

Draft Instructions
for the Call Report Revisions
Proposed to Take Effect December 31, 2015,
and March 31, 2016

FFIEC 031 and FFIEC 041

These draft instructions reflect the Call Report revisions proposed to take effect December 31, 2015, and March 31, 2016, as described in the federal banking agencies' initial Paperwork Reduction Act Federal Register notice published in the Federal Register on September 18, 2015. The Federal Register notice and the draft reporting forms for these proposed Call Report revisions are available at <https://www.ffiec.gov/forms031.htm> and <https://www.ffiec.gov/forms041.htm>.

Draft as of October 30, 2015

DRAFT

This page intentionally left blank.

**Draft Instructions
for the Call Report Revisions
Proposed to Take Effect
December 31, 2015, and March 31, 2016**

FFIEC 031 and FFIEC 041

Contents

Call Report Revisions Proposed to Take Effect December 31, 2015

General Instructions	
Legal Entity Identifier	1
Schedule RI – Income Statement	
Items 5.k, 5.l, and 7.d and Memorandum item 14	2
Schedule RI-E – Explanations	
Items 1 and 2	5
Schedule RC – Balance Sheet	
Item 5	7
Schedule RC-B – Securities	
General Instructions	8
Schedule RC-C, Part I – Loans and Leases	
Item 1.c.(1) and (2) and deletions of certain items	9
Schedule RC-D – Trading Assets and Liabilities	
General Instructions and Memorandum items 9 and 10	10
Schedule RC-E (Part I) – Deposit Liabilities	
Memorandum items 3 through 4.b	12
Schedule RC-E, Part II – Deposits in Foreign Office (FFIEC 031 only)	
Memorandum item 2	15
Schedule RC-F – Other Assets	
Item 6	16
Schedule RC-G – Other Liabilities	
Item 4	17
Schedule RC-H – Selected Balance Sheet Items for Domestic Offices (FFIEC 031 only)	
General Instructions for items 10 through 17	18
Schedule RC-M – Memoranda	
Deletions of certain items	19
Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets	
Deletions of certain items	19
Schedule RC-Q – Assets and Liabilities Measured at Fair Value on a Recurring Basis	
Items 1, 1.a, and 1.b and Memorandum items 1 through 4	20
Schedule RC-R, Part II – Risk-Weighted Assets	
Deletion of an item	25
Schedule RC-S – Servicing, Securitization, and Asset Sale Activities	
Creation of a size threshold for reporting certain Memorandum items	26
Glossary	
“Securities Activities” and “Trading Account”	28

Contents (cont.)

Call Report Revisions Proposed to Take Effect March 31, 2016

Schedule RI – Income Statement	
Items 2.a.(2)(b) and (c) (FFIEC 041), items 2.a.(1)(b)(2) and (3) (FFIEC 031), items 8 through 11, and Memorandum items 8.f through 8.h	30
Schedule RI-E – Explanations	
Item 3	33
Schedule RC – Balance Sheet	
Memorandum item 1	34
Schedule RC-K – Quarterly Averages	
Items 11.b and 11.c	36
Schedule RC-R, Part I – Regulatory Capital Components and Ratios	
Items 45 through 45.b	37
Glossary	
Deletion of Glossary entry for “Extraordinary Items”	38

NOTE: These draft instructions apply to the Call Report revisions proposed to take effect December 31, 2015, and March 31, 2016, as described in the federal banking agencies’ initial Paperwork Reduction Act Federal Register notice published in the Federal Register on September 18, 2015. These draft instructions are subject to change based on comments received in response to the Federal Register notice on the proposed Call Report revisions and also based on questions and comments received on this draft. The Federal Register notice and the draft reporting forms for these Call Report revisions are available at <http://www.ffiec.gov/forms031.htm> and <http://www.ffiec.gov/forms041.htm>.

Questions concerning these draft instructions may be submitted to the FFIEC by going to <http://www.ffiec.gov/contact/default.aspx>, clicking on “Reporting Forms” under the “Reports” caption on the Web page, and completing the Feedback Form.

**Draft Instructions
for the Call Report Revisions
Proposed to Take Effect December 31, 2015**

FFIEC 031 and FFIEC 041

General Instructions

[Note: The following instructions would be added at the end of the General Instructions.]

LEGAL ENTITY IDENTIFIER

The Legal Entity Identifier (LEI) is a 20-digit alpha-numeric code that uniquely identifies entities that engage in financial transactions. An institution must provide its LEI on the cover page of the Call Report only if the institution already has an LEI. An institution that does not have an LEI is not required to obtain one for purposes of reporting it on the Call Report.

Schedule RI – Income Statement

Item No. Caption and Instructions

5.k **Net gains (losses) on sales of other assets.** Report the amount of net gains (losses) on sales and other disposals of assets not required to be reported elsewhere in the income statement (Schedule RI). Include net gains (losses) on sales and other disposals of premises and fixed assets; personal property acquired for debts previously contracted (such as automobiles, boats, equipment, and appliances); and coins, art, and other similar assets. Also include net gains (losses) on sales of, and other-than-temporary impairments on, equity securities that do not have readily determinable fair values and are not held for trading. Do not include net gains (losses) on sales and other disposals of held-to-maturity securities, available-for-sale securities, loans and leases (either directly or through securitization), trading assets, and other real estate owned (report these net gains (losses) in the appropriate items of Schedule RI).

5.l **Other noninterest income.** Report all operating income of the bank for the calendar year to date not required to be reported elsewhere in Schedule RI.

Disclose in Schedule RI-E, items 1.a through 1.l, each component of other noninterest income, and the dollar amount of such component, that is greater than \$100,000 and exceeds 3 percent of the other noninterest income reported in this item. If net losses have been reported in this item for a component of “Other noninterest income,” use the absolute value of such net losses to determine whether the amount of the net losses is greater than \$100,000 and exceeds 3 percent of “Other noninterest income” and should be reported in Schedule RI-E, item 1. (The absolute value refers to the magnitude of the dollar amount without regard to whether the amount represents net gains or net losses.)

Preprinted captions have been provided in Schedule RI-E, items 1.a through 1.i, for reporting the following components of other noninterest income if the component exceeds this disclosure threshold: income and fees from the printing and sale of checks, earnings on/increase in value of cash surrender value of life insurance, income and fees from automated teller machines (ATMs), rent and other income from other real estate owned, safe deposit box rent, net change in the fair values of financial instruments accounted for under a fair value option, bank card and credit card interchange fees, gains on bargain purchases, and income and fees from wire transfers. For each component of other noninterest income that exceeds this disclosure threshold for which a preprinted caption has not been provided, describe the component with a clear but concise caption in Schedule RI-E, items 1.j through 1.l. These descriptions should not exceed 50 characters in length (including spacing between words).

For disclosure purposes in Schedule RI-E, items 1.a through 1.i, when components of “Other noninterest income” reflect a single credit for separate “bundled services” provided through third party vendors, disclose such amounts in the item with the preprinted caption that most closely describes the predominant type of income earned, and this categorization should be used consistently over time.

[Note: The rest of the existing instructions for Schedule RI, item 5.l, would be unchanged.]

* * * * *

Schedule RI – Income Statement (cont.)

Item No. Caption and Instructions

7.d Other noninterest expense. Report all operating expenses of the bank for the calendar year-to-date not required to be reported elsewhere in Schedule RI.

Disclose in Schedule RI-E, items 2.a through 2.p, each component of other noninterest expense, and the dollar amount of such component, that is greater than \$100,000 and exceeds 3 percent of the other noninterest expense reported in this item. If net gains have been reported in this item for a component of “Other noninterest expense,” use the absolute value of such net gains to determine whether the amount of the net gains is greater than \$100,000 and exceeds 3 percent of “Other noninterest expense” and should be reported in Schedule RI-E, item 2. (The absolute value refers to the magnitude of the dollar amount without regard to whether the amount represents net gains or net losses.)

Preprinted captions have been provided in Schedule RI-E, items 2.a through 2.m, for reporting the following components of other noninterest expense if the component exceeds this disclosure threshold: data processing expenses; advertising and marketing expenses; directors’ fees; printing, stationery, and supplies; postage; legal fees and expenses; FDIC deposit insurance assessments; accounting and auditing expenses; consulting and advisory expenses; automated teller machine (ATM) and interchange expenses; telecommunications expenses; other real estate owned expenses; and insurance expenses (not included in salaries and employee benefits, expenses of premises and fixed assets, and other real estate owned expenses). For each component of other noninterest expense that exceeds this disclosure threshold for which a preprinted caption has not been provided, describe the component with a clear but concise caption in Schedule RI-E, items 2.n through 2.p. These descriptions should not exceed 50 characters in length (including spacing between words).

For disclosure purposes in Schedule RI-E, items 2.a through 2.m, when components of “Other noninterest expense” reflect a single charge for separate “bundled services” provided by third party vendors, disclose such amounts in the item with the preprinted caption that most closely describes the predominant type of expense incurred, and this categorization should be used consistently over time.

[Note: The rest of the existing instructions for Schedule RI, item 7.d, would be unchanged.]

* * * * *

Memoranda

Item No. Caption and Instructions

[Note: The existing instructions for Memorandum item 14, “Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities”; Memorandum item 14.a, “Total other-than-temporary impairment losses”; and Memorandum item 14.b, “Portion of losses recognized in other comprehensive income (before income taxes),” would be deleted. Existing Memorandum item 14.c, “Net impairment losses recognized in earnings,” would be renumbered as Memorandum item 14 and recaptioned as shown below. The existing instructions for Memorandum item 14.c would be revised as follows.]

14 Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings. Report the amount of other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities that has been recognized in earnings during the calendar year to date as discussed in the following

Schedule RI – Income Statement (cont.)

Memoranda

Item No. Caption and Instructions

14 paragraphs. This amount is included in the realized gains (losses) on held-to-maturity and
(cont.) available-for-sale securities reported in Schedule RI, items 6.a and 6.b, respectively.

When the fair value of an individual held-to-maturity or available-for-sale debt security is less than its amortized cost basis, the security is impaired and the impairment is either temporary or other-than-temporary. To determine whether the impairment is other-than-temporary, a bank must apply the relevant guidance in ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, “Accounting for Certain Investments in Debt and Equity Securities,” as amended by FASB Staff Position (FSP) FAS 115-1 and FAS 124-1, “The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments,” and FSP FAS 115-2 and FAS 124-2, “Recognition and Presentation of Other-Than-Temporary Impairments”) and ASC Subtopic 325-40, Investments-Other – Beneficial Interests in Securitized Financial Assets (formerly Emerging Issues Task Force (EITF) Issue No. 99-20, “Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets,” as amended by FSP EITF 99-20-1, “Amendments to the Impairment Guidance of EITF Issue No. 99-20”), as appropriate.

When an other-than-temporary impairment loss has occurred on an individual debt security, the total amount of the loss is the entire difference between the amortized cost of the debt security and its fair value on the measurement date of the other-than-temporary impairment. For an other-than-temporary impairment loss on a debt security that the bank intends to sell and on a debt security that it is more likely than not that the bank will be required to sell before recovery of its amortized cost basis less any current-period credit loss, the total amount of the other-than-temporary impairment loss must be recognized in earnings and must be reported in this item.

For an other-than-temporary impairment loss on a debt security when the bank does not intend to sell the security and it is not more likely than not that the bank will be required to sell the security before recovery of its amortized cost basis less any current-period credit loss, the other-than-temporary impairment loss must be separated into (a) the amount representing the credit loss, which must be recognized in earnings, and (b) the amount related to all other factors, which must be recognized in other comprehensive income. Report in this item the portion of such an other-than-temporary impairment loss that represents the credit loss.

For further information, see the Glossary for “securities activities.”

Schedule RI-E – Explanations

Item No. Caption and Instructions

- 1** **Other noninterest income.** Disclose in items 1.a through 1.i each component of Schedule RI, item 5.i, “Other noninterest income,” and the dollar amount of such component, that is greater than \$100,000 and exceeds 3 percent of the “Other noninterest income.” If net losses have been reported in Schedule RI, item 5.i, for a component of “Other noninterest income,” use the absolute value of such net losses to determine whether the amount of the net losses is greater than \$100,000 and exceeds 3 percent of “Other noninterest income” and should be reported in this item. (The absolute value refers to the magnitude of the dollar amount without regard to whether the amount represents net gains or net losses.) If net losses are reported in this item, report them with a minus (-) sign.

Preprinted captions have been provided for the following categories of “Other noninterest income”:

- Item 1.a, “Income and fees from the printing and sale of checks,”
- Item 1.b, “Earnings on/increase in value of cash surrender value of life insurance,”
- Item 1.c, “Income and fees from automated teller machines (ATMs),”
- Item 1.d, “Rent and other income from other real estate owned,”
- Item 1.e, “Safe deposit box rent,”
- Item 1.f, “Net change in the fair values of financial instruments accounted for under a fair value option,”
- Item 1.g, “Bank card and credit card interchange fees,”
- Item 1.h, “Gains on bargain purchases,” and
- Item 1.i, “Income and fees from wire transfers.”

For other components of “Other noninterest income” that exceed the disclosure threshold, list and briefly describe these components in items 1.j through 1.l and, if necessary, in Schedule RI-E, item 7, below.

For components of “Other noninterest income” that reflect a single credit for separate “bundled services” provided through third party vendors, disclose such amounts in the item that most closely describes the predominant type of income earned, and this categorization should be used consistently over time.

- 2** **Other noninterest expense.** Disclose in items 2.a through 2.p each component of Schedule RI, item 7.d, “Other noninterest expense,” and the dollar amount of such component, that is greater than \$100,000 and exceeds 3 percent of the “Other noninterest expense.” If net gains have been reported in Schedule RI, item 7.d, for a component of “Other noninterest expense,” use the absolute value of such net gains to determine whether the amount of the net gains is greater than \$100,000 and exceeds 3 percent of “Other noninterest expense” and should be reported in this item. (The absolute value refers to the magnitude of the dollar amount without regard to whether the amount represents net gains or net losses.) If net gains are reported in this item, report them with a minus (-) sign.

Preprinted captions have been provided for the following categories of “Other noninterest expense”:

- Item 2.a, “Data processing expenses,”
- Item 2.b, “Advertising and marketing expenses,”
- Item 2.c, “Directors’ fees,”

Schedule RI-E – Explanations (cont.)

Item No. Caption and Instructions

- 2
- Item 2.d, “Printing, stationery, and supplies,”
 - Item 2.e, “Postage,”
 - Item 2.f, “Legal fees and expenses,”
 - Item 2.g, “FDIC deposit insurance assessments,”
 - Item 2.h, “Accounting and auditing expenses,”
 - Item 2.i, “Consulting and advisory expenses,”
 - Item 2.j, “Automated teller machine (ATM) and interchange expenses,”
 - Item 2.k, “Telecommunications expenses,”
 - Item 2.l, “Other real estate owned expenses,” and
 - Item 2.m, “Insurance expenses (not included in employee expenses, premises and fixed asset expenses, and other real estate owned expenses).”

Include in “Telecommunications expenses” any expenses associated with telephone, telegraph, cable, and internet services (including web page maintenance).

For other components of “Other noninterest expense” that exceed the disclosure threshold, list and briefly describe these components in items 2.n through 2.p and, if necessary, in Schedule RI-E, item 7, below.

For components of “Other noninterest expense” that reflect a single charge for separate “bundled services” provided by third party vendors, disclose such amounts in the item that most closely describes the predominant type of expense incurred, and this categorization should be used consistently over time.

Schedule RC – Balance Sheet

Item No. Caption and Instructions

- 5 **Trading assets.** Trading activities typically include (a) regularly underwriting or dealing in securities; interest rate, foreign exchange rate, commodity, equity, and credit derivative contracts; other financial instruments; and other assets for resale; (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 in order to profit from short-term price movements; or (c) acquiring or taking positions in such items as an accommodation to customers or for other trading purposes. Assets and other financial instruments held for trading shall be consistently valued at fair value as defined by ASC Topic 820, Fair Value Measurement (formerly FASB Statement No. 157, “Fair Value Measurements”).

For purposes of the Consolidated Reports of Condition and Income, securities within 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”), that a bank has elected to report at fair value under a fair value option with changes in fair value reported in current earnings may be classified as trading securities. In addition, for purposes of these reports, banks may classify assets (other than securities within the scope of ASC Topic 320 for which a fair value option is elected) as trading if the bank applies fair value accounting, with changes in fair value reported in current earnings, and manages these assets as trading positions, subject to the controls and applicable regulatory guidance related to trading activities. For example, a bank would generally not classify a loan to which it has applied the fair value option as a trading asset unless the bank holds the loan, which it manages as a trading position, for one of the following purposes: (1) for market making activities, including such activities as accumulating loans for sale or securitization; (2) to benefit from actual or expected price movements; or (3) to lock in arbitrage profits.

Do not include in this item the carrying value of any securities designated as available for sale or held to maturity (including any available-for-sale or held-to-maturity securities that the bank has elected to report at fair value under a fair value option with changes in fair value reported in current earnings), any loans that are held for sale (and are not classified as trading in accordance with the preceding instruction), and any leases that are held for sale. Available-for-sale securities are reported in Schedule RC, item 2.b, and in Schedule RC-B, columns C and D. Held-to-maturity securities are reported in Schedule RC, item 2.a, and in Schedule RC-B, columns A and B. Loans (not classified as trading) and leases held for sale should be reported in Schedule RC, item 4.a, “Loans and leases held for sale,” and in Schedule RC-C.

[Note: The rest of the existing instructions for Schedule RC, item 5, would be unchanged.]

Schedule RC-B – Securities

General Instructions

This schedule has four columns for information on securities: two columns for held-to-maturity debt securities and two columns for available-for-sale debt and equity securities.¹ Include in this schedule any debt securities that the bank has elected to report at fair value under a fair value option with changes in fair value reported in current earnings and has classified as held-to-maturity or available-for-sale securities consistent with ASC Topic 320. Also include any equity securities with readily determinable fair values that the bank has elected to report at fair value under a fair value option with changes in fair value reported in current earnings and has classified as available-for-sale securities consistent with ASC Topic 320.²

Except as noted below for any held-to-maturity and available-for-sale securities for which a fair value option has been elected, report in this schedule:

- The amortized cost and fair value of held-to-maturity debt securities in columns A and B, respectively;
- The amortized cost and fair value of available-for-sale debt securities in columns C and D, respectively; and
- The historical cost (not amortized cost) and fair value of equity securities with readily determinable fair values that are classified as available-for-sale in columns C and D, respectively.

For any held-to-maturity securities for which a fair value option has been elected, report the fair value of the securities in columns A and B. For any available-for-sale securities for which a fair value option has been elected, report the fair value of the securities in columns C and D.

Held-to-maturity and available-for-sale securities reported at fair value under a fair value option are also reported in Schedule RC-Q – Assets and Liabilities Measured at Fair Value on a Recurring Basis. For certain banks, all available-for-sale securities are reported in Schedule RC-Q.

Exclude from this schedule (1) all securities held for trading and (2) any securities the bank has elected to report at fair value under a fair value option with changes in fair value reported in current earnings and has classified as trading securities even if bank management did not acquire the securities principally for the purpose of selling them in the near term. Securities held for trading and securities reported under a fair value option that the bank has classified as trading securities are to be reported in Schedule RC, item 5, "Trading assets," and, for certain banks, in Schedule RC-D – Trading Assets and Liabilities.

In general, amortized cost is the purchase price of a debt security adjusted for amortization of premium or accretion of discount if the debt security was purchased at other than par or face value. (See the Glossary entry for "premiums and discounts.") As defined in ASC Topic 820, Fair Value Measurements and Disclosures (formerly FASB Statement No. 157, "Fair Value Measurements"), fair value is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." For further information, see the Glossary entry for "fair value."

[Note: The rest of the existing General Instructions for Schedule RC-B would be unchanged.]

¹ Available-for-sale securities are generally reported in Schedule RC-B, columns C and D. However, a bank may have certain assets that fall within the definition of "debt securities" in ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities"), (e.g., certain industrial development obligations) that the bank has designated as "available-for-sale" which are reported for purposes of the Report of Condition in a balance sheet category other than "Securities" (e.g., "Loans and lease financing receivables").

² In accordance with ASC Topic 320, equity securities with readily determinable fair values may not be classified as held-to-maturity securities.

Schedule RC-C – Loans and Lease Financing Receivables

Part I. Loans and Leases

Item No. Caption and Instructions

1.c.(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit. Report (on the FFIEC 041, in column B; on the FFIEC 031, in columns A and B for large institutions and highly complex institutions – as defined for assessment purposes – with foreign offices, and in column B for all other institutions with foreign offices) the amount outstanding under revolving, open-end lines of credit secured by 1-to-4 family residential properties. These lines of credit, commonly known as home equity lines, are typically secured by a junior lien and are usually accessible by check or credit card.

Exclude revolving, open-end lines of credit secured by 1-to-4 family residential properties for which the draw periods have ended and the loans have converted to non-revolving closed-end status. After their conversion, such loans should be reported as closed-end loans secured by 1-to-4 family residential properties in Schedule RC-C, Part I, item 1.c.(2)(a) or (b), as appropriate.

1.c.(2) Closed-end loans secured by 1-4 family residential properties. Report in the appropriate subitem (on the FFIEC 041, in column B; on the FFIEC 031, in columns A and B for large institutions and highly complex institutions – as defined for assessment purposes – with foreign offices, and in column B for all other institutions with foreign offices) the amount of all closed-end loans secured by 1-to-4 family residential properties (i.e., closed-end first mortgages and junior liens).

Include loans that were extended under revolving, open-end lines of credit secured by 1-to-4 family residential properties for which the draw periods have ended and the loans have converted to non-revolving closed-end status.

* * * * *

[Note: The existing instructions for Schedule RC-C, Part I, Memorandum items 1.f.(2), 1.d.(5), and 1.f.(6) (and Memorandum item 1.f.(7) on the FFIEC 031) on troubled debt restructurings in certain loan categories that are in compliance with their modified terms would be deleted.]

* * * * *

[Note: The existing instructions for Schedule RC-C, Part I, Memorandum item 10, “Loans measured at fair value,” and Memorandum item 11, “Unpaid principal balance of loans measured at fair value,” would be deleted from Schedule RC-C, Part I, and would become the instructions for Memorandum items 3 and 4 of Schedule RC-Q.]

Schedule RC-D – Trading Assets and Liabilities

General Instructions

Schedule RC-D is to be completed by banks that reported a quarterly average for trading assets of \$2 million or more in Schedule RC-K, item 7, for any of the four preceding quarterly reports. However, because banks with domestic offices only and with less than \$100 million in total assets do not report a quarterly average for trading assets in Schedule RC-K, item 7, on the FFIEC 041, Schedule RC-D is not applicable to such banks. Memorandum items 5 through 10 are to be completed by banks that reported a quarterly average for trading assets of \$1 billion or more in Schedule RC-K, item 7, for any of the four preceding quarterly reports.

Trading activities typically include (a) regularly underwriting or dealing in securities; interest rate, foreign exchange rate, commodity, equity, and credit derivative contracts; other financial instruments; and other assets for resale, (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 in order to profit from short-term price movements, and (c) acquiring or taking positions in such items as an accommodation to customers or for other trading purposes.

For purposes of the Consolidated Reports of Condition and Income, securities within 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”), that a bank has elected to report at fair value under a fair value option with changes in fair value reported in current earnings may be classified as trading securities. In addition, for purposes of these reports, banks may classify assets (other than securities within the scope of ASC Topic 320) and liabilities as trading if the bank applies fair value accounting, with changes in fair value reported in current earnings, and manages these assets and liabilities as trading positions, subject to the controls and applicable regulatory guidance related to trading activities. For example, a bank would generally not classify a loan to which it has applied the fair value option as a trading asset unless the bank holds the loan, which it manages as a trading position, for one of the following purposes: (a) for market making activities, including such activities as accumulating loans for sale or securitization; (b) to benefit from actual or expected price movements; or (c) to lock in arbitrage profits. When reporting loans classified as trading in Schedule RC-D, banks should include only the fair value of the funded portion of the loan in item 6 of this schedule. If the unfunded portion of the loan, if any, is classified as trading (and does not meet the definition of a derivative), the fair value of the commitment to lend should be reported as an “Other trading asset” or an “Other trading liability,” as appropriate, in Schedule RC-D, item 9 or item 13.b, respectively.

[Note: The rest of the existing General Instructions for Schedule RC-D would be unchanged.]

* * * * *

Memoranda

Item No. Caption and Instructions

- 9** **Other trading assets.** Disclose in Memorandum items 9.a through 9.c each component of Schedule RC-D, item 9, “Other trading assets,” and the fair value of such component, that is greater than \$1,000,000 and exceeds 25 percent of the amount reported for this item. Exclude equity securities reported in Schedule RC-D, Memorandum items 7.a and 7.b. For each component of other trading assets that exceeds the disclosure threshold for this Memorandum item, describe the component with a clear but concise caption in Memorandum

Schedule RC-D – Trading Assets and Liabilities (cont.)

Memoranda

Item No. **Caption and Instructions**

9 items 9.a through 9.c. These descriptions should not exceed 50 characters in length
(cont.) (including spacing between words).

10 **Other trading liabilities.** Disclose in Memorandum items 10.a through 10.c each
component of Schedule RC-D, item 13.b, “Other trading liabilities,” and the fair value of such
component, that is greater than \$1,000,000 and exceeds 25 percent of the amount reported
for this item. For each component of other trading liabilities that exceeds this disclosure
threshold, describe the component with a clear but concise caption in Memorandum
items 10.a through 10.c. These descriptions should not exceed 50 characters in length
(including spacing between words).

DRAFT

Schedule RC-E – Deposit Liabilities

(On the FFIEC 031, Part I. Deposits in Domestic Offices)

Memoranda

Item No. Caption and Instructions

3 **Maturity and repricing data for time deposits of \$250,000 or less.** Report in the appropriate subitem maturity and repricing data for the bank's time deposits of \$250,000 or less, i.e., the bank's time certificates of deposit of \$250,000 or less and the bank's open-account time deposits of \$250,000 or less. The time deposits included in this item will have been reported in Schedule RC-E, Memorandum items 2.b and 2.c, above. Therefore, the sum of the amounts reported in Schedule RC-E, Memorandum items 3.a.(1) through 3.a.(4) must equal the sum of Schedule RC-E, Memorandum items 2.b and 2.c, above.

[Note: The rest of the existing instructions for Schedule RC-E, (Part I), Memorandum item 3, would be unchanged.]

3.a **Time deposits of \$250,000 or less with a remaining maturity or next repricing date of.** Report the dollar amount of the bank's fixed rate time deposits of \$250,000 or less in the appropriate subitems according to the amount of time remaining to their final contractual maturities. Report the dollar amount of the bank's floating rate time deposits of \$250,000 or less in the appropriate subitems according to their next repricing dates.

3.a.(1) **Three months or less.** Report the dollar amount of:

- the bank's fixed rate time deposits of \$250,000 or less with remaining maturities of three months or less, and
- the bank's floating rate time deposits of \$250,000 or less with the next repricing date occurring in three months or less.

3.a.(2) **Over three months through 12 months.** Report the dollar amount of:

- the bank's fixed rate time deposits of \$250,000 or less with remaining maturities of over three months through 12 months, and
- the bank's floating rate time deposits of \$250,000 or less with the next repricing date occurring in over three months through 12 months.

3.a.(3) **Over one year through three years.** Report the dollar amount of:

- the bank's fixed rate time deposits of \$250,000 or less with remaining maturities of over one year through three years, and
- the bank's floating rate time deposits of \$250,000 or less with the next repricing date occurring in over one year through three years.

3.a.(4) **Over three years.** Report the dollar amount of:

- the bank's fixed rate time deposits of \$250,000 or less with remaining maturities of over three years, and

Schedule RC-E – Deposit Liabilities (cont.)

(On the FFIEC 031, Part I. Deposits in Domestic Offices)

Memoranda

Item No. Caption and Instructions

- 3.a.(4)** (cont.)
- the bank's floating rate time deposits of \$250,000 or less with the next repricing date occurring in over three years.

- 3.b** **Time deposits of \$250,000 or less with a remaining maturity of one year or less.** Report all time deposits of \$250,000 or less with a remaining maturity of one year or less. Include both fixed rate and floating rate time deposits of \$250,000 or less.

The fixed rate time deposits that should be included in this item will also have been reported by remaining maturity in Schedule RC-E, Memorandum items 3.a.(1) and 3.a.(2), above. The floating rate time deposits that should be included in this item will have been reported by next repricing date in Memorandum items 3.a.(1) and 3.a.(2), above. However, Memorandum items 3.a.(1) and 3.a.(2) may include floating rate time deposits with a remaining maturity of more than one year, but on which the interest rate can next change in one year or less; those time deposits should not be included in this Memorandum item 3.b.

- 4** **Maturity and repricing data for time deposits of more than \$250,000.** Report in the appropriate subitem maturity and repricing data for the bank's time deposits of more than \$250,000, i.e., the bank's time certificates of deposit of more than \$250,000 and the bank's open-account time deposits of more than \$250,000. The time deposits included in this item will have been reported in Schedule RC-E, Memorandum item 2.d, above. Therefore, the sum of the amounts reported in Schedule RC-E, Memorandum items 4.a.(1) through 4.a.(4) must equal Schedule RC-E, Memorandum item 2.d, above. Refer to the definitions and other instructions about time deposits in Schedule RC-E, Memorandum item 3, above.

- 4.a** **Time deposits of more than \$250,000 with a remaining maturity or next repricing date of.** Report the dollar amount of the bank's fixed rate time deposits of more than \$250,000 in the appropriate subitems according to the amount of time remaining to their final contractual maturities. Report the dollar amount of the bank's floating rate time deposits of more than \$250,000 in the appropriate subitems according to their next repricing dates.

- 4.a.(1)** **Three months or less.** Report the dollar amount of:

- the bank's fixed rate time deposits of more than \$250,000 with remaining maturities of three months or less, and
- the bank's floating rate time deposits of more than \$250,000 with the next repricing date occurring in three months or less.

- 4.a.(2)** **Over three months through 12 months.** Report the dollar amount of:

- the bank's fixed rate time deposits of more than \$250,000 with remaining maturities of over three months through 12 months, and
- the bank's floating rate time deposits of more than \$250,000 with the next repricing date occurring in over three months through 12 months.

Schedule RC-E – Deposit Liabilities (cont.)

(On the FFIEC 031, Part I. Deposits in Domestic Offices)

Memoranda

Item No. Caption and Instructions

4.a.(3) Over one year through three years. Report the dollar amount of:

- the bank's fixed rate time deposits of more than \$250,000 with remaining maturities of over one year through three years, and
- the bank's floating rate time deposits of more than \$250,000 with the next repricing date occurring in over one year through three years.

4.a.(4) Over three years. Report the dollar amount of:

- the bank's fixed rate time deposits of more than \$250,000 with remaining maturities of over three years, and
- the bank's floating rate time deposits of more than \$250,000 with the next repricing date occurring in over three years.

[Note: The existing instructions for Memorandum item 4.b, "Time deposits of \$100,000 through \$250,000 with a remaining maturity of one year or less," would be deleted. Existing Memorandum item 4.c, "Time deposits of more than \$250,000 with a remaining maturity of one year or less," would be renumbered as Memorandum item 4.b and the existing instructions for Memorandum item 4.c would become the instructions for renumbered Memorandum item 4.b.]

4.b Time deposits of more than \$250,000 with a remaining maturity of one year or less.
Report all time deposits of more than \$250,000 with a remaining maturity of one year or less. Include both fixed rate and floating rate time deposits of more than \$250,000.

The fixed rate time deposits that should be included in this item will also have been reported by remaining maturity in Schedule RC-E, Memorandum items 4.a.(1) and 4.a.(2), above. The floating rate time deposits that should be included in this item will have been reported by next repricing date in Memorandum items 4.a.(1) and 4.a.(2), above. However, Memorandum items 4.a.(1) and 4.a.(2) may include floating rate time deposits with a remaining maturity of more than one year, but on which the interest rate can next change in one year or less; those time deposits should not be included in this Memorandum item 4.b.

Schedule RC-E – Deposit Liabilities

Part II. Deposits in Foreign Offices (FFIEC 031 only)

Memoranda

Item No. Caption and Instructions

- 2 **Dually payable deposits.** Report the amount of deposits included in Schedule RC-E, Part II, item 6, above that are carried on the books and records of an office of the reporting institution located outside of any state and payable at both that office and a branch of the reporting institution in any state . For purposes of this item, the term “state” is defined in Section 3(a)(3) of the Federal Deposit Insurance Act and means “any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.”

Exclude deposits held in Overseas Military Banking Facilities operated under Department of Defense regulations, 32 CFR Parts 230 and 231. Such facilities are not considered offices located outside any state of the United States. Deposits at Overseas Military Banking Facilities are to be reported in Schedule RC-E, Part I, as deposits in domestic offices.

Schedule RC-F – Other Assets

Item No. Caption and Instructions

- 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.

Report 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. Preprinted captions have been provided in Schedule RC-F, items 6.a through 6.h, for reporting the following components of all other assets if the component exceeds this reporting threshold: prepaid expenses, repossessed personal property (including vehicles), derivatives with a positive fair value held for purposes other than trading, retained interests in accrued interest receivable related to securitized credit cards, FDIC loss-sharing indemnification assets, computer software, accounts receivable, and receivables from foreclosed government-guaranteed mortgage loans. For each component of all other assets that exceeds the reporting threshold for which a preprinted caption has not been provided, 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).

[Note: The rest of the existing instructions for Schedule RC-F, item 6, would be unchanged.]

Schedule RC-G – Other Liabilities

Item No. Caption and Instructions

- 4 **All other liabilities.** Report the amount of all other liabilities (other than those reported in Schedule RC-G, items 1, 2, and 3, above) that cannot properly be reported in Schedule RC, items 13 through 19.

Disclose in items 4.a through 4.g each component of all other liabilities, and the dollar amount of such component, that is greater than \$100,000 and exceeds 25 percent of the amount reported for this item.

For each component of all other liabilities that exceeds this disclosure threshold for which a preprinted caption has not been provided in items 4.a through 4.d, describe the component with a clear but concise caption in items 4.e through 4.g. These descriptions should not exceed 50 characters in length (including spacing between words).

[Note: The rest of the existing instructions for Schedule RC-G, item 4, would be unchanged.]

Schedule RC-H – Selected Balance Sheet Items for Domestic Offices (FFIEC 031 only)

General Instructions for Schedule RC-H, items 10 through 17

NOTE: Items 10 through 17 have two columns for information on securities in domestic offices, one column for held-to-maturity securities and one column for available-for-sale securities. Report the amortized cost of held-to-maturity securities in column A, except any held-to-maturity securities that the bank has elected to report at fair value under a fair value option; the bank should report the fair value of such securities in column A. Report the fair value of available-for-sale securities in column B. Information on equity securities with readily determinable fair values is reported in the column for available-for-sale securities only (column B). Amounts reported in column A will have been included in the amounts reported in Schedule RC-B, column A. Amounts reported in column B will have been included in the amounts reported in Schedule RC-B, column D.

Exclude from items 10 through 17 all securities held for trading in domestic offices and any securities in domestic offices the bank has elected to report at fair value under a fair value option and has classified as trading securities. Securities held for trading and securities reported under a fair value option that are classified as trading securities are to be reported in Schedule RC, item 5, “Trading assets,” and, for certain banks, in Schedule RC-D – Trading Assets and Liabilities.

DRAFT

Schedule RC-M – Memoranda

[Note: The existing instructions for Schedule RC-M, items 13.a.(5)(a) through 13.a.(5)(d) (and item 13.a.(5)(e) on the FFIEC 031), on loans in certain loan categories that are covered by FDIC loss-sharing agreements would be deleted.]

Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets

[Note: The existing instructions for Schedule RC-N, items 11.e.(1) through 11.e.(4) (and item 11.e.(5) on the FFIEC 031), on loans in certain loan categories that are covered by FDIC loss-sharing agreements and are 30 days or more past due or on nonaccrual would be deleted.]

* * * * *

[Note: The existing instructions for Schedule RC-N, Memorandum items 1.f.(2), 1.f.(5), and 1.f.(6) (and Memorandum item 1.f.(7) on the FFIEC 031), on troubled debt restructurings in certain loan categories that are 30 days or more past due or on nonaccrual would be deleted.]

Schedule RC-Q – Assets and Liabilities Measured at Fair Value on a Recurring Basis

Item No. Caption and Instructions

- 1** **Securities:**
- 1.a** **Held-to-maturity securities.** Report in the appropriate column the total fair value of those held-to-maturity securities reported in Schedule RC, item 2.a, that the bank has elected to report under the fair value option; the fair values determined using Level 1, Level 2, and Level 3 measurement inputs; and any netting adjustments.
- 1.b** **Available-for-sale securities.** Report in the appropriate column the total fair value of available-for-sale debt and equity securities as reported in Schedule RC, item 2.b; the fair values determined using Level 1, Level 2, and Level 3 measurement inputs; and any netting adjustments.

[Note: The existing instructions for item 5.b.(1), “Nontrading securities at fair value with changes in fair value reported in current earnings,” would be deleted.]

* * * * *

Memoranda

Item No. Caption and Instructions

- 1** **All other assets.** Disclose in Memorandum items 1.a through 1.f 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 reported in Schedule RC-Q, item 6, column A. For each component of all other assets that exceeds this disclosure threshold for which a preprinted caption has not been provided in Memorandum items 1.a and 1.b, describe the component with a clear but concise caption in Memorandum items 1.c through 1.f. These descriptions should not exceed 50 characters in length (including spacing between words).
- Preprinted captions have been provided for the following categories of all other assets:
- Memorandum item 1.a, “Mortgage servicing assets,” and
 - Memorandum item 1.b, “Nontrading derivative assets.”
- 2** **All other liabilities.** Disclose in Memorandum items 2.a through 2.f each component of all other liabilities, and the dollar amount of such component, that is greater than \$100,000 and exceeds 25 percent of the amount reported in Schedule RC-Q, item 13, column A. For each component of all other liabilities that exceeds this disclosure threshold for which a preprinted caption has not been provided in Memorandum items 2.a and 2.b, describe the component with a clear but concise caption in Memorandum items 2.c through 2.f. These descriptions should not exceed 50 characters in length (including spacing between words).

Preprinted captions have been provided for the following categories of all other liabilities:

- Memorandum item 2.a, “Loan commitments (not accounted for as derivatives),” and
- Memorandum item 2.b, “Nontrading derivative liabilities.”

Schedule RC-Q – Assets and Liabilities Measured at Fair Value on a Recurring Basis (cont.)

Memoranda

Item No. Caption and Instructions

- 3** **Loans measured at fair value.** Report in the appropriate subitem the total fair value of all loans measured at fair value under a fair value option and included in Schedule RC-C, Part I, regardless of whether the loans are held for sale or held for investment.
- 3.a** **Loans secured by real estate.** On the FFIEC 041, report in the appropriate subitem the total fair value of loans secured by real estate included in Schedule RC-C, Part I, item 1, measured at fair value under a fair value option. On the FFIEC 031, report the total fair value of loans secured by real estate included in Schedule RC-C, Part I, item 1, measured at fair value under a fair value option for the fully consolidated bank in column A, but with a breakdown of these loans into seven categories for domestic offices in column B.
- 3.a.(1)** **Construction, land development, and other land loans.** Report the total fair value of construction, land development, and other land loans (in domestic offices) included in Schedule RC-C, Part I, items 1.a.(1) and (2), column B, measured at fair value under a fair value option.
- 3.a.(2)** **Secured by farmland.** Report the total fair value of loans secured by farmland (in domestic offices) included in Schedule RC-C, Part I, item 1.b, column B, measured at fair value under a fair value option.
- 3.a.(3)** **Secured by 1-4 family residential properties.** Report in the appropriate subitem the total fair value of all open-end and closed-end loans secured by 1-4 family residential properties (in domestic offices) included in Schedule RC-C, Part I, item 1.c, column B, measured at fair value under a fair value option.
- 3.a.(3)(a)** **Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.** Report the total fair value of revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit (in domestic offices) included in Schedule RC-C, Part I, item 1.c.(1), column B, measured at fair value under a fair value option.
- 3.a.(3)(b)** **Closed-end loans secured by 1-4 family residential properties.** Report in the appropriate subitem the total fair value of all closed-end loans secured by 1-4 family residential properties (in domestic offices) included in Schedule RC-C, Part I, item 1.c.(2), column B, measured at fair value under a fair value option.
- 3.a.(3)(b)(1)** **Secured by first liens.** Report the total fair value of closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) included in Schedule RC-C, Part I, item 1.c.(2)(a), column B, measured at fair value under a fair value option.
- 3.a.(3)(b)(2)** **Secured by junior liens.** Report the total fair value of closed-end loans secured by junior liens on 1-4 family residential properties (in domestic offices) included in Schedule RC-C, Part I, item 1.c.(2)(b), column B, measured at fair value under a fair value option.
- 3.a.(4)** **Secured by multifamily (5 or more) residential properties.** Report the total fair value of loans secured by multifamily (5 or more) residential properties (in domestic offices) included in Schedule RC-C, Part I, item 1.d, column B, measured at fair value under a fair value option.

Schedule RC-Q – Assets and Liabilities Measured at Fair Value on a Recurring Basis (cont.)

Memoranda

Item No. Caption and Instructions

- 3.a.(5) Secured by nonfarm nonresidential properties.** Report the total fair value of loans secured by nonfarm nonresidential properties (in domestic offices) included in Schedule RC-C, Part I, items 1.e.(1) and (2), column B, measured at fair value under a fair value option.
- 3.b Commercial and industrial loans.** Report the total fair value of commercial and industrial loans included in Schedule RC-C, Part I, item 4, measured at fair value under a fair value option.
- 3.c Loans to individuals for household, family, and other personal expenditures.** Report in the appropriate subitem the total fair value of all loans to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, Part I, item 6) measured at fair value under a fair value option.
- 3.c.(1) Credit cards.** Report the total fair value of all extensions of credit to individuals for household, family, and other personal expenditures arising from credit cards included in Schedule RC-C, Part I, item 6.a, measured at fair value under a fair value option.
- 3.c.(2) Other revolving credit plans.** Report the total fair value of all extensions of credit to individuals for household, family, and other personal expenditures arising from prearranged overdraft plans and other revolving credit plans not accessed by credit cards included in Schedule RC-C, Part I, item 6.b, measured at fair value under a fair value option.
- 3.c.(3) Automobile loans.** Report the total fair value of loans arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use included in Schedule RC-C, Part I, item 6.c, measured at fair value under a fair value option.
- 3.c.(4) Other consumer loans.** Report the total fair value of all other loans to individuals for household, family, and other personal expenditures included in Schedule RC-C, Part I, item 6.d, measured at fair value under a fair value option.
- 3.d Other loans.** Report the total fair value of all other loans measured at fair value under a fair value option that cannot properly be reported in one of the preceding subitems of this Memorandum item 3. Such loans include “Loans to depository institutions and acceptances of other banks,” “Loans to finance agricultural production and other loans to farmers,” “Loans to foreign governments and official institutions,” “Obligations (other than securities and leases) of states and political subdivisions in the U.S.,” and “Other loans” (as defined for Schedule RC-C, Part I, items 2, 3, 7, 8, and 9).
- 4 Unpaid principal balance of loans measured at fair value (reported in Memorandum item 3).** Report in the appropriate subitem the total unpaid principal balance outstanding for all loans measured at fair value reported in Schedule RC-Q, Memorandum item 3.
- 4.a Loans secured by real estate.** On the FFIEC 041, report in the appropriate subitem the total unpaid principal balance outstanding for all loans secured by real estate reported in Schedule RC-Q, Memorandum items 3.a.(1) through 3.a.(5). On the FFIEC 031, report the total unpaid principal balance outstanding for all loans secured by real estate reported in Schedule RC-Q, Memorandum item 3.a, for the fully consolidated bank in column A, but with a breakdown of these loans into seven categories for domestic offices in column B.

Schedule RC-Q – Assets and Liabilities Measured at Fair Value on a Recurring Basis (cont.)

Memoranda

Item No. Caption and Instructions

- 4.a.(1) Construction, land development, and other land loans.** Report the total unpaid principal balance outstanding for all construction, land development, and other loans reported in Schedule RC-Q, Memorandum item 3.a.(1).
- 4.a.(2) Secured by farmland.** Report the total unpaid principal balance outstanding for all loans secured by farmland reported in Schedule RC-Q, Memorandum item 3.a.(2).
- 4.a.(3) Secured by 1-4 family residential properties.** Report in the appropriate subitem the total unpaid principal balance outstanding for all loans secured by 1-4 family residential properties reported in Schedule RC-Q, Memorandum item 3.a.(3).
- 4.a.(3)(a) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.** Report the total unpaid principal balance outstanding for all revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit reported in Schedule RC-Q, Memorandum item 3.a.(3)(a).
- 4.a.(3)(b) Closed-end loans secured by 1-4 family residential properties.** Report in the appropriate subitem the total unpaid principal balance outstanding for all closed-end loans secured by 1-4 family residential properties reported in Schedule RC-Q, Memorandum item 4.a.(3)(b).
- 4.a.(3)(b)(1) Secured by first liens.** Report the total unpaid principal balance outstanding for all closed-end loans secured by first liens on 1-4 family residential properties reported in Schedule RC-Q, Memorandum item 3.a.(3)(b)(1).
- 4.a.(3)(b)(2) Secured by junior liens.** Report the total unpaid principal balance outstanding for all closed-end loans secured by junior liens on 1-4 family residential properties reported in Schedule RC-Q, Memorandum item 3.a.(3)(b)(2).
- 4.a.(4) Secured by multifamily (5 or more) residential properties.** Report the total unpaid principal balance outstanding for all loans secured by multifamily (5 or more) residential properties reported in Schedule RC-Q, Memorandum item 3.a.(4).
- 4.a.(5) Secured by nonfarm nonresidential properties.** Report the total unpaid principal balance outstanding for all loans secured by nonfarm nonresidential properties reported in Schedule RC-Q, Memorandum item 4.a.(5).
- 4.b Commercial and industrial loans.** Report the total unpaid principal balance outstanding for all commercial and industrial loans reported in Schedule RC-Q, Memorandum item 3.b
- 4.c Loans to individuals for household, family, and other personal expenditures.** Report in the appropriate subitem the total unpaid principal balance outstanding for all loans to individuals for household, family, and other personal expenditures reported in Schedule RC-Q, Memorandum item 3.c.
- 4.c.(1) Credit cards.** Report the total unpaid principal balance outstanding for all extensions of credit to individuals for household, family, and other personal expenditures arising from credit cards reported in Schedule RC-Q, Memorandum item 3.c.(1).

Schedule RC-Q – Assets and Liabilities Measured at Fair Value on a Recurring Basis (cont.)

Memoranda

Item No. Caption and Instructions

- 4.c.(2)** **Other revolving credit plans.** Report the total unpaid principal balance outstanding for all extensions of credit to individuals for household, family, and other personal expenditures arising from prearranged overdraft plans and other revolving credit plans not accessed by credit cards reported in Schedule RC-Q, Memorandum item 3.c.(2).
- 4.c.(3)** **Automobile loans.** Report the total unpaid principal balance outstanding for loans arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use reported in Schedule RC-Q, Memorandum item 3.c.(3).
- 4.c.(4)** **Other consumer loans.** Report the total unpaid principal balance outstanding for all other loans to individuals for household, family, and other personal expenditures reported in Schedule RC-Q, Memorandum item 3.c.(4).
- 4.d** **Other loans.** Report the total unpaid principal balance outstanding for all loans reported in Schedule RC-Q, Memorandum item 3.d. Such loans include “Loans to depository institutions and acceptances of other banks,” “Loans to finance agricultural production and other loans to farmers,” “Loans to foreign governments and official institutions,” “Obligations (other than securities and leases) of states and political subdivisions in the U.S.,” and “Other loans” (as defined for Schedule RC-C, Part I, items 2, 3, 7, 8, and 9).

Schedule RC-R – Regulatory Capital

Part II. Risk-Weighted Assets

[Note: The existing instructions for Schedule RC-R, Part II, item 18.b, for unused commitments with an “Original maturity of one year or less to ABCP conduits” would be deleted. Existing item 18.c for unused commitments with an “Original maturity exceeding one year” would be renumbered as item 18.b and the existing instructions for item 18.c would become the instructions for renumbered item 18.b.]

DRAFT

Schedule RC-S – Servicing, Securitization, and Asset Sale Activities

Memoranda

Item No. Caption and Instructions

NOTE: Memorandum items 3.a.(1) through 3.b.(2) are to be completed by banks with \$1 billion or more in total assets.

- 3** **Asset-backed commercial paper conduits.** Report the requested information on credit enhancements and liquidity facilities provided to asset-backed commercial paper conduits in Memorandum items 3.a and 3.b, respectively, regardless of whether the reporting bank must consolidate the conduit for reporting purposes in accordance with ASC Subtopic 810-10, Consolidation – Overall (formerly FASB Statement No. 167, “Amendments to FASB Interpretation No.46(R)”).
- 3.a** **Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements.** Report in the appropriate subitem the maximum contractual credit exposure remaining as of the report date under standby letters of credit, subordinated securities, and other credit enhancements provided by the reporting bank to asset-backed commercial paper conduit structures. Do not report in these subitems a reasonable estimate of the probable loss under the credit enhancement provisions or the fair value of any liability incurred under such provisions.
- 3.a.(1)** **Conduits sponsored by the bank, a bank affiliate, or the bank’s holding company.** Report the unused portion of standby letters of credit, the carrying value of subordinated securities, and the maximum contractual amount of credit exposure arising from other credit enhancements that the reporting bank has provided to asset-backed commercial paper conduit structures sponsored by the reporting bank, an affiliate of the reporting bank, or the reporting bank’s holding company.
- 3.a.(2)** **Conduits sponsored by other unrelated institutions.** Report the unused portion of standby letters of credit, the carrying value of subordinated securities, and the maximum contractual amount of credit exposure arising from other credit enhancements that the reporting bank has provided to asset-backed commercial paper conduit structures *other than those* sponsored by the reporting bank, an affiliate of the reporting bank, or the reporting bank’s holding company.
- 3.b** **Unused commitments to provide liquidity to conduit structures.** Report in the appropriate subitem the unused portions of commitments provided by the reporting bank that function as liquidity facilities to asset-backed commercial paper conduit structures. Typically, these facilities take the form of a *Backstop Line (Loan Agreement)* or an *Asset Purchase Agreement*. Under a backstop line, the reporting bank advances funds to the conduit when a draw is required under the liquidity facility. The advance is secured by the cash flow of the underlying asset pools. Under an asset purchase agreement, the reporting bank purchases a specific pool of assets from the conduit when a draw is required under the liquidity facility. Typically, the reporting bank is repaid from the cash flow on the purchased assets or from the sale of the purchased pool of assets.
- 3.b.(1)** **Conduits sponsored by the bank, a bank affiliate, or the bank’s holding company.** Report the unused portions of commitments provided by the reporting bank that function as liquidity facilities to asset-backed commercial paper conduit structures sponsored by the reporting bank, an affiliate of the reporting bank, or the reporting bank’s holding company.

Schedule RC-S – Servicing, Securitization, and Asset Sale Activities (cont.)

Memoranda

Item No. Caption and Instructions

- 3.b.(2) **Conduits sponsored by other unrelated institutions.** Report the unused portions of commitments provided by the reporting bank that function as liquidity facilities to asset-backed commercial paper conduit structures *other than those* sponsored by the reporting bank, an affiliate of the reporting bank, or the reporting bank's holding company.

DRAFT

Glossary

Securities Activities: Institutions should categorize their investments in debt securities and certain equity securities (i.e., those equity securities with readily determinable fair values) as trading, available-for-sale, or held-to-maturity consistent with ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities," as amended). Management should periodically reassess its security categorization decisions to ensure that they remain appropriate.

Securities that are intended to be held principally for the purpose of selling them in the near term should be classified as trading assets. Trading activity includes active and frequent buying and selling of securities for the purpose of generating profits on short-term fluctuations in price. Securities held for trading purposes must be reported at fair value, with unrealized gains and losses recognized in current earnings and regulatory capital.

Held-to-maturity securities are debt securities that an institution has the positive intent and ability to hold to maturity. Held-to-maturity securities are generally reported at amortized cost. Securities not categorized as trading or held-to-maturity must be reported as available-for-sale. An institution must report its available-for-sale securities at fair value on the balance sheet, but unrealized gains and losses are excluded from earnings and reported in a separate component of equity capital (i.e., in Schedule RC, item 26.b, "Accumulated other comprehensive income").

Institutions may elect to report securities within the scope of ASC Topic 320 at fair value with changes in fair value reported in current earnings in accordance with ASC Subtopic 825-10, Financial Instruments – Overall (formerly FASB Statement No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities"). Any securities for which the fair value option is elected may be classified as trading securities, held-to-maturity securities, or available-for-sale securities consistent with ASC Topic 320. In general, the fair value option may be elected for an individual security only when it is first recognized and the election is irrevocable.

Trading securities should be reported in Schedule RC, item 5; held-to-maturity securities should be reported in Schedule RC, item 2.a; and available-for-sale securities should be reported in Schedule RC, item 2.b.

When the fair value of a security is less than its (amortized) cost basis, the security is impaired and the impairment is either temporary or other than temporary. Under ASC Topic 320, institutions must determine whether an impairment of an individual available-for-sale or held-to-maturity security is other than temporary. To make this determination, institutions should apply applicable accounting guidance including, but not limited to, ASC Topic 320, ASC Subtopic 325-40, Investments-Other – Beneficial Interests in Securitized Financial Assets (formerly EITF Issue No. 99-20, "Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets," as amended), and SEC Staff Accounting Bulletin No. 59, Other Than Temporary Impairment of Certain Investments in Equity Securities (Topic 5.M. in the Codification of Staff Accounting Bulletins).

Under ASC Topic 320, if an institution intends to sell a debt security or it is more likely than not that it will be required to sell the debt security before recovery of its amortized cost basis, an other-than-temporary impairment has occurred and the entire difference between the security's amortized cost basis and its fair value at the balance sheet date must be recognized in earnings. In these cases, the fair value of the debt security would become its new amortized cost basis.

In addition, under ASC Topic 320, if the present value of cash flows expected to be collected on a debt security is less than its amortized cost basis, a credit loss exists. In this situation, if an institution does not intend to sell the security and it is not more likely than not that the institution will be required to sell the debt security before recovery of its amortized cost basis less any current-period credit loss, an

Glossary (cont.)

Securities Activities (cont.)

other-than-temporary impairment has occurred. The amount of the total other-than-temporary impairment related to the credit loss must be recognized in earnings, but the amount of the total impairment related to other factors must be recognized in other comprehensive income, net of applicable taxes.

Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities that must be recognized in earnings should be included in Schedule RI, items 6.a and 6.b, respectively. Other-than-temporary impairment losses that are to be recognized in other comprehensive income, net of applicable taxes, should be reported in item 10 of Schedule RI-A, Changes in Bank Equity Capital, and included on the balance sheet in Schedule RC, item 26.b, "Accumulated other comprehensive income." The amount of other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings during the current calendar year-to-date reporting period should be reported in Schedule RI, Memorandum item 14. For a held-to-maturity debt security on which the institution has recognized an other-than-temporary impairment loss related to factors other than credit loss in other comprehensive income, the institution should report the carrying value of the debt security in Schedule RC, item 2.a, and in column A of Schedule RC-B, Securities. Under ASC Topic 320, this carrying value should be the fair value of the held-to-maturity debt security as of the date of the most recently recognized other-than-temporary impairment loss adjusted for subsequent accretion of the impairment loss related to factors other than credit loss.

[Note: The rest of the existing Glossary entry for "Securities Activities" would be unchanged.]

* * * * *

Trading Account: Trading activities typically include (a) regularly underwriting or dealing in securities; interest rate, foreign exchange rate, commodity, equity, and credit derivative contracts; other financial instruments; and other assets for resale, (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 in order to profit from short-term price movements, and (c) acquiring or taking positions in such items as an accommodation to customers or for other trading purposes.

For purposes of the Consolidated Reports of Condition and Income, securities within 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"), that a bank has elected to report at fair value under a fair value option with changes in fair value reported in current earnings may be classified as trading securities. In addition, for purposes of these reports, banks may classify assets (other than securities within the scope of ASC Topic 320 for which a fair value option is elected) and liabilities as trading if the bank applies fair value accounting, with changes in fair value reported in current earnings, and manages these assets and liabilities as trading positions, subject to the controls and applicable regulatory guidance related to trading activities. For example, a bank would generally not classify a loan to which it has applied the fair value option as a trading asset unless the bank holds the loan, which it manages as a trading position, for one of the following purposes: (1) for market making activities, including such activities as accumulating loans for sale or securitization; (2) to benefit from actual or expected price movements; or (3) to lock in arbitrage profits.

[Note: The rest of the existing Glossary entry for "Trading Account" would be unchanged.]

**Draft Instructions
for the Call Report Revisions
Proposed to Take Effect December 31, 2015**

FFIEC 031 and FFIEC 041

Schedule RI – Income Statement

FFIEC 041 FFIEC 031

Item No. **Item No.** **Caption and Instructions**

2.a.(2)(b) **2.a.(1)(b)(2)** **Interest on time deposits of \$250,000 or less.** Report interest expense on all deposits reportable in Schedule RC-E, (Part I,) Memorandum item 2.b, "Total time deposits of less than \$100,000," and Memorandum 2.c, "Total time deposits of \$100,000 through \$250,000."

2.a.(2)(c) **2.a.(1)(b)(3)** **Interest on time deposits of more than \$250,000.** Report interest expense on all deposits reportable in Schedule RC-E, (Part I,) Memorandum item 2.d, "Total time deposits of more than \$250,000."

* * * * *

Item No. **Caption and Instructions**

8 **Income (loss) before applicable income taxes and discontinued operations.** Report the bank's pretax operating income. This amount is determined by taking item 3, "Net interest income," minus item 4, "Provision for loan and lease losses," plus item 5.m, "Total noninterest income," plus item 6.a, "Realized gains (losses) on held-to-maturity securities," plus item 6.b, "Realized gains (losses) on available-for-sale securities," minus item 7.e, "Total noninterest expense." If the result is negative, report it with a minus (-) sign.

9 **Applicable income taxes (on item 8).** Report the total estimated federal, state and local, and foreign income tax expense applicable to item 8, "Income (loss) before applicable income taxes and discontinued operations." Include both the current and deferred portions of these income taxes. If the amount is a tax benefit rather than tax expense, report it with a minus (-) sign.

Include as applicable income taxes all taxes based on a net amount of taxable revenues less deductible expenses. Exclude from applicable income taxes all taxes based on gross revenues or gross receipts (report such taxes in Schedule RI, item 7.d, "Other noninterest expense").

Include income tax effects of changes in tax laws or rates. Also include the effect of changes in the valuation allowance related to deferred tax assets resulting from a change in estimate of the realizability of deferred tax assets, excluding the effect of any valuation allowance changes related to unrealized holding gains (losses) on available-for-sale securities that are charged or credited directly to the separate component of equity capital for "Accumulated other comprehensive income" (Schedule RC, item 26.b).

Schedule RI – Income Statement (cont.)

Item No. Caption and Instructions

9 Include the tax benefit of an operating loss carryforward or carryback for which the source of
(cont.) the income or loss in the current year is reported in Schedule RI, item 8, "Income (loss)
before applicable income taxes and discontinued operations."

Also include the dollar amount of any material adjustments or settlements reached with a
taxing authority (whether negotiated or adjudicated) relating to disputed income taxes of prior
years.

Exclude the estimated federal, state and local, and foreign income taxes applicable to:

- (1) Schedule RI, item 11, "Discontinued operations, net of applicable income taxes."
- (2) Schedule RI-A, item 2, "Cumulative effect of changes in accounting principles and
corrections of material accounting errors."
- (3) Schedule RI-A, item 10, "Other comprehensive income."

Refer to the Glossary entry for "income taxes" for additional information.

10 **Income (loss) before discontinued operations.** Report Schedule RI, item 8, "Income
(loss) before applicable income taxes and discontinued operations," minus Schedule RI,
item 9, "Applicable income taxes (on item 8)." If the amount is negative, report it with a
minus (-) sign.

11 **Discontinued operations, net of applicable income taxes.** Report the results of
discontinued operations, if any, net of applicable income taxes, as determined in accordance
with the provisions of ASC Subtopic 205-20, Presentation of Financial Statements –
Discontinued Operations (formerly FASB Statement No. 144, "Accounting for the Impairment
of Long-Lived Assets"). If the amount reported in this item is a net loss, report it with a
minus (-) sign. State the dollar amount of the results of, and describe each of, the reporting
institution's discontinued operations included in this item and the applicable income tax effect
in Schedule RI-E, item 3.

* * * * *

Memoranda

Item No. Caption and Instructions

NOTE: Schedule RI, Memorandum items 8.f through 8.h, are to be completed by banks with
\$100 billion or more in total assets that are required to complete Schedule RI, Memorandum
items 8.a through 8.e.

General Instructions for Schedule RI, Memorandum items 8.f through 8.h.

Report by type of underlying risk exposure in the appropriate column of Memorandum items 8.f through
8.h, below, the specified components of trading revenue that have been included in Schedule RI,
item 5.c, "Trading revenue." For purposes of columns A through E of Memorandum items 8.f through 8.h,
the reporting bank should determine the type of underlying risk exposure in which to report the specified
components of trading revenue in the same manner that the bank makes this risk exposure determination
for other financial reporting purposes. Report interest rate exposures in column A, foreign exchange
exposures in column B, equity security and index exposures in column C, commodity and other
exposures in column D, and credit exposures in column E.

Schedule RI – Income Statement (cont.)

Memoranda

Item No. Caption and Instructions

- 8.f Impact on trading revenue of changes in the creditworthiness of the bank’s derivatives counterparties on the bank’s derivative assets:**
- 8.f.(1) Gross credit valuation adjustment (CVA). Report in the appropriate column by type of underlying risk exposure the year-to-date change in gross credit valuation adjustments (i.e., before CVA hedges) included in the trading revenue reported in Schedule RI, item 5.c. The CVA is an adjustment to the fair value of derivatives exposures to account for possible non-performance of the bank’s derivatives counterparties. It is an estimate of the fair value of counterparty credit risk. A net decrease in the CVA balance over the year-to-date reporting period (e.g., from improving counterparty creditworthiness) should be reported as a positive change. A net increase in the CVA balance over the year-to-date reporting period (e.g., from declining counterparty creditworthiness) should be reported as a negative change with a minus (-) sign.**
- 8.f.(2) CVA hedges. Report in the appropriate column the year-to-date results included in the trading revenue reported in Schedule RI, item 5.c, of hedges of the CVA exposures for which the year-to-date change in gross CVAs is included by type of underlying risk exposure in Schedule RI, Memorandum item 8.f.(1), above.**
- 8.g Impact on trading revenue of changes in the creditworthiness of the bank on the bank’s derivative liabilities:**
- 8.g.(1) Gross debit valuation adjustment (DVA). Report in the appropriate column by type of underlying risk exposure the year-to-date change in gross debit valuation adjustments (i.e., before DVA hedges) included in the trading revenue reported in Schedule RI, item 5.c. The DVA is an adjustment to the fair value of derivatives exposures that accounts for possible non-performance by the bank. It is an estimate of the fair value of the bank’s own credit risk to its counterparties. A net increase in the DVA balance over the year-to-date reporting period (e.g., from declining bank creditworthiness) should be reported as a positive change. A net decrease in the DVA balance over the year-to-date reporting period (e.g., from improving bank creditworthiness) should be reported as a negative change with a minus (-) sign.**
- 8.g.(2) DVA hedges. Report in the appropriate column the year-to-date results included in the trading revenue reported in Schedule RI, item 5.c, of hedges of the DVA exposures for which the year-to-date change in gross DVAs is included by type of underlying risk exposure in Schedule RI, Memorandum item 8.g.(1), above.**
- 8.h Gross trading revenue, before including positive or negative net CVA and net DVA. Report as gross trading revenue in the appropriate column the year-to-date results of trading activities by type of underlying risk exposure prior to the impact of any year-to-date changes in valuation adjustments, including, but not limited to, CVA and DVA. The sum of the gross trading revenue reported in Memorandum item 8.h, columns A through E, plus or minus all year-to-date changes in valuation adjustments, as appropriate, should equal Schedule RI, item 5.c, “Trading revenue.” Because there are valuation adjustments other than CVA and DVA, the sum of the gross trading revenue reported in Memorandum item 8.h, columns A through E, plus or minus the year-to-date changes in CVA and DVA reported in Memorandum items 8.f and 8.g, columns A through E, as appropriate, may not equal the amount reported for trading revenue in Schedule RI, item 5.c.**

Schedule RI-E – Explanations

Item No. Caption and Instructions

- 3** **Discontinued operations and applicable income tax effect.** List and briefly describe in items 3.a and 3.b the gross dollar amount of the results of each of the discontinued operations included in Schedule RI, item 11, "Discontinued operations, net of applicable income taxes," and its related income tax effect, if any. If Schedule RI, item 11, includes the results of more than two discontinued operations, report the additional items and their related tax effects in Schedule RI-E, item 7, below.

If the results of discontinued operations are a loss, report the dollar amount with a minus (-) sign. If an applicable income tax effect is a tax benefit (rather than a tax expense), report the dollar amount with a minus (-) sign.

DRAFT

Schedule RC – Balance Sheet

Memoranda

Item No. Caption and Instructions

- 1** **Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during the preceding calendar year.** *(To be reported only with the March Consolidated Report of Condition.)* Report the number of the statement listed on the report form that, in the reporting institution's judgment, best describes the most comprehensive level of auditing work performed by any independent external auditors during the preceding calendar year.

The term "any date during the preceding calendar year" refers to the date of the balance sheet and income statement reported on by the auditor (or the date as of which certain agreed-upon procedures were applied to selected records and transactions by the auditor) regardless of the actual date of the commencement of the auditing work (integrated audit, financial statement audit, directors' examination, review, compilation, or specific procedures) and regardless of the date of the report submitted by the auditor.

Exclude from "auditing work performed" any tax or consulting work regardless of whether it was performed by an independent certified public accounting firm or others.

The list of possible external auditing work is structured with the "most comprehensive level," an integrated audit of the institution's financial statements and internal control over financial reporting, identified as number 1a and the other levels of auditing work listed in descending order (excluding number 3) so that "no external audit work" is number 9.

Institutions may be assisted in determining the level of auditing work performed by reviewing the type of report issued by the auditor.

If the institution or parent holding company has external auditing work performed by a certified public accounting firm, the work may be (i) an audit of the financial statements that is integrated with an audit (or examination) of internal control over financial reporting¹ or (ii) an audit of the financial statements only. When an integrated audit is performed, the auditor may choose to issue a combined report (i.e., one report containing both an opinion on the financial statements and an opinion on internal control over financial reporting) or separate reports on the financial statements and on internal control over financial reporting.

- (a) If the institution or parent holding company has external auditing work performed by a certified public accounting firm and the report issued by the auditor:

Begins

"We have audited . . ."

and also states in the first paragraph
or in a separate paragraph

"We also have audited . . . internal control
over financial reporting . . ." or
"We also have examined . . . internal control
over financial reporting . . ."

Schedule RC-K – Quarterly Averages

<u>Item No.</u>	<u>Caption and Instructions</u>
-----------------	---------------------------------

- | | |
|------|---|
| 11.b | <u>Time deposits of \$250,000 or less.</u> Report the quarterly average for time deposits of \$250,000 or less (as defined for Schedule RC-E, (part I), Memorandum items 2.b and 2.c). |
| 11.c | <u>Time deposits of more than \$250,000.</u> Report the quarterly average for time deposits of more than \$250,000 (as defined for Schedule RC-E, (part I,) Memorandum item 2.d). |

DRAFT

Schedule RC-R – Regulatory Capital

Part I. Regulatory Capital Components and Ratios

<u>Item No.</u>	<u>Caption and Instructions</u>
-----------------	---------------------------------

- | | |
|------|--|
| 45 | <u>Advanced approaches institutions only: Supplementary leverage ratio information.</u>
Report in the appropriate subitem the institution's total leverage exposure and the supplementary leverage ratio. Advanced approaches institutions must complete items 45.a and 45.b even if they are in the parallel run process. |
| 45.a | <u>Total leverage exposure.</u> Report the institution's total leverage exposure as measured in accordance with section 10(c)(4) of the regulatory capital rules. |
| 45.b | <u>Supplementary leverage ratio.</u> Report the institution's supplementary leverage ratio as a percentage, rounded to two decimal places. Divide Schedule RC-R, Part I, item 26, "Tier 1 capital," by Schedule RC-R, Part I, item 45.a, "Total leverage exposure." |

Glossary

[Note: The existing Glossary entry for “Extraordinary Items” would be deleted.]

DRAFT