrowings as follows:

- Short-term borrowings include bank overdrafts, short-term debts and borrowings, repurchase agreements (repos), the short-term portion of long-term borrowings or debt, current obligations under capital (finance) leases, trust receipts, and bankers acceptances.
- Long-term borrowings (or long-term debt) include all interest-bearing financial obligations that are not previously captured in short-term borrowings. These obligations include debentures, bonds, loans, mortgage debts, sinking funds, long-term bank overdrafts and capital (finance) lease obligations, including those obligations that are convertible, redeemable, or retractable. They also include mandatory redeemable preferred and trust preferred securities accounted for as liabilities in accordance with ASC Subtopic 480-10, Distinguishing Liabilities from Equity – Overall (formerly FASB Statement No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity"), and subordinated capital notes. Long-term borrowings exclude the short-term portion of long-term debt, pension obligations, deferred tax liabilities, and preferred equity.

Senior debt shall include any portion of total debt as previously defined that has a priority claim on the assets of the borrower.

[1] http://www.fdic.gov/news/news/press/2001/pr2801.html.

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Item No.	Caption and Instruction
9 (cont.)	Institutions should report the balance sheet amount of leveraged loans as defined for assessment purposes that have been funded as well as the unfunded portion of leveraged loans. Institutions should report unfunded amounts that include the unused portions of irrevocable and revocable commitments to make or purchase leveraged loans, i.e., the unused commitment as defined in the instructions for Schedule RC-L, item 1. The amount to be reported in this item for leveraged loans and securities should include purchased credit impaired loans and securities as defined in ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer"), provided the loans and securities meet the definition of a leveraged loan or security. The amount to be reported in this item should exclude amounts recoverable on leveraged loans and securities from the U.S. government, its agencies, or its government-sponsored agencies under guarantee or insurance provisions, including FDIC loss-sharing agreements.
10	**Commitments to fund construction, land development, and other land loans secured by real estate (in domestic offices).** For purposes of Memorandum items 10.a and 10.b, construction, land development, and other land loans are defined in the instructions for Schedule RC-C, part I, item 1.a, "Construction, land development, and other land loans." Commitments are defined in the instructions for Schedule RC-L, item 1, "Unused commitments."
10.a	**Total unfunded commitments.** Report the unused portion of commitments (in domestic offices) to extend credit to fund construction, land development, and other land loans that, when funded, would be reportable as loans secured by real estate in Schedule RC-C, part I, item 1.a. The amount reported in this item should also have been included in the amounts reported in Schedule RC-L, items 1.c.(1)(a) and (b).
10.b	**Portion of unfunded commitments guaranteed or insured by the U.S. government.** Report the amount of the unused portion of the construction, land development, and other land loan commitments reported in Schedule RC-O, Memorandum item 10.a, above that is recoverable from the U.S. government, its agencies, or its government-sponsored agencies under guarantee or insurance provisions, including FDIC loss-sharing agreements. Exclude amounts recoverable from state or local governments, state or local government agencies, foreign (non-U.S.) governments, and private agencies or organizations.
11	**Amount of other real estate owned recoverable from the U.S. government under guarantee or insurance provisions (excluding FDIC loss-sharing agreements).** Report the amount of other real estate owned (as defined in Schedule RC-M, item 3) that is recoverable from the U.S. government, its agencies, or its government-sponsored agencies under guarantee or insurance provisions, excluding any other real estate owned that is covered under FDIC loss-sharing agreements. Exclude other real estate owned that is protected under guarantee or insurance provisions by state or local governments, state or local government agencies, foreign (non-U.S.) governments, and private agencies or organizations.

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Item No.	Caption and Instruction
12	**Nonbrokered time deposits of more than $250,000 (in domestic offices).** Report the amount of time deposits of more than $250,000 (in domestic offices) included in Schedule RC-E, (part I), Memorandum item 2.d, that are not brokered deposits. See the Glossary entry for "brokered deposits" for the definition of this term.

NOTE: Memorandum item 13.a is to be completed by "large institutions" and "highly complex institutions." Memorandum items 13.b through 13.g are to be completed by "large institutions" only.

13	**Portion of funded loans guaranteed or insured by the U.S. government (excluding FDIC loss-sharing agreements).** Report in the appropriate subitem the portion of the balance sheet amount of funded loans that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements. Exclude loans guaranteed or insured by state or local governments, state or local government agencies, foreign (non-U.S.) governments, and private agencies or organizations as well as loans collateralized by securities issued by the U.S. government, including its agencies and its government-sponsored agencies.
13.a	**Construction, land development, and other land loans secured by real estate (in domestic offices).** Report the portion of the balance sheet amount of construction, land development, and other land loans (in domestic offices) (as defined for Schedule RC-C, part I, item 1.a) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.
13.b	**Loans secured by multifamily residential and nonfarm nonresidential properties (in domestic offices).** Report the portion of the balance sheet amount of loans secured by multifamily (5 or more) residential properties and loans secured by nonfarm nonresidential properties (in domestic offices) (as defined for Schedule RC-C, part I, items 1.d and 1.e., respectively) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.
13.c	**Closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices).** Report the portion of the balance sheet amount of closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) (as defined for Schedule RC-C, part I, item 1.c.(2)(a)) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.
13.d	**Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit (in domestic offices).** Report the portion of the balance sheet amount of closed-end loans secured by junior liens on 1-4 family residential properties revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit (in domestic offices) (as defined for Schedule RC-C, part I, items 1.c.(2)(b) and 1.c.(1), respectively) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.

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Item No.	Caption and Instruction
13.e	**Commercial and industrial loans.** Report the portion of the balance sheet amount of commercial and industrial loans (as defined for Schedule RC-C, part I, item 4) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.
13.f	**Credit card loans to individuals for household, family, and other personal expenditures.** Report the portion of the balance sheet amount of credit card loans to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, item 6.a) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.
13.g	**Other consumer loans (includes other revolving credit plans, automobile loans, single payment, installment, and all student loans).** Report the portion of the balance sheet amount of other consumer loans (as defined for Schedule RC-C, part I, items 6.b, 6.c, and 6.d) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements

NOTE: Memorandum items 14 and 15 are to be completed by "highly complex institutions."

14 **Amount of the institution's largest counterparty exposure.** Report the amount of total exposure to the counterparty to which the institution has the largest total counterparty exposure.

Counterparty exposure is equal to the sum of (1) the exposure at default (EAD) associated with derivatives trading and securities financing transactions (SFTs) and (2) the gross lending exposure (including all unfunded commitments) for each counterparty or borrower at the consolidated entity level of the counterparty.[1] Counterparty exposure, for deposit insurance pricing purposes, excludes exposure amounts arising from due from accounts, federal funds sold, investments in debt and equity securities, and credit protection purchased or sold where the counterparty under consideration is the reference entity.

Exclude all counterparty exposure to the U.S. Government and departments or agencies of the U.S. Government that are unconditionally guaranteed by the full faith and credit of the United States.

To adopt an internal model method approach to estimate EAD, an institution must receive approval from its primary federal regulator in accordance with the risk-based capital standards issued by its regulator to implement Annex 4 of the Basel Committee's "International Convergence of Capital Measurement and Capital Standards" (for FDIC-supervised institutions; 12 CFR Part 325, Appendix D, Section 32; for national banks, 12 CFR Part 3, Appendix C, Section 32; and for state member banks, 12 CFR Part 208, Appendix F,

[1] EAD and SFTs are defined and described in the compilation issued by the Basel Committee on Banking Supervision in its June 2006 document, "International Convergence of Capital Measurement and Capital Standards," http://www.bis.org/publ/bcbs128.pdf. The definitions are described in detail in Annex 4 of the document. Any updates to the Basel II capital treatment of counterparty credit risk that would affect these definitions should be implemented as they are adopted.

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Item No.	Caption and Instruction
14 (cont.)	Section 32). If an institution has not received regulatory approval to adopt an internal model method approach, then it must calculate EAD using one of the other methods described in the risk-based capital standards issued by its primary federal regulator.
15	**Total amount of the institution's 20 largest counterparty exposures.** Report the sum of the total exposure amounts to the 20 counterparties to which the institution has the 20 largest total counterparty exposures. Counterparty exposure should be measured as described in the instructions for Schedule RC-O, Memorandum item 14, above.

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