

SCHEDULE RC-F – OTHER ASSETS

Item Instructions

Item No. Caption and Instructions

- 1** **Accrued interest receivable.** Report the amount of interest earned or accrued on earning assets and applicable to current or prior periods that has not yet been collected.

Exclude retained interests in accrued interest receivable related to securitized credit cards (report in Schedule RC-F, item 6, "All other assets").

- 2** **Net deferred tax assets.** Report the net amount after offsetting deferred tax assets (net of valuation allowance) and deferred tax liabilities measured at the report date for a particular tax jurisdiction if the net result is a debit balance. If the result for a particular tax jurisdiction is a net credit balance, report the amount in Schedule RC-G, item 2, "Net deferred tax liabilities." If the result for each tax jurisdiction is a net credit balance, enter a zero in this item. (A bank may report a net deferred tax debit, or asset, for one tax jurisdiction, such as for federal income tax purposes, and also report at the same time a net deferred tax credit, or liability, for another tax jurisdiction, such as for state or local income tax purposes.)

For further information on calculating deferred taxes for different tax jurisdictions, see the Glossary entry for "income taxes."

- 3** **Interest-only strips receivable (not in the form of a security) on.** As defined in ASC Topic 860, Transfers and Servicing (formerly FASB Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," as amended), an interest-only strip receivable is the contractual right to receive some or all of the interest due on a bond, mortgage loan, collateralized mortgage obligation, or other interest-bearing financial asset. This includes, for example, contractual rights to future interest cash flows that exceed contractually specified servicing fees on financial assets that have been sold. Report in the appropriate subitem interest-only strips receivable not in the form of a security that are measured at fair value like available-for-sale securities.¹ Report unrealized gains (losses) on these interest-only strips receivable in Schedule RC, item 26.b, "Accumulated other comprehensive income."

Exclude from this item interest-only strips receivable in the form of a security, which should be reported as available-for-sale securities in Schedule RC, item 2.b, or as trading assets in Schedule RC, item 5, as appropriate. Also exclude interest-only strips not in the form of a security that are held for trading, which should be reported in Schedule RC, item 5.

- 3.a** **Mortgage loans.** Report the fair value of interest-only strips receivable (not in the form of a security) on mortgage loans.
- 3.b** **Other financial assets.** Report the fair value of interest-only strips receivable (not in the form of a security) on financial assets other than mortgage loans.

¹ An interest-only strip receivable is not in the form of a security if the strip does not meet the definition of a security in ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities").

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- 4 Equity securities that do not have readily determinable fair values.** Report the historical cost of equity securities without readily determinable fair values. These equity securities are outside the scope of ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities"). An equity security does not have a readily determinable fair value if sales or bid-and-asked quotations are not currently available on a securities exchange registered with the Securities and Exchange Commission (SEC) and are not publicly reported by the National Association of Securities Dealers Automated Quotations systems or the National Quotation Bureau. The fair value of an equity security traded only in a foreign market is not readily determinable if that foreign market is not of a breadth and scope comparable to one of the U.S. markets referenced above.

Equity securities that do not have readily determinable fair values may have been purchased by the reporting bank or acquired for debts previously contracted.

Include in this item:

- (1) Paid-in stock of a Federal Reserve Bank.
- (2) Stock of a Federal Home Loan Bank.
- (3) Common and preferred stocks that do not have readily determinable fair values, such as stock of bankers' banks and Class B voting common stock of the Federal Agricultural Mortgage Corporation (Farmer Mac).
- (4) "Restricted stock," as defined in ASC Topic 320, i.e., equity securities for which sale is restricted by governmental or contractual requirement (other than in connection with being pledged as collateral), except if that requirement terminates within one year or if the holder has the power by contract or otherwise to cause the requirement to be met within one year.
- (5) Participation certificates issued by a Federal Intermediate Credit Bank, which represent nonvoting stock of the bank.
- (6) Minority interests held by the reporting bank in any company not meeting the definition of associated company, except minority holdings that indirectly represent bank premises (report in Schedule RC, item 6), other real estate owned (report in Schedule RC, item 7), or investments in real estate ventures (report in Schedule RC, item 9), provided that the fair value of any capital stock representing the minority interest is not readily determinable. (See the Glossary entry for "subsidiaries" for the definition of associated company.)
- (7) Equity holdings in those corporate ventures over which the reporting bank does not exercise significant influence, except equity holdings that indirectly represent bank premises (report in Schedule RC, item 6), other real estate owned (report in Schedule RC, item 7), or investments in real estate ventures (report in Schedule RC, item 9). (See the Glossary entry for "subsidiaries" for the definition of corporate joint venture.)

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Exclude from this item:

- (1) Investments in subsidiaries that have not been consolidated; associated companies; corporate joint ventures, unincorporated joint ventures, and general partnerships over which the bank exercises significant influence; and noncontrolling investments in certain limited partnerships and limited liability companies (described in the Glossary entry for "equity method of accounting") (report in Schedule RC, item 8, "Investments in unconsolidated subsidiaries and associated companies," or item 9, "Direct and indirect investments in real estate ventures," as appropriate).
- (2) Preferred stock that by its terms either must be redeemed by the issuing enterprise or is redeemable at the option of the investor (report in Schedule RC-B, item 6, "Other debt securities").

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Life insurance assets. Report in the appropriate subitem the amount of the bank's general account, separate account, and hybrid account holdings of life insurance that could be realized under the insurance contracts as of the report date. In general, this amount is the cash surrender value reported to the bank by the insurance carrier, less any applicable surrender charges not reflected by the carrier in the reported cash surrender value, on all forms of permanent life insurance policies owned by the bank, its consolidated subsidiaries, and grantor (rabbi) trusts established by the bank or its consolidated subsidiaries, regardless of the purposes for acquiring the insurance. A bank should also consider any additional amounts included in the contractual terms of the insurance policy in determining the amount that could be realized under the insurance contract. For further information, see the Glossary entry for "bank-owned life insurance."

Permanent life insurance refers to whole and universal life insurance, including variable universal life insurance. Purposes for which insurance may be acquired include offsetting pre- and post-retirement costs for employee compensation and benefit plans, protecting against the loss of key persons, and providing retirement and death benefits to employees.

Include as life insurance assets the bank's interest in insurance policies under split-dollar life insurance arrangements with directors, officers, and employees under both the endorsement and collateral assignment methods.

5.a

General account life insurance assets. Report the amount of the bank's holdings of life insurance assets associated with general account insurance policies. In a general account life insurance policy, the general assets of the insurance company issuing the policy support the policy's cash surrender value.

Also include the portion of the carrying value of:

- (1) Separate account policies that represents general account claims on the insurance company, such as realizable deferred acquisition costs and mortality reserves; and
- (2) Hybrid account policies that represents general account claims on the insurance company, such as any shortfall in the value of the separate account assets supporting the cash surrender value of the policies.

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- 5.b Separate account life insurance assets.** Report the amount of the bank's holdings of life insurance assets associated with separate account insurance policies. In a separate account policy, the policy's cash surrender value is supported by assets segregated from the general assets of the insurance carrier. Under such an arrangement, the policyholder neither owns the underlying separate account created by the insurance carrier on its behalf nor controls investment decisions in the underlying account, but does assume all investment and price risk.

Separate accounts are employed by life insurers to meet specific investment objectives of policyholders. The accounts are often maintained as separate accounting and reporting entities for pension plans as well as fixed benefit, variable annuity, and other products. Investment income and investment gains and losses generally accrue directly to such policyholders and are not accounted for on the general accounts of the insurer. On the books of the insurer, the carrying values of separate account assets and liabilities usually approximate each other with little associated capital. Because they are legally segregated, the assets of each separate account are not subject to claims on the insurer that arise out of any other business of the insurance company.

- 5.c Hybrid account life insurance assets.** Report the amount of the bank's holdings of life insurance assets associated with hybrid account insurance policies. A hybrid account insurance policy combines features of both general and separate account insurance products. Similar to a general account life insurance policy, a hybrid policy offers a guaranteed minimum crediting rate, does not carry market value risk, and does not require stable value protection. However, like a separate account life insurance policy, a hybrid policy's cash surrender value is supported by assets segregated from the general assets of the insurance carrier. Because they are legally segregated, the assets of each separate account are not subject to claims on the insurer that arise out of any other business of the insurance company. Additionally, the bank holding the hybrid account life insurance policy is able to select the investment strategy in which the insurance premiums are invested. Under such an arrangement, the policyholder neither owns the underlying separate account created by the insurance carrier on its behalf nor controls investment decisions in the underlying account.

NOTE: Items 6.a through 6.k are to be completed semiannually in the June and December reports only.

- 6 All other assets.** Report the amount of all other assets (other than those reported in Schedule RC-F, items 1, 2, 3, 4, and 5, above) that cannot properly be reported in Schedule RC, items 1 through 10.

Disclose in Schedule RC-F, items 6.a through 6.k, each component of all other assets, and the dollar amount of such component, that is greater than \$100,000 and exceeds 25 percent of the amount of all other assets reported in this item.

For each component of all other assets that exceeds the reporting threshold for which a preprinted caption has not been provided in Schedule RC-F, items 6.a through 6.h, describe the component with a clear but concise caption in Schedule RC-F, items 6.i through 6.k. These descriptions should not exceed 50 characters in length (including spacing between words).

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Include as all other assets:

- (1) Prepaid expenses, i.e., those applicable as a charge against earnings in future periods.¹ (Report the amount of such assets in Schedule RC-F, item 6.a, if this amount is greater than \$100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.)
- (2) Automobiles, boats, equipment, appliances, and similar personal property repossessed or otherwise acquired for debts previously contracted. (Report the amount of such assets in Schedule RC-F, item 6.b, if this amount is greater than \$100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.)
- (3) Derivative instruments that have a positive fair value that the bank holds for purposes other than trading. For further information, see the Glossary entry for "derivative contracts." (Report this positive fair value in Schedule RC-F, item 6.c, if this amount is greater than \$100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.)
- (4) Retained interests in accrued interest receivable related to securitized credit cards. For further information, see the Glossary entry for "accrued interest receivable related to credit card securitizations." (Report the amount of such retained interests in Schedule RC-F, item 6.d, if this amount is greater than \$100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.)
- (5) Accrued interest on securities purchased (if accounted for separately from "accrued interest receivable" in the bank's records).
- (6) Cash items not conforming to the definition of "Cash items in process of collection" found in the instruction to Schedule RC, item 1.a.
- (7) The *full* amount (with the exceptions noted below) of customers' liability to the reporting bank on drafts and bills of exchange that have been accepted by the reporting bank, or by others for its account, and are outstanding. The amount of customers' liability to the reporting bank on its acceptances that have not yet matured should be reduced *only* when: (a) the customer anticipates its liability to the reporting bank on an outstanding acceptance by making a payment to the bank in advance of the acceptance's maturity that immediately reduces the customer's indebtedness to the bank on such an acceptance; or (b) the reporting bank acquires and holds its own acceptance. See the Glossary entry for "bankers acceptances" for further information.
- (8) Credit or debit card sales slips in process of collection until the reporting bank has been notified that it has been given credit (report thereafter in Schedule RC, item 1.a, "Noninterest-bearing balances and currency and coin," and, if applicable, in Schedule RC-A, item 2, "Balances due from depository institutions in the U.S.," or item 3, "Balances due from banks in foreign countries and foreign central banks," as appropriate).

¹ For banks involved in insurance activities, examples of prepaid expenses include ceding fees and acquisition fees paid to insurance carriers external to the consolidated bank.

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- (9) Purchased computer software, net of accumulated amortization, and unamortized costs of computer software to be sold, leased, or otherwise marketed capitalized in accordance with the provisions of ASC Subtopic 985-20, Software – Costs of Software to Be Sold, Leased or Marketed (formerly FASB Statement No. 86, “Accounting for the Cost of Computer Software to be Sold, Leased, or Otherwise Marketed”). (Report the amount of computer software in Schedule RC-F, item 6.f, if this amount is greater than \$100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.)
- (10) Bullion (e.g., gold or silver) not held for trading purposes.
- (11) Original art objects, including paintings, antique objects, and similar valuable decorative articles (report at cost unless there has been a decline in value, judged to be other than temporary, in which case the object should be written down to its fair value).
- (12) Securities or other assets held in charitable trusts (e.g., Clifford Trusts).
- (13) Debt issuance costs related to line-of-credit arrangements, net of accumulated amortization. Debt issuance costs related to a recognized debt liability that is not a line-of-credit arrangement should be presented as a direct deduction from the face amount of the related debt, not as an asset. For debt reported at fair value under a fair value option, debt issuance costs should be expensed as incurred.¹
- (14) Furniture and equipment rented to others under operating leases, net of accumulated depreciation.
- (15) Ground rents.
- (16) Customers' liability for deferred payment letters of credit.
- (17) Reinsurance recoverables from reinsurers external to the consolidated bank.
- (18) "Separate account assets" of the reporting bank's insurance subsidiaries.
- (19) The positive fair value of unused loan commitments (not accounted for as derivatives) that the bank has elected to report at fair value under a fair value option.
- (20) FDIC loss-sharing indemnification assets. These indemnification assets represent the carrying amount of the right to receive payments from the FDIC for losses incurred on specified assets acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC. (Report the amount of such assets in Schedule RC-F, item 6.e, if this amount is greater than \$100,000 and exceeds 25 percent of the amount reported in Schedule RC-F,

¹ Refer to Accounting Standards Update (ASU) No. 2015-03, “Simplifying the Presentation of Debt Issuance Costs,” for transition guidance. For institutions with a calendar year fiscal year, the ASU must be applied by public business entities in their March 2016 Call Reports and by private companies in their December 2016 Call Reports. Early adoption of the ASU is permitted. Until an institution has adopted the ASU in accordance with its applicable effective date, all debt issuance costs should be reported on the balance sheet as an asset (i.e., a deferred charge). The ASU is limited to the presentation of debt issuance costs; therefore, the recognition and measurement guidance for such costs is unaffected.

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item 6.) (Exclude the assets covered by the FDIC loss-sharing agreements from this component of "All other assets." Instead, report each covered asset in the balance sheet category appropriate to the asset on Schedule RC, e.g., report covered held-for-investment loans in Schedule RC, item 4.b, "Loans and leases held for investment.")

- (21) Receivables arising from foreclosures on fully and partially government-guaranteed mortgage loans if the guarantee is not separable from the loan before foreclosure and, at the time of foreclosure, (a) the institution's intent is to convey the property to the guarantor and make a claim on the guarantee and the institution has the ability to recover under that claim, and (b) any amount of the claim that is determined on the basis of the fair value of the real estate is fixed. For further information, see the Glossary entry for "Foreclosed assets." (Report these receivables in Schedule RC-F, item 6.h, if this amount is greater than \$100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.)
- (22) The reporting institution's own accounts receivable. (Report these receivables in Schedule RC-F, item 6.g, if this amount is greater than \$100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.) (Exclude factored accounts receivable, which should be reported as loans in Schedule RC-C.)

Exclude from all other assets:

- (1) Redeemed U.S. savings bonds and food stamps (report in Schedule RC, item 1.a, "Noninterest-bearing balances and currency and coin," and, if applicable, in Schedule RC-A, item 1, "Cash items in process of collection, unposted debits, and currency and coin").
- (2) Real estate owned or leasehold improvements to property intended for future use as banking premises (report in Schedule RC, item 6, "Premises and fixed assets").
- (3) Accounts identified as "building accounts," "construction accounts," or "remodeling accounts" (report in Schedule RC, item 6, "Premises and fixed assets").
- (4) Real estate acquired in any manner for debts previously contracted (including, but not limited to, real estate acquired through foreclosure and real estate acquired by deed in lieu of foreclosure), even if the bank has not yet received title to the property, and real estate collateral underlying a loan when the bank has obtained physical possession of the collateral (report as "Other real estate owned" in Schedule RC, item 7).
- (5) Due bills representing purchases of securities or other assets by the reporting bank that have not yet been delivered (report as loans in Schedule RC-C).
- (6) Factored accounts receivable (report as loans in Schedule RC-C).

7 **Total.** Report the sum of items 1 through 6. This amount must equal Schedule RC, item 11, "Other assets."

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