

**FFIEC 051**

**CALL REPORT**

**INSTRUCTION BOOK UPDATE**

**DECEMBER 2019**

## FILING INSTRUCTIONS

NOTE: This update for the instruction book for the FFIEC 051 Call Report is designed for two-sided (duplex) printing. The pages listed in the column below headed "Remove Pages" are no longer needed in the *Instructions for Preparation of Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less than \$5 Billion* (FFIEC 051) and should be removed and discarded. The pages listed in the column headed "Insert Pages" are included in this instruction book update and should be filed promptly in your instruction book for the FFIEC 051 Call Report.

### **Remove Pages**

Cover Page (9-19)  
RC-M-13 – RC-M-14 (9-19)  
RC-R-31 – RC-R-34 (3-17)

### **Insert Pages**

Cover Page (12-19)  
RC-M-13 – RC-M-14 (12-19)  
RC-R-31 – RC-R-34 (12-19)

**Instructions for Preparation of  
Consolidated Reports of Condition and Income  
for a Bank with Domestic Offices Only and  
Total Assets Less than \$5 Billion**

**FFIEC 051**

**Updated December 2019**

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**Item No.    Caption and Instructions**

**8.a**  
(cont.)    An institution that maintains more than one website that prominently displays the institution's legal title should report the URL of the institution's primary Internet website in this item and determine whether it should report the URLs of these other websites in Schedule RC-M, item 8.b, below.

If an institution has no website or home page of its own and the institution cannot be accessed through the URL of an affiliate's website, this item should be left blank. Do not enter such phrases as "Not applicable," "N/A," "None," and "Null."

**8.b**    **URLs of all other public-facing Internet websites that the reporting institution uses to accept or solicit deposits from the public, if any.** If the reporting institution:

- (1) Uses one or more trade names (other than its legal title) to accept or solicit deposits from the public, and directly or indirectly operates one or more public-facing Internet websites – other than its primary Internet website (home page) reported in Schedule RC-M, item 8.a, above – to present such trade names to the public, or
- (2) Uses any other public-facing Internet websites prominently displaying the institution's legal title – other than its primary Internet website (home page) – to accept or solicit deposits from the public,

the institution should report the URLs of each of its other public-facing websites that it uses to accept or solicit deposits from the public in the text fields for items 8.b.(1) through 8.b.(10) and, if necessary, in Schedule RI-E, item 7, "Other explanations." If an institution has no additional public-facing Internet websites to report, the text fields for these items should be left blank. Do not enter such phrases as "Not applicable," "N/A," "None," and "Null."

When reporting the URLs for public-facing websites used to accept or solicit deposits, report only the highest level URLs. For example, an institution with a legal title of XYZ Bank reports in item 8.a that the URL of its primary Internet website is [www.xyzbank.com](http://www.xyzbank.com). The institution also solicits deposits using the website address [www.safeandsoundbank.com](http://www.safeandsoundbank.com) and provides more specific deposit information at "[www.safeandsoundbank.com/checking](http://www.safeandsoundbank.com/checking)" and "[www.safeandsoundbank.com/CDs](http://www.safeandsoundbank.com/CDs)." Only the first of these three URLs (i.e., "[www.safeandsoundbank.com](http://www.safeandsoundbank.com)") should be reported in this item.

When an institution uses multiple top level domains (e.g., .com, .net, and .biz), it should separately report the URLs that are otherwise the same except for the top level domain name. For example, if XYZ Bank also uses the website address "[www.xyzbank.biz](http://www.xyzbank.biz)" in the solicitation of deposits, it should report this URL in this item.

However, if an institution uses one or more URLs that automatically redirect the public to the institution's primary website or to another website used to accept or solicit deposits that is being reported in this item, the institution should not report these additional URLs. For example, if XYZ Bank uses the URLs "[www.xyzbank.net](http://www.xyzbank.net)" and "[www.safeandsoundbank.net](http://www.safeandsoundbank.net)" to automatically redirect the public to "[www.xyzbank.com](http://www.xyzbank.com)" (reported in item 8.a as its primary website) and "[www.safeandsoundbank.com](http://www.safeandsoundbank.com)" (reported in this item as the URL of another website the institution uses), respectively, it should not report the two redirecting URLs in this item.

Do not report the URLs of:

- (1) Public-facing Internet websites operated by the reporting institution that do not accept or solicit deposits from the public. For example, if XYZ Bank uses the website address "[www.xyzauto loans.com](http://www.xyzauto loans.com)" but does not accept or solicit deposits through this site, its URL should not be reported in this item;

**Item No.    Caption and Instructions**

- 8.b**  
(cont.)    (2) Internet websites of any non-bank affiliates or subsidiaries that do not accept or solicit deposits from the public on behalf of the institution;  
(3) Affiliated, separately chartered insured depository institutions;  
(4) Foreign affiliates; and  
(5) Third-party deposit listing services and deposit brokers.

- 8.c**    **Trade names other than the reporting institution's legal title used to identify one or more of the institution's physical offices at which deposits are accepted or solicited from the public, if any.** An institution may use a trade name other than its legal title as reflected in its charter to identify certain of its physical offices, for example, due to a merger and an interest in maintaining the presence of the acquired institution's well recognized name in the community or communities it served.

If the reporting institution operates one or more physical offices to conduct banking activities and uses one or more trade names other than its legal title to identify these physical offices (for example, via signage displayed on the facilities), the institution should report each trade name used by one or more of its physical offices at which it accepts or solicits deposits from the public in the text fields for items 8.c.(1) through 8.c.(6) and, if necessary, in Schedule RI-E, item 7, "Other explanations." Do not report the trade names used by any physical offices of the reporting institution at which the institution does not accept or solicit deposits from the public. In addition, do not report the physical office trade names of any non-bank affiliates or subsidiaries that do not accept or solicit deposits from the public on behalf of the institution. Do not report the physical office trade names of affiliated, separately chartered insured depository institutions. If an institution does not use any trade names other than its legal title, the text fields for items 8.c.(1) through 8.c.(6) should be left blank. Do not enter such phrases as "Not applicable," "N/A," "None," and "Null."

For example, an institution with a legal title of XYZ Bank operates one or more branch offices under the trade name of "Community Bank of ABC" (as identified by the signage displayed on each facility) where it accepts and solicits deposits from the public. XYZ Bank should report this trade name (and any other trade names it uses at other physical office locations where it accepts or solicits deposits) in this item 8.c. XYZ Bank also has a loan production office that operates under the trade name of "XYZ Consumer Loans" and a mortgage lending subsidiary that operates physical offices using the trade name of "XYZ Mortgage Company"; deposits are not accepted nor solicited on behalf of XYZ Bank at these physical offices. Thus, neither of these two trade names should be reported in this item 8.c.

NOTE: Schedule RC-M, item 9, is to be completed annually in the December report only.

- 9**    **Do any of the bank's Internet websites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the website?**  
Indicate whether any of the reporting bank's Internet websites have transactional capability. Place an "X" in the box marked "Yes" if the bank or a bank affiliate has any Internet websites that allow the bank's customers to execute transactions on their accounts through the website. Otherwise, place an "X" in the box marked "No."

The Internet Web address of the website (or sites) with transactional capability does not have to be the address of the bank's primary Internet website that is reported in Schedule RC-M, item 8.a, above.

- 10**    **Secured liabilities.** Report in the appropriate subitem the carrying amount of federal funds purchased and "Other borrowings" that are secured, i.e., the carrying amount of these types of liabilities for which the bank (or a consolidated subsidiary) has pledged securities, loans, or other assets as collateral.

**Part I. (cont.)****Item No.    Caption and Instructions**

**38**  
(cont.)      fair value, and (ii) the quarterly average for available-for-sale equity securities included in Schedule RC-K, item 9, from an average based on the lower of cost or fair value to an average based on fair value. If the deferred tax effects of any net unrealized gains (losses) on available-for-sale debt securities were excluded from the determination of average total consolidated assets for Schedule RC-K, item 9, also include in this item as a deduction from (addition to) assets for leverage ratio purposes the quarterly average amount necessary to reverse the effect of this exclusion on the quarterly average amount of net deferred tax assets included in Schedule RC-K, item 9.

***Transition provisions for institutions that do not make the AOCI opt-out election – Available-for-sale securities:***

Include in this item 38 the amount of deductions from (additions to) assets for leverage ratio purposes for available-for-sale debt and equity securities and deferred tax effects as determined above reduced by the appropriate percentage in Table 1 in the instructions for Schedule RC-R, Part I, item 3.a. For example, in 2017, if the amount of these deductions (additions) is a \$10,000 deduction, include \$8,000 in this item 38 [ $\$10,000 - (\$10,000 \times 20\%) = \$8,000$ ].

***Financial Subsidiaries:***

If a financial subsidiary is not consolidated into the bank for purposes of the bank's balance sheet, include in this item 38 as a deduction from the bank's average total assets (as reported in Schedule RC-R, Part I, item 36) the quarterly average for the bank's ownership interest in the financial subsidiary accounted for under the equity method of accounting that is included in the bank's average total assets reported in Schedule RC-K, item 9.

If a financial subsidiary is consolidated into the bank for purposes of the bank's balance sheet, include in this item 38 as a deduction from the bank's average total assets (as reported in Schedule RC-R, Part I, item 36) the quarterly average of the assets of the subsidiary that have been included in the bank's consolidated average total assets reported in Schedule RC-K, item 9; minus any deductions from common equity tier 1 capital and additional tier 1 capital attributable to the financial subsidiary that have been included in Schedule RC-R, Part I, item 37; and plus the quarterly average of bank assets representing claims on the financial subsidiary, other than the bank's ownership interest in the subsidiary, that were eliminated in consolidation. Because the bank's claims on the subsidiary were eliminated in consolidation, these bank assets were not included in the bank's consolidated average total assets reported in Schedule RC-K, item 9.

***Non-Includable Subsidiaries:***

A savings association with a non-includable subsidiary should include in this item 38 a deduction from average total assets (as reported in Schedule RC-R, Part I, item 36) determined in the same manner as described above for financial subsidiaries, except that for a non-includable subsidiary accounted for under the equity method of accounting, the deduction should be the quarterly average for the savings association's outstanding investments (both equity and debt) in, and extensions of credit to, the subsidiary.

**39**      **Total assets for the leverage ratio.** Report Schedule RC-R, Part I, item 36, less items 37 and 38.

**Part I. (cont.)****Item No.    Caption and Instructions****Total Risk-Weighted Assets**

- 40**        **Total risk-weighted assets.** Report the amount of total risk-weighted assets using the standardized approach (as reported in Schedule RC-R, Part II, item 31).

**Risk-Based Capital Ratios**

- 41**        **Common equity tier 1 capital ratio.** Report the institution's common equity tier 1 risk-based capital ratio as a percentage, rounded to four decimal places. Divide Schedule RC-R, Part I, item 19 by item 40.
- 42**        **Tier 1 capital ratio.** Report the institution's tier 1 risk-based capital ratio as a percentage, rounded to four decimal places. Divide Schedule RC-R, Part I, item 26 by item 40.
- 43**        **Total capital ratio.** Report the institution's total risk-based capital ratio as a percentage, rounded to four decimal places. Divide Schedule RC-R, Part I, item 35 by item 40.

**Leverage Capital Ratios**

- 44**        **Tier 1 leverage ratio.** Report the institution's tier 1 leverage ratio as a percentage, rounded to four decimal places. Divide Schedule RC-R, Part I, item 26 by item 39.
- 45**        Not applicable.

**Capital Buffer**

- 46**        **Institution-specific capital conservation buffer necessary to avoid limitations on distributions and discretionary bonus payments.** Report the institution's capital conservation buffer as a percentage, rounded to four decimal places. Except as described below, the capital conservation buffer is equal to the lowest of ratios (1), (2), and (3) below.

For example, the capital conservation buffer to be reported in this item 46 for the December 31, 2019, report date would be based on the capital ratios reported in Schedule RC-R, Part I, of the Call Report for December 31, 2019.

- (1) Schedule RC-R, Part I, item 41, less 4.5000 percent, which is the minimum common equity tier 1 capital ratio requirement under section 10 of the regulatory capital rules;
- (2) Schedule RC-R, Part I, item 42, less 6.0000 percent, which is the minimum tier 1 capital ratio requirement under section 10 of the regulatory capital rules; and
- (3) Schedule RC-R, Part I, item 43, less 8.0000 percent, which is the minimum total capital ratio requirement under section 10 of the regulatory capital rules.

However, if any of the three ratios calculated above is less than zero (i.e., is negative), the institution's capital conservation buffer is zero.

**Part I. (cont.)****Item No.   Caption and Instructions**

**NOTE: Institutions must complete Schedule RC-R, Part I, items 47 and 48, if the amount reported in Schedule RC-R, Part I, item 46, is less than or equal to the applicable required minimum capital conservation buffer of 2.5000 percent.**

- 47**        **Eligible retained income.** Report the amount of eligible retained income as the net income attributable to the institution for the four calendar quarters preceding the current calendar quarter, net of any distributions and associated tax effects not already reflected in net income. (See the instructions for Schedule RC-R, Part I, item 48, for the definition of “distributions” from section 2 of the regulatory capital rules.)

For example, the amount of eligible retained income to be reported in this item 47 for the December 31, 2019, report date would be based on the net income attributable to the institution for the four calendar quarters ending on December 31, 2019. This net income amount would equal the net income attributable to the institution most recently reported in Schedule RI, item 14, for December 31, 2019 (i.e., after adjustments for amended Consolidated Reports of Income).

This net income amount would next be reduced by any distributions and associated tax effects not already reflected in net income; the resulting amount would be the eligible retained income to be reported in this item 47. Thus, if the institution had declared dividends on its common stock during each calendar quarter in 2019 and had no other distributions during 2019, the institution would reduce its net income amount by the total amount of the dividends declared in 2019 and report the resulting amount as its eligible net income in this item 47.

As an additional example, the amount of eligible retained income to be reported in this item 47 for the March 31, 2020, report date would be based on the net income attributable to the institution for the four calendar quarters ending on March 31, 2020. This net income amount would be calculated by:

- (1) Subtracting the net income attributable to the institution most recently reported in Schedule RI, item 14, for March 31, 2019 (i.e., after adjustments for amended Consolidated Reports of Income), from the net income attributable to the institution most recently reported in Schedule RI, item 14, for December 31, 2019 (i.e., after adjustments for amended Consolidated Reports of Income), and
- (2) Adding the result from (1) above to the net income attributable to the institution most recently reported in Schedule RI, item 14, for March 31, 2020 (i.e., after adjustments for amended Consolidated Reports of Income).

This net income amount would next be reduced by any distributions and associated tax effects not already reflected in net income (e.g., dividends declared on the institution’s common stock between April 1, 2019, and March 31, 2020); the resulting amount would be the eligible retained income to be reported in this item 47.

**Part I. (cont.)****Item No.    Caption and Instructions**

- 48        Distributions and discretionary bonus payments during the quarter.** Report the amount of distributions and discretionary bonus payments during the calendar quarter ending on the report date.

As defined in section 2 of the regulatory capital rules, “distribution” means:

- (1) A reduction of tier 1 capital through the repurchase of a tier 1 capital instrument or by other means, except when an institution, within the same quarter when the repurchase is announced, fully replaces a tier 1 capital instrument it has repurchased by issuing another capital instrument that meets the eligibility criteria for:
  - (i) A common equity tier 1 capital instrument if the instrument being repurchased was part of the institution's common equity tier 1 capital, or
  - (ii) A common equity tier 1 or additional tier 1 capital instrument if the instrument being repurchased was part of the institution's tier 1 capital;
- (2) A reduction of tier 2 capital through the repurchase, or redemption prior to maturity, of a tier 2 capital instrument or by other means, except when an institution, within the same quarter when the repurchase or redemption is announced, fully replaces a tier 2 capital instrument it has repurchased by issuing another capital instrument that meets the eligibility criteria for a tier 1 or tier 2 capital instrument;
- (3) A dividend declaration or payment on any tier 1 capital instrument;
- (4) A dividend declaration or interest payment on any tier 2 capital instrument if the institution has full discretion to permanently or temporarily suspend such payments without triggering an event of default; or
- (5) Any similar transaction that the institution’s primary federal regulator determines to be in substance a distribution of capital.

As defined in section 2 of the regulatory capital rules, “discretionary bonus payment” means a payment made to an executive officer of an institution, where:

- (1) The institution retains discretion as to whether to make, and the amount of, the payment until the payment is awarded to the executive officer;
- (2) The amount paid is determined by the institution without prior promise to, or agreement with, the executive officer; and
- (3) The executive officer has no contractual right, whether express or implied, to the bonus payment.

As defined in section 2 of the regulatory capital rules, “executive officer” means a person who holds the title or, without regard to title, salary, or compensation, performs the function of one or more of the following positions: president, chief executive officer, executive chairman, chief operating officer, chief financial officer, chief investment officer, chief legal officer, chief lending officer, chief risk officer, or head of a major business line, and other staff that the board of directors of the institution deems to have equivalent responsibility.