

NOTE: In the FFIEC 034 instruction book, remove pages RC-10a and RC-10b (dated 3-95) and replace them with these revised pages. In the FFIEC 031, 032, and 033 instruction books, remove pages RC-14a and RC-14b (dated 3-95) and replace them with these revised pages.

Item No. **Caption and Instructions**

- 2** **U.S. Government agency and corporation obligations.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all U.S. Government agency and corporation obligations (excluding mortgage-backed securities) not held for trading.

Exclude from U.S. Government agency and corporation obligations:

- (1) **Loans** to the Export-Import Bank and to federally-sponsored lending agencies (report in "All other loans," Schedule RC-C, part I, item 8 on the FFIEC 034; item 9.b on the FFIEC 031, 032, and 033). Refer to the Glossary entry for "federally-sponsored lending agency" for the definition of this term.
- (2) All holdings of U.S. Government-issued or -guaranteed mortgage pass-through securities (report in Schedule RC-B, item 4.a below).
- (3) Collateralized mortgage obligations (CMOs), real estate mortgage investments conduits (REMICs), CMO and REMIC residuals, and stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments) issued by U.S. Government agencies and corporations (report in Schedule RC-B, item 4.b below).
- (4) Participations in pools of Federal Housing Administration (FHA) Title I loans, which generally consist of junior lien home improvement loans (report as loans in Schedule RC-C, generally in item 1.c.(2)(b), Loans "secured by junior liens" on 1-to-4 family residential properties).

2.a **Issued by U.S. Government agencies.** Report in the appropriate columns the amortized cost and fair value of all obligations (excluding mortgage-backed securities) not held for trading that have been issued by U.S. Government agencies. For purposes of these reports, a U.S. Government agency is defined as an instrumentality of the U.S. Government whose debt obligations are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S. Government.

Include, among others, debt securities (but not mortgage-backed securities) of the following U.S. Government agencies:

- (1) Export-Import Bank (Ex-Im Bank)
- (2) Federal Housing Administration (FHA)
- (3) Government National Mortgage Association (GNMA)
- (4) Maritime Administration
- (5) Small Business Administration (SBA)

Include such obligations as:

- (1) Small Business Administration (SBA) "Guaranteed Loan Pool Certificates," which represent an undivided interest in a pool of SBA-guaranteed portions of loans for which the SBA has further guaranteed the timely payment of scheduled principal and interest payments.
- (2) Participation certificates issued by the Export-Import Bank and the General Services Administration.
- (3) Notes insured by the Farmers Home Administration (FmHA) and instruments (certificates of beneficial ownership and insured note insurance contracts) representing an interest in FmHA-insured notes.

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2.b Issued by U.S. Government-sponsored agencies. Report in the appropriate columns the amortized cost and fair value of all obligations (excluding mortgage-backed securities) not held for trading that have been issued by U.S. Government-sponsored agencies. For purposes of these reports, U.S. Government-sponsored agencies are defined as agencies originally established or chartered by the U.S. Government to serve public purposes specified by the U.S. Congress but whose debt obligations are not explicitly guaranteed by the full faith and credit of the U.S. Government.

Include, among others, debt securities and mortgage-backed bonds (i.e., bonds that are collateralized by mortgages) of the following government-sponsored agencies:

- (1) Federal Agricultural Mortgage Corporation (Farmer Mac)
- (2) Federal Farm Credit Banks
- (3) Federal Home Loan Banks (FHLBs)
- (4) Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
- (5) Federal Land Banks (FLBs)
- (6) Federal National Mortgage Association (FNMA or Fannie Mae)
- (7) Financing Corporation (FICO)
- (8) Resolution Funding Corporation (REFCORP)
- (9) Student Loan Marketing Association (SLMA or Sallie Mae)
- (10) Tennessee Valley Authority (TVA)
- (11) U.S. Postal Service

3 Securities issued by states and political subdivisions in the U.S. Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all securities issued by states and political subdivisions in the United States not held for trading.

States and political subdivisions in the U.S., for purposes of this report, include:

- (1) the fifty States of the United States and the District of Columbia and their counties, municipalities, school districts, irrigation districts, and drainage and sewer districts; and
- (2) the governments of Puerto Rico and of the U.S. territories and possessions and their political subdivisions.

Treatment of industrial development bonds (IDBs). Industrial development bonds (IDBs), sometimes referred to as "industrial revenue bonds," are typically issued by local industrial development authorities to benefit private commercial and industrial development. For purposes of these reports, all IDBs that are rated by a nationally-recognized rating service shall be reported in this item (in Schedule RC-B, item 3.c) as securities issued by states and political subdivisions in the U.S. IDBs that are not rated but meet the definition of "security" in FASB Statement No. 115 must be measured in accordance with Statement No. 115 and categorized as loans in Schedule RC-C, part I, item 7 on the FFIEC 034; item 8 on the FFIEC 031, 032, and 033, unless the bank chooses to review each nonrated IDB it holds in order to determine whether its characteristics are more like those of a security or a loan. In such a case, the bank shall categorize nonrated IDBs with more of the characteristics of securities in this item and nonrated IDBs with more of the characteristics of loans in Schedule RC-C, part I, item 7 on the FFIEC 034; item 8 on the FFIEC 031, 032, and 033.

Treatment of other obligations of states and political subdivisions in the U.S. In addition to those IDBs that are to be categorized as securities in accordance with the preceding paragraph, also include in this item (in the appropriate subitem) as securities issued by states and political subdivisions in the U.S. all obligations other than IDBs that meet any of the following criteria:

- (1) Nonrated obligations of states and political subdivisions in the U.S., other than those specifically excluded below, that the bank considers securities.
- (2) Notes, bonds, and debentures (including tax warrants and tax-anticipation notes) that are rated by a nationally-recognized rating service.

NOTE: In the FFIEC 034 instruction book, renumber item 6.c on the top of page RC-12a (dated 3-94) as item 6.b, remove pages RC-10e and RC-10f (dated 3-95), and replace them with these revised pages. In the FFIEC 031, 032, and 033 instruction books, renumber item 6.c on the top of page RC-16a (dated 3-94) as item 6.b, remove pages RC-14e and RC-14f (dated 3-95), and replace them with these revised pages.

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4.b Other mortgage-backed securities. Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all mortgage-backed securities other than pass-through securities that are not held for trading.

Other mortgage-backed securities include:

- (1) All classes of collateralized mortgage obligations (CMOs) and real estate mortgage investments conduits (REMICs).
- (2) CMO and REMIC residuals and similar interests.
- (3) Stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments).

4.b.(1) Issued or guaranteed by FNMA, FHLMC, or GNMA. Report in the appropriate columns the amortized cost and fair value of all classes of CMOs and REMICs, CMO and REMIC residuals, and stripped mortgage-backed securities issued by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC) or guaranteed by the Government National Mortgage Association (GNMA). For purposes of these reports, also include REMICs issued by the U.S. Department of Veterans Affairs (VA) in this item.

4.b.(2) Other mortgage-backed securities collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA. Report in the appropriate columns the amortized cost and fair value of all classes of CMOs, REMICs, CMO and REMIC residuals, and stripped mortgage-backed securities issued by non-U.S. Government issuers (e.g., other depository institutions, insurance companies, state and local housing authorities in the U.S.) for which the collateral consists of GNMA (Ginnie Mae) pass-throughs, FNMA (Fannie Mae) pass-throughs, FHLMC (Freddie Mac) participation certificates, or other mortgage-backed securities (i.e., classes of CMOs or REMICs, CMO or REMIC residuals, and stripped mortgage-backed securities) issued or guaranteed by FNMA, FHLMC, GNMA, or VA.

4.b.(3) All other mortgage-backed securities. Report in the appropriate columns the amortized cost and fair value of all CMOs, REMICs, CMO and REMIC residuals, and stripped mortgage-backed securities issued by non-U.S. Government issuers (e.g., other depository institutions, insurance companies, state and local housing authorities in the U.S.) for which the collateral does not consist of GNMA (Ginnie Mae) pass-throughs, FNMA (Fannie Mae) pass-throughs, FHLMC (Freddie Mac) participation certificates, or other mortgage-backed securities (i.e., classes of CMOs or REMICs, CMO or REMIC residuals, and stripped mortgage-backed securities) issued or guaranteed by FNMA, FHLMC, GNMA, or VA.

5 Other debt securities. Report in the appropriate columns (of the appropriate subitems on the FFIEC 031, 032, and 033 report forms) the amortized cost and fair value of all foreign debt securities and all other domestic debt securities not held for trading that cannot properly be reported in Schedule RC-B, item 1 through 4 above.

Other domestic debt securities include:

- (1) Bonds, notes, debentures, equipment trust certificates, and commercial paper issued by U.S.-chartered corporations and other U.S. issuers and not reportable elsewhere in Schedule RC-B.
- (2) Preferred stock of U.S.-chartered corporations that by its terms either must be redeemed by the issuing enterprise or is redeemable at the option of the investor.
- (3) Detached U.S. Government security coupons and ex-coupon U.S. Government securities held as the result of either their purchase or the bank's stripping of such securities and Treasury receipts such as CATS, TIGRs, COUGARs, LIONs, and ETRs. Refer to

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5 the Glossary entry for "coupon stripping, Treasury receipts, and STRIPS" for additional information.
(cont.)

Foreign debt securities include:

- (1) Bonds, notes, debentures, equipment trust certificates, and commercial paper issued by non-U.S.-chartered corporations.
- (2) Debt securities issued by foreign governmental units.
- (3) Debt securities issued by international organizations such as the International Bank for Reconstruction and Development (World Bank), Inter-American Development Bank, and Asian Development Bank.
- (4) Preferred stock of non-U.S.-chartered corporations that by its terms either must be redeemed by the issuing enterprise or is redeemable at the option of the investor.

Exclude from other debt securities:

- (1) All holdings of certificates of participation in pools of residential mortgages, collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), CMO and REMIC residuals, and stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments) (report in Schedule RC-B, item 4 above).
- (2) Holdings of bankers acceptances and certificates of deposit, which are not categorized as securities for purposes of this report.

5.a Other domestic debt securities. On the FFIEC 031, 032, and 033 only, report in the appropriate columns the amortized cost and fair value of all "Other domestic debt securities" as defined in the instruction to Schedule RC-B, item 5 above. Item 5.a is not applicable to banks filing the FFIEC 034 report forms.

5.b Foreign debt securities. On the FFIEC 031, 032, and 033 only, report in the appropriate columns the amortized cost and fair value of all "Foreign debt securities" as defined in the instruction to Schedule RC-B, item 5 above. Item 5.b is not applicable to banks filing the FFIEC 034 report forms.

6 Equity securities. Report in columns C and D of the appropriate subitems the appropriate information on all equity securities not held for trading. Equity securities may have been purchased by the reporting bank or acquired for debts previously contracted. **Exclude** from equity securities preferred stock that by its terms either must be redeemed by the issuing enterprise or is redeemable at the option of the investor (report such preferred stock in Schedule RC-B, item 5 above).

6.a Investments in mutual funds and other equity securities with readily determinable fair values. Report in columns C and D the historical cost and fair value, respectively, of all investments in mutual funds and other equity securities with readily determinable fair values. Such securities include, but are not limited to, money market mutual funds, mutual funds that invest solely in U.S. Government securities, common stock of the Federal National Mortgage Association (Fannie Mae), preferred stock and unrestricted voting common stock of the Student Loan Marketing Association (Sallie Mae), and common stock of the Federal Home Loan Mortgage Corporation (Freddie Mac).

The fair value of an equity security is readily determinable if sales or bid-and-asked quotations are currently available on a securities exchange registered with the Securities and Exchange Commission (SEC) or in the over-the-counter market, provided that those prices or quotations for the over-the-counter market are publicly reported by the National Association of Securities Dealers Automated Quotations systems or by the National Quotation Bureau. ("Restricted stock," as defined in FASB Statement No. 115, does not meet this definition. For the definition of this term, see the instruction to Schedule RC-B, item 6.b below.) The fair value of an equity security traded only in a foreign market is readily determinable if that foreign market is of a breadth and scope comparable to one of the U.S. markets referred to above.

NOTE: In the FFIEC 034 instruction book, remove pages RC-15 and RC-16 (dated 9-93) and replace them with these revised pages. In the FFIEC 033 instruction book, strike the instructions to Memorandum item 1 on page RC-29a, remove pages RC-19 and RC-19a (dated 9-93) and replace them with these revised pages. In the FFIEC 031 and 032 instruction books, strike the instructions to Memorandum item 1 on page RC-27a, remove pages RC-19 and RC-19a (dated 9-93) and replace them with these revised pages.

SCHEDULE RC-C -- LOANS AND LEASE FINANCING RECEIVABLES

Part I. Loans and Leases

General Instructions for Part I

Loans and lease financing receivables are extensions of credit resulting from either direct negotiation between the bank and its customers or the purchase of such assets from others. See the Glossary entries for "loan" and for "lease accounting" for further information.

On the FFIEC 032, 033, and 034, this schedule has one column for information on loans and lease financing receivables. On the FFIEC 031, this schedule has two columns for information on loans and lease financing receivables: column A provides loan and lease detail for the fully consolidated bank and column B provides detail on loans and leases held by the domestic offices of the reporting bank. (See the Glossary entry for "domestic office" for the definition of this term.)

Report the aggregate book value of all loans and leases before deduction of the "Allowance for loan and lease losses," which is to be reported in Schedule RC, item 4.b. Each item in this schedule should be reported net of (1) unearned income (to the extent possible) and (2) deposits accumulated for the payment of personal loans (hypothecated deposits). Net unamortized loan fees represent an adjustment of the loan yield, and shall be reported in this schedule in the same manner as unearned income on loans, i.e., deducted from the related loan balances (to the extent possible) or deducted from total loans in item 10 on the FFIEC 034 and in item 11 on the FFIEC 031, 032, and 033, "LESS: Any unearned income on loans reflected in items above." Net unamortized direct loan origination costs shall be added to the related loan balances in each item in this schedule. (See the Glossary entry for "loan fees" for further information.)

Exclude all loans and leases held for trading purposes (report in Schedule RC, item 5, "Trading assets," and, on the FFIEC 031 and 032, in the appropriate items of Schedule RC-D, Trading Assets and Liabilities, if applicable) and all intrabank transactions.

All loans are categorized in Schedule RC-C, part I, according to security, borrower, or purpose. Loans covering two or more categories are sometimes difficult to categorize. In such instances, categorize the entire loan according to the major criterion.

NOTE: On the FFIEC 033 and 034 only, four other schedules in the Reports of Condition and Income (Schedule RC-K, Quarterly Averages; Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets; Schedule RI, Income Statement; and Schedule RI-B, part I, Charge-offs and Recoveries on Loans and Leases) and one Memorandum item to this Schedule RC-C, part I, (Memorandum item 1 on the FFIEC 034; Memorandum item 2 on the FFIEC 033) require that certain data be reported by certain banks in terms of general loan categories that are based upon each bank's own internal loan categorization system. For further information, refer to the discussion of "Reporting of Loan Detail by Banks with Assets of Less Than \$300 Million and No Foreign Offices" in the General Instructions section of this book.

Report in Schedule RC-C, part I, all loans and leases on the books of the reporting bank even if on the report date they are past due and collection is doubtful. Exclude any loans or leases the bank has sold or charged off. Also exclude assets received in full or partial satisfaction of a loan or lease (unless the asset received is itself reportable as a loan or lease) and any loans for which the bank has obtained physical possession of the underlying collateral, regardless of whether formal foreclosure or repossession proceedings have been instituted against the borrower. Refer to the Glossary entries for "troubled debt restructurings" and "foreclosed assets" for further discussion of these topics.

General Instructions for Part I (cont.)

Also report in the body of Schedule RC-C, part I, and in Schedule RC-C, part I, Memorandum item 5, the carrying value of all loans that are held for sale as part of the consolidated bank's mortgage banking activities or activities of a similar nature involving other types of loans. Loans held for sale shall be reported at the lower of cost or market value as of the report date. The amount by which cost exceeds market value, if any, shall be accounted for as a valuation allowance. For further information, see FASB Statement No. 65, "Accounting for Certain Mortgage Banking Activities."

Exclude, for purposes of this schedule, the following:

- (1) All loans of immediately available funds that mature in one business day or roll over under a continuing contract, i.e., federal funds sold (report in Schedule RC, item 3, "Federal funds sold and securities purchased under agreements to resell"). However, report overnight lending for commercial and industrial purposes as loans in this schedule.
- (2) All holdings of commercial paper (report in Schedule RC, item 5, if held for trading; report in Schedule RC-B, item 5, "Other debt securities," if held for purposes other than trading).
- (3) Contracts of sale or other loans indirectly representing other real estate (report in Schedule RC, item 7, "Other real estate owned").
- (4) Undisbursed loan funds, sometimes referred to as incomplete loans or loans in process, unless the borrower is liable for and pays the interest thereon. If interest is being paid by the borrower on the undisbursed proceeds, the amount of such undisbursed funds should be included in both loans and deposits. (Do not include loan commitments that have not yet been taken down, even if fees have been paid; see Schedule RC-L, item 1.)

Item Instructions for Part I**Item No. Caption and Instructions**

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| 1 | <u>Loans secured by real estate.</u> On the FFIEC 032, 033, and 034, report in the appropriate subitem all loans secured by real estate. On the FFIEC 031, report this item as a single total for the fully consolidated bank in column A but with a breakdown of loans secured by real estate into seven categories for domestic offices in column B. Include all loans (other than those to states and political subdivisions in the U.S.), regardless of purpose and regardless of whether originated by the bank or purchased from others, that are secured by real estate as evidenced by mortgages, deeds of trust, land contracts, or other instruments, whether first or junior liens (e.g., equity loans, second mortgages) on real estate. See the Glossary entry for "loan secured by real estate" for the definition of this term. |
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NOTE: In the FFIEC 034 instruction book, strike the instructions to items 7, 7.a, and 7.b on pages RC-22 and RC-23 (dated 5-89) and insert this page after page RC-22. In the FFIEC 033 instruction book, strike the instructions to items 8, 8.a, and 8.b on pages RC-27 and RC-28 (dated 5-89), renumber page RC-28a as RC-28c, and insert this page after page RC-28. In the FFIEC 032 instruction book, strike the instructions to items 8, 8.a, and 8.b on pages RC-26 and RC-26a (dated 5-89), renumber page RC-26a as RC-26c, and insert this page after page RC-26. In the FFIEC 031 instruction book, strike the instructions to items 8, 8.a, and 8.b on pages RC-25 through RC-26a (dated 5-89), renumber page RC-26a as RC-26c, and insert this page after page RC-26.

		FFIEC 031, 032, and 033
FFIEC 034		
<u>Item No.</u>	<u>Item No.</u>	<u>Caption and Instructions</u>

7	8	<p><u>Obligations (other than securities and leases) of states and political subdivisions in the U.S.</u> Report all obligations of states and political subdivisions in the United States (including those secured by real estate), other than leases and other than those obligations reported as securities issued by such entities in Schedule RC-B, item 3, "Securities issued by states and political subdivisions in the U.S.," or item 4, "Mortgage-backed securities." <u>Exclude</u> all such obligations held for trading.</p>
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States and political subdivisions in the U.S. include:

- (1) the fifty States of the United States and the District of Columbia and their counties, municipalities, school districts, irrigation districts, and drainage and sewer districts; and
- (2) the governments of Puerto Rico and of the U.S. territories and possessions and their political subdivisions.

Treatment of industrial development bonds (IDBs). Industrial development bonds (IDBs), sometimes referred to as "industrial revenue bonds," are typically issued by local industrial development authorities to benefit private commercial and industrial development. For purposes of these reports, all IDBs that are rated by a nationally-recognized rating service shall be reported in Schedule RC-B, item 3, as securities issued by states and political subdivisions in the U.S. IDBs that are not rated but meet the definition of "security" in FASB Statement No. 115 must be measured in accordance with Statement No. 115 and categorized as loans in this item **unless** the bank chooses to review **each** nonrated IDB it holds in order to **determine** whether its characteristics are more like those of a security or a loan. In such a case, the bank shall categorize nonrated IDBs with more of the characteristics of securities in Schedule RC-B, item 3, and nonrated IDBs with more of the characteristics of loans in this item.

Treatment of other obligations of states and political subdivisions in the U.S. In addition to those IDBs that are to be categorized in this item in accordance with the preceding paragraph, also **include** in this item all obligations (other than securities) of states and political subdivisions in the U.S. **except** those that meet **any** of the following criteria:

- (1) Industrial development bonds (IDBs) that are to be categorized as securities in accordance with the reporting treatment described above (report as securities in Schedule RC, item 2, and Schedule RC-B, item 3).
- (2) Notes, bonds, and debentures (including tax warrants and tax-anticipation notes) that are rated by a nationally-recognized rating service (report as securities in Schedule RC, item 2, and Schedule RC-B, item 3).
- (3) Mortgage-backed securities issued by state and local housing authorities (report as securities in Schedule RC, item 2, and Schedule RC-B, item 4).

FFIEC 031, 032, and 033 Item No.	FFIEC 034 Item No.	<u>Caption and Instructions</u>
7 (cont.)	8 (cont.)	<p>(4) Obligations of state and local governments that are guaranteed by the United States Government (report as securities in Schedule RC, item 2, and Schedule RC-B, item 3).</p> <p>(5) Nonrated obligations of states and political subdivisions in the U.S. that the bank considers securities (report as securities in Schedule RC, item 2, and Schedule RC-B, item 3).</p> <p>(6) Lease financing receivables of states and political subdivisions in the U.S. (report as leases in Schedule RC-C, part I, item 9, on the FFIEC 034; in Schedule RC-C, part I, item 10, on the FFIEC 031, 032, and 033).</p> <p>(7) Obligations of states and political subdivisions in the U.S. held by the reporting bank for trading purposes (report in Schedule RC, item 5).</p>

NOTE: In the FFIEC 034 instruction book, remove pages RC-35 and RC-36 (dated 3-93) and replace them with these revised pages. In the FFIEC 032 and 033 instruction books, remove pages RC-43 and RC-44 (dated 3-93) and replace them with these revised pages. In the FFIEC 031 instruction book, remove pages RC-41 and RC-42 (dated 3-93) and replace them with these revised pages.

SCHEDULE RC-F -- OTHER ASSETS

Complete this schedule for the fully consolidated bank. Eliminate all intrabank transactions between offices of the consolidated bank.

Item No. Caption and Instructions

- 1 Income earned, not collected on loans. Report the amount of interest, commissions, and other income earned or accrued on loans and applicable to current or prior periods that has not yet been collected. Exclude income earned or accrued on assets other than loans (e.g., securities) that has not yet been collected (report in Schedule RC-F, item 4).

- 2 Net deferred tax assets. Report the net amount after offsetting deferred tax assets (net of valuation allowance) and deferred tax liabilities measured at the report date for a particular tax jurisdiction if the net result is a debit balance. If the result for a particular tax jurisdiction is a net credit balance, report the amount in Schedule RC-G, item 2, "Net deferred tax liabilities." If the result for each tax jurisdiction is a net credit balance, enter a zero or the word "none" in this item. (A bank may report a net deferred tax debit, or asset, for one tax jurisdiction, such as for federal income tax purposes, and also report at the same time a net deferred tax credit, or liability, for another tax jurisdiction, such as for state or local income tax purposes.)

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

- 3 Interest-only strips receivable (not in the form of a security) on. As defined in FASB Statement No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," an interest-only strip receivable is the contractual right to receive some or all of the interest due on a bond, mortgage loan, collateralized mortgage obligation, or other interest-bearing financial asset. This includes, for example, contractual rights to future interest cash flows that exceed contractually specified servicing fees on financial assets that have been sold. Report in the appropriate subitem interest-only strips receivable not in the form of a security that are measured at fair value like available-for-sale securities. Report unrealized gains (losses) on these interest-only strips receivable in Schedule RC, item 26.b, "Net unrealized holding gains (losses) on available-for-sale securities."

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

- 3.a Mortgage loans. Report the fair value of interest-only strips receivable (not in the form of a security) on mortgage loans.

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

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

Item No. **Caption and Instructions**4
(cont.)

Itemize and describe, with clear but concise captions, each component of all other assets that is greater than \$25,000 and exceeds 25 percent of the amount reported for this item. Enter the dollar amount of such components in the inset boxes provided. The descriptions of these amounts should not exceed 50 characters in length (including spacing between words).

Include as all other assets:

- (1) Income earned but not collected on assets other than loans (e.g., securities).
- (2) Prepaid expenses (i.e., those applicable as a charge against operations in future periods).
- (3) Accrued interest on securities purchased.
- (4) Cash items not conforming to the definition of "Cash items in process of collection" found in the instruction to Schedule RC, item 1.a.
- (5) Credit or debit card sales slips in process of collection until the reporting bank has been notified that it has been given credit (report thereafter in Schedule RC, item 1.a, "Noninterest-bearing balances and currency and coin," and, on the FFIEC 034, in Schedule RC-M, item 3.a, "Noninterest-bearing balances due from commercial banks in the U.S.," if credit has been given by a commercial bank in the U.S., and on the FFIEC 031, 032, and 033 in Schedule RC-A, item 2, "Balances due from depository institutions in the U.S.," or item 3, "Balances due from banks in foreign countries and foreign central banks," as appropriate).
- (6) Automobiles, boats, equipment, appliances, and similar property repossessed or otherwise acquired for debts previously contracted.
- (7) The current amount outstanding of margin accounts placed with brokers or others in connection with the purchase or sale of futures contracts (see the Glossary entry for "derivative contracts" for further information).
- (8) Purchased computer software, net of accumulated amortization, and unamortized costs of computer software to be sold, leased, or otherwise marketed capitalized in accordance with the provisions of FASB Statement No. 86.
- (9) Bullion (e.g., gold or silver) not held for trading purposes.
- (10) Original art objects, including paintings, antique objects, and similar valuable decorative articles (report at cost unless there has been a decline in value, judged to be other than temporary, in which case the object should be written down to its fair value).
- (11) Securities or other assets held in charitable trusts (e.g., Clifford Trusts).
- (12) Cash surrender value of life insurance policies for which the bank is the beneficiary. (Policies acquired after November 14, 1985, should be reported at the amount that could be realized under the insurance contracts as of the report date. For further information, see FASB Technical Bulletin No. 85-4.)
- (13) Cost of issuing subordinated notes and debentures, net of accumulated amortization.
- (14) Furniture and equipment rented to others under operating leases, net of accumulated depreciation.
- (15) Ground rents.
- (16) Customers' liability for deferred payment letters of credit.

NOTE: In the FFIEC 034 instruction book, remove pages RC-44c (dated 3-96) through RC-46f (dated 3-95) and replace them with these revised pages. In the FFIEC 033 instruction book, remove pages RC-52c (dated 3-96) through RC-54f (dated 3-95) and replace them with these revised pages. In the FFIEC 032 instruction book, remove pages RC-50c (dated 3-96) through RC-52f (dated 3-95) and replace them with these revised pages. In the FFIEC 031 instruction book, remove pages RC-54c (dated 3-96) through RC-56f (dated 3-95) and replace them with these revised pages.

Item No. Caption and Instructions

- 9 Financial assets transferred with recourse that have been treated as sold for Call Report purposes. Report in the appropriate subitem the outstanding principal balance of and the recourse exposure on financial assets that have been transferred with recourse in transactions reported as sales in accordance with generally accepted accounting principles (GAAP) or that have been transferred in other transactions that qualify for sale treatment under GAAP in which risk of loss or obligation for payment of principal or interest has been retained by, or may fall back upon, the seller (see the Glossary entry for "Sales of Assets for Risk-Based Capital Purposes"). Also include in the appropriate subitem the outstanding principal balance of and the recourse exposure on mortgages that have been swapped with recourse with FNMA or FHLMC in exchange for participation certificates or other securities which the bank has either sold or carries as assets in Schedule RC, Balance Sheet. A transfer of loans without recourse or any other form of risk retention in which the bank's (or a consolidated subsidiary's) servicing responsibilities obligate it to advance interest payments on delinquent loans is not considered a transfer with recourse for purposes of this item.**

The amount of recourse exposure to be reported in this item is the maximum contractual exposure remaining as of the report date under the recourse or other risk retention provision under which the assets have been transferred (or swapped), **not** a reasonable estimate of the probable loss under this provision and **not** the fair value of the liability incurred under this provision. Further, the remaining maximum contractual exposure should **not** be reduced by the amount of any associated recourse liability account. The amount of recourse exposure to be reported should **not** include interest payments the bank has advanced on delinquent loans. For assets transferred (or swapped) with full (unlimited) recourse or risk retention, the amount of recourse exposure to be reported is the outstanding principal balance of the assets as of the report date. For assets transferred (or swapped) with limited recourse or risk retention, the amount of recourse exposure to be reported is the maximum amount of principal the transferring bank would be obligated to pay the holder of the assets in the event the entire outstanding principal balance of the assets transferred (or swapped) becomes uncollectible.

9.a First lien 1-to-4 family residential mortgage loans:

- 9.a.(1) Outstanding principal balance of mortgages transferred as of the report date. Report the principal balance outstanding as of the report date for first lien 1-to-4 family residential mortgage loans that have been transferred with recourse or some other form of risk retention by the bank or a consolidated subsidiary in transactions that have been reported as sales in accordance with generally accepted accounting principles. Also report the principal balance outstanding as of the report date for first lien 1-to-4 family residential mortgage loans that have been swapped with recourse with FNMA and FHLMC in exchange for participation certificates or other securities which the bank has either sold or carries as assets in Schedule RC, item 2, "Securities," or item 5, "Trading assets."**
- 9.a.(2) Amount of recourse exposure on these mortgages as of the report date. Report the amount of recourse exposure or other form of risk retention associated with the mortgages whose outstanding principal balance was reported in item 9.a.(1) above.**

- 9.b Other financial assets (excluding small business obligations reported in item 9.c). Exclude from items 9.b.(1) and (2) the outstanding principal balance of and amount of recourse retained on small business obligations transferred with recourse under Section 208 of the Riegle Act of 1994, which are to be reported in items 9.c.(1) and (2), below.**

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RC-L - OFF-BALANCE SHEET ITEMS

Item No. Caption and Instructions

9.b.(1) Outstanding principal balance of assets transferred as of the report date. Report the principal balance outstanding as of the report date for financial assets other than first lien 1-to-4 family residential mortgage loans (e.g., debt securities, consumer loans, commercial loans, and commercial real estate loans) that have been transferred with recourse or some other form of risk retention by the bank or a consolidated subsidiary in transactions that have been reported as sales in accordance with generally accepted accounting principles. Also report the principal balance outstanding as of the report date for mortgages other than first lien 1-to-4 family residential mortgage loans that have been swapped with recourse with FNMA and FHLMC in exchange for participation certificates or other securities which the bank has either sold or carries as assets in Schedule RC, item 2, "Securities," or item 5, "Trading assets."

9.b.(2) Amount of recourse exposure on these assets as of the report date. Report the amount of recourse exposure or other form of risk retention associated with the assets whose outstanding principal balance was reported in item 9.b.(1) above.

9.c Small business obligations transferred with recourse under Section 208 of the Riegle Community Development and Regulatory Improvement Act of 1994:

9.c.(1) Outstanding principal balance of small business obligations transferred as of the report date. Report the principal balance outstanding as of the report date for small business loans and leases on personal property (small business obligations) which the bank has transferred with recourse during the time the bank was a "qualifying institution" and did not exceed the retained recourse limit set forth in banking agency regulations implementing Section 208. Transfers of small business obligations with recourse that were consummated during such a time should be reported as sales for Call Report purposes if the transactions are treated as sales under generally accepted accounting principles (GAAP) and the institution establishes a recourse liability account that is sufficient under GAAP.

9.c.(2) Amount of retained recourse on these obligations as of the report date. Report the amount of recourse the bank has retained on the small business obligations whose outstanding principal balance was reported in item 9.c.(1).

10 Notional amount of credit derivatives. Report in the appropriate subitem the notional amount of all credit derivatives. Credit derivatives are off-balance sheet arrangements that allow one party (the "beneficiary") to transfer the credit risk of a "reference asset" to another party (the "guarantor"). Banks should include the notional amounts of credit default swaps, total rate of return swaps, and other credit derivative instruments.

All transactions within the consolidated bank should be reported on a net basis, i.e., intrabank transactions should not be reported in this item. No other netting of contracts is permitted for purposes of this item. Therefore, do not net: (1) credit derivatives with third parties on which the reporting bank is the beneficiary against credit derivatives with third parties on which the reporting bank is the guarantor, or (2) contracts subject to bilateral netting agreements. The notional amount should not be included in items 14 through 17 of this schedule. Exclude all items which are required to be reported as assets or liabilities on the balance sheet of the Report of Condition (Schedule RC).

10.a Credit derivatives on which the reporting bank is the guarantor. Report the notional amount (stated in U.S. dollars) of all credit derivatives on which the bank has extended credit protection to other parties.

10.b Credit derivatives on which the reporting bank is the beneficiary. Report the notional amount (stated in U.S. dollars) of all credit derivatives on which the bank has obtained a guarantee against credit losses from other parties.

Item No. **Caption and Instructions**

- 11 **Spot foreign exchange contracts.** Report the gross amount (stated in U.S. dollars) of all spot contracts committing the reporting bank to purchase foreign (non-U.S.) currencies and U.S. dollar exchange that are outstanding as of the report date. All transactions within the consolidated bank should be reported on a net basis.

A spot contract is an agreement for the immediate delivery, usually within two business days, of a foreign currency at the prevailing cash market rate. Spot contracts are considered outstanding (i.e., open) until they have been cancelled by acquisition or delivery of the underlying currencies.

Only one side of a spot foreign exchange contract is to be reported. In those transactions where foreign (non-U.S.) currencies are bought or sold against U.S. dollars, report only that side of the transaction that involves the foreign (non-U.S.) currency. For example, if the reporting bank enters into a spot contract which obligates the bank to purchase U.S. dollar exchange against which it sells deutsche marks, then the bank would report (in U.S. dollar equivalent values) the amount of deutsche marks sold in this item. In cross-currency spot foreign exchange transactions, which involve the purchase and sale of two non-U.S. currencies, only the purchase side is to be reported (in U.S. dollar equivalent values).

- 12 **All other off-balance sheet liabilities.** Report all significant types of off-balance sheet liabilities not covered in other items of this schedule. Exclude all items which are required to be reported as liabilities on the balance sheet of the Report of Condition (Schedule RC), contingent liabilities arising in connection with litigation in which the reporting bank is involved, commitments to purchase property being acquired for lease to others (report in Schedule RC-L, item 1.e above), and signature and endorsement guarantees of the type associated with the regular clearing of negotiable instruments or securities in the normal course of business.

Report only the aggregate amount of those types of "other off-balance sheet liabilities" that individually exceed ten percent of the reporting bank's total equity capital (Schedule RC, item 28.a on the FFIEC 034; Schedule RC, item 28 on the FFIEC 031, 032, and 033). If the bank has no types of "other off-balance sheet liabilities" that individually exceed ten percent of total equity capital, report a zero or the word "none."

In addition, itemize with clear but concise captions those types of "other off-balance sheet liabilities" reportable in this item that individually exceed 25 percent of the bank's total equity capital (Schedule RC, item 28.a on the FFIEC 034; Schedule RC, item 28 on the FFIEC 031, 032, and 033). Enter such items in the inset boxes provided.

Include as other off-balance sheet liabilities:

- (1) Financial guarantee insurance which insures the timely payment of principal and interest on bond issues.
- (2) Letters of indemnity other than those issued in connection with the replacement of lost or stolen official checks.
- (3) Shipside or dockside guarantees or similar guarantees relating to missing bills of lading or title documents and other document guarantees that facilitate the replacement of lost or destroyed documents and negotiable instruments.
- (4) Commitments to purchase when-issued securities, if the reporting bank does not report these commitments as forward contracts in Schedule RC-L, item 14.b below.

Item No. **Caption and Instructions**

- 13 **All other off-balance sheet assets.** Report to the extent feasible and practicable all significant types of off-balance sheet assets not covered in other items of this schedule. Exclude all items which are required to be reported as assets on the balance sheet of the Report of Condition (Schedule RC), contingent assets arising in connection with litigation in which the reporting bank is involved, and assets held in or administered by the reporting bank's trust department.

Report only the aggregate amount of those types of "other off-balance sheet assets" that individually exceed ten percent of the reporting bank's total equity capital (Schedule RC, item 28.a on the FFIEC 034; Schedule RC, item 28 on the FFIEC 031, 032, and 033). If the bank has no types of "other off-balance sheet assets" that individually exceed ten percent of total equity capital for which the reporting is feasible and practicable, report a zero or the word "none."

In addition, itemize with clear but concise captions those types of "other off-balance sheet assets" reportable in this item that individually exceed 25 percent of the bank's total equity capital (Schedule RC, item 28.a on the FFIEC 034; Schedule RC, item 28 on the FFIEC 031, 032, and 033). Enter such items in the inset boxes provided.

Include as "other off-balance sheet assets" such items as internally developed intangible assets and commitments to sell when-issued securities, if the reporting bank does not report these commitments as forward contracts in Schedule RC-L, item 14.b, below.

- 14 **Gross amounts (e.g., notional amounts) of off-balance sheet derivatives.** Report in the appropriate column and subitem the gross par value (stated in U.S. dollars) (e.g., for futures, forwards, and option contracts) or the notional amount (stated in U.S. dollars) (e.g., for forward rate agreements and swaps), as appropriate, of all off-balance sheet contracts that are related to the following four types of underlying risk exposures: interest rate, foreign exchange, equity, and commodity and other. Contracts with multiple risk characteristics should be classified based upon the predominant risk characteristics at the origination of the derivative.

The notional amount or par value to be reported for an off-balance-sheet derivative contract with a multiplier component is the contract's effective notional amount or par value. For example, a swap contract with a stated notional amount of \$1,000,000 whose terms called for quarterly settlement of the difference between 5% and LIBOR multiplied by 10 has an effective notional amount of \$10,000,000.

All transactions within the consolidated bank should be reported on a net basis. No other netting of contracts is permitted for purposes of this item. Therefore, do not net: (1) obligations of the reporting bank to purchase from third parties against the bank's obligations to sell to third parties, (2) written options against purchased options, or (3) contracts subject to bilateral netting agreements.

For each column, the sum of items 14.a through 14.e must equal the sum of items 15, 16.a, and 16.b.

Column Instructions

Column A, Interest Rate Contracts: Interest rate contracts are contracts related to an interest-bearing financial instrument or whose cash flows are determined by referencing interest rates or another interest rate contract (e.g., an option on a futures contract to purchase a Treasury bill). These contracts are generally used to adjust the bank's interest rate exposure or, if the bank is an intermediary, the interest rate exposure of others. Interest rate contracts include interest rate futures, single currency interest rate swaps, basis swaps, forward rate agreements, and interest rate options, including caps, floors, collars, and corridors.

Item No. **Caption and Instructions**

14
(cont.) Exclude contracts involving the exchange of one or more foreign currencies (e.g., cross-currency swaps and currency options) and other contracts whose predominant risk characteristic is foreign exchange risk, which are to be reported in column B as foreign exchange contracts.

Unsettled securities transactions that exceed the regular way settlement time limit that is customary in each relevant market must be reported as forward contracts in Schedule RC-L, item 14.b, if they are not being reported on the balance sheet (Schedule RC) until the settlement date.

Column B, Foreign Exchange Contracts: Foreign exchange contracts are contracts to purchase foreign (non-U.S.) currencies and U.S. dollar exchange in the forward market, i.e., on an organized exchange or in an over-the-counter market. A purchase of U.S. dollar exchange is equivalent to a sale of foreign currency. Foreign exchange contracts include cross-currency interest rate swaps where there is an exchange of principal, forward foreign exchange contracts (usually settling three or more business days from trade date), and currency futures and currency options. Exclude spot foreign exchange contracts which are to be reported in Schedule RC-L, item 11.

Only one side of a foreign currency transaction is to be reported. In those transactions where foreign (non-U.S.) currencies are bought or sold against U.S. dollars, report only that side of the transaction that involves the foreign (non-U.S.) currency. For example, if the reporting bank enters into a futures contract which obligates the bank to purchase U.S. dollar exchange against which it sells deutsche marks, then the bank would report (in U.S. dollar equivalent values) the amount of deutsche marks sold in Schedule RC-L, item 14(a). In cross-currency transactions, which involve the purchase and sale of two non-U.S. currencies, only the purchase side is to be reported.

All amounts in column B are to be reported in U.S. dollar equivalent values.

Column C, Equity Derivative Contracts: Equity derivative contracts are contracts that have a return, or a portion of their return, linked to the price of a particular equity or to an index of equity prices, such as the Standard and Poor's 500.

The contract amount to be reported for equity derivative contracts is the quantity, e.g., number of units, of the equity instrument or equity index contracted for purchase or sale multiplied by the contract price of a unit.

Column D, Commodity and Other Contracts: Commodity contracts are contracts that have a return, or a portion of their return, linked to the price of or to an index of precious metals, petroleum, lumber, agricultural products, etc. Commodity and other contracts also include any other contracts that are not reportable as interest rate, foreign exchange, or equity derivative contracts.

The contract amount to be reported for commodity and other contracts is the quantity, e.g., number of units, of the commodity or product contracted for purchase or sale multiplied by the contract price of a unit.

The notional amount to be reported for commodity contracts with multiple exchanges of principal is the contractual amount multiplied by the number of remaining payments (i.e., exchanges of principal) in the contract.

Item No. **Caption and Instructions**

14.a **Futures contracts.** Futures contracts represent agreements for delayed delivery of financial instruments or commodities in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified instrument at a specified price or yield. Futures contracts are standardized and are traded on organized exchanges that act as the counterparty to each contract.

Report, in the appropriate column, the aggregate par value of futures contracts that have been entered into by the reporting bank and are outstanding (i.e., open contracts) as of the report date. Do not report the par value of financial instruments intended to be delivered under such contracts if this par value differs from the par value of the contracts themselves.

Contracts are outstanding (i.e., open) until they have been cancelled by acquisition or delivery of the underlying financial instruments or by offset. Offset is the liquidating of a purchase of futures through the sale of an equal number of contracts of the same delivery month on the same underlying instrument on the same exchange, or the covering of a short sale of futures through the purchase of an equal number of contracts of the same delivery month on the same underlying instrument on the same exchange.

Column A, Interest Rate Futures: Report futures contracts committing the reporting bank to purchase or sell financial instruments and whose predominant risk characteristic is interest rate risk. Some of the more common interest rate futures include futures on 90-day U.S. Treasury bills; 12-year GNMA pass-through securities; and 2-, 4-, 6-, and 10-year U.S. Treasury notes.

Column B, Foreign Exchange Futures: Report the gross amount (stated in U.S. dollars) of all futures contracts committing the reporting bank to purchase foreign (non-U.S.) currencies and U.S. dollar exchange and whose predominant risk characteristic is foreign exchange risk.

A currency futures contract is a standardized agreement for delayed delivery of a foreign (non-U.S.) currency or U.S. dollar exchange in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified amount at a specified exchange rate.

Column C, Equity Derivative Futures: Report futures contracts committing the reporting bank to purchase or sell equity securities or instruments based on equity indexes such as the Standard and Poor's 500 or the Nikkei.

Column D, Commodity and Other Futures: Report the contract amount for all futures contracts committing the reporting bank to purchase or sell commodities such as agricultural products (e.g., wheat, coffee), precious metals (e.g., gold, platinum), and non-ferrous metals (e.g., copper, zinc). Include any other futures contract that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.

14.b **Forward contracts.** Forward contracts represent agreements for delayed delivery of financial instruments or commodities in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified instrument or commodity at a specified price or yield. Forward contracts are not traded on organized exchanges and their contractual terms are not standardized.

Report the aggregate par value of forward contracts that have been entered into by the reporting bank and are outstanding (i.e., open contracts) as of the report date. Do not report the par value of financial instruments intended to be delivered under such contracts if this par value differs from the par value of the contracts themselves.

Contracts are outstanding (i.e., open) until they have been cancelled by acquisition or delivery of the underlying financial instruments or settled in cash. Such contracts can only be terminated, other than by receipt of the underlying asset, by agreement of both buyer and seller.

Item No. **Caption and Instructions**

- 14.b Include commitments to purchase and sell when-issued securities as forward contracts on a gross basis (except that banks may net purchases and sales of the identical security with the same party) unless the reporting bank does not include these commitments as part of its disclosures about off-balance sheet derivatives for other financial reporting purposes. In that case, report commitments to purchase when-issued securities as "Other off-balance sheet liabilities" in Schedule RC-L, item 12, and commitments to sell when-issued securities as "Other off-balance sheet assets" in Schedule RC-L, item 13, subject to the existing reporting thresholds for these two items.

Column A, Interest Rate Forwards: Report forward contracts committing the reporting bank to purchase or sell financial instruments and whose predominant risk characteristic is interest rate risk. Include in this item firm commitments (i.e., commitments that have a specific interest rate, selling date, and dollar amount) to sell loans secured by 1-to-4 family residential properties.

Column B, Foreign Exchange Forwards: Report the gross amount (stated in U.S. dollars) of all forward contracts committing the reporting bank to purchase foreign (non-U.S.) currencies and U.S. dollar exchange and whose predominant risk characteristic is foreign exchange risk.

A forward foreign exchange contract is an agreement for delayed delivery of a foreign (non-U.S.) currency or U.S. dollar exchange in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified amount at a specified exchange rate.

Column C, Equity Derivative Forwards: Report forward contracts committing the reporting bank to purchase or sell equity instruments.

Column D, Commodity and Other Forwards: Report the contract amount for all forward contracts committing the reporting bank to purchase or sell commodities such as agricultural products (e.g., wheat, coffee), precious metals (e.g., gold, platinum), and non-ferrous metals (e.g., copper, zinc). Include any other forward contract that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.

- 14.c **Exchange-traded option contracts.** Option contracts convey either the right or the obligation, depending upon whether the reporting bank is the purchaser or the writer, respectively, to buy or sell a financial instrument or commodity at a specified price by a specified future date. Some options are traded on organized exchanges.

The buyer of an option contract has, for compensation (such as a fee or premium), acquired the right (or option) to sell to, or purchase from, another party some financial instrument or commodity at a stated price on a specified future date. The seller of the contract has, for such compensation, become obligated to purchase or sell the financial instrument or commodity at the option of the buyer of the contract. A put option contract obligates the seller of the contract to purchase some financial instrument or commodity at the option of the buyer of the contract. A call option contract obligates the seller of the contract to sell some financial instrument or commodity at the option of the buyer of the contract.

- 14.c.(1) **Written options.** Report in this item the aggregate par value of the financial instruments or commodities that the reporting bank has, for compensation (such as a fee or premium), obligated itself to either purchase or sell under exchange-traded option contracts that are outstanding as of the report date.

Column A, Written Exchange-Traded Interest Rate Options: For exchange-traded option contracts obligating the reporting bank to either purchase or sell an interest rate futures contract and whose predominant risk characteristic is interest rate risk, report the par value of the financial instrument underlying the futures contract. An example of such a contract is a Chicago Board Options Exchange option on the 13-week Treasury bill rate.

Item No. **Caption and Instructions**

14.c.(1) ***Column B, Written Exchange-Traded Foreign Exchange Options:*** Report in this item the gross amount (stated in U.S. dollars) of foreign (non-U.S.) currency and U.S. dollar exchange that the reporting bank has, for compensation, obligated itself to either purchase or sell under exchange-traded option contracts whose predominant risk characteristic is foreign exchange risk. In the case of option contracts obligating the reporting bank to either purchase or sell a foreign exchange futures contract, report the gross amount (stated in U.S. dollars) of the foreign (non-U.S.) currency underlying the futures contract. Exchange-traded options on major currencies such as the Japanese Yen, British Pound Sterling and French Franc and options on futures contracts of major currencies are examples of such contracts.

(cont.) ***Column C, Written Exchange-Traded Equity Derivative Options:*** Report the contract amount for those exchange-traded option contracts where the reporting bank has obligated itself, for compensation, to purchase or sell an equity instrument or equity index.

Column D, Written Exchange-Traded Commodity and Other Exchange-Traded Options: Report the contract amount for those exchange-traded option contracts where the reporting bank has obligated itself, for compensation, to purchase or sell a commodity or product. Include any other written, exchange-traded option that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.

14.c.(2) **Purchased options.** Report in this item the aggregate par value of the financial instruments or commodities that the reporting bank has, for a fee or premium, purchased the right to either purchase or sell under exchange-traded option contracts that are outstanding as of the report date.

Column A, Purchased Exchange-Traded Interest Rate Options: For exchange-traded option contracts giving the reporting bank the right to either purchase or sell an interest rate futures contract and whose predominant risk characteristic is interest rate risk, report the par value of the financial instrument underlying the futures contract. An example of such a contract is a Chicago Board Options Exchange option on the 13-week Treasury bill rate.

Column B, Purchased Exchange-Traded Foreign Exchange Options: Report in this item the gross amount (stated in U.S. dollars) of foreign (non-U.S.) currency and U.S. dollar exchange that the reporting bank has, for a fee, purchased the right to either purchase or sell under exchange-traded option contracts whose predominant risk characteristic is foreign exchange risk. In the case of option contracts giving the reporting bank the right to either purchase or sell a currency futures contract, report the gross amount (stated in U.S. dollars) of the foreign (non-U.S.) currency underlying the futures contract. Exchange-traded options on major currencies such as the Japanese Yen, British Pound Sterling and French Franc and options on futures contracts of major currencies are examples of such contracts.

Column C, Purchased Exchange-Traded Equity Derivative Options: Report the contract amount of those exchange-traded option contracts where the reporting bank has, for a fee, purchased the right to purchase or sell an equity instrument or equity index.

Column D, Purchased Exchange-Traded Commodity and Other Exchange-Traded Options: Report the contract amount for those exchange-traded option contracts where the reporting bank has, for a fee, purchased the right to purchase or sell a commodity or product. Include any other purchased, exchange-traded option that is not reportable as an interest rate, foreign exchange, or equity derivative contract in column A, B, or C.