SCHEDULE RC-L – DERIVATIVES AND OFF-BALANCE SHEET ITEMS

General Instructions

Schedule RC-L should be completed on a fully consolidated basis. In addition to information about derivatives, Schedule RC-L includes the following selected commitments, contingencies, and other off-balance sheet items that are not reportable as part of the balance sheet of the Report of Condition (Schedule RC). Among the items not to be reported in Schedule RC-L are contingencies arising in connection with litigation. For those asset-backed commercial paper program conduits that the reporting bank consolidates onto its balance sheet (Schedule RC) in accordance with FASB Interpretation No. 46 (Revised), any credit enhancements and liquidity facilities the bank provides to the programs should not be reported in Schedule RC-L. In contrast, for conduits that the reporting bank does not consolidate, the bank should report the credit enhancements and liquidity facilities it provides to the programs in the appropriate items of Schedule RC-L.

Item Instructions

Item No. **Caption and Instructions**

1 **Unused commitments.** Report in the appropriate subitem the unused portions of commitments to make or purchase extensions of credit in the form of loans or participations in loans, lease financing receivables, or similar transactions. Exclude commitments that meet the definition of a derivative and must be accounted for in accordance with FASB Statement No. 133, which should be reported in Schedule RC-L, item 12. Include the amount of the unused portions of loan commitments (not the fair value of the commitments) that do not meet the definition of a derivative that the bank has elected to report at fair value under a fair value option.

Report the unused portions of all credit card lines in item 1.b. Report in items 1.a and 1.c through 1.e the unused portions of commitments for which the bank has charged a commitment fee or other consideration, or otherwise has a legally binding commitment. Such commitments are to be reported in the appropriate subitem regardless of whether they contain "material adverse change" clauses or other provisions that are intended to relieve the issuer of its funding obligations under certain conditions and regardless of whether they are unconditionally cancelable at any time. In the case of commitments for syndicated loans, report only the bank's proportional share of the commitment. Unused commitments are to be reported gross, i.e., include in this item the amounts of commitments acquired from and conveyed to others.

If the bank offers an overdraft protection program and it advises account holders of the available amount of overdraft protection, for example, when accounts are opened or on depositors' account statements or ATM receipts, report the available amount of overdraft protection on depositors' accounts in item 1.e.

Include loan proceeds that the bank is obligated to advance, such as loan draws, construction progress payments, seasonal or living advances to farmers under prearranged lines of credit, rotating or revolving credit arrangements, including retail credit cards, or similar transactions. Forward agreements and commitments to issue a commitment at some point in the future are to be reported in this item.

Item No.	Caption and Instructions
1 (cont.)	For purposes of reporting the unused portions of revolving asset-based lending commitments, the legally binding commitment is defined as the amount a bank is obligated to fund – as of the report date – based on the contractually agreed upon terms. In the case of revolving asset-based lending, the unused portions of such legally binding commitments should be measured as the difference between (a) the lesser of the contractual borrowing base (i.e., eligible collateral times the advance rate) or the note commitment limit, and (b) the sum of outstanding loans and letters of credit under the commitment. The note commitment limit is the overall maximum loan amount beyond which the bank will not advance funds regardless of the amount of collateral posted. This definition of "legally binding commitment" is applicable only to revolving asset-based lending, which is a specialized form of secured lending in which a borrower uses current assets (e.g., accounts receivable and inventory) as collateral for a loan. The loan is structured so that the amount of credit is limited by the value of the collateral. In addition, include revolving underwriting facilities (RUFs), note issuance facilities (NIFs), and other similar arrangements. These are facilities under which a borrower can issue on a revolving basis short-term paper in its own name, but for which the underwriting banks have a legally binding commitment either to purchase any notes the borrower is unable to sell by the rollover date or to advance funds to the borrower.
1.a	**Revolving, open-end lines secured by 1-4 family residential properties.** Report the unused portions of commitments to extend credit under revolving, open-end lines of credit secured by 1-4 family residential properties. These lines, commonly known as home equity lines, are typically secured by a junior lien and are usually accessible by check or credit card.
1.b	**Credit card lines.** Report the unused portions of all commitments to extend credit both to individuals for household, family, and other personal expenditures and to commercial or industrial enterprises through credit cards. Exclude home equity lines accessible through credit cards. Banks may report unused credit card lines as of the end of their customers' last monthly billing cycle prior to the report date or as of the report date.
1.c.(1)	**Commitments to fund commercial real estate, construction, and land development loans secured by real estate.** Report in the appropriate subitem the unused portions of commitments to extend credit for the specific purpose of financing commercial and multifamily residential properties (e.g., business and industrial properties, hotels, motels, churches, hospitals, and apartment buildings), provided that such commitments, when funded, would be reportable as either loans secured by multifamily residential properties in Schedule RC-C, part I, item 1.d, or loans secured by nonfarm nonresidential properties in Schedule RC-C, part I, item 1.e. Also include the unused portions of commitments to extend credit for the specific purpose of financing (a) land development (i.e., the process of improving land – laying sewers, water pipes, etc.) preparatory to erecting new structures or (b) the on-site construction of industrial, commercial, residential, or farm buildings, provided that such commitments, when funded, would be reportable as loans secured by real estate in Schedule RC-C, part I, item 1.a, "Construction, land development, and other land loans." For purposes of this item, "construction" includes not only construction of new structures, but also additions or alterations to existing structures and the demolition of existing structures to make way for new structures. Also include in this item loan proceeds the bank is obligated to advance as construction progress payments.

Item No.	Caption and Instructions
1.c.(1) (cont.)	Do <u>not</u> include general lines of credit that a borrower, at its option, may draw down to finance construction and land development (report in Schedule RC-L, item 1.c.(2) or item 1.e, below, as appropriate).
1.c.(1)(a)	**<u>1-4 family residential construction loan commitments.</u>** Report the unused portions of commitments to extend credit for the specific purpose of constructing 1-4 family residential properties, <u>provided</u> that such commitments, when funded, would be reportable as loans secured by real estate in Schedule RC-C, part I, item 1.a.(1), "1-4 family residential construction loans."
1.c.(1)(b)	**<u>Commercial real estate, other construction loan, and land development loan commitments.</u>** Report the unused portions of all other commitments to fund commercial real estate, construction, and land development loans secured by real estate (as defined for Schedule RC-L, item 1.c.(1)) other than commitments to fund 1-4 family residential construction (as defined for Schedule RC-L, item 1.c.(1)(a)).
1.c.(2)	**<u>Commitments to fund commercial real estate, construction, and land development loans not secured by real estate.</u>** Report the unused portions of all commitments to extend credit for the specific purpose of financing commercial and residential real estate activities, e.g., acquiring, developing, and renovating commercial and residential real estate, provided that such commitments, when funded, would be reportable as "Commercial and industrial loans" in Schedule RC-C, part I, item 4, or as "Other loans" in Schedule RC-C, part I, item 9. Include in this item loan proceeds the bank is obligated to advance as construction progresses. Such commitments generally may include: (1) commitments to extend credit for the express purpose of financing real estate ventures as evidenced by loan documentation or other circumstances connected with the loan; or (2) commitments made to organizations or individuals 80 percent of whose revenue or assets are derived from or consist of real estate ventures or holdings. <u>Exclude</u> from this item all commitments that, when funded, would be reportable as "Loans secured by real estate" in Schedule RC-C, part I, item 1. Also exclude commitments made to commercial and industrial firms where the sole purpose for the financing is to construct a factory or office building to house the company's operations or employees.
1.d	**<u>Securities underwriting.</u>** Report the unsold portion of the reporting bank's own takedown in securities underwriting transactions. Include NIFs and RUFs in this item.

Item No.	Caption and Instructions
1.e	**Other unused commitments.** Report the unused portion of all other commitments not reportable above. Include commitments to extend credit through overdraft facilities or commercial lines of credit, retail check credit and related plans, and those overdraft protection programs in which the bank advises account holders of the available amount of protection. Also include commitments to extend credit secured by 1-4 family residential properties, except (a) revolving, open-end lines of credit secured by 1-4 family residential properties (e.g., home equity lines) which should be reported in Schedule RC-L, item 1.a, above, (b) commitments for 1-4 family residential construction and land development loans (that are secured by such properties) which should be reported in Schedule RC-L, item 1.c.(1), above, and (c) commitments that meet the definition of a derivative and must be accounted for in accordance with FASB Statement No. 133, which should be reported in Schedule RC-L, item 12.
2 and 3	**General Instructions for Standby Letters of Credit** – Originating banks must report in items 2 and 3 the full amount outstanding and unused of financial and performance standby letters of credit, respectively. Include those standby letters of credit that are collateralized by cash on deposit, that have been acquired from others, and in which participations have been conveyed to others where (a) the originating and issuing bank is obligated to pay the full amount of any draft drawn under the terms of the standby letter of credit and (b) the participating banks have an obligation to partially or wholly reimburse the originating bank, either directly in cash or through a participation in a loan to the account party. For syndicated standby letters of credit where each bank has a direct obligation to the beneficiary, each bank must report only its share in the syndication. Similarly, if several banks participate in the issuance of a standby letter of credit under a bona fide binding agreement which provides that (a) regardless of any event, each participant shall be liable only up to a certain percentage or to a certain amount and (b) the beneficiary is advised and has agreed that each participating bank is only liable for a certain portion of the entire amount, each bank shall report only its proportional share of the total standby letter of credit. For a financial or performance standby letter of credit that is in turn backed by a financial standby letter of credit issued by another bank, each bank must report the entire amount of the standby letter of credit it has issued in either item 2 or item 3 below, as appropriate. The amount of the reporting bank's financial or performance standby letter of credit that is backed by the other bank's financial standby letter of credit must also be reported in either item 2.a or 3.a, as appropriate, since the backing of standby letters of credit has substantially the same effect as the conveying of participations in standby letters of credit. On the FFIEC 031, also include all financial and performance guarantees issued by foreign offices of the reporting bank pursuant to Federal Reserve Regulation K or Section 347.103(a)(1) of the FDIC Rules and Regulations.
2	**Financial standby letters of credit (and foreign office guarantees – for the FFIEC 031).** Report the amount outstanding and unused as of the report date of all financial standby letters of credit (and all legally binding commitments to issue financial standby letters of credit) issued by any office of the bank. A financial standby letter of credit irrevocably obligates the bank to pay a third-party beneficiary when a customer (account party) fails to repay an outstanding loan or debt instrument. (See the Glossary entry for "letter of credit" for further information.)

Item No.	Caption and Instructions
2 (cont.)	Exclude from financial standby letters of credit: (1) Financial standby letters of credit where the beneficiary is a consolidated subsidiary of the reporting bank. (2) Performance standby letters of credit. (3) Signature or endorsement guarantees of the type associated with the clearing of negotiable instruments or securities in the normal course of business.
2.a	**Amount of financial standby letters of credit conveyed to others.** Item 2.a is to be completed by banks with $1 billion or more in total assets. Report that portion of the bank's total contingent liability for financial standby letters of credit reported in Schedule RC-L, item 2, above, that the bank has conveyed to others. Also include that portion of the reporting bank's financial standby letters of credit that are backed by other banks' financial standby letters of credit, as well as the portion that participating banks have reparticipated to others. Participations and backings may be for any part or all of a given obligation.
3	**Performance standby letters of credit (and foreign office guarantees – for the FFIEC 031).** Report the amount outstanding and unused as of the report date of all performance standby letters of credit (and all legally binding commitments to issue performance standby letters of credit) issued by any office of the bank. A performance standby letter of credit irrevocably obligates the bank to pay a third-party beneficiary when a customer (account party) fails to perform some contractual non-financial obligation. (See the Glossary entry for "letter of credit" for further information.) Exclude from performance standby letters of credit: (1) Performance standby letters of credit where the beneficiary is a consolidated subsidiary of the reporting bank. (2) Financial standby letters of credit. (3) Signature or endorsement guarantees of the type associated with the clearing of negotiable instruments or securities in the normal course of business.
3.a	**Amount of performance standby letters of credit conveyed to others.** Item 3.a is to be completed by banks with $1 billion or more in total assets. Report that portion of the bank's total contingent liability for performance standby letters of credit reported in Schedule RC-L, item 3, above, that the bank has conveyed to others. Also include that portion of the reporting bank's performance standby letters of credit that are backed by other banks' financial standby letters of credit, as well as the portion that participating banks have reparticipated to others. Participations and backings may be for any part or all of a given obligation.

Item No.	Caption and Instructions
4	**Commercial and similar letters of credit.** Report the amount outstanding and unused as of the report date of issued or confirmed commercial letters of credit, travelers' letters of credit not issued for money or its equivalent, and all similar letters of credit, but excluding standby letters of credit (which are to be reported in Schedule RC-L, items 2 and 3, above). (See the Glossary entry for "letter of credit.") Legally binding commitments to issue commercial letters of credit are to be reported in this item. Travelers' letters of credit and other letters of credit issued for money or its equivalent by the reporting bank or its agents should be reported as demand deposit liabilities in Schedule RC-E.
5	Not applicable.
6	**Securities lent.** Report the appropriate amount of all securities lent against collateral or on an uncollateralized basis. Report the book value of bank-owned securities that have been lent. In addition, for customers who have been indemnified against any losses by the reporting bank, report the market value as of the report date of such customers' securities, including customers' securities held in the reporting bank's trust department, that have been lent. If the reporting bank has indemnified its customers against any losses on their securities that have been lent by the bank, the commitment to indemnify -- either through a standby letter of credit or other means -- should not be reported in any other item on Schedule RC-L.
7	**Credit derivatives.** In general, credit derivatives are arrangements that allow one party (the “protection purchaser” or "beneficiary") to transfer the credit risk of a "reference asset" or “reference entity” to another party (the “protection seller” or "guarantor"). Banks should report the notional amounts of credit derivatives by type of instrument in Schedule RC-L, items 7.a.(1) through 7.a.(4). Banks should report the gross positive and negative fair values of all credit derivatives in Schedule RC-L, items 7.b.(1) and 7.b.(2). For both the notional amounts and gross fair values, report credit derivatives for which the bank is the protection seller in column A, “Sold Protection,” and those on which the bank is the protection purchaser in column B, “Purchased Protection.” Banks should report the notional amounts of credit derivatives by regulatory capital treatment in Schedule RC-L, items 7.c.(1)(a) through 7.c.(2)(c). Banks should report the notional amounts of credit derivatives by remaining maturity in Schedule RC-L, items 7.d.(1)(a) through 7.d.(2)(b). All credit derivative transactions within the consolidated bank should be reported on a net basis, i.e., intrabank transactions should not be reported in this item. No other netting of contracts is permitted for purposes of this item. Therefore, do not net the notional amounts or fair values of: (1) credit derivatives with third parties on which the reporting bank is the protection purchaser against credit derivatives with third parties on which the reporting bank is the protection seller, or (2) contracts subject to bilateral netting agreements. The notional amounts of credit derivatives should not be included in Schedule RC-L, items 12 through 14, and the fair values of credit derivatives should not be included in Schedule RC-L, item 15.
7.a	**Notional amounts.** Report in the appropriate subitem and column the notional amount (stated in U.S. dollars) of all credit derivatives. For tranched credit derivative transactions that relate to an index, e.g., the Dow Jones CDX NA index, report as the notional amount the dollar amount of the tranche upon which the reporting bank’s credit derivative cash flows are based.

Item No. **Caption and Instructions**

7.a.(1) **Credit default swaps.** Report in the appropriate column the notional amount of all credit default swaps. A credit default swap is a contract in which a protection seller or guarantor (risk taker), for a fee, agrees to reimburse a protection purchaser or beneficiary (risk hedger) for any losses that occur due to a credit event on a particular entity, called the "reference entity." If there is no credit default event (as defined by the derivative contract), then the protection seller makes no payments to the protection purchaser and receives only the contractually specified fee. Under standard industry definitions, a credit event is normally defined to include bankruptcy, failure to pay, and restructuring. Other potential credit events include obligation acceleration, obligation default, and repudiation/moratorium.

7.a.(2) **Total return swaps.** Report in the appropriate column the notional amount of all total return swaps. A total return swap transfers the total economic performance of a reference asset, which includes all associated cash flows, as well as capital appreciation or depreciation. The protection purchaser (beneficiary) receives a floating rate of interest and any depreciation on the reference asset from the protection seller. The protection seller (guarantor) has the opposite profile. The protection seller receives cash flows on the reference asset, plus any appreciation, and it pays any depreciation to the protection purchaser, plus a floating interest rate. A total return swap may terminate upon a default of the reference asset.

7.a.(3) **Credit options.** Report in the appropriate column the notional amount of all credit options. A credit option is a structure that allows investors to trade or hedge changes in the credit quality of the reference asset. For example, in a credit spread option, the option writer (protection seller or guarantor) assumes the obligation to purchase or sell the reference asset at a specified "strike" spread level. The option purchaser (protection purchaser or beneficiary) buys the right to sell the reference asset to, or purchase it from, the option writer at the strike spread level.

7.a.(4) **Other credit derivatives.** Report in the appropriate column the notional amount of all other credit derivatives. Other credit derivatives consist of any credit derivatives not reportable as a credit default swap, a total return swap, or a credit option. Credit linked notes are cash securities and should not be reported as other credit derivatives.

7.b **Gross fair values.** Report in the appropriate subitem and column the gross fair values of all credit derivatives.

As defined in FASB Statement No. 157, fair value for an asset or liability is the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants (not a forced liquidation or distressed sale) in the asset's or liability's principal (or most advantageous) market at the measurement date. For further information, see the Glossary entry for "fair value." For purposes of this item, the reporting bank should determine the fair value of its credit derivative contracts in the same manner that it determines the fair value of these contracts for other financial reporting purposes.

7.b.(1) **Gross positive fair value.** Report in the appropriate column the total fair value of those credit derivatives reported in Schedule RC-L, items 7.a.(1) through 7.a.(4), above, with positive fair values.

7.b.(2) **Gross negative fair value.** Report in the appropriate column the total fair value of those credit derivatives reported in Schedule RC-L, items 7.a.(1) through 7.a.(4), above, with negative fair values. Report the total fair value as an absolute value; do not enclose the total fair value in parentheses or use a minus (-) sign.

Item No.	Caption and Instructions
7.c	**Notional amount of all credit derivatives by regulatory capital treatment.** Report in the appropriate subitem the notional amount of all credit derivative contracts according to the reporting bank's treatment of the derivative for regulatory capital purposes. Because each subitem under item 7.c is mutually exclusive, each credit derivative contract should be reported in only one subitem. The sum of Schedule RC-L, items 7.c.(1)(a) and 7.c.(2)(a), must equal sum of Schedule RC-L, items 7.a.(1) through (4), column A. The sum of Schedule RC-L, items 7.c.(1)(b), 7.c.(2)(b), and 7.c.(2)(c), must equal sum of Schedule RC-L, items 7.a.(1) through (4), column B.
7.c.(1)	**Positions covered under the Market Risk Rule.** For banks subject to the Market Risk Rule, report in the appropriate subitem the notional amount of covered positions.
7.c.(1)(a)	**Sold protection.** For those credit derivatives that are covered positions under the Market Risk Rule, report the notional amount of credit derivative contracts where the bank is the protection seller (guarantor).
7.c.(1)(b)	**Purchased protection.** For those credit derivatives that are covered positions under the Market Risk Rule, report the notional amount of credit derivative contracts where the bank is the protection purchaser (beneficiary).
7.c.(2)(a)	**Sold protection.** Report the notional amount of credit derivative contracts where the reporting bank is the protection seller (guarantor).
7.c.(2)(b)	**Purchased protection that is recognized as a guarantee for regulatory capital purposes.** Report the notional amount of credit derivative contracts where the bank is the protection purchaser (beneficiary) and the protection is recognized as a guarantee for regulatory capital purposes. The credit derivative contracts to be reported in this item are limited to those providing purchased protection where an underlying position (usually an asset of the bank) is being hedged by the protection and credit derivative contract meets the criteria for recognition as a guarantee under the regulatory capital standards of the bank's primary federal regulator.
7.c.(2)(c)	**Purchased protection that is not recognized as a guarantee for regulatory capital purposes.** Report the notional amount of credit derivative contracts where the bank is the protection purchaser (beneficiary) and the protection is not recognized as a guarantee for regulatory capital purposes. The credit derivative contracts to be reported in this item are limited to those providing purchased protection where the protection is not being used to hedge an underlying position or where the "hedging" credit derivative contract does not meet the criteria for recognition as a guarantee under the regulatory capital standards of the bank's primary federal regulator. These "naked" purchased protection positions sometimes arise when a bank has sold the asset that was being hedged by the credit derivative contract while retaining the credit derivative contract.
7.d	**Notional amounts by remaining maturity.** Report in the appropriate subitem and column the notional amount of all credit derivative contracts. Report notional amounts in the column corresponding to the contract's remaining term to maturity from the report date. Remaining maturities are to be reported as (1) one year or less in column A, (2) over one year through five years in column B, or (3) over five years in column C.

Item No.	Caption and Instructions
7.d.(1)	**Sold credit protection.** Report the notional amount of all credit derivative contracts where the bank is the protection seller (guarantor). The sum of Schedule RC-L, items 7.d.(1)(a) and (b), columns A through C, must equal sum of Schedule RC-L, items 7.a.(1) through (4), column A.
7.d.(1)(a)	**Investment grade.** Report the remaining maturities of credit derivative contracts where the underlying reference asset is rated investment grade or, if not rated, is the equivalent of investment grade under the bank's internal credit rating system.
7.d.(1)(b)	**Subinvestment grade.** Report the remaining maturities of credit derivative contracts where the underlying reference asset is rated below investment grade, i.e., subinvestment grade, or, if not rated, is the equivalent of below investment grade under the bank's internal credit rating system.
7.d.(2)	**Purchased protection.** Report the notional amount of all credit derivative contracts where the bank is the protection purchaser (beneficiary). The sum of Schedule RC-L, items 7.d.(2)(a) and (b), columns A through C, must equal sum of Schedule RC-L, items 7.a.(1) through (4), column B.
7.d.(2)(a)	**Investment grade.** Report the remaining maturities of credit derivative contracts where the underlying reference asset is rated investment grade or, if not rated, is the equivalent of investment grade under the bank's internal credit rating system
7.d.(2)(b)	**Subinvestment grade.** Report the remaining maturities of credit derivative contracts where the underlying reference asset is rated below investment grade, i.e., subinvestment grade, or, if not rated, is the equivalent of below investment grade under the bank's internal credit rating system.

Item No. **Caption and Instructions**

8 **Spot foreign exchange contracts**. Report the gross amount (stated in U.S. dollars) of all spot contracts committing the reporting bank to purchase foreign (non-U.S.) currencies and U.S. dollar exchange that are outstanding as of the report date. All transactions within the consolidated bank should be reported on a net basis.

A spot contract is an agreement for the immediate delivery, usually within two business days, of a foreign currency at the prevailing cash market rate. Spot contracts are considered outstanding (i.e., open) until they have been cancelled by acquisition or delivery of the underlying currencies.

Only one side of a spot foreign exchange contract is to be reported. In those transactions where foreign (non-U.S.) currencies are bought or sold against U.S. dollars, report only that side of the transaction that involves the foreign (non-U.S.) currency. For example, if the reporting bank enters into a spot contract which obligates the bank to purchase U.S. dollar exchange against which it sells Japanese yen, then the bank would report (in U.S. dollar equivalent values) the amount of Japanese yen sold in this item. In cross-currency spot foreign exchange transactions, which involve the purchase and sale of two non-U.S. currencies, only the purchase side is to be reported (in U.S. dollar equivalent values).

9 **All other off-balance sheet liabilities**. Report all significant types of off-balance sheet liabilities not covered in other items of this schedule. Exclude all items which are required to be reported as liabilities on the balance sheet of the Report of Condition (Schedule RC), contingent liabilities arising in connection with litigation in which the reporting bank is involved, commitments to purchase property being acquired for lease to others (report in Schedule RC-L, item 1.e, above), and signature and endorsement guarantees of the type associated with the regular clearing of negotiable instruments or securities in the normal course of business.

Report only the aggregate amount of those types of "other off-balance sheet liabilities" that individually exceed 10 percent of the bank's total equity capital reported in Schedule RC, item 27.a. If the bank has no types of "other off-balance sheet liabilities" that individually exceed 10 percent of total equity capital, report a zero.

Disclose in items 9.a through 9.f each type of "other off-balance sheet liabilities" reportable in this item, and the dollar amount of the off-balance sheet liability, that individually exceeds 25 percent of the bank's total equity capital reported in Schedule RC, item 27.a. For each type of off-balance sheet liability that exceeds this disclosure threshold for which a preprinted caption has not been provided, describe the liability with a clear but concise caption in items 9.d through 9.f. These descriptions should not exceed 50 characters in length (including spacing between words).

Include as other off-balance sheet liabilities:

(1) Securities borrowed against collateral (other than cash), or on an uncollateralized basis, for such purposes as a pledge against deposit liabilities or delivery against short sales. Report borrowed securities that are fully collateralized by similar securities of equivalent value at market value at the time they are borrowed. Report other borrowed securities at market value as of the report date. (Report the amount of securities borrowed in Schedule RC-L, item 9.a, if this amount exceeds 25 percent of the bank’s total equity capital reported in Schedule RC, item 27.a.)

(2) Contracts for the purchase of when-issued securities that are excluded from the requirements of FASB Statement No. 133, as amended (and therefore not reported as

Item No. **Caption and Instructions**

9 (cont.)

forward contracts in Schedule RC-L, item 12.b, below), and accounted for on a settlement-date basis. (Report the amount of these commitments in Schedule RC-L, item 9.b, if this amount exceeds 25 percent of the bank's total equity capital reported in Schedule RC, item 27.a.)

(3) Standby letters of credit issued by a Federal Home Loan Bank on behalf of the reporting bank, which is the account party on the letters of credit and therefore is obligated to reimburse the issuing Federal Home Loan Bank for all payments made under the standby letters of credit. (Report the amount of these standby letters of credit in Schedule RC-L, item 9.c, if this amount exceeds 25 percent of the bank's total equity capital reported in Schedule RC, item 27.a.)

(4) Financial guarantee insurance which insures the timely payment of principal and interest on bond issues.

(5) Letters of indemnity other than those issued in connection with the replacement of lost or stolen or official checks.

(6) Shipside or dockside guarantees or similar guarantees relating to missing bills of lading or title documents and other document guarantees that facilitate the replacement of lost or stolen official checks.

10 **All other off-balance sheet assets**. Report to the extent feasible and practicable all significant types of off-balance sheet assets not covered in other items of this schedule. Exclude all items which are required to be reported as assets on the balance sheet of the Report of Condition (Schedule RC), contingent assets arising in connection with litigation in which the reporting bank is involved, and assets held in or administered by the reporting bank's trust department.

Report only the aggregate amount of those types of "other off-balance sheet assets" that individually exceed 10 percent of the bank's total equity capital reported in Schedule RC, item 27.a. If the bank has no types of "other off-balance sheet assets" that individually exceed 10 percent of total equity capital for which the reporting is feasible and practicable, report a zero.

Disclose in items 10.a through 10.e each type of "other off-balance sheet assets" reportable in this item, and dollar amount of the off-balance sheet asset, that individually exceeds 25 percent of the bank's total equity capital reported in Schedule RC, item 27.a. For each type of off-balance sheet asset that exceeds this disclosure threshold for which a preprinted caption has not been provided, describe the asset with a clear and concise caption in items 10.b through 10.e. These descriptions should not exceed 50 characters in length (including space between words).

Include as "other off-balance sheet assets" such items as:

(1) Contracts for the sale of when-issued securities that are excluded from the requirements of FASB Statement No. 133, as amended (and therefore not reported as forward contracts in Schedule RC-L, item 12.b, below), and accounted for on a settlement-date basis. (Report the amount of these commitments in Schedule RC-L, item 10.a, if this amount exceeds 25 percent of the bank's total equity capital reported in Schedule RC, item 27.a.)

(2) Internally developed intangible assets.

Item No.	Caption and Instructions

11 **Year-to-date merchant credit card sales volume.** Merchant processing is the settlement of credit card transactions for merchants. It is a separate and distinct business line from credit card issuing. Merchant processing activity involves obtaining authorization for credit card sales transactions, gathering sales information from the merchant, collecting funds from the card-issuing bank or business, and crediting the merchants' accounts for their sales.

An acquiring bank is a bank that initiates and maintains contractual agreements with merchants, agent banks, and third parties (e.g., independent sales organizations and member service providers) for the purpose of accepting and processing credit card transactions. An acquiring bank has liability for chargebacks for the merchants' sales activity.

An agent bank with risk is a bank that, by agreement, participates in another bank's merchant credit card acceptance program. An agent bank with risk assumes liability for chargebacks for all or a portion of the loss for the merchants' sales activity.

For purposes of items 11.a and 11.b, banks should include credit card sales transactions involving bank credit cards, e.g., MasterCard and Visa.

For banks with total assets of $10 billion or more, the year-to-date sales volume may be reported to the nearest million, with zeros reported in the thousands column, rather than to the nearest thousand.

11.a **Sales for which the reporting bank is the acquiring bank.** Report the year-to-date volume of sales (in U.S. dollars) generated through the bank's merchant processing activities where the reporting bank is the acquiring bank. This will include amounts processed for merchants contracted directly by the acquiring bank, amounts processed for agent banks with risk, and amounts processed for third parties (e.g., independent sales organizations and member service providers). Banks that are required to report sales data to the credit card associations of which they are members (e.g., MasterCard and Visa) should measure sales volume in the same manner for purposes of this item.

11.b **Sales for which the reporting bank is the agent bank with risk.** Report the year-to-date volume of sales (in U.S. dollars) generated through the bank's merchant processing activities where the reporting bank is acting as an agent bank with risk. Include all sales transactions for which the acquiring bank with whom the reporting bank contracted may hold the bank responsible.

12 **Gross amounts (e.g., notional amounts) of derivatives**. Report in the appropriate column and subitem the gross par value (stated in U.S. dollars) (e.g., for futures, forwards, and option contracts) or the notional amount (stated in U.S. dollars) (e.g., for forward rate agreements and swaps), as appropriate, of all contracts that meet the definition of a derivative and must be accounted for in accordance with FASB Statement No. 133. Include both freestanding derivative contracts and embedded derivatives that must be accounted for separately from their host contract under Statement No. 133. Report each contract according to its underlying risk exposure: (a) interest rate, (b) foreign exchange, (c) equity, or (d) commodity and other. Contracts with multiple risk characteristics should be classified based upon the predominant risk characteristics at the origination of the derivative. However, exclude from Schedule RC-L, items 12 through 15, all credit derivatives, which should be reported in Schedule RC-L, item 7, above.

Item No.	Caption and Instructions
12 (cont.)	The notional amount or par value to be reported for a derivative contract with a multiplier component is the contract's effective notional amount or par value. For example, a swap contract with a stated notional amount of $1,000,000 whose terms called for quarterly settlement of the difference between 5% and LIBOR multiplied by 10 has an effective notional amount of $10,000,000.

All transactions within the consolidated bank should be reported on a net basis. No other netting of contracts is permitted for purposes of this item. Therefore, do not net: (1) obligations of the reporting bank to purchase from third parties against the bank's obligations to sell to third parties, (2) written options against purchased options, or (3) contracts subject to bilateral netting agreements.

For each column, the sum of items 12.a through 12.e must equal the sum of items 13 and 14.

Column Instructions

Column A, Interest Rate Contracts: Interest rate contracts are contracts related to an interest-bearing financial instrument or whose cash flows are determined by referencing interest rates or another interest rate contract (e.g., an option on a futures contract to purchase a Treasury bill). These contracts are generally used to adjust the bank's interest rate exposure or, if the bank is an intermediary, the interest rate exposure of others. Interest rate contracts include interest rate futures, single currency interest rate swaps, basis swaps, forward rate agreements, and interest rate options, including caps, floors, collars, and corridors.

Exclude contracts involving the exchange of one or more foreign currencies (e.g., cross-currency swaps and currency options) and other contracts whose predominant risk characteristic is foreign exchange risk, which are to be reported in column B as foreign exchange contracts.

Unsettled securities transactions that exceed the regular way settlement time limit that is customary in each relevant market must be reported as forward contracts in Schedule RC-L, item 12.b.

Column B, Foreign Exchange Contracts: Foreign exchange contracts are contracts to purchase foreign (non-U.S.) currencies and U.S. dollar exchange in the forward market, i.e., on an organized exchange or in an over-the-counter market. A purchase of U.S. dollar exchange is equivalent to a sale of foreign currency. Foreign exchange contracts include cross-currency interest rate swaps where there is an exchange of principal, forward foreign exchange contracts (usually settling three or more business days from trade date), and currency futures and currency options. Exclude spot foreign exchange contracts, which are to be reported in Schedule RC-L, item 8.

Only one side of a foreign currency transaction is to be reported. In those transactions where foreign (non-U.S.) currencies are bought or sold against U.S. dollars, report only that side of the transaction that involves the foreign (non-U.S.) currency. For example, if the reporting bank enters into a futures contract which obligates the bank to purchase U.S. dollar exchange against which it sells Japanese yen, then the bank would report (in U.S. dollar equivalent values) the amount of Japanese yen sold in Schedule RC-L, item 12.a. In cross-currency transactions, which involve the purchase and sale of two non-U.S. currencies, only the purchase side is to be reported.

All amounts in column B are to be reported in U.S. dollar equivalent values.

Item No.	Caption and Instructions
12 (cont.)	*Column C, Equity Derivative Contracts:* Equity derivative contracts are contracts that have a return, or a portion of their return, linked to the price of a particular equity or to an index of equity prices, such as the Standard and Poor's 500.

The contract amount to be reported for equity derivative contracts is the quantity, e.g., number of units, of the equity instrument or equity index contracted for purchase or sale multiplied by the contract price of a unit.

Column D, Commodity and Other Contracts: Commodity contracts are contracts that have a return, or a portion of their return, linked to the price of or to an index of precious metals, petroleum, lumber, agricultural products, etc. Commodity and other contracts also include any other contracts that are not reportable as interest rate, foreign exchange, or equity derivative contracts.

The contract amount to be reported for commodity and other contracts is the quantity, e.g., number of units, of the commodity or product contracted for purchase or sale multiplied by the contract price of a unit.

The notional amount to be reported for commodity contracts with multiple exchanges of principal is the contractual amount multiplied by the number of remaining payments (i.e., exchanges of principal) in the contract.

12.a **Futures contracts**. Futures contracts represent agreements for delayed delivery of financial instruments or commodities in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified instrument at a specified price or yield. Futures contracts are standardized and are traded on organized exchanges that act as the counterparty to each contract.

Report, in the appropriate column, the aggregate par value of futures contracts that have been entered into by the reporting bank and are outstanding (i.e., open contracts) as of the report date. Do not report the par value of financial instruments intended to be delivered under such contracts if this par value differs from the par value of the contracts themselves.

Contracts are outstanding (i.e., open) until they have been cancelled by acquisition or delivery of the underlying financial instruments or by offset. Offset is the liquidating of a purchase of futures through the sale of an equal number of contracts of the same delivery month on the same underlying instrument on the same exchange, or the covering of a short sale of futures through the purchase of an equal number of contracts of the same delivery month on the same underlying instrument on the same exchange.

Column A, Interest Rate Futures: Report futures contracts committing the reporting bank to purchase or sell financial instruments and whose predominant risk characteristic is interest rate risk. Some of the more common interest rate futures include futures on 90-day U.S. Treasury bills; 12-year GNMA pass-through securities; and 2-, 4-, 6-, and 10-year U.S. Treasury notes.

Column B, Foreign Exchange Futures: Report the gross amount (stated in U.S. dollars) of all futures contracts committing the reporting bank to purchase foreign (non-U.S.) currencies and U.S. dollar exchange and whose predominant risk characteristic is foreign exchange risk.

Item No.	Caption and Instructions
12.a (cont.)	A currency futures contract is a standardized agreement for delayed delivery of a foreign (non-U.S.) currency or U.S. dollar exchange in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified amount at a specified exchange rate. *Column C, Equity Derivative Futures:* Report futures contracts committing the reporting bank to purchase or sell equity securities or instruments based on equity indexes such as the Standard and Poor's 500 or the Nikkei. *Column D, Commodity and Other Futures:* Report the contract amount for all futures contracts committing the reporting bank to purchase or sell commodities such as agricultural products (e.g., wheat, coffee), precious metals (e.g., gold, platinum), and non-ferrous metals (e.g., copper, zinc). Include any other futures contract that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.
12.b	**Forward contracts**. Forward contracts represent agreements for delayed delivery of financial instruments or commodities in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified instrument or commodity at a specified price or yield. Forward contracts are not traded on organized exchanges and their contractual terms are not standardized. Report the aggregate par value of forward contracts that have been entered into by the reporting bank and are outstanding (i.e., open contracts) as of the report date. Do not report the par value of financial instruments intended to be delivered under such contracts if this par value differs from the par value of the contracts themselves. Contracts are outstanding (i.e., open) until they have been cancelled by acquisition or delivery of the underlying financial instruments or settled in cash. Such contracts can only be terminated, other than by receipt of the underlying asset, by agreement of both buyer and seller. Include as forward contracts in this item contracts for the purchase and sale of when-issued securities that are not excluded from the requirements of FASB Statement No. 133, as amended. Report contracts for the purchase of when-issued securities that are excluded from the requirements of FASB Statement No. 133, as amended, and accounted for on a settlement-date basis as "Other off-balance sheet liabilities" in Schedule RC-L, item 9, and contracts for the sale of when-issued securities that are excluded from the requirements of FASB Statement No. 133, as amended, and accounted for on a settlement-date basis as "Other off-balance sheet assets" in Schedule RC-L, item 10, subject to the existing reporting thresholds for these two items. *Column A, Interest Rate Forwards:* Report forward contracts committing the reporting bank to purchase or sell financial instruments and whose predominant risk characteristic is interest rate risk. Include in this item firm commitments (i.e., commitments that have a specific interest rate or price, selling date, and dollar amount) to sell loans secured by 1-to-4 family residential properties that meet the definition of a derivative contract under FASB Statement No. 133. *Column B, Foreign Exchange Forwards:* Report the gross amount (stated in U.S. dollars) of all forward contracts committing the reporting bank to purchase foreign (non-U.S.) currencies and U.S. dollar exchange and whose predominant risk characteristic is foreign exchange risk.

Item No. **Caption and Instructions**

12.b (cont.) A forward foreign exchange contract is an agreement for delayed delivery of a foreign (non-U.S.) currency or U.S. dollar exchange in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified amount at a specified exchange rate.

Column C, Equity Derivative Forwards: Report forward contracts committing the reporting bank to purchase or sell equity instruments.

Column D, Commodity and Other Forwards: Report the contract amount for all forward contracts committing the reporting bank to purchase or sell commodities such as agricultural products (e.g., wheat, coffee), precious metals (e.g., gold, platinum), and non-ferrous metals (e.g., copper, zinc). Include any other forward contract that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.

12.c **Exchange-traded option contracts**. Option contracts convey either the right or the obligation, depending upon whether the reporting bank is the purchaser or the writer, respectively, to buy or sell a financial instrument or commodity at a specified price by a specified future date. Some options are traded on organized exchanges.

The buyer of an option contract has, for compensation (such as a fee or premium), acquired the right (or option) to sell to, or purchase from, another party some financial instrument or commodity at a stated price on a specified future date. The seller of the contract has, for such compensation, become obligated to purchase or sell the financial instrument or commodity at the option of the buyer of the contract. A put option contract obligates the seller of the contract to purchase some financial instrument or commodity at the option of the buyer of the contract. A call option contract obligates the seller of the contract to sell some financial instrument or commodity at the option of the buyer of the contract.

12.c.(1) **Written options**. Report in this item the aggregate par value of the financial instruments or commodities that the reporting bank has, for compensation (such as a fee or premium), obligated itself to either purchase or sell under exchange-traded option contracts that are outstanding as of the report date.

Column A, Written Exchange-Traded Interest Rate Options: For exchange-traded option contracts obligating the reporting bank to either purchase or sell an interest rate futures contract and whose predominant risk characteristic is interest rate risk, report the par value of the financial instrument underlying the futures contract. An example of such a contract is a Chicago Board Options Exchange option on the 13-week Treasury bill rate.

Column B, Written Exchange-Traded Foreign Exchange Options: Report in this item the gross amount (stated in U.S. dollars) of foreign (non-U.S.) currency and U.S. dollar exchange that the reporting bank has, for compensation, obligated itself to either purchase or sell under exchange-traded option contracts whose predominant risk characteristic is foreign exchange risk. In the case of option contracts obligating the reporting bank to either purchase or sell a foreign exchange futures contract, report the gross amount (stated in U.S. dollars) of the foreign (non-U.S.) currency underlying the futures contract. Exchange-traded options on major currencies such as the Japanese Yen and British Pound Sterling and options on futures contracts of major currencies are examples of such contracts.

Item No.	Caption and Instructions
12.c.(1) (cont.)	*Column C, Written Exchange-Traded Equity Derivative Options:* Report the contract amount for those exchange-traded option contracts where the reporting bank has obligated itself, for compensation, to purchase or sell an equity instrument or equity index.
	Column D, Written Exchange-Traded Commodity and Other Exchange-Traded Options: Report the contract amount for those exchange-traded option contracts where the reporting bank has obligated itself, for compensation, to purchase or sell a commodity or product. Include any other written, exchange-traded option that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.
12.c.(2)	**Purchased options**. Report in this item the aggregate par value of the financial instruments or commodities that the reporting bank has, for a fee or premium, purchased the right to either purchase or sell under exchange-traded option contracts that are outstanding as of the report date.
	Column A, Purchased Exchange-Traded Interest Rate Options: For exchange-traded option contracts giving the reporting bank the right to either purchase or sell an interest rate futures contract and whose predominant risk characteristic is interest rate risk, report the par value of the financial instrument underlying the futures contract. An example of such a contract is a Chicago Board Options Exchange option on the 13-week Treasury bill rate.
	Column B, Purchased Exchange-Traded Foreign Exchange Options: Report in this item the gross amount (stated in U.S. dollars) of foreign (non-U.S.) currency and U.S. dollar exchange that the reporting bank has, for a fee, purchased the right to either purchase or sell under exchange-traded option contracts whose predominant risk characteristic is foreign exchange risk. In the case of option contracts giving the reporting bank the right to either purchase or sell a currency futures contract, report the gross amount (stated in U.S. dollars) of the foreign (non-U.S.) currency underlying the futures contract. Exchange-traded options on major currencies such as the Japanese Yen and British Pound Sterling and options on futures contracts of major currencies are examples of such contracts.
	Column C, Purchased Exchange-Traded Equity Derivative Options: Report the contract amount of those exchange-traded option contracts where the reporting bank has, for a fee, purchased the right to purchase or sell an equity instrument or equity index.
	Column D, Purchased Exchange-Traded Commodity and Other Exchange-Traded Options: Report the contract amount for those exchange-traded option contracts where the reporting bank has, for a fee, purchased the right to purchase or sell a commodity or product. Include any other purchased, exchange-traded option that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.
12.d	**Over-the-counter option contracts**. Option contracts convey either the right or the obligation, depending upon whether the reporting bank is the purchaser or the writer, respectively, to buy or sell a financial instrument or commodity at a specified price by a specified future date. Options can be written to meet the specialized needs of the counterparties to the transaction. These customized option contracts are known as over-the-counter (OTC) options. Thus, over-the-counter option contracts include all option contracts not traded on an organized exchange.

Item No.	Caption and Instructions

12.d (cont.) The buyer of an option contract has, for compensation (such as a fee or premium), acquired the right (or option) to sell to, or purchase from, another party some financial instrument or commodity at a stated price on a specified future date. The seller of the contract has, for such compensation, become obligated to purchase or sell the financial instrument or commodity at the option of the buyer of the contract. A put option contract obligates the seller of the contract to purchase some financial instrument or commodity at the option of the buyer of the contract. A call option contract obligates the seller of the contract to some financial instrument or commodity at the option of the buyer of the contract.

In addition, swaptions, i.e., options to enter into a swap contract, and contracts known as caps, floors, collars, and corridors should be reported as options.

Commitments to lend that meet the definition of a derivative and must be accounted for in accordance with FASB Statement No. 133 are considered options for purposes of Schedule RC-L, item 12. All other commitments to lend should be reported in Schedule RC-L, item 1.

12.d.(1) **Written options**. Report in this item the aggregate par value of the financial instruments or commodities that the reporting bank has, for compensation (such as a fee or premium), obligated itself to either purchase or sell under OTC option contracts that are outstanding as of the report date. Also report an aggregate notional amount for written caps, floors, and swaptions and for the written portion of collars and corridors.

Column A, Written OTC Interest Rate Options: Interest rate options include options to purchase and sell interest-bearing financial instruments and whose predominant risk characteristic is interest rate risk as well as contracts known as caps, floors, collars, corridors, and swaptions. Include in this item the notional principal amount for interest rate caps and floors that the reporting bank sells. For interest rate collars and corridors, report a notional amount for the written portion of the contract in Schedule RC-L, item 12.d.(1), column A, and for the purchased portion of the contract in Schedule RC-L, item 12.d.(2), column A.

Column B, Written OTC Foreign Exchange Options: A written currency option contract conveys the obligation to exchange two different currencies at a specified exchange rate. Report in this item the gross amount (stated in U.S. dollars) of foreign (non-U.S.) currency and U.S. dollar exchange that the reporting bank has, for compensation, obligated itself to either purchase or sell under OTC option contracts whose predominant risk characteristic is foreign exchange risk.

Column C, Written OTC Equity Derivative Options: Report the contract amount for those OTC option contracts where the reporting bank has obligated itself, for compensation, to purchase or sell an equity instrument or equity index.

Column D, Written OTC Commodity and Other OTC Options: Report the contract amount for those OTC option contracts where the reporting bank has obligated itself, for compensation, to purchase or sell a commodity or product. Include any other written, OTC option that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.

Item No. **Caption and Instructions**

12.d.(2) **Purchased options**. Report in this item the aggregate par value of the financial instruments or commodities that the reporting bank has, for a fee or premium, purchased the right to either purchase or sell under OTC option contracts that are outstanding as of the report date. Also report an aggregate notional amount for purchased caps, floors, and swaptions and for the purchased portion of collars and corridors.

Column A, Purchased OTC Interest Rate Options: Interest rate options include options to purchase and sell interest-bearing financial instruments and whose predominant risk characteristic is interest rate risk as well as contracts known as caps, floors, collars, corridors, and swaptions. Include in this item the notional principal amount for interest rate caps and floors that the reporting bank purchases. For interest rate collars and corridors, report a notional amount for the written portion of the contract in Schedule RC-L, item 12.d.(1), column A, and for the purchased portion of the contract in Schedule RC-L, item 12.d.(2), column A.

Column B, Purchased OTC Foreign Exchange Options: Report in this item the gross amount (stated in U.S. dollars) of foreign (non-U.S.) currency and U.S. dollar exchange that the reporting bank has, for a fee, purchased the right to either purchase or sell under option contracts whose predominant risk characteristic is foreign exchange risk.

Column C, Purchased OTC Equity Derivative Options: Report the contract amount of those OTC option contracts where the reporting bank has, for a fee, purchased the right to purchase or sell an equity instrument or equity index.

Column D, Purchased OTC Commodity and Other OTC Options: Report the contract amount for those option contracts where the reporting bank has, for a fee, purchased the right to purchase or sell a commodity or product. Include any other purchased OTC option that is not reportable as an interest rate, foreign exchange or equity derivative contract in column A, B, or C.

12.e **Swaps**. Swaps are transactions in which two parties agree to exchange payment streams based on a specified notional amount for a specified period. Forward starting swap contracts should be reported as swaps. The notional amount of a swap is the underlying principal amount upon which the exchange of interest, foreign exchange or other income or expense is based. The notional amount to be reported for a swap contract with a multiplier component is the contract's effective notional amount. In those cases where the reporting bank is acting as an intermediary, both sides of the transaction are to be reported.

Column A, Interest Rate Swaps: Report the notional amount of all outstanding interest rate and basis swaps whose predominant risk characteristic is interest rate risk.

Column B, Foreign Exchange Swaps: Report the notional principal amount (stated in U.S. dollars) of all outstanding cross-currency interest rate swaps. A cross-currency interest rate swap is a transaction in which two parties agree to exchange principal amounts of different currencies, usually at the prevailing spot rate, at the inception of an agreement that lasts for a certain number of years. At defined intervals over the life of the swap, the counterparties exchange payments in the different currencies based on specified rates of interest. When the agreement matures, the principal amounts will be re-exchanged at the same spot rate. The notional amount of a cross-currency interest rate swap is generally the underlying principal amount upon which the exchange is based.

Item No.	Caption and Instructions
12.e (cont.)	*Column C, Equity Swaps:* Report the notional amount of all outstanding equity or equity index swaps.
	Column D, Commodity and Other Swaps: Report the notional principal amount of all other swap agreements that are not reportable as either interest rate, foreign exchange, or equity derivative contracts in column A, B, or C. The notional amount to be reported for commodity contracts with multiple exchanges of principal is the contractual amount multiplied by the number of remaining payments (or exchanges of principal) in the contract.
13	**Total gross notional amount of derivative contracts held for trading**. Report, in the appropriate column, the total notional amount or par value of those derivative contracts reported in Schedule RC-L, item 12, above that are held for trading purposes. Contracts held for trading purposes include those used in dealing and other trading activities. Derivative instruments used to hedge trading activities should also be reported in this item.
	Derivative trading activities include (a) regularly dealing in interest rate contracts, foreign exchange contracts, equity derivative contracts, and other off-balance sheet commodity contracts, (b) acquiring or taking positions in such items principally for the purpose of selling in the near term or otherwise with the intent to resell (or repurchase) in order to profit from short-term price movements, and (c) acquiring or taking positions in such items as an accommodation to customers.
	The reporting bank's trading department may have entered into a derivative contract with another department or business unit within the consolidated bank (and which has been reported on a net basis in accordance with the instructions to Schedule RC-L, item 12 above). If the trading department has also entered into a matching contract with a counterparty outside the consolidated bank, the contract with the outside counterparty should be designated as held for trading or as held for purposes other than trading consistent with the contract's designation for other financial reporting purposes.
14	**Total gross notional amount of derivative contracts held for purposes other than trading.** Report, in the appropriate column, the total notional amount or par value of those contracts reported in Schedule RC-L, item 12, above, that are held for purposes other than trading.
14.a	**Interest rate swaps where the bank has agreed to pay a fixed rate.** Report the notional amount of all outstanding interest rate swaps included in Schedule RC-L, item 14, column A, above, on which the reporting bank is obligated to pay a fixed rate. The interest rate swaps that are reported in this item will also have been reported in Schedule RC-L, item 12.e, column A. Interest rate swaps that are held for trading should not be reported in this item 14.a.
	A fixed interest rate is a rate that is specified at the origination of the transaction, is fixed and invariable during the term of the interest rate swap, and is known to both the bank and the swap counterparty. Also treated as a fixed interest rate is a predetermined interest rate which is a rate that changes during the term of the interest rate swap on a predetermined basis, with the exact rate of interest over the life of the swap known with certainty to both the bank and the swap counterparty at the origination of the transaction.

Item No. **Caption and Instructions**

15 **Gross fair values of derivative contracts**. Report in the appropriate column and subitem the fair value of all derivative contracts reported in Schedule RC-L, items 13 and 14, above. For each of the four types of underlying risk exposure in columns A through D, the gross positive and gross negative fair values will be reported separately for (i) contracts held for trading purposes (in item 15.a) and (ii) contracts held for purposes other than trading (in item 15.b). Guidance for reporting by type of underlying risk exposure is provided in the instructions for Schedule RC-L, item 12, above. Guidance for reporting by purpose is provided in the instructions for Schedule RC-L, items 13 and 14, above.

All transactions within the consolidated bank should be reported on a net basis. No other netting of contracts is permitted for purposes of this item. Therefore, do not net (1) obligations of the reporting bank to buy against the bank's obligations to sell, (2) written options against purchased options, (3) positive fair values against negative fair values, or (4) contracts subject to bilateral netting agreements.

As defined in FASB Statement No. 133, fair value is the amount at which an asset (liability) could be bought (incurred) or sold (settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and should be used as the basis for the measurement, if available. If a quoted market price is available, the fair value is the product of the number of trading units times that market price. If a quoted market price is not available, the estimate of fair value should be based on the best information available in the circumstances. The estimate of fair value should consider prices for similar assets or similar liabilities and the results of valuation techniques to the extent available in the circumstances. For purposes of item 15, the reporting bank should determine the fair value of its derivative contracts in the same manner that it determines the fair value of these contracts for other financial reporting purposes.

15.a **Contracts held for trading**. Report in the appropriate column and subitem the gross positive and gross negative fair values of those contracts held for trading that are reported in Schedule RC-L, item 13, above.

15.a.(1) **Gross positive fair value**. Report in the appropriate column the total fair value of those contracts reported in Schedule RC-L, item 13, above, with positive fair values.

15.a.(2) **Gross negative fair value**. Report in the appropriate column the total fair value of those contracts reported in Schedule RC-L, item 13, above, with negative fair values. Report the total fair value as an absolute value, do not enclose the total fair value in parentheses or use a minus (-) sign.

15.b **Contracts held for purposes other than trading**. Report in the appropriate column and subitem the gross positive and gross negative fair values of those contracts held for purposes other than trading that are reported in Schedule RC-L, item 14, above.

15.b.(1) **Gross positive fair value**. Report in the appropriate column the total fair value of those contracts reported in Schedule RC-L, item 14, above, with positive fair values.

15.b.(2) **Gross negative fair value**. Report in the appropriate column the total fair value of those contracts reported in Schedule RC-L, item 14, above, with negative fair values. Report the total fair value as an absolute value, do not enclose the total fair value in parentheses or use a minus (-) sign.

Item No.	Caption and Instructions

16 **Over-the-counter derivatives.** Items 16.a and 16.b.(1) through (8) are to be completed only by banks with total assets of $10 billion or more. Include all over-the-counter (OTC) interest rate, foreign exchange, commodity, equity, and credit derivative contracts that are held for trading and held for purposes other than trading.

Column Instructions for items 16.a and 16.b.(1) through (8):

Column A, Banks and Securities Firms: Banks include U.S. banks and foreign banks as defined in the Glossary entry for "Banks, U.S. and Foreign." Securities firms include broker-dealers that are registered with the U.S. Securities and Exchange Commission (SEC), firms engaged in securities activities in the European Union (EU) that are subject to the EU's Capital Adequacy Directive, and other firms engaged in securities activities.

Column B, Monoline Financial Guarantors: Monoline financial guarantors are companies that are primarily engaged in the business of providing credit enhancement in the form of a "guarantee" of payment of principal and interest to bond issuers when an issuer defaults. In essence, these companies provide a back-up guarantee, which generally increases the bond rating of debt issued by lower-rated borrowers, in exchange for insurance premiums. Monoline financial guarantors provide guarantees on securities that range from municipal bonds to structured financial products such as collateralized debt obligations (CDOs).

Column C, Hedge Funds: Hedge funds are generally privately-owned investment funds with a limited range of investors. Hedge funds are not required to register with the SEC, which provides them with an exemption in many jurisdictions from regulations governing short selling, derivative contracts, leverage, fee structures, and the liquidity of investments in the fund.

Column D, Sovereign Governments: Sovereign governments are the central governments of foreign countries.

Column E, Corporations and All Other Counterparties: Corporations and all other counterparties include all counterparties other than those included in columns A through D above.

16.a **Net current credit exposure.** Report in the appropriate column the sum of the net current credit exposures on OTC derivative contracts by type of counterparty. The sum of the net current credit exposures reported in columns A through E for this item may not equal the amount reported in Schedule RC-R, Memorandum item 1, "Current credit exposure across all derivative contracts covered by the risk-based capital standards," because the amount reported in Schedule RC-R, Memorandum item 1, excludes, for example, OTC derivatives not covered by the risk-based capital standards. All transactions within the consolidated bank should be reported on a net basis.

The current credit exposure (sometimes referred to as the replacement cost) is the fair value of a derivative contract when that fair value is positive. The current credit exposure is zero when the fair value is negative or zero. For purposes of this item, the net current credit exposure to an individual counterparty should be derived as follows: Determine whether a legally enforceable bilateral netting agreement is in place between the reporting bank and the counterparty. If such an agreement is in place, the fair values of all applicable derivative contracts with that counterparty that are included in the scope of the netting agreement are netted to a single amount, which may be positive, negative, or zero.

Item No.	Caption and Instructions
16.b	**Fair value of collateral.** Report in the appropriate subitem and column the total fair value of the collateral pledged by counterparties to secure OTC derivative transactions by type of counterparty, even if the fair value of the collateral as of the report date exceeds the net current credit exposure to a counterparty or the current credit exposure to a counterparty is zero. Include the fair value of collateral in the reporting bank's possession and collateral held on the bank's behalf by third party custodians.
16.b.(1)	**Cash – U.S. dollar.** Report in the appropriate counterparty column the total of all cash denominated in U.S. dollars held on deposit in the bank or by third party custodians on behalf of the bank that provide protection to the bank against counterparty risk on OTC derivatives.
16.b.(2)	**Cash – Other currencies.** Report in the appropriate counterparty column in U.S. dollar equivalents the total of all cash denominated in non-U.S. currency held on deposit in the bank or by third party custodians on behalf of the bank that provide protection to the bank against counterparty risk on OTC derivatives.
16.b.(3)	**U.S. Treasury securities.** Report in the appropriate counterparty column the fair value of U.S. Treasury securities held directly by the bank or by third party custodians on behalf of the bank that provide protection to the bank against counterparty risk on OTC derivatives.
16.b.(4)	**U.S. Government agency and U.S. Government-sponsored agency debt securities.** Report in the appropriate counterparty column the fair value of U.S. Government agency and U.S. Government-sponsored agency debt securities held directly by the bank or by third party custodians on behalf of the bank that provide protection to the bank against counterparty risk on OTC derivatives.
16.b.(5)	**Corporate bonds.** Report in the appropriate counterparty column the fair value of corporate bonds held directly by the bank or by third party custodians on behalf of the bank that provide protection to the bank against counterparty risk on OTC derivatives.
16.b.(6)	**Equity securities.** Report in the appropriate counterparty column the fair value of equity securities held directly by the bank or by third party custodians on behalf of the bank that provide protection to the bank against counterparty risk on OTC derivatives.
16.b.(7)	**All other collateral.** Report in the appropriate counterparty column the fair value of collateral that cannot properly be reported in Schedule RC-L, item 16.b.(1) through item 16.b.(7), held directly by the bank or by third party custodians on behalf of the bank that provide protection to the bank against counterparty risk on OTC derivatives.
16.b.(8)	**Total fair value of collateral.** For each column, report the sum of items 16.b.(1) through 16.b.(7).