

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

General Instructions

Each bank must complete items 1 and 2 (and, on the FFIEC 031 report, item 3), items 7 through 9, Memorandum item 1, and, if applicable, Memorandum items 2, 3, and 4 of Schedule RC-O 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 an insured bank owns another depository institution as a subsidiary, each institution should report only its own deposit liabilities in Schedule RC-O under its own FDIC certificate number (i.e., the parent bank should not combine the subsidiary institution's deposit liabilities with its own in Schedule RC-O).

In addition, an institution that meets one of the criteria discussed below must complete items 4 and 5 (and, on the FFIEC 031 report, item 6) of Schedule RC-O on an unconsolidated single FDIC certificate number basis each quarter.

Effective March 31, 2008, an institution that (a) reported \$1 billion or more in total assets as of the March 31, 2007, report date (regardless of its asset size in subsequent quarters) or (b) became insured by the FDIC on or after April 1, 2007, but before January 1, 2008, must report both quarter-end balances and daily averages for the quarter in Schedule RC-O. (The calculation of daily averages is discussed below in these General Instructions.) In addition, an institution that meets one of the following criteria must report both quarter-end deposit totals and daily averages in Schedule RC-O:

- (1) If an institution reports \$1 billion or more in total assets in two consecutive Reports of Condition and Income subsequent to its March 31, 2007, report, the institution must begin reporting both quarter-end balances and daily averages for the quarter beginning on the later of the March 31, 2008, report date or the report date six months after the second consecutive quarter in which it reports total assets of \$1 billion or more. For example, if an institution reports \$1 billion or more in total assets in its reports for June 30 and September 30, 2007, it would have to begin reporting daily averages in its report for March 31, 2008. If the institution reports \$1 billion or more in total assets in its reports for December 31, 2008, and March 31, 2009, it would have to begin reporting daily averages in its report for September 30, 2009.
- (2) If an institution becomes newly insured by the FDIC on or after January 1, 2008, the institution must report daily averages in Schedule RC-O beginning in the first quarterly Reports of Condition and Income that it files. The daily averages reported in the first report the institution files after becoming FDIC-insured would include the dollar amounts for the days since the institution began operations and zero for the days prior to the date the institution began operations, effectively pro-rating the first quarter's assessment base.
- (3) If an institution chose to begin reporting both quarter-end deposit totals and daily averages in Schedule RC-O as of any quarter-end report date during the interim period covering the March 31, 2007, through December 31, 2007, report dates, it must continue to report daily averages each quarter in 2008 and thereafter.

The deposit insurance assessment base of an institution that reports daily averages for total deposits and allowable exclusions will be determined using the daily averages rather than the institution's quarter-end balances.

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Any institution that reported less than \$1 billion in total assets in its March 31, 2007, report may continue to report only quarter-end total deposits and allowable exclusions until it meets the two-consecutive-quarter asset size test for reporting daily averages. Alternatively, the institution may opt permanently at any time to begin reporting daily averages for purposes of determining its assessment base. After an institution begins to report daily averages for its total deposits and allowable exclusions, either voluntarily or because it is required to do so, the institution is not permitted to switch back to reporting only quarter-end balances.

The amounts to be reported as daily averages are the sum of the gross amounts of total deposits (domestic and foreign) and allowable exclusions for each calendar day during the quarter divided by the number of calendar days in the quarter (except as noted above for an institution that becomes insured on or after January 1, 2008, in the first report it files after becoming insured). For an institution that has acquired another institution during the quarter, the acquired deposits for the days prior to the acquisition should not be included in the daily average calculation, regardless of the method used to account for the acquisition. For days that an office of the reporting institution (or any of its subsidiaries or branches) is closed (e.g., Saturdays, Sundays, or holidays), the amounts outstanding from the previous business day would be used. An office is considered closed if there are no transactions posted to the general ledger as of that date.

Item Instructions

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- 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 exclusions from total deposits that are allowed in the determination of the assessment base upon which deposit insurance assessments (and FICO premiums) are calculated. Since the FDIC's amendments to its assessment regulations in 2006 did not substantially change the definition of deposits for assessment purposes, 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
 - 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;

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(cont.)
- 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.

An institution's documentation to support the amounts reported for purposes of determining its assessment base has always been, and continues to be, subject to verification. This documentation includes the actual system control summaries in the institution's systems that provide the detail sufficient to track, control, and handle inquiries from depositors about their specific individual accounts. These systems can be automated or manual. If the system control summaries have been reduced by accounts that are overdrawn, these overdrawn accounts are extensions of credit that must be treated and reported as "loans" rather than being treated as negative deposit balances.

Unposted debits and unposted credits should not be included in an institution's system control summaries. However, if they are included in the gross total deposit liabilities reported in this item, they may be excluded in Schedule RC-O, item 2 below.

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- 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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(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 Total daily average of 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 total daily average for the quarter of gross total deposit liabilities that meet the statutory definition of deposits in Section 3(l) of the Federal Deposit Insurance Act before deducting exclusions from total deposits that are allowed in the determination of the assessment base upon which deposit insurance assessments (and FICO premiums) are calculated. An institution that has acquired another institution during the quarter should not include the acquired deposits for the days prior to the acquisition date in the daily average calculation for items 4, 5, and 6 of this schedule, regardless of the method used to account for the acquisition. For further information on deposit amounts to be included, see the instructions for Schedule RC-O, item 1, above. For further information on calculating the total daily average for the quarter, see the General Instructions for Schedule RC-O above.
- 5 Total daily average of allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits).** Report on an unconsolidated single FDIC certificate number basis the total daily average for the quarter of the total amount of allowable exclusions from deposits (as defined in Schedule RC-O, item 2, above) if the institution maintains such records as will readily permit verification of the correctness of its reporting of exclusions.

NOTE: Item 6 is applicable only to banks filing the FFIEC 031 report form.

- 6 Total daily average of foreign deposits, including interest accrued and unpaid thereon (included in item 5 above).** Report on an unconsolidated single FDIC certificate number basis the total daily average for the quarter of the total amount of foreign deposits (including International Banking Facility deposits) included in Schedule RC-O, item 5, above.
- 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.

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- 7.a** **One year or less.** Report all unsecured “Other borrowings” with a remaining maturity of one year or less. 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.
- 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.
- 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.”

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- 1 Total assessable 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.** 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 the bank's assessable deposits, i.e., 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 assessable deposits, 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 that is included in the bank's assessable deposits should be reported together with the related account in Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1).

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 Schedule RC-O, Memorandum item 1.a, below. In addition, some brokered deposits are (cont.) 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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- 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.

Memoranda**Item No. Caption and Instruction****2 Estimated amount of uninsured assessable 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.

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 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 without taking into account the bank's participation in the FDIC's Debt Guarantee Program or Transaction Account Guarantee Program. The reporting of this 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. In this regard, it is recognized that a bank may have multiple automated information systems for different types of deposits and that the capabilities of a bank's information systems to provide an estimate of its uninsured deposits will differ from bank to bank at any point in time and, within an individual institution, may improve over time.

- (1) If the bank has brokered deposits, which must be reported in Schedule RC-E, Memorandum item 1.b, "Total brokered deposits," it must use the information it has developed for completing Schedule RC-E, Memorandum item 1.c, "Fully insured brokered deposits," to determine its best estimate of the uninsured portion of its brokered deposits.
- (2) If the bank has deposit accounts whose ownership is based on a fiduciary relationship, Part 330 of the FDIC's regulations generally states that the titling of the deposit account (together with the underlying records) must indicate the existence of the fiduciary relationship in order for insurance coverage to be available on a "pass-through" basis.

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(cont.)

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 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.

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2 In the absence of automated information systems, a bank may use nonautomated
(cont.) 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.

***Memorandum items 4.a and 4.b are to be completed by all institutions participating in the FDIC
Transaction Account Guarantee Program.***

4 **Noninterest-bearing transaction accounts (as defined in Part 370 of the FDIC's**
regulations) of more than \$250,000. For the calendar quarter ending on the report date,
report in the appropriate subitem the average daily amount and the average daily number
of noninterest-bearing transaction accounts with a balance 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 deposit
insurance rules, 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 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.

For days that an office of the reporting institution is closed (e.g., Saturdays, Sundays, or
holidays), the amounts outstanding and the number of noninterest-bearing transaction
accounts with a balance of more than \$250,000 from the previous business day should be
used in the calculation of the daily averages for the quarter.

For purposes of Memorandum items 4.a and 4.b and the FDIC's Transaction Account
Guarantee Program, the term "noninterest-bearing transaction account" means a transaction
account as defined in Federal Reserve Regulation D that is:

- (1) Maintained at an insured depository institution (in a domestic office or an insured branch
in Puerto Rico or a U.S. territory or possession);
- (2) With respect to which interest is neither accrued nor paid; and
- (3) On which the insured depository institution does not reserve the right to require advance
notice of an intended withdrawal.

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.

Memoranda**Item No. Caption and Instruction**

4 In addition, for purposes of Memorandum items 4.a and 4.b and the Transaction Account
(cont.) Guarantee Program, the term “noninterest-bearing transaction account” also includes:

- (1) Accounts commonly known as Interest on Lawyers Trust Accounts (IOLTAs) (or functionally equivalent accounts); and
- (2) Negotiable order of withdrawal (NOW) accounts with interest rates no higher than 0.25 percent for which the insured depository institution at which the account is held has committed to maintain the interest rate at or below 0.25 percent.¹

For purposes of Memorandum items 4.a and 4.b and the FDIC’s Transaction Account Guarantee Program, a “noninterest-bearing transaction account” does not include, for example, 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 noninterest-bearing as long as the account is otherwise noninterest-bearing.

In determining whether funds are in a noninterest-bearing transaction account for purposes of Memorandum items 4.a and 4.b and the Transaction Account Guarantee Program, 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 or nondeposit 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 will not be guaranteed under the Transaction Account Guarantee Program and they should not be reported in Memorandum items 4.a and 4.b. However, in the case of funds swept from a noninterest-bearing transaction account to a noninterest-bearing savings deposit 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 deposit account plus any amount remaining in the related noninterest-bearing transaction account is more than \$250,000 on a particular day during the calendar quarter ending on the report date, this sum should be included in the calculation of the average daily amount to be reported in Memorandum item 4.a and the swept funds and the related noninterest-bearing transaction account should be treated as one account when calculating the average daily number of accounts to be reported in Memorandum item 4.b.

¹ A NOW account with an interest rate above 0.50 percent as of November 21, 2008, may be treated as a noninterest-bearing transaction account for purposes of the Transaction Account Guarantee Program if (1) through June 30, 2010, the insured depository institution at which the account is held reduced the interest rate on that account to 0.50 percent or lower before January 1, 2009, and committed to maintain that interest rate at no more than 0.50 percent through June 30, 2010, and (2) after June 30, 2010, through the expiration date of the Transaction Account Guarantee Program, the insured depository institution at which the account is held reduces the interest rate on that account to 0.25 percent or lower before July 1, 2010, and commits to maintain that interest rate at no more than 0.25 percent through the expiration date of the Transaction Account Guarantee Program.

Memoranda**Item No. Caption and Instruction**

- 4 (cont.) 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.

For further information on the reporting of the average daily amount and the average daily number of noninterest-bearing transaction accounts of more than \$250,000, see the "Guidance on Revised Transaction Account Guarantee Program Reporting Requirements Effective September 30, 2010" at <http://www.fdic.gov/regulations/resources/TLGP/tagp-programReportingGuidance.pdf>.

- 4.a **Average daily amount of noninterest-bearing transaction accounts of more than \$250,000.** Report the average daily amount of noninterest-bearing transaction accounts (as defined in Schedule RC-O, Memorandum item 4, above) with a balance of more than \$250,000. This average daily amount can be calculated by (1) summing, for each calendar day during the quarter, the amounts of all noninterest-bearing transaction accounts with a balance of more than \$250,000 on that day, (2) totaling the daily sums for all of the days during the calendar quarter, and (3) dividing the total of the daily sums by the number of calendar days in the quarter ending on the report date.
- 4.b **Average daily number of noninterest-bearing transaction accounts of more than \$250,000.** Report the average daily number, rounded to two decimal places, of noninterest-bearing transaction accounts (as defined in Schedule RC-O, Memorandum item 4, above) with a balance of more than \$250,000. This average daily number can be calculated by (1) determining, for each calendar day during the quarter, the number of all noninterest-bearing transaction accounts with a balance of more than \$250,000 on that day, (2) totaling the daily number of such accounts for all of the days during the quarter, and (3) dividing the total of the daily numbers by the number of calendar days in the quarter.