

FFIEC 031

Draft Revisions to the Call Report Forms and Instructions for the Community Bank Leverage Ratio

These proposed revisions, including a new schedule, Schedule RC-R, CBLR, are described in the federal banking agencies' initial Paperwork Reduction Act Federal Register Notice published on April 19, 2019. The proposed revisions in this notice would take effect the same quarter as the effective date of the forthcoming final rules on the community bank leverage ratio and the related deposit insurance assessment revisions.

The Federal Register notice for these proposed Call Report revisions is available on the [FFIEC's web page for the FFIEC 031 Call Report](#).

Draft as of April 30, 2019

Draft Revisions to the FFIEC 031 Call Report Forms and Instructions

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

Schedule RC-R, Community Bank Leverage Ratio

<u>Percentage (Column A)</u>	<u>Amount (Column B)</u>
	RCFD3210
	RCFDB530
	RCFD3163
	RCFDJF76
	RCXXXXXX
	RCXXXXXX

CBLR Tangible Equity (CBLR numerator)

1	Total bank equity capital (Schedule RC, item 27.a)
2	LESS: Accumulated other comprehensive income (Schedule RC, item 26.b)
3	LESS: Goodwill (Schedule RC-M, item 2.b)
4	LESS: All other intangible assets (Schedule RC-M, item 2.c)
5	LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances
6	CBLR tangible equity (item 1 minus items 2-5)

CBLR Average Total Consolidated Assets (CBLR denominator)

7	Average total assets (Schedule RC-K, item 9)
8	Deductions from CBLR tangible equity (sum of items 3, 4, and 5, above)
9	CBLR average total consolidated assets (item 7 minus item 8)

RCFD3368
RCXXXXXX
RCXXXXXX

Community Bank Leverage Ratio

10	Community bank leverage ratio (item 6 divided by item 9)
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RCXXXXXX

Qualifying Criteria for Using the CBLR framework

11	Total assets (Schedule RC, item 12) (must be less than \$10 billion)
12	Mortgage servicing assets (Schedule RC-M, item 2.a). Report as a percentage of CBLR tangible equity (item 6, above) in Column A (25% limit) and as a dollar amount in Column B.
13	DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of any related valuation allowances. Report as a percentage of CBLR tangible equity (item 6, above) in Column A (25% limit) and as a dollar amount in Column B.
14	Trading assets and trading liabilities (Schedule RC, sum of items 5 and 15). Report as a percentage of total assets (item 11, above) in Column A (5% limit) and as a dollar amount in Column B.
15	Off-balance sheet exposures:
a	Unused portion of conditionally cancellable commitments
b	Securities lent and borrowed (Schedule RC-L, sum of items 6.a and 6.b)
c	Other off-balance sheet exposures
d	Total off-balance sheet exposures (sum of items 15.a through 15.c). Report as a percentage of total assets (item 11, above) in Column A (25% limit) and as a dollar amount in Column B.
16	Memo item: Unconditionally cancellable commitments

	RCFD2170
RCXXXXXX	RCFD3164
RCXXXXXX	RCXXXXXX
RCXXXXXX	RCXXXXXX

	RCXXXXXX
	RCXXXXXX
	RCXXXXXX
RCXXXXXX	RCXXXXXX
	RCFDS540

Schedule RC-R, Community Bank Leverage Ratio

General instructions

The instructions for this schedule should be read in conjunction with the regulatory capital rules issued by the primary federal supervisory authority of the reporting bank or saving association (collectively, banks): for national banks and federal savings associations, 12 CFR Part 3; for state member banks, 12 CFR Part 217; and for state nonmember banks and state savings associations, 12 CFR Part 324.

Opt-in to the CBLR framework

A bank may opt in to use the community bank leverage ratio (CBLR) framework, and to file the corresponding Schedule RC-R, CBLR, in lieu of Schedule RC-R, Parts I and II, if its CBLR is greater than 9 percent (see Schedule RC-R, CBLR, items 1 through 10) and the bank meets the qualifying criteria for the CBLR framework (see Schedule RC-R, CBLR, items 11 through 15) (CBLR bank).

In general, a bank may qualify for the CBLR framework if it has less than \$10 billion in total consolidated assets (Schedule RC-R, CBLR, item 11); is not an advanced approaches bank; it has MSAs of 25 percent or less of CBLR tangible equity (Schedule RC-R, CBLR, item 12); has temporary difference DTAs of 25 percent or less of CBLR tangible equity (Schedule RC-R, CBLR, item 13); has total trading assets and trading liabilities of 5 percent or less of total consolidated assets (Schedule RC-R, CBLR, item 14); and has total off-balance sheet exposures (excluding derivatives other than credit derivatives and unconditionally cancelable commitments) of 25 percent or less of total consolidated assets (Schedule RC-R, CBLR, item 15.d). However, the primary federal supervisory authority may disallow an otherwise qualifying bank's use of the CBLR framework based on the supervisory authority's evaluation of the risk profile of the bank.

If a CBLR bank chooses to opt out of the CBLR framework, it must discontinue filing Schedule RC-R, CBLR, and instead file Schedule RC-R, Parts I and II.

Ceasing to have a CBLR greater than 9 percent

A CBLR bank that has a CBLR greater than 9 percent is considered to have met the generally applicable capital requirements, the well capitalized capital ratio requirements under the agencies' prompt corrective action (PCA) framework for insured depository institutions, and any other capital or leverage requirements to which the bank is subject. Additionally, to be considered well capitalized, a CBLR bank must not be subject to any written agreement, order, capital directive, or PCA directive to meet and maintain a specific capital level for any capital measure.

A CBLR bank whose CBLR declines to 9 percent or less may remain in the CBLR framework. In case a CBLR bank is an insured depository institution with a CBLR that no longer exceeds 9 percent, the agencies established the following CBLR levels to serve as proxies for the adequately capitalized, undercapitalized, and significantly undercapitalized PCA capital categories:

- Adequately capitalized: CBLR of 7.5 percent or greater;
- Undercapitalized: CBLR of less than 7.5 percent; and
- Significantly undercapitalized: CBLR of less than 6 percent.

If an insured depository institution's CBLR declines to less than 6 percent, the institution is considered significantly undercapitalized and will be required to provide promptly to its appropriate regulators information necessary to calculate the tangible equity ratio as defined under the current PCA framework for insured depository institutions.

Ceasing to meet the qualifying criteria for the CBLR framework

A CBLR bank that no longer meets the qualifying criteria for the CBLR framework (in Schedule RC-R, CBLR, items 11-15) is required within two consecutive calendar quarters (grace period) either to once again meet the qualifying criteria for the CBLR framework or become subject to the generally applicable capital requirements and file Schedule RC-R, Parts I and II. The grace period would begin as of the end of the calendar quarter in which a bank ceases to satisfy the qualifying criteria and end after two consecutive calendar quarters. During the grace period, the bank must continue reporting its CBLR on this schedule. A bank that ceases to meet the qualifying criteria as a result of a business combination (e.g., a merger) would receive no grace period and must file Schedule RC-R, Parts I and II, beginning as of the end of the calendar quarter that includes the business combination date.

For example, if a CBLR bank exceeded one of the qualifying criteria as of February 15, the grace period for such bank would begin as of the end of the calendar quarter ending March 31. The bank could continue to use the CBLR framework and complete Schedule RC-R, CBLR, as of June 30, but it would need to fully comply with the generally applicable capital requirements and submit Schedule RC-R, Parts I and II, as of September 30, unless at that date the bank once again meets the qualifying criteria of the CBLR framework and reports under the CBLR framework in this schedule.

CBLR**Item No. Caption and Instructions****CBLR Tangible Equity (CBLR numerator)**

- 1 **Total bank equity capital**
Report the amount of total bank equity capital from Schedule RC, item 27.a.
- 2 **LESS: Accumulated other comprehensive income**
Report the amount of accumulated other comprehensive income (AOCI) from Schedule RC, item 26.b.
- 3 **LESS: Goodwill**
Report the amount of goodwill from Schedule RC-M, item 2.b.
- 4 **LESS: All other intangible assets**
Report the amount of all other intangible assets from Schedule RC-M, item 2.c.
- 5 **LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances**
Report the amount of DTAs that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances. Do not reduce the amount of these DTAs by any deferred tax liabilities.
- 6 **CBLR tangible equity**
Report item 1 less items 2 through 5. The amount reported in this item is the bank's CBLR tangible equity, which is the numerator of the bank's CBLR.

CBLR Average Total Consolidated Assets (CBLR denominator)

- 7 **Average total average assets**

Report the amount of average total consolidated assets from Schedule RC-K, item 9.

- 8** **Deductions from CBLR tangible equity**
Report the sum of items 3, 4, and 5 above.

- 9** **CBLR average total consolidated assets**
Report item 7 less item 8. The amount reported in this item is the bank's average total consolidated assets, which is the denominator of the bank's CBLR.

Community Bank Leverage Ratio

- 10** **Community Bank Leverage Ratio**
Report the bank's CBLR as a percentage, rounded to four decimal places. Divide item 6 by item 9.

Qualifying Criteria for Using the CBLR Framework

Item No. **Caption and Instructions**

- 11** **Total assets**
Report total assets from Schedule RC, item 12. A bank's total assets must be less than \$10 billion as part of the qualifying criteria for the CBLR framework.

- 12** **Mortgage servicing assets (MSAs)**
Report in Column B the amount of MSAs from Schedule RC-M, item 2.a.

Report in Column A such MSAs as a percentage of CBLR tangible equity by dividing the amount of MSAs reported in Column B of this item by the amount of CBLR tangible equity reported in item 6 above, rounded to four decimal places. The percentage reported in this item must be 25 percent or less of the bank's CBLR tangible equity as part of the qualifying criteria for the CBLR framework.

- 13** **DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of any related valuation allowances**
Report in Column B the amount of DTAs arising from temporary differences that the institution could not realize through net operating loss carrybacks, net of any related valuation allowances.

Report in Column A such DTAs as a percentage of CBLR tangible equity by dividing the amount of such DTAs reported in column B of this item by the amount of CBLR tangible equity reported in item 6 above, rounded to four decimal places. The percentage reported in this item must be 25 percent or less of the bank's CBLR tangible equity as part of the qualifying criteria for the CBLR framework.

- 14** **Trading assets and trading liabilities**
Report in Column B the sum of trading assets from Schedule RC, item 5, and trading liabilities from Schedule RC, item 15 (i.e., added, not netted).

Report in Column A such trading assets and trading liabilities as a percentage of total assets by dividing the amount of trading assets and trading liabilities reported in column B of this item by total assets reported in item 11 above, rounded to four decimal places. The

percentage reported in this item must be 5 percent or less of total assets as part of the qualifying criteria for the CBLR framework.

15 Off-balance sheet exposures

Report in the appropriate subitem the bank's off-balance sheet exposure amounts.

15.a Unused portion of conditionally cancellable commitments

Report the amounts of unused commitments, excluding unconditionally cancelable commitments that are reported in item 16, below. Include in this item legally binding arrangements (other than letters of credit, which are reported in item 15.c) that obligate a bank to extend credit or to purchase assets. Where a bank provides a commitment structured as a syndication or participation, include the amount for the bank's pro rata share of the commitment.

In general, this item would include the unused portion of commitments reported in Schedule RC-L, item 1, that are not unconditionally cancelable.

15.b Securities lent and borrowed

Report the sum of securities lent from Schedule RC-L, item 6.a, and securities borrowed from Schedule RC-L, item 6.b.

15.c Other off-balance sheet exposures

Report the sum of:

- ***Financial standby letters of credit:***
Include the amount outstanding and unused of financial standby letters of credit reported in Schedule RC-L, item 2.
- ***Transaction-related contingent items, including performance bonds, bid bonds, warranties, and performance standby letters of credit:***
Report transaction-related contingent items, which include the amount outstanding and unused of performance standby letters of credit reported in Schedule RC-L, item 3, and any other transaction-related contingent items.
- ***Self-liquidating, trade-related contingent items that arise from the movement of goods:***
Include the amount outstanding and unused of self-liquidating, trade-related contingent items that arise from the movement of goods reported in Schedule RC-L, item 4.
- ***Sold credit protection in the form of guarantees and credit derivatives:***
Include the notional amount of sold credit protection in the form of guarantees or credit derivatives (such as written credit option contracts). Do not include any non-credit derivatives, such as foreign exchange swaps and interest rate swaps.
- ***Credit-enhancing representations and warranties:***
Include the off-balance sheet amount of exposures transferred with credit-enhancing representations and warranties as defined in §.2 of the regulatory capital rule. Credit-enhancing representations and warranties obligate an institution "to protect another party from losses arising from the credit risk of the underlying exposures" and "include provisions to protect a party from losses resulting from the default or nonperformance of the counterparties of the underlying exposures or from an insufficiency in the value of the collateral backing the underlying exposures." Thus, when loans or other assets are sold

“with recourse” and the recourse arrangement provides protection from losses as described in the preceding definition, the recourse arrangement constitutes a credit-enhancing representation and warranty.

- **Forward agreements that are not derivative contracts:**
Include the notional amount of all forward agreements, which are defined in §.2 of the regulatory capital rule as legally binding contractual obligations to purchase assets with certain drawdown at a specified future date, not including commitments to make residential mortgage loans or forward foreign exchange contracts.
- **Off-balance sheet securitizations:**
Report the notional amount of off-balance sheet items that qualify as securitization exposures. Refer to the definitions of securitization exposure, synthetic securitization, traditional securitization, and tranche in §.2 of the regulatory capital rules and to §.42 of the regulatory capital rules to calculate the relevant exposure amount.

15.d **Total off-balance sheet exposures**

Report in column B the sum of items 15.a through 15.c.

Report in column A total off-balance sheet exposures as a percentage of total assets by dividing the total amount of off-balance sheet exposures reported in column B of this item by total assets reported in item 11 above, rounded to four decimal places. The percentage reported in this item must be 25 percent or less as part of the qualifying criteria for the CBLR framework.

16 **Memo item: Unconditionally cancellable commitments**

Report the unused portion of commitments (facilities) that are unconditionally cancelable (without cause) at any time by the bank (to the extent permitted by applicable law). In general, this item would include the amounts reported in Schedule RC-L, items 1.a and 1.b.

In the case of consumer home equity or mortgage lines of credit secured by liens on 1-4 family residential properties, a bank is deemed able to unconditionally cancel the commitment if, at its option, it can prohibit additional extensions of credit, reduce the credit line, and terminate the commitment to the full extent permitted by relevant federal law.

Retail credit cards and related plans, including overdraft checking plans and overdraft protection programs, are included in this item if the bank has the unconditional right to cancel the line of credit at any time in accordance with applicable law.

Schedule RC-O—Other Data for Deposit Insurance and FICO Assessments

All FDIC-insured depository institutions must complete items 1 through 9, 10, and 11, Memorandum item 1, and, if applicable, item 9.a, Memorandum items 2 through 4 and 6 through 18 each quarter. *Each FDIC-insured depository institution that is a community bank leverage ratio bank (CBLR bank), as defined in the general instructions for Schedule RC-R, CBLR, has the option to complete Memorandum 5 each quarter. Unless otherwise indicated, complete items 1 through 11 and Memorandum items 1 through 4 on an "unconsolidated single FDIC certificate number basis" (see instructions) and complete Memorandum items 65 through 18 on a fully consolidated basis.*

		Dollar Amounts in Thousands		RCFD	Amount	
1.	Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	F236				1.
2.	Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits)	F237				2.
3.	Total foreign deposits, including interest accrued and unpaid thereon (included in item 2 above)	RCFN				
		F234				3.
		RCFD				
4.	Average consolidated total assets for the calendar quarter	K652				4.
a.	Averaging method used		Number			
	(for daily averaging, enter 1, for weekly averaging, enter 2)	K653				4.a.
					Amount	
5.	Average tangible equity for the calendar quarter ¹	K654				5.
6.	Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions	K655				6.
7.	Unsecured "Other borrowings" with a remaining maturity of (sum of items 7.a through 7.d must be less than or equal to Schedule RC-M, items 5.b.(1)(a)-(d) minus item 10.b):					
a.	One year or less	G465				7.a.
b.	Over one year through three years	G466				7.b.
c.	Over three years through five years	G467				7.c.
d.	Over five years	G468				7.d.
8.	Subordinated notes and debentures with a remaining maturity of (sum of items 8.a through 8.d must equal Schedule RC, item 19):					
a.	One year or less	G469				8.a.
b.	Over one year through three years	G470				8.b.
c.	Over three years through five years	G471				8.c.
d.	Over five years	G472				8.d.
		RCON				
9.	Brokered reciprocal deposits (included in Schedule RC-E, Part I, Memorandum item 1.b)	G803				9.
	<i>Item 9.a is to be completed on a fully consolidated basis by all institutions that own another insured depository institution.</i>					
a.	Fully consolidated brokered reciprocal deposits	L190				9.a.
10.	Banker's bank certification:					
	Does the reporting institution meet both the statutory definition of a banker's bank and the business conduct test set forth in FDIC regulations?	RCFD	Yes		No	
		K656				10.
	<i>If the answer to item 10 is "YES," complete items 10.a and 10.b.</i>				Amount	
a.	Banker's bank deduction	K657				10.a.
b.	Banker's bank deduction limit	K658				10.b.
11.	Custodial bank certification:					
	Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations?		Yes		No	
		K659				11.
	<i>If the answer to item 11 is "YES," complete items 11.a and 11.b.²</i>				Amount	
a.	Custodial bank deduction	K660				11.a.
b.	Custodial bank deduction limit	K661				11.b.

1. See instructions for **detailed definitions and** averaging methods. For deposit insurance assessment purposes, tangible equity is defined as Tier 1 capital as set forth in the banking agencies' regulatory capital standards and **reported measured** in accordance with the instructions for Schedule RC-R, Part I, item 26, except as described in the instructions for Schedule RC-O and except in the case of community bank leverage ratio (CBLR) banks, as defined in the General Instructions for Schedule RC-R, CBLR. CBLR banks have the option of reporting tangible equity using the above definition, or using CBLR tangible equity in accordance with the instructions for Schedule RC-R, CBLR, item 6, except as described in the instructions for Schedule RC-O.

2. If the amount reported in item 11.b is zero, item 11.a may be left blank. CBLR banks should refer to the instructions for clarifications related to the calculation and reporting of the custodial bank deduction.

Schedule RC-O—Continued

Memoranda

Dollar Amounts in Thousands		RCON	Amount	
1. Total deposit liabilities of the bank, including related interest accrued and unpaid, less allowable exclusions, including related interest accrued and unpaid (sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal Schedule RC-O, item 1 less item 2):				
a. Deposit accounts (excluding retirement accounts) of \$250,000 or less: ¹				
(1) Amount of deposit accounts (excluding retirement accounts) of \$250,000 or less.....	F049			M.1.a.(1)
(2) Number of deposit accounts (excluding retirement accounts) of \$250,000 or less	F050	Number		M.1.a.(2)
b. Deposit accounts (excluding retirement accounts) of more than \$250,000: ¹				
(1) Amount of deposit accounts (excluding retirement accounts) of more than \$250,000	F051			M.1.b.(1)
(2) Number of deposit accounts (excluding retirement accounts) of more than \$250,000	F052	Number		M.1.b.(2)
c. Retirement deposit accounts of \$250,000 or less: ¹				
(1) Amount of retirement deposit accounts of \$250,000 or less	F045			M.1.c.(1)
(2) Number of retirement deposit accounts of \$250,000 or less.....	F046	Number		M.1.c.(2)
d. Retirement deposit accounts of more than \$250,000: ¹				
(1) Amount of retirement deposit accounts of more than \$250,000	F047			M.1.d.(1)
(2) Number of retirement deposit accounts of more than \$250,000	F048	Number		M.1.d.(2)
<i>Memorandum item 2 is to be completed by banks with \$1 billion or more in total assets.²</i>				
2. Estimated amount of uninsured deposits in domestic offices of the bank and in insured branches in Puerto Rico and U.S. territories and possessions, including related interest accrued and unpaid (see instructions) ³	5597			M.2.
3. Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report? If so, report the legal title and FDIC Certificate Number of the parent bank or parent savings association:				
TEXT A545	RCON	FDIC Cert. No.		M.3.
	A545			
	RCFN			
4. Dually payable deposits in the reporting institution's foreign branches	GW43			M.4.
5. Not applicable				
<i>Memorandum item 5 is an optional item that may be completed by community bank leverage ratio (CBLR) banks (as defined in the instructions).</i>				
5. Tier 1 leverage ratio ⁴	RCFD	Percentage		M.5.

1. The dollar amounts used as the basis for reporting in Memorandum items 1.a through 1.d reflect the deposit insurance limits in effect on the report date.
 2. The \$1 billion asset-size test is based on the total assets reported on the June 30, 2018, Report of Condition.
 3. Uninsured deposits should be estimated based on the deposit insurance limits set forth in Memorandum items 1.a through 1.d.
 4. Report ratio as a percentage, rounded to four decimal places, e.g. 12.3456. Institutions that are not CBLR banks should leave this item blank. CBLR banks may optionally report this item for deposit insurance assessment purposes only. Please refer to the instructions for additional details.

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

General Instructions

Each FDIC-insured depository institution must complete items 1 and 2, 4 through 9, 10, and 11; Memorandum item 1; and, if applicable, items 3 and 9.a and Memorandum items 2 and 3 (and Memorandum item 4 on the FFIEC 031 report) each quarter. **Each FDIC-insured depository institution that is a community bank leverage ratio (CBLR) bank (CBLR bank), as defined in the General Instructions for Schedule RC-R, CBLR, has the option to complete Memorandum item 5 each quarter.** Each “large institution” and each “highly complex institution,” which generally are FDIC-insured depository institutions with \$10 billion or more in total assets, must complete Memorandum items 6 through 12, 13.a, 16, and 18 and, if applicable, Memorandum item 17 each quarter. In addition, each “large institution” must complete Memorandum items 13.b through 13.h and each “highly complex institution” must complete Memorandum items 14 and 15 each quarter. The terms “large institution” and “highly complex institution” are more fully described in the General Instructions preceding Memorandum item 6.

Each separately chartered depository institution that is insured by the FDIC has a unique FDIC certificate number. When one FDIC-insured institution owns another FDIC-insured institution as a subsidiary, the parent institution should complete items 1 through 11 (except item 9.a) and Memorandum items 1 through 3 (and Memorandum item 4 on the FFIEC 031 report) of Schedule RC-O by accounting for the insured institution subsidiary under the equity method of accounting instead of consolidating it, i.e., on an “unconsolidated single FDIC certificate number basis.” Thus, each FDIC-insured institution should report only its own amounts in items 1 through 11 (except item 9.a) and Memorandum items 1 through 3 (and Memorandum item 4 on the FFIEC 031 report) of Schedule RC-O under its own FDIC certificate number without eliminating the parent and subsidiary institutions’ intercompany balances. (However, an FDIC-insured institution that owns another FDIC-insured institution should complete item 9.a by consolidating its subsidiary institution.) In contrast, when an FDIC-insured institution has entities other than FDIC-insured institutions that must be consolidated for purposes of Schedule RC, Balance Sheet, the parent institution should complete items 1 through 11 and Memorandum items 1 through 3 (and Memorandum item 4 on the FFIEC 031 report) of Schedule RC-O on a consolidated basis with respect to these other entities.

“Large institutions” and “highly complex institutions,” including those that own another FDIC-insured institution as a subsidiary, should complete Memorandum items 6 through 18, as appropriate, on a fully consolidated basis.

Item Instructions

Item No. Caption and Instructions

- | | |
|---|--|
| 1 | <p><u>Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.</u> Report on an unconsolidated single FDIC certificate number basis the gross total deposit liabilities as of the calendar quarter-end report date that meet the statutory definition of deposits in Section 3(l) of the Federal Deposit Insurance Act before deducting allowable exclusions from total deposits. An institution’s gross total deposit liabilities are the combination of:</p> <ul style="list-style-type: none"> • All deposits in “domestic offices” reported in Schedule RC, item 13.a; • All deposits in “foreign offices” reported in Schedule RC, item 13.b, on the FFIEC 031 report; • Interest accrued and unpaid on deposits in “domestic offices” reported in Schedule RC-G, item 1.a; • Interest accrued and unpaid on deposits in “foreign offices” included in Schedule RC-G, item 1.b; • Uninvested trust funds held in the institution’s own trust department; • Deposits of consolidated subsidiaries (except any consolidated subsidiary that is an FDIC-insured institution) and the interest accrued and unpaid on such deposits; |
|---|--|

Item No. Caption and Instructions

4.a Averaging method used. Indicate the averaging method that the reporting institution used to report its average consolidated total assets in Schedule RC-O, item 4, above. For daily averaging, enter the number “1”; for weekly averaging, enter the number “2.”

5 Average tangible equity for the calendar quarter. Report average tangible equity for the calendar quarter on an unconsolidated single FDIC certificate number basis in accordance with the guidance on “Averaging methods” and “Measuring tangible equity” below. For purposes of this item, tangible equity is defined as Tier 1 capital as set forth in the banking agencies’ regulatory capital standards and ~~reported-measured~~ in accordance with the instructions for Schedule RC-R, Part I, item 26, except as described below under “Measuring tangible equity.”, ~~and except in the case of CBLR banks, as defined in the General Instructions for Schedule RC-R, CBLR.~~ For CBLR banks, for purposes of this item, tangible equity is defined as Tier 1 capital as described above, or as CBLR tangible equity as set forth in the banking agencies’ regulatory capital standards and measured in accordance with the instructions for Schedule RC-R, CBLR, item 6, except as described below under “Measuring tangible equity.”

NOTE: In accordance with Section 327.5(a)(2) of the FDIC’s regulations, daily averaging of tangible equity for purposes of reporting in this item is not permitted. As described below under “Averaging methods,” the amount to be reported in this item should only be either: (1) quarter-end tangible equity as of the last day of the quarter; or (2) the average of the three month-end Tier 1 capital ~~or CBLR tangible equity~~ balances for the quarter.

Averaging methods – An institution that reported \$1 billion or more in quarter-end consolidated total assets in its Consolidated Reports of Condition and Income (Schedule RC, item 12, “Total assets”) or Thrift Financial Report (Schedule SC, line item SC60, “Total assets”) for March 31, 2011, and any institution that becomes FDIC-insured after March 31, 2011, must report average tangible equity on a monthly average basis. Monthly averaging means the average of the three month-end balances within the quarter. An institution that reported less than \$1 billion in quarter-end consolidated total assets in its Consolidated Reports of Condition and Income (Schedule RC, item 12, “Total assets”) or Thrift Financial Report (Schedule SC, line item SC60, “Total assets”) for March 31, 2011, may report its quarter-end tangible equity rather than an average amount, or it may at any time opt permanently to report average tangible equity on a monthly average basis. Once an institution that reports average consolidated total assets using a daily or weekly average reports average consolidated total assets of \$1 billion or more in Schedule RC-O, item 4, for two consecutive quarters, it must permanently report average tangible equity using monthly averaging beginning the next quarter.

Monthly average tangible equity should be calculated by adding Tier 1 capital ~~or CBLR tangible equity~~ as of each month-end date during the calendar quarter (measured as described below under “Measuring tangible equity”) and dividing by three. For example, monthly average tangible equity for June 30, ~~2014~~2019, would be the sum of Tier 1 capital ~~or CBLR tangible equity~~ as of April 30, May 31, and June 30, ~~2014~~2019, divided by three. However, institutions required or electing to report average tangible equity on a monthly average basis normally are not required to perform monthly loan loss provision or deferred tax calculations in accordance with generally accepted accounting principles for the first two months of a quarter. Accordingly, such institutions may use one third of the

Item No. Caption and Instructions

5
(cont.) amount of the provision for loan and lease losses and deferred tax expense (benefit) reported for the calendar quarter for purposes of estimating the retained earnings component of Tier 1 capital **or CBLR tangible equity** in each of the first two months of the quarter.

An institution that becomes newly insured and begins operating during the calendar quarter should report average tangible equity on a monthly average basis. Monthly average tangible equity for such an institution should be calculated by adding the institution's Tier 1 capital **or CBLR tangible equity** as of each month-end date during the quarter since it became insured and operational, and dividing by the number of month-end dates since it became insured and operational.

Measuring tangible equity –

All FDIC-insured depository institutions (except for CBLR banks that opt to report average tangible equity for deposit insurance assessment purposes using CBLR tangible equity):: Institutions should measure tangible equity in accordance with the instructions for Schedule RC-R, Part I, item 26, "Tier 1 capital," except as **described in (1) through (3) below.**¹**follows:**

CBLR banks that opt to report average tangible equity for deposit insurance assessment purposes using CBLR tangible equity: Institutions should measure tangible equity in accordance with the instructions for Schedule RC-R, CBLR, item 6, except as described in (1) through (3) below.

- (1) If the reporting institution has an FDIC-insured depository institution subsidiary, the subsidiary should not be consolidated. Instead, the reporting institution should measure its equity capital and its Tier 1 capital **or CBLR tangible equity** by accounting for this subsidiary using the equity method of accounting.
- (2) If the reporting institution is the surviving or resulting institution in a merger or consolidation that occurred after the end of the first month of the calendar quarter and it reports its average tangible equity on a monthly average basis, the reporting institution should calculate its average tangible equity as if the merger or consolidation occurred on the first day of the calendar quarter. An acceptable method for measuring tangible equity for month-end dates during the calendar quarter preceding the merger or consolidation date would be to use the amount of Tier 1 capital **or CBLR tangible equity** for the month-end date immediately following the merger or consolidation date as the amount of Tier 1 capital for the month-end date or dates preceding the merger or consolidation date.
- (3) If the reporting institution was acquired in a transaction that became effective after the end of the first month of the calendar quarter, push down accounting was used to account for the acquisition, and the institution reports its average tangible equity on a monthly average basis, the reporting institution should calculate its average tangible equity as if the acquisition occurred on the first day of the calendar quarter. An acceptable method for measuring tangible equity for month-end dates during the calendar quarter preceding the acquisition date would be to use the amount of Tier 1 capital **or CBLR tangible equity** for the month-end date immediately following the acquisition date as the amount of Tier 1 capital **or CBLR tangible equity** for the month-end date or dates preceding the acquisition date.

¹ In accordance with the instructions for Schedule RC-R, CBLR, CBLR banks file the CBLR schedule in lieu of Schedule RC-R, Parts I and II, and would therefore not be required to report the components of regulatory capital used in the calculation of the Tier 1 leverage ratio or risk-based capital ratios, such as Tier 1 capital or risk-weighted assets. However, if a CBLR bank elects to report average tangible equity using Tier 1 capital for deposit insurance assessment purposes, the CBLR bank must measure Tier 1 capital in accordance with the instructions for Schedule RC-R, Part I, item 26, "Tier 1 capital," except as described in (1) through (3).

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11 If the reporting institution does not meet the custodial bank definition, it should answer “No” to
(cont.) item 11 and it should not complete Schedule RC-O, items 11.a and 11.b.

A custodial bank, as defined in Section 327.5(c)(1) of the FDIC’s regulations, is an insured depository institution that had:

- (1) “Fiduciary and custody and safekeeping assets” (the sum of item 10, columns A and B, plus item 11, column B, in Schedule RC-T – Fiduciary and Related Services) of \$50 billion or more as of the end of the previous calendar year, or
- (2) Income from fiduciary activities (Schedule RI, item 5.a) that was more than 50 percent of its total revenue (interest income plus noninterest income, which is the sum of items 1.h and 5.m of Schedule RI) during the previous calendar year.

11.a **Custodial bank deduction.** An institution that meets the definition of a custodial bank is eligible to have the FDIC deduct certain assets from its assessment base, subject to the limit reported in Schedule RC-O, item 11.b. If a custodial bank’s deduction limit as reported in Schedule RC O, item 11.b, is zero, the custodial bank may leave this item 11.a blank.

Report in this item on an unconsolidated single FDIC certificate number basis the custodial bank deduction, which equals average qualifying low-risk liquid assets.¹ Qualifying low-risk liquid assets are determined without regard to the maturity of the assets. Average qualifying low-risk liquid assets equals the sum of the following amounts, all on an unconsolidated single FDIC certificate number basis:

- (1) The average amount of cash and balances due from depository institutions with a standardized approach risk weight for risk-based capital purposes of zero percent (as defined for Schedule RC-R, Part II, item 1, column C) plus 50 percent of the average amount of cash and balances due from depository institutions with a standardized approach risk weight of 20 percent (as defined for Schedule RC-R, Part II, item 1, column G);
- (2) The average amount of held-to-maturity securities with a standardized approach risk weight for risk-based capital purposes of zero percent (as defined for Schedule RC-R, Part II, item 2.a, column C) plus 50 percent of the average amount of held-to-maturity securities with a standardized approach risk weight of 20 percent (as defined for Schedule RC-R, Part II, item 2.a, column G);
- (3) The average amount of available-for-sale securities with a standardized approach risk weight for risk-based capital purposes of zero percent (as defined for Schedule RC-R, Part II, item 2.b, column C) plus 50 percent of the average amount of available-for-sale securities with a standardized approach risk weight of 20 percent (as defined for Schedule RC-R, Part II, item 2.b, column G);
- (4) The average amount of federal funds sold with a standardized approach risk weight for risk-based capital purposes of zero percent (as defined for Schedule RC-R, Part II, item 3.a, column C) plus 50 percent of the average amount of federal funds sold with a standardized approach risk weight of 20 percent (as defined for Schedule RC-R, Part II, item 3.a, column G);
- (5) The average amount of securities purchased under agreements to resell (as defined for Schedule RC, item 3.b) that would qualify for a standardized approach risk weight for risk-based capital purposes of zero percent plus 50 percent of the average amount of securities purchased under agreements to resell (as defined for Schedule RC, item 3.b) that would qualify for a standardized approach risk weight of 2 percent, 4 percent, or 20 percent; and

¹CBLR banks that meet the definition of a custodial bank are not required to separately report their risk-weighted assets on Schedule RC-R, Part II, in order to utilize the deduction.

Memoranda**Item No. Caption and Instruction**

- 2
(cont.) (7) For all other deposit accounts, the bank should make a reasonable estimate of the portion of these deposits that is uninsured using the data available from its information systems. In developing this estimate, if the bank has automated information systems in place that enable it to identify jointly owned accounts and estimate the deposit insurance coverage of these deposits, the higher level of insurance afforded these joint accounts should be taken into consideration. Similarly, if the bank has automated information systems in place that enable it to classify accounts by deposit owner and/or ownership capacity, the bank should incorporate this information into its estimate of the amount of uninsured deposits by aggregating accounts held by the same deposit owner in the same ownership capacity before applying the \$250,000 insurance limit. Ownership capacities include, but are not limited to, single ownership, joint ownership, business (excluding sole proprietorships), revocable trusts, irrevocable trusts, and retirement accounts.

In the absence of automated information systems, a bank may use nonautomated information such as paper files or less formal knowledge of its depositors if such information provides reasonable estimates of appropriate portions of its uninsured deposits. A bank's use of such nonautomated sources of information is considered appropriate unless errors associated with the use of such sources would contribute significantly to an overall error in the FDIC's estimate of the amount of insured and uninsured deposits in the banking system.

- 3 **Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report?** If the reporting institution is owned by another bank or savings association and that parent bank or parent savings association is consolidating the reporting institution as part of the parent institution's Call Report for this report date, report the legal title and FDIC Certificate Number of the parent institution in this item.

NOTE: Memorandum item 4 is applicable only to banks filing the FFIEC 031 report form.

- 4 **Dually payable deposits in the reporting institution's foreign branches.** Report the amount of deposits included in Schedule RC, item 13.b, Deposits "In foreign offices, Edge and Agreement subsidiaries, and IBFs," 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.

NOTE:: Memorandum item 5 is an optional item that may be completed by CBLR banks, as defined in the General Instructions for Schedule RC-R, CBLR.

- 5 Not applicable. **Tier 1 leverage ratio.**
CBLR banks that elect to report this item shall report their Tier 1 leverage ratio as set forth in the banking agencies' regulatory capital standards and in accordance with the instructions for Schedule RC-R, Part I, item 44.¹ This item should be reported as a percentage, rounded to four decimal places, e.g. 12.3456.

¹ In accordance with the instructions for Schedule RC-R, CBLR, CBLR banks file the CBLR schedule in lieu of Schedule RC-R, Parts I and II, and would therefore not be required to report regulatory capital ratios such as the Tier 1 leverage ratio or the components of capital and assets that comprise those ratios.

General Instructions for Schedule RC-O, Memorandum items 6 through 18

Memorandum items 6 through 18 are applicable only to large institutions and/or highly complex institutions as defined below. Amounts reported in Memorandum items 6 through 9, 14, 15, and 18 will not be made available to the public on an individual institution basis. Large institutions and highly complex institutions should complete Memorandum items 6 through 18, as appropriate, on a fully consolidated basis. Thus, when a large institution or highly complex institution owns another FDIC-insured institution as a subsidiary, it should complete Memorandum items 6 through 18, as appropriate, on a fully consolidated basis.

According to Section 327.8(f) of the FDIC's regulations, a large institution is an FDIC-insured bank or savings association that reported total assets of \$10 billion or more as of December 31, 2006, that does not meet the definition of a highly complex institution. After December 31, 2006, if a bank or savings association classified as a small institution in accordance with Section 327.8(e) of the FDIC's regulations reports total assets of \$10 billion or more for four consecutive quarters, the bank or savings association will be classified as a large institution beginning the following quarter. In the Consolidated Reports of Condition and Income, an FDIC-insured depository institution's total assets are reported in Schedule RC, item 12.

A CBLR bank, as defined in the General Instructions for Schedule RC-R, CBLR, shall be classified as a small institution, even if that institution otherwise would be classified as a large institution.¹

¹ A CBLR bank that meets the definition of an established depository institution under 12 CFR 327.8(k), generally one that has been federally insured for at least five years, will be assessed as an established small institution. A CBLR bank that has been federally insured for less than five years will be assessed as a new small institution under 12 CFR 327.8(w). A CBLR bank with assets of between \$5 and \$10 billion cannot request to be treated as a large institution for deposit insurance assessments under 12 CFR 327.16(f).

Memoranda

General Instructions for Schedule RC-O, Memorandum items 6 through 18 (cont.)

According to Section 327.8(g) of the FDIC's regulations, a highly complex institution is an FDIC-insured bank or savings association (excluding a credit card bank¹) that:

- (1) Has had \$50 billion or more in total assets for at least four consecutive quarters that either is controlled by a U.S. parent holding company that has had \$500 billion or more in total assets for four consecutive quarters, or is controlled by one or more intermediate U.S. parent holding companies that are controlled by a U.S. holding company that has had \$500 billion or more in total assets for four consecutive quarters; or
- (2) Is a processing bank or trust company that has had \$10 billion or more in total assets for at least four consecutive quarters. According to Section 327.8(s) of the FDIC's regulations, a processing bank or trust company is "an institution whose last three years' non-lending interest income, fiduciary revenues, and investment banking fees, combined, exceed 50 percent of total revenues (and its last three years fiduciary revenues are non-zero), and whose total fiduciary assets total \$500 billion or more."

If, after December 31, 2010, a bank or savings association classified as a highly complex institution falls below \$50 billion in total assets for four consecutive quarters, or its parent company or companies fall below \$500 billion in total assets for four consecutive quarters, or a processing bank or trust company falls below \$10 billion in total assets for four consecutive quarters, the FDIC will reclassify the bank or savings association as a large institution or a small institution, as appropriate,² beginning the quarter after the fourth consecutive quarter.

Amounts Guaranteed or Insured by the U.S. Government, its Agencies, or its Government-Sponsored Agencies – The instructions for Schedule RC-O, Memorandum items 6, 11, and 16 refer to amounts recoverable from, or guaranteed or insured by, the U.S. government, its agencies, or its government-sponsored agencies under guarantee or insurance provisions. Examples include guarantees or insurance (or reinsurance) provided by the Department of Veterans Affairs, the Federal Housing Administration, the Small Business Administration (SBA), the Department of Agriculture Rural Development Loan Program, and the Department of Education for individual loans as well as coverage provided by the FDIC under loss-sharing agreements. For loan securitizations and securities, examples include those guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac) as well as SBA Guaranteed Loan Pool Certificates and securities covered by FDIC loss-sharing agreements. However, if an institution holds securities backed by mortgages it has transferred to Fannie Mae or Freddie Mac with recourse or other transferor-provided credit enhancements, these securities should not be considered guaranteed to the extent of the institution's maximum contractual credit exposure arising from the credit enhancements.

Amounts Guaranteed or Insured by the U.S. Government – The instructions for Schedule RC-O, Memorandum items 7 through 10, 13, and 18 refer to the maximum amounts recoverable from the U.S. Government. Amounts recoverable from the U.S. government do *not* include amounts recoverable from government-sponsored agencies (also known as government-sponsored enterprises) including the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal Home Loan Banks, and the Farm Credit System.

¹ As defined in Section 327.8(t) of the FDIC's regulations, a credit card bank is "a bank for which credit card receivables plus securitized receivables exceed 50 percent of assets plus securitized receivables."

² A CBLR bank, as defined in the General Instructions for Schedule RC-R, CBLR, shall be classified as a small institution, even if that institution otherwise would be classified as a large institution.

Schedule RC-C—Continued

Part I—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	
<i>Memoranda item 13 is to be completed by banks that had construction, land development, and other land loans in domestic offices (as reported in Schedule RC-C, Part I, item 1.a., column B) that exceeded 100 percent of CBLR tangible equity (as reported in Schedule RC-R, CBLR, item 6) or total capital (as reported in Schedule RC-R, Part I, item 35.a), as applicable, as of December 31, 2018.</i>			
13. Construction, land development, and other land loans in domestic offices with interest reserves:			
a. Amount of loans that provide for the use of interest reserves (included in Schedule RC-C, Part I, item 1.a, column B).....	G376		M.13.a.
b. Amount of interest capitalized from interest reserves on construction, land development, and other land loans that is included in interest and fee income on loans during the quarter (included in Schedule RI, item 1.a.(1)(a)(2))	RIAD G377		M.13.b.
<i>Memorandum item 14 is to be completed by all banks.</i>			
14. Pledged loans and leases	RCFD G378		M.14.
<i>Memorandum item 15 is to be completed for the December report only.</i>			
15. Reverse mortgages in domestic offices:			
a. Reverse mortgages outstanding that are held for investment (included in Schedule RC-C, item 1.c, above):	RCON		
(1) Home Equity Conversion Mortgage (HECM) reverse mortgages.....	J466		M.15.a.(1)
(2) Proprietary reverse mortgages	J467		M.15.a.(2)
b. Estimated number of reverse mortgage loan referrals to other lenders during the year from whom compensation has been received for services performed in connection with the origination of the reverse mortgages:		Number	
(1) Home Equity Conversion Mortgage (HECM) reverse mortgages.....	J468		M.15.b.(1)
(2) Proprietary reverse mortgages	J469		M.15.b.(2)
c. Principal amount of reverse mortgage originations that have been sold during the year:		Amount	
(1) Home Equity Conversion Mortgage (HECM) reverse mortgages.....	J470		M.15.c.(1)
(2) Proprietary reverse mortgages	J471		M.15.c.(2)

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

12.b Commercial and industrial loans. Report in the appropriate column the specified amounts for commercial and industrial loans (as defined for Schedule RC-C, part I, item 4) held for investment that were acquired in a business combination occurring in the current calendar year.

12.c Loans to individuals for household, family, and other personal expenditures. Report in the appropriate column the specified amounts for loans to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, item 6) held for investment that were acquired in a business combination occurring in the current calendar year.

12.d All other loans and all leases. Report in the appropriate column the specified amounts for all other loans and all leases (as defined for Schedule RC-C, part I, items 2, 3, 7 (on the FFIEC 031 only), 8, 9, and 10) held for investment that were acquired in a business combination occurring in the current calendar year.

13 Construction, land development, and other land loans (in domestic offices) with interest reserves. Memorandum items 13.a and 13.b are to be completed by banks that had construction, land development, and other land loans (in domestic offices) (as reported in Schedule RC-C, part I, item 1.a, column B) that exceeded 100 percent of **CBLR tangible equity capital (as reported in Schedule RC-R, CBLR, item 6) or total capital (as reported in Schedule RC-R, Part I, item 35.a), as applicable**, as of the previous December 31. For purposes of Memorandum items 13, 13.a, and 13.b, construction, land development, and other land loans (in domestic offices) are hereafter referred to as "construction loans."

When a bank enters into a loan agreement with a borrower on a construction loan, an interest reserve is often included in the amount of the loan commitment to the borrower and it allows the lender to periodically advance loan funds to pay interest charges on the outstanding balance of the loan. The interest is capitalized and added to the loan balance.

13.a Amount of loans that provide for the use of interest reserves. Report the amount of construction loans included in Schedule RC-C, part I, item 1.a, column B, for which the loan agreement with the borrower provides for the use of interest reserves.

If a construction loan included in Schedule RC-C, part I, item 1.a, column B, has been fully advanced or the funds budgeted for interest have been fully advanced, but the loan agreement provided for the use of interest reserves, continue to report the loan in this item even if the borrower is now paying interest from other sources of funds. Similarly, if a construction loan included in Schedule RC-C, part I, item 1.a, column B, has been renewed or extended, but the original loan agreement provided for the use of interest reserves, continue to report the loan in this item.

Include in this item new construction loans (as defined for and reported in Schedule RC-C, part I, item 1.a, column B) that have been granted for the purpose of paying interest on existing construction loans (in domestic offices) when the new construction loan is secured by the same real estate that secures the existing construction loan.

Exclude construction loans for which the loan agreement with the borrower does not provide for the use of interest reserves.