SCHEDULE RC-B – SECURITIES

General Instructions

This schedule has four columns for information on securities: two columns for held-to-maturity securities and two columns for available-for-sale securities.[1] Report the amortized cost and fair value of held-to-maturity securities in columns A and B, respectively. Report the amortized cost and fair value of available-for-sale debt securities in columns C and D, respectively. Information on equity securities with readily determinable fair values is reported in the columns for available-for-sale securities only (columns C and D). For these equity securities, historical cost (not amortized cost) is reported in column C and fair value is reported in column D.

Exclude from this schedule all securities held for trading and securities the bank has elected to report at fair value under a fair value option even if bank management did not acquire the securities principally for the purpose of selling them in the near term. Securities held for trading and securities reported under a fair value option are to be reported in Schedule RC, item 5, "Trading assets," and, for certain banks, in Schedule RC-D – Trading Assets and Liabilities. Trading assets and securities reported under a fair value option are also reported in Schedule RC-Q – Financial Assets and Liabilities Measured at Fair Value.

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

The preferred method for reporting purchases and sales of securities is as of trade date. However, settlement date accounting is acceptable if the reported amounts would not be materially different. (See the Glossary entry for "trade date and settlement date accounting.")

For purposes of this schedule, the following events and transactions involving securities should be reported in the manner indicated below:

(1) Purchases of securities under agreements to resell and sales of securities under agreements to repurchase – These transactions are not to be treated as purchases or sales of securities but as lending or borrowing (i.e., financing) transactions collateralized by these securities if the agreements meet the criteria for a borrowing set forth in ASC Topic 860, Transfers and Servicing (formerly FASB Statement No. 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," as amended). For further information, see the Glossary entries for "transfers of financial assets" and "repurchase/resale agreements."

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

General Instructions (cont.)

(2) Purchases and sales of participations in pools of securities – Similarly, these transactions are not to be treated as purchases or sales of the securities in the pool but as lending or borrowing (i.e., financing) transactions collateralized by the pooled securities if the participation agreements meet the criteria for a borrowing set forth in ASC Topic 860. For further information, see the Glossary entries for "transfers of financial assets" and "repurchase/resale agreements."

(3) Pledged securities – Pledged securities that have not been transferred to the secured party should continue to be included in the pledging bank's holdings of securities that are reported in Schedule RC-B. If the bank has transferred pledged securities to the secured party, the bank should account for the pledged securities in accordance with ASC Topic 860.

(4) Securities borrowed and lent – Securities borrowed and lent shall be reported on the balance sheet of either the borrowing or lending bank in accordance with ASC Topic 860. For further information, see the Glossary entries for "transfers of financial assets" and "securities borrowing/lending transactions."

(5) Short sales of securities – Such transactions are to be reported as described in the Glossary entry for "short position."

(6) Futures, forward, and option contracts – Such open contracts to buy or sell securities in the future are to be reported as derivatives in Schedule RC-L, item 12.

Item Instructions

Item No.	Caption and Instructions
1	**U.S. Treasury securities.** Report in the appropriate columns the amortized cost and fair value of all U.S. Treasury securities not held in trading accounts. Include all bills, certificates of indebtedness, notes, and bonds, including those issued under the Separate Trading of Registered Interest and Principal of Securities (STRIPS) program and those that are "inflation-indexed." Exclude all obligations of U.S. Government agencies. Also exclude detached Treasury security coupons and ex-coupon Treasury 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 (report in Schedule RC-B, item 6.a below). Refer to the Glossary entry for "coupon stripping, Treasury receipts, and STRIPS" for additional information.

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Item No. **Caption and Instructions**

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

Exclude from U.S. Government agency obligations:

(1) Loans to the Export-Import Bank and to federally-sponsored lending agencies (report in "Other loans," Schedule RC-C, part I, item 9). 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).

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Item No. **Caption and Instructions**

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. (Exclude SBA “Guaranteed Interest Certificates,” which represent a beneficial interest in the entire SBA-guaranteed portion of an individual loan. SBA “Guaranteed Interest Certificates” should be reported as loans in Schedule RC-C, Part I, or, if held for trading, in Schedule RC, item 5.)

(2) Participation certificates issued by the Export-Import Bank and the General Services Administration.

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

Exclude debt securities issued by SLM Corporation, the private-sector corporation that is the successor to the Student Loan Marketing Association (report in Schedule RC-B, item 6.a,

Item No.	Caption and Instructions
2.b (cont.)	"Other domestic debt securities," below), and securitized student loans issued by SLM Corporation (or its affiliates) (report in Schedule RC-B, item 5, "Asset-backed securities," below).
3	**Securities issued by states and political subdivisions in the U.S.** Report in the appropriate columns 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.

Securities issued by states and political subdivisions in the U.S. include:

(1) General obligations, which are securities whose principal and interest will be paid from the general tax receipts of the state or political subdivision.

(2) Revenue obligations, which are securities whose debt service is paid solely from the revenues of the projects financed by the securities rather than from general tax funds.

(3) Industrial development and similar obligations, which are discussed below.

Treatment of industrial development bonds (IDBs) and similar obligations. Industrial development bonds (IDBs), sometimes referred to as "industrial revenue bonds," and similar obligations are issued under the auspices of states or political subdivisions for the benefit of a private party or enterprise where that party or enterprise, rather than the government entity, is obligated to pay the principal and interest on the obligation. For purposes of these reports, all IDBs and similar obligations should be reported as securities in this item (Schedule RC-B, item 3) or as loans in Schedule RC-C, part I, item 8, consistent with the asset category in which the bank reports IDBs and similar obligations on its balance sheet for other financial reporting purposes. Regardless of whether they are reported as securities in Schedule RC-B or as loans in Schedule RC-C, part I, all IDBs and similar obligations that meet the definition of a "security" in ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities") must be measured in accordance with ASC Topic 320.

Treatment of other obligations of states and political subdivisions in the U.S. In addition to those IDBs and similar obligations that are reported as securities in accordance with the preceding paragraph, also include in this item 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 for other financial reporting purposes.

(2) Notes, bonds, and debentures (including tax warrants and tax-anticipation notes) that are rated by a nationally-recognized rating service.

(3) Obligations of state and local governments that are guaranteed by the United States Government (excluding mortgage-backed securities).

Item No. **Caption and Instructions**

3 (cont.) Exclude from item 3:

(1) All overdrafts of states and political subdivisions in the U.S. (report as loans in Schedule RC-C, part I, item 8).

(2) All lease financing receivables of states and political subdivisions in the U.S. (report as leases in Schedule RC-C, part I, item 10).

(3) All IDBs that are reported as loans in accordance with the reporting treatment described above (report as loans in Schedule RC-C, part I, item 8).

(4) All other nonrated obligations of states and political subdivisions in the U.S. that the bank considers loans for other financial reporting purposes (report as loans in Schedule RC-C, part I, item 8).

(5) All mortgage-backed securities issued by state and local housing authorities in the U.S. (report in Schedule RC-B, item 4, below).

(6) 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 state and local housing authorities in the U.S. (report in Schedule RC-B, item 4.b, below).

(7) All obligations of states and political subdivisions in the U.S. held by the reporting bank for trading (report in Schedule RC, item 5).

4 **Mortgage-backed securities.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all residential and commercial mortgage-backed securities, including mortgage pass-through securities, collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), CMO and REMIC residuals, stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments), and mortgage-backed commercial paper not held for trading. Include mortgage-backed securities issued by non-U.S. issuers.

Exclude from mortgage-backed securities:

(1) Securities backed by loans extended under home equity lines, i.e., revolving open-end lines of credit secured by 1-4 family residential properties (report as asset-backed securities in Schedule RC-B, item 5.a, and, if applicable, in Schedule RC-B, Memorandum item 5.b, “Home equity lines”).

(2) Bonds issued by the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC) that are collateralized by mortgages, i.e., mortgage-backed bonds, (report in Schedule RC-B, item 2.b, Obligations "Issued by U.S. Government-sponsored agencies") and mortgage-backed bonds issued by non-U.S. Government issuers (report in Schedule RC-B, item 6, "Other debt securities," below).

(3) Participation certificates issued by the Export-Import Bank and the General Services Administration (report in Schedule RC-B, item 2.a, Obligations "Issued by U.S. Government agencies").

Item No.	Caption and Instructions
4 (cont.)	(4) Participation certificates issued by a Federal Intermediate Credit Bank (report in Schedule RC-F, item 4, "Equity securities that do not have readily determinable fair values").
4.a	**Residential mortgage pass-through securities.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all holdings of residential mortgage pass-through securities. In general, a residential mortgage pass-through security represents an undivided interest in a pool of loans secured by 1-4 family residential properties that provides the holder with a pro rata share of all principal and interest payments on the residential mortgages in the pool, and includes certificates of participation in pools of residential mortgages. Include certificates of participation in pools of 1-4 family residential mortgages even though the reporting bank was the original holder of the mortgages underlying the pool and holds the instruments covering that pool, as may be the case with GNMA certificates issued by the bank and swaps with FNMA and FHLMC. Also include U.S. Government-issued participation certificates (PCs) that represent a pro rata share of all principal and interest payments on a pool of resecuritized participation certificates that, in turn, are backed by 1-4 family residential mortgages, e.g., FHLMC Giant PCs. Exclude all holdings of commercial mortgage pass-through securities, including pass-through securities backed by loans secured by multifamily (5 or more) residential properties (report in Schedule RC-B, item 4.c.(1), below). Also exclude all collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), CMO and REMIC residuals, stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments), and mortgage-backed commercial paper (report in Schedule RC-B, item 4.b or 4.c.(2), below, as appropriate).
4.a.(1)	**Guaranteed by GNMA.** Report in the appropriate columns the amortized cost and fair value of all holdings of 1-4 family residential mortgage pass-through securities guaranteed by the Government National Mortgage Association (GNMA) that are not held for trading. Exclude 1-4 family residential mortgage pass-through securities issued by FNMA and FHLMC (report in Schedule RC-B, item 4.a.(2), below).
4.a.(2)	**Issued by FNMA and FHLMC.** Report in the appropriate columns the amortized cost and fair value of all holdings of 1-4 family residential mortgage pass-through securities issued by the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC) that are not held for trading. Exclude 1-4 family residential mortgage pass-through securities that are guaranteed by the Government National Mortgage Association (GNMA) (report in Schedule RC-B, item 4.a.(1), above).
4.a.(3)	**Other pass-through securities.** Report in the appropriate columns the amortized cost and fair value of all holdings of 1-4 family residential mortgage pass-through securities issued by others (e.g., other depository institutions, insurance companies, state and local housing authorities in the U.S.) that are not guaranteed by the U.S. Government and are not held for trading. If the bank has issued pass-through securities backed by a pool of its own 1-4 family residential mortgages and the certificates are not guaranteed by the U.S. Government, any holdings of these pass-through securities (not held for trading) are to be reported in this item.

Item No. **Caption and Instructions**

4.b **Other residential mortgage-backed securities.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all 1-4 family residential mortgage-backed securities other than pass-through securities that are not held for trading.

Other residential mortgage-backed securities include:

(1) All classes of collateralized mortgage obligations (CMOs) and real estate mortgage investments conduits (REMICs) backed by loans secured by 1-4 family residential properties.

(2) CMO and REMIC residuals and similar interests backed by loans secured by 1-4 family residential properties.

(3) Stripped 1-4 family residential mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments).

(4) Commercial paper backed by loans secured by 1-4 family residential properties.

4.b.(1) **Issued or guaranteed by U.S. Government agencies or sponsored agencies.** 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 or guaranteed by U.S. Government agencies or U.S. Government-sponsored agencies that are backed by loans secured by 1-4 family residential properties. For purposes of these reports, include REMICs issued by the U.S. Department of Veterans Affairs (VA) that are backed by 1-4 family residential mortgages in this item.

U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

4.b.(2) **Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies.** 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) residential pass-through securities, FNMA (Fannie Mae) residential pass-through securities, FHLMC (Freddie Mac) residential participation certificates, or other residential mortgage-backed securities (i.e., classes of CMOs or REMICs, CMO or REMIC residuals, and stripped mortgage-backed securities) issued or guaranteed by U.S. Government agencies or U.S. Government-sponsored agencies.

4.b.(3) **All other residential MBS.** Report in the appropriate columns the amortized cost and fair value of all CMOs, REMICs, CMO and REMIC residuals, stripped mortgage-backed securities, and commercial paper backed by loans secured by 1-4 family residential properties (or by securities collateralized by such loans) that have been 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) residential pass-through securities, FNMA (Fannie Mae) residential pass-through securities, FHLMC (Freddie Mac) residential participation certificates, or other residential mortgage-backed securities (i.e., classes of CMOs or REMICs, CMO or REMIC residuals, and stripped mortgage-backed securities) issued or guaranteed by U.S. Government agencies or U.S. Government-sponsored agencies.

Item No.	Caption and Instructions
4.c	**Commercial MBS.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all holdings of commercial mortgage-backed securities issued by U.S. Government-sponsored agencies or by others that are not held for trading. In general, a commercial mortgage-backed security represents an interest in a pool of loans secured by properties other than 1-4 family residential properties.
4.c.(1)	**Commercial mortgage pass-through securities.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all holdings of commercial mortgage pass-through securities. In general, a commercial mortgage pass-through security represents an undivided interest in a pool of loans secured by properties other than 1-4 family residential properties that provides the holder with a pro rata share of all principal and interest payments on the mortgages in the pool.
4.c.(1)(a)	**Issued or guaranteed by FNMA, FHLMC, or GNMA.** Report in the appropriate columns the amortized cost and fair value of all holdings of commercial mortgage pass-through 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). Also include commercial mortgage pass-through securities guaranteed by the Small Business Administration.
4.c.(1)(b)	**Other pass-through securities.** Report in the appropriate columns the amortized cost and fair value of all holdings of commercial mortgage pass-through securities issued or guaranteed by non-U.S. Government issuers.
4.c.(2)	**Other commercial mortgage-backed securities.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all CMOs, REMICs, CMO and REMIC residuals, stripped mortgage-backed securities, and commercial paper backed by loans secured by properties other than 1-4 family residential properties. Exclude commercial mortgage pass-through securities (report in Schedule RC-B, item 4.c.(1), above).
4.c.(2)(a)	**Issued or guaranteed by U.S. Government agencies or sponsored agencies.** Report in the appropriate columns the amortized cost and fair value of all CMOs, REMICs, CMO and REMIC residuals, stripped mortgage-backed securities, and commercial paper backed by loans secured by properties other than 1-4 family residential properties that have been issued by U.S. Government agencies or U.S. Government-sponsored agencies. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).
4.c.(2)(b)	**All other commercial MBS.** Report in the appropriate columns the amortized cost and fair value of all CMOs, REMICs, CMO and REMIC residuals, stripped mortgage-backed securities, and commercial paper backed by loans secured by properties other than 1-4 family residential properties that have been issued or guaranteed by non-U.S. Government issuers.
5	**Asset-backed securities and structured financial products:**
5.a	**Asset-backed securities.** Report in the appropriate columns the amortized cost and fair value of all asset-backed securities (other than mortgage-backed securities), including asset-backed commercial paper, not held for trading. Include asset-backed securities issued by non-U.S. issuers. For banks with $1 billion or more in total assets, this item must equal Schedule RC-B, sum of Memorandum items 5.a through 5.f.

Item No. **Caption and Instructions**

5.b **Structured financial products.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all structured financial products not held for trading according to whether the product is a cash, synthetic, or hybrid instrument. Include structured financial products issued by non-U.S. issuers. Structured financial products generally convert a pool of assets (such as whole loans, securitized assets, and bonds) and other exposures (such as derivatives) into products that are tradable capital market debt instruments. Some of the more complex financial product structures mix asset classes in order to create investment products that diversify risk. One of the more common structured financial products is referred to as a collateralized debt obligation (CDO). Other products include synthetic structured financial products (such as synthetic CDOs) that use credit derivatives and a reference pool of assets, hybrid structured products that mix cash and synthetic instruments, collateralized bond obligations (CBOs), resecuritizations such as CDOs squared or cubed (which are CDOs backed primarily by the tranches of other CDOs), and other similar structured financial products. For each column, the sum of items 5.b.(1) through 5.b.(3) must equal the sum of Memorandum items 6.a through 6.g.

Exclude from structured financial products:

(1) Mortgage-backed pass-through securities (report in Schedule RC-B, item 4, above).

(2) Collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), CMO and REMIC residuals, stripped mortgage-backed securities, and mortgage-backed commercial paper (report in Schedule RC-B, item 4, above).

(3) Asset-backed commercial paper not held for trading (report in Schedule RC-B, item 5.a, above).

(4) Asset-backed securities that are primarily secured by one type of asset (report in Schedule RC-B, item 5.a, above).

(5) Securities backed by loans that are commonly regarded as asset-backed securities rather than collateralized loan obligations in the marketplace (report in Schedule RC-B, item 5.a, above).

5.b.(1) **Cash instruments.** Report in the appropriate columns the amortized cost and fair value of structured financial products (as defined in Schedule RC-B, item 5.b, above) that are cash instruments. A cash instrument means that the instrument represents a claim against a reference pool of assets. For example, include investments in collateralized debt obligations for which the underlying collateral is a pool of trust preferred securities issued by U.S. business trusts organized by financial institutions or real estate investment trusts. However, exclude investments in trust preferred securities issued by a single U.S. business trust (report in Schedule RC-B, item 6.a, “Other domestic debt securities”).

5.b.(2) **Synthetic instruments.** Report in the appropriate columns the amortized cost and fair value of structured financial products (as defined in Schedule RC-B, item 5.b, above) that are synthetic instruments. A synthetic instrument means that the investors do not have a claim against a reference pool of assets; rather, the originating bank merely transfers the inherent credit risk of the reference pool of assets by such means as a credit default swap, a total return swap, or another arrangement in which the counterparty agrees upon specific contractual covenants to cover a predetermined amount of losses in the loan pool.

Item No. **Caption and Instructions**

5.b.(3) **Hybrid instruments.** Report in the appropriate columns the amortized cost and fair value of structured financial products (as defined in Schedule RC-B, item 5.b, above) that are hybrid instruments. A hybrid instrument means that the instrument is a mix of both cash and synthetic instruments.

6 **Other debt securities.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all debt securities not held for trading that cannot properly be reported in Schedule RC-B, items 1 through 5, above.

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 (CDs), even if the CDs are negotiable or have CUSIP numbers. (Report holdings of bankers acceptances as loans in Schedule RC, item 4.a, if held for sale; item 4.b, if held for investment; and item 5, if held for trading. Report holdings of CDs in Schedule RC, item 1.b, if not held for trading; and item 5, if held for trading.)

(3) All securities that meet the definition of an “equity security” in ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, “Accounting for Certain Investments in Debt and Equity Securities”), for example, common and perpetual preferred stock. (See also the instructions to Schedule RC-B, item 7, and Schedule RC-F, item 4.)

6.a **Other domestic debt securities.** Report in the appropriate columns the amortized cost and fair value of all other domestic debt securities not held for trading.

Other domestic debt securities include:

(1) Bonds, notes, debentures, equipment trust certificates, and commercial paper (except asset-backed 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 and business trusts that by its terms either must be redeemed by the issuing corporation or trust or is redeemable at the option of the investor (i.e., redeemable or limited-life preferred stock), including trust preferred securities issued by a single U.S. business trust that are subject to mandatory redemption.

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

Exclude from other domestic debt securities investments in collateralized debt obligations for which the underlying collateral is a pool of trust preferred securities issued by U.S. business trusts (report as structured financial products in Schedule RC-B, item 5.b.(1), “Cash instruments”).

Item No. **Caption and Instructions**

6.b **Other foreign debt securities.** Report in the appropriate columns the amortized cost and fair value of all other foreign debt securities not held for trading.

Other foreign debt securities include:

(1) Bonds, notes, debentures, equipment trust certificates, and commercial paper (except asset-backed 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 (i.e., redeemable or limited-life preferred stock).

7 **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 (as defined in ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and 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, and perpetual preferred stock. Perpetual preferred stock does not have a stated maturity date and cannot be redeemed at the option of the investor, although it may be redeemable at the option of the issuer.

According to ASC Topic 320, the fair value of an equity security is readily determinable if sales prices 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 Pink Sheets LLC. ("Restricted stock" meets that definition if the restriction terminates within one year.) 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. The fair value of an investment in a mutual fund is readily determinable if the fair value per share (unit) is determined and published and is the basis for current transactions.

Investments in mutual funds and other equity securities with readily determinable fair values may have been purchased by the reporting bank or acquired for debts previously contracted.

Include in this item common stock and perpetual preferred stock of the Federal National Mortgage Association (Fannie Mae), common stock and perpetual preferred stock of the Federal Home Loan Mortgage Corporation (Freddie Mac), Class A voting and Class C non-voting common stock of the Federal Agricultural Mortgage Corporation (Farmer Mac), and common and preferred stock of SLM Corporation (the private-sector successor to the Student Loan Marketing Association).

Item No.	Caption and Instructions
7 (cont.)	Exclude from investments in mutual funds and other equity securities with readily determinable fair values:

(1) Paid-in stock of a Federal Reserve Bank (report as an equity security that does not have a readily determinable fair value in Schedule RC-F, item 4).

(2) Stock of a Federal Home Loan Bank (report as an equity security that does not have a readily determinable fair value in Schedule RC-F, item 4).

(3) Common and preferred stocks that do not have readily determinable fair values, such as stock of bankers' banks and Class B voting common stock of the Federal Agricultural Mortgage Corporation (Farmer Mac) (report in Schedule RC-F, item 4).

(4) Preferred stock that by its terms either must be redeemed by the issuing enterprise or is redeemable at the option of the investor (i.e., redeemable or limited-life preferred stock), including trust preferred securities subject to mandatory redemption (report such preferred stock as an other debt security in Schedule RC-B, item 6, above).

(5) "Restricted stock," i.e., equity securities for which sale is restricted by governmental or contractual requirement (other than in connection with being pledged as collateral), except if that requirement terminates within one year or if the holder has the power by contract or otherwise to cause the requirement to be met within one year (if the restriction does not terminate within one year, report "restricted stock" as an equity security that does not have a readily determinable fair value in Schedule RC-F, item 4).

(6) Participation certificates issued by a Federal Intermediate Credit Bank, which represent nonvoting stock in the bank (report as an equity security that does not have a readily determinable fair value in Schedule RC-F, item 4).

(7) Minority interests held by the reporting bank in any companies not meeting the definition of associated company (report as equity securities that do not have a readily determinable fair value in Schedule RC-F, item 4), except minority holdings that indirectly represent bank premises (report in Schedule RC, item 6) or other real estate owned (report in Schedule RC, item 7), provided that the fair value of any capital stock representing the minority interest is not readily determinable. (See the Glossary entry for "subsidiaries" for the definition of associated company.)

(8) Equity holdings in those corporate joint ventures over which the reporting bank does not exercise significant influence (report as equity securities that do not have a readily determinable fair value in Schedule RC-F, item 4), except equity holdings that indirectly represent bank premises (report in Schedule RC, item 6) or other real estate owned (report in Schedule RC, item 7). (See the Glossary entry for "subsidiaries" for the definition of corporate joint venture.)

(9) Holdings of capital stock of and investments in unconsolidated subsidiaries, associated companies, and those corporate joint ventures over which the reporting bank exercises significant influence (report in Schedule RC, item 8, "Investments in unconsolidated subsidiaries and associated companies").

8 **Total.** Report the sum of items 1 through 7. The total of column A for this item must equal Schedule RC, item 2.a, "Held-to-maturity securities." The total of column D for this item must equal Schedule RC, item 2.b, "Available-for-sale securities."

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Item No.	Caption and Instructions
1	**Pledged securities.** Report the amortized cost of all held-to-maturity securities and the fair value of all available-for-sale securities included in Schedule RC-B above that are pledged to secure deposits, repurchase transactions, or other borrowings (regardless of the balance of the deposits or other liabilities against which the securities are pledged); as performance bonds under futures or forward contracts; or for any other purpose. Include as pledged securities: (1) Held-to-maturity and available-for-sale securities that have been "loaned" in securities borrowing/lending transactions that do not qualify as sales under ASC Topic 860, Transfers and Servicing (formerly FASB Statement No. 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," as amended). (2) Held-to-maturity and available-for-sale securities held by consolidated variable interest entities (VIEs) that can be used only to settle obligations of the same consolidated VIEs (the amounts of which are also reported in Schedule RC-V, items 1.b and 1.c). (3) Held-to-maturity and available-for-sale securities owned by consolidated insurance subsidiaries and held in custodial trusts that are pledged to insurance companies external to the consolidated bank.
2	**Maturity and repricing data for debt securities.** Report in the appropriate subitem maturity and repricing data for the bank's holdings of debt securities (reported in Schedule RC-B, items 1 through 6 above). Report the amortized cost of held-to-maturity debt securities and the fair value of available-for-sale debt securities in the appropriate maturity and repricing subitems. Exclude from Memorandum item 2 the bank's holdings of equity securities with readily determinable fair values (reported in Schedule RC-B, item 7, above) (e.g., investments in mutual funds, common stock, preferred stock). Also exclude those debt securities that are reported as "nonaccrual" in Schedule RC-N, item 9, column C. The sum of Memorandum items 2.a.(1) through 2.c.(2) plus the amount of any nonaccrual debt securities included in Schedule RC-N, item 9, column C, must equal Schedule RC-B, sum of items 1 through 6, columns A and D. On the FFIEC 031, banks that have more than one office in foreign countries (including offices of consolidated foreign subsidiaries but excluding "shell" branches, offices in Puerto Rico or U.S. territories and possessions, and IBFs) have the option of excluding the smallest of such non-U.S. offices from Memorandum item 2. Such banks may omit the smallest of their offices in foreign countries (other than "shell" branches) when arrayed by total assets provided that the assets of the excluded offices do not exceed 50 percent of the total assets of the bank's offices (excluding "shells") in foreign countries and do not exceed 10 percent of the total consolidated assets of the reporting bank as of the report date. (Note: In determining the total assets of offices in foreign countries eligible for exclusion from these memorandum items, banks should exclude not only "shell" branches but also offices in Puerto Rico and U.S. territories and possessions, domestic offices of Edge and Agreement subsidiaries, and IBFs even though these are sometimes referred to as "foreign" offices. Also, the asset totals for all offices in foreign countries should be the component of the total consolidated assets, i.e., should exclude all intrabank transactions.) For purposes of this memorandum item, the following definitions apply: A fixed interest rate is a rate that is specified at the origination of the transaction, is fixed and invariable during the term of the debt security, and is known to both the borrower and the

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Item No.	Caption and Instructions
2 (cont.)	lender. Also treated as a fixed interest rate is a predetermined interest rate which is a rate that changes during the term of the debt security on a predetermined basis, with the exact rate of interest over the life of the debt security known with certainty to both the borrower and the lender when the debt security is acquired.

A floating rate is a rate that varies, or can vary, in relation to an index, to some other interest rate such as the rate on certain U.S. Government securities or the "prime rate," or to some other variable criterion the exact value of which cannot be known in advance. Therefore, the exact rate the debt security carries at any subsequent time cannot be known at the time of origination.

When the rate on a debt security with a floating rate has reached a contractual floor or ceiling level, the debt security is to be treated as "fixed rate" rather than as "floating rate" until the rate is again free to float.

Remaining maturity is the amount of time remaining from the report date until the final contractual maturity of a debt security without regard to the security's repayment schedule, if any.

Next repricing date is the date the interest rate on a floating rate debt security can next change in accordance with the terms of the contract (without regard to the security's repayment schedule, if any, or expected prepayments) or the contractual maturity date of the security, whichever is earlier.

Banks whose records or information systems provide data on the final contractual maturities, next repricing dates, and expected average lives of their debt securities for time periods that closely approximate the maturity and repricing periods specified in Memorandum items 2.a through 2.d (e.g., 89 or 90 days rather than three months, 359 or 360 days rather than 12 months) may use these date to complete Memorandum items 2.a through 2.d.

For debt securities with scheduled contractual payments, banks whose records or information systems provide repricing data that take into account these scheduled contractual payments, with or without the effect of anticipated prepayments, may adjust these data in an appropriate manner to derive reasonable estimates for the final contractual maturities of fixed rate debt securities (and floating rate debt securities for purposes of Memorandum item 2.c) and the next repricing dates of floating rate debt securities.

Callable fixed rate debt securities should be reported in Memorandum items 2.a, 2.b, and 2.d without regard to their next call date unless the security has actually been called. When fixed rate debt securities have been called, they should be reported on the basis of the time remaining until the call date. Callable floating rate debt securities should be reported in Memorandum items 2.a and 2.b on the basis of their next repricing date without regard to their next call date if the security has not been called. Those that have been called should be reported based on the earlier of their next repricing date or their actual call date.

Fixed rate mortgage pass-through securities (such as those guaranteed by the Government National Mortgage Association (GNMA) or issued by the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), and certain banks, savings associations, and securities dealers) and fixed rate Small Business Administration (SBA) "Guaranteed Loan Pool Certificates" should be reported on the basis of the time remaining until their final contractual maturity without regard to either expected prepayments or scheduled contractual payments. Floating rate mortgage pass-through securities and SBA "Guaranteed Loan Pool Certificates" should be reported in Memorandum items 2.a and 2.b on the basis of their next repricing date.

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Item No.	Caption and Instructions
2 (cont.)	Fixed rate debt securities that provide the reporting bank with the option to redeem them at one or more specified dates prior to their contractual maturity date, so-called "put bonds," should be reported on the basis of the time remaining until the next "put" date. Floating rate "put bonds" should be reported in Memorandum items 2.a and 2.b on the basis of their next repricing date without regard to "put" dates if the bank has not exercised the put. If a "put" has been exercised but the security has not yet been repaid, the "put" bond should be reported based on the earlier of its next repricing date or its scheduled repayment date. Zero coupon debt securities, including U.S. Treasury bills, should be treated as fixed rate debt securities for purposes of this Memorandum item.
2.a	**Securities issued by the U.S. Treasury, U.S. Government agencies, and states and political subdivisions in the U.S.; other non-mortgage debt securities; and mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of.** Report the bank's holdings of fixed rate debt securities -- *other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages* -- in the appropriate subitems according to the amount of time remaining to their final contractual maturities (without regard to repayment schedules, if any). Report the bank's holdings of floating rate debt securities -- *other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages* -- in the appropriate subitems according to the amount of time remaining until their next repricing date. Exclude debt securities that are in nonaccrual status. For held-to-maturity debt securities, report amortized cost. For available-for-sale debt securities, report fair value.
2.a.(1)	**Three months or less.** Report the amount of: • the bank's fixed rate debt securities -- other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages -- with remaining maturities of three months or less, and • the bank's floating rate debt securities -- other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages – with next repricing dates occurring in three months or less.
2.a.(2)	**Over three months through 12 months.** Report the amount of: • the bank's fixed rate debt securities -- other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages -- with remaining maturities (without regard to repayment schedules, if any) of over three months through 12 months, and • the bank's floating rate debt securities -- other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages – with next repricing dates occurring in over three months through 12 months.

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

- the bank's fixed rate debt securities -- other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages -- with remaining maturities (without regard to repayment schedules, if any) of over one year through three years, and

- the bank's floating rate debt securities -- other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages – with next repricing dates occurring in over one year through three years.

2.a.(4) **Over three years through five years.** Report the amount of:

- the bank's fixed rate debt securities -- other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages -- with remaining maturities (without regard to repayment schedules, if any) of over three years through five years, and

- the bank's floating rate debt securities -- other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages – with next repricing dates occurring in over three years through five years.

2.a.(5) **Over five years through 15 years.** Report the amount of:

- the bank's fixed rate debt securities -- other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages -- with remaining maturities (without regard to repayment schedules, if any) of over five years through 15 years, and

- the bank's floating rate debt securities -- other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages – with next repricing dates occurring in over five years through 15 years.

2.a.(6) **Over 15 years.** Report the amount of:

- the bank's fixed rate debt securities -- other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages -- with remaining maturities (without regard to repayment schedules, if any) of over 15 years, and

- the bank's floating rate debt securities -- other than mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages – with next repricing dates occurring in over 15 years.

2.b **Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of.** Report the bank's holdings of fixed rate mortgage pass-through securities *backed by closed-end first lien 1-4 family residential mortgages* in the appropriate subitems according to the amount of time remaining to their final contractual maturities (without regard to repayment schedules, if any). Report the bank's holdings of floating rate mortgage pass-through securities *backed by*

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Item No.	Caption and Instructions
2.b (cont.)	*closed-end first lien 1-4 family residential mortgages* in the appropriate subitems according to the amount of time remaining until their next repricing date. Exclude mortgage pass-through securities that are in nonaccrual status. For held-to-maturity mortgage pass-through securities, report amortized cost. For available-for-sale mortgage pass-through securities, report fair value.
2.b.(1)	**Three months or less.** Report the amount of: • the bank's fixed rate mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with remaining maturities of three months or less, and • the bank's floating rate mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with next repricing dates occurring in three months or less.
2.b.(2)	**Over three months through 12 months.** Report the amount of: • the bank's fixed rate mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with remaining maturities (without regard to repayment schedules, if any) of over three months through 12 months, and • the bank's floating rate mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with next repricing dates occurring in over three months through 12 months.
2.b.(3)	**Over one year through three years.** Report the amount of: • the bank's fixed rate mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with remaining maturities (without regard to repayment schedules, if any) of over one year through three years, and • the bank's floating rate mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with next repricing dates occurring in over one year through three years.
2.b.(4)	**Over three years through five years.** Report the amount of: • the bank's fixed rate mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with remaining maturities (without regard to repayment schedules, if any) of over three years through five years, and • the bank's floating rate mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with next repricing dates occurring in over three years through five years.

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2.b.(5) **Over five years through 15 years.** Report the amount of:

- the bank's fixed rate mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with remaining maturities (without regard to repayment schedules, if any) of over five years through 15 years, and

- the bank's floating rate mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with next repricing dates occurring in over five years through 15 years.

2.b.(6) **Over 15 years.** Report the amount of:

- the bank's fixed rate mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with remaining maturities (without regard to repayment schedules, if any) of over 15 years, and

- the bank's floating rate mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with next repricing dates occurring in over fifteen years.

2.c **Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS) with an expected average life of.** Report the bank's holdings of other mortgage-backed securities (including collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), and stripped mortgage-backed securities (MBS)) in the appropriate subitems by their expected weighted average life as of the report date. Include both fixed rate and floating rate securities. For held-to-maturity securities, report amortized cost. For available-for-sale securities, report fair value. Exclude all mortgage pass-through securities. Also exclude securities that are in nonaccrual status.

Banks should report based on the most recent average life information obtained within the twelve months preceding the report date. Weighted average life is the dollar-weighted average time in which principal is repaid. For a mortgage-backed security, weighted average life should be based on the prepayment assumptions associated with the pool of loans underlying the security as well as scheduled repayments. Weighted average life is computed by (a) multiplying the amount of each principal reduction by the number of years or months from the date of issuance or the testing date to the date of the principal reduction, (b) summing the results, and (c) dividing the sum by the remaining principal balance as of the date of issuance or the testing date. Because weighted average life should consider expected prepayments, it is not equivalent to contractual maturity. Because it is dollar- and time-weighted, it also is not equivalent to expected final maturity.

2.c.(1) **Three years or less.** Report the bank's holdings of other mortgage-backed securities with an expected weighted average life of three years or less as of the report date. Include both fixed rate and floating rate securities.

2.c.(2) **Over three years.** Report the bank's holdings of other mortgage-backed securities with an expected weighted average life of over three years as of the report date. Include both fixed rate and floating rate securities.

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Item No.	Caption and Instructions
2.d	**Debt securities with a remaining maturity of one year or less.** Report all debt securities with a remaining maturity of one year or less. Include both fixed rate and floating rate debt securities. Exclude debt securities that are in nonaccrual status. For held-to-maturity debt securities, report amortized cost. For available-for-sale debt securities, report fair value. The fixed rate debt securities (excluding "Other mortgage-backed securities") that should be included in this item will also have been reported by remaining maturity in Schedule RC-B, Memorandum items 2.a.(1), 2.a.(2), 2.b.(1), and 2.b.(2), above. The floating rate debt securities (excluding "Other mortgage-backed securities") that should be included in this item will have been reported by next repricing date in Memorandum items 2.a.(1), 2.a.(2), 2.b.(1), and 2.b.(2), above. However, these four Memorandum items may include floating rate debt securities with a remaining maturity of more than one year, but on which the interest rate can next change in one year or less; those debt securities should not be included in this Memorandum item 2.d. The "Other mortgage-backed securities" included in this item will have been reported by expected weighted average life in Memorandum items 2.c.(1) and 2.c.(2) above.
3	**Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date.** If the reporting bank has sold any held-to-maturity debt securities or has transferred any held-to-maturity debt securities to the available-for-sale or to trading securities during the calendar year-to-date, report the total amortized cost of these held-to-maturity debt securities as of their date of sale or transfer. Exclude the amortized cost of any held-to-maturity debt security that has been sold near enough to (e.g., within three months of) its maturity date (or call date if exercise of the call is probable) that interest rate risk is substantially eliminated as a pricing factor. Also exclude the amortized cost of any held-to-maturity debt security that has been sold after the collection of a substantial portion (i.e., at least 85 percent) of the principal outstanding at acquisition due to prepayments on the debt security or, if the debt security is a fixed rate security, due to scheduled payments payable in equal installments (both principal and interest) over its term.
4	**Structured notes.** Report in this item all structured notes included in the held-to-maturity and available-for-sale accounts and reported in Schedule RC-B, items 2, 3, 5, and 6. In general, structured notes are debt securities whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options or are otherwise commonly known as "structured notes." Include as structured notes any asset-backed securities (other than mortgage-backed securities) which possess the aforementioned characteristics. Structured notes include, but are not limited to, the following common structures: (1) Floating rate debt securities whose payment of interest is based upon: (a) a single index of a Constant Maturity Treasury (CMT) rate or a Cost of Funds Index (COFI), or (b) changes in the Consumer Price Index (CPI). However, ***exclude*** from structured notes all U.S. Treasury Inflation-Protected Securities (TIPS).

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Item No.	Caption and Instructions
4 (cont.)	(2) **Step-up Bonds.** Step-up securities initially pay the investor an above-market yield for a short noncall period and then, if not called, "step up" to a higher coupon rate (which will be below current market rates). The investor initially receives a higher yield because of having implicitly sold one or more call options. A step-up bond may continue to contain call options even after the bond has stepped up to the higher coupon rate. A **multistep** bond has a series of fixed and successively higher coupons over its life. At each call date, if the bond is not called, the coupon rate increases.
	(3) **Index Amortizing Notes (IANs).** IANs repay principal according to a predetermined amortization schedule that is linked to the level of a specific index (usually the London Interbank Offered Rate - LIBOR - or a specified prepayment rate). As market interest rates increase (or prepayment rates decrease), the maturity of an IAN extends, similar to that of a collateralized mortgage obligation. When the principal payments on these notes are indexed to the prepayment performance of a reference pool of mortgages or a reference mortgage-backed security, but the notes themselves are not collateralized by the mortgages or the mortgage-backed security, the notes are sometimes marketed as Prepayment-Linked Notes.
	(4) **Dual Index Notes.** These bonds have coupon rates that are determined by the difference between two market indices, typically the CMT rate and LIBOR. These bonds often have a fixed coupon rate for a brief period, followed by a longer period of variable rates, e.g., 8 percent fixed for two years, then the 10-year CMT rate plus 300 basis points minus three-month LIBOR.
	(5) **De-leveraged Bonds.** These bonds pay investors according to a formula that is based upon a fraction of the increase or decrease in a specified index, such as the CMT rate or the prime rate. For example, the coupon might be the 10-year CMT rate multiplied by 0.5, plus 150 basis points. The de-leveraging multiplier (0.5) causes the coupon to lag overall movements in market yields. A **leveraged** bond would involve a multiplier greater than 1.
	(6) **Range Bonds.** Range bonds (or accrual bonds) pay the investor an above-market coupon rate as long as the reference rate is between levels established at issue. For each day that the reference rate is outside this range, the bonds earn no interest. For example, if LIBOR is the reference rate, a bond might pay LIBOR plus 75 basis points for each day that LIBOR is between 3.5 and 5.0 percent. When LIBOR is less than 3.5 percent or more than 5 percent, the bond would accrue no interest.
	(7) **Inverse Floaters.** These bonds have coupons that increase as rates decline and decrease as rates rise. The coupon is based upon a formula, such as 12 percent minus three-month LIBOR.
	Exclude from structured notes floating rate debt securities denominated in U.S. dollars whose payment of interest is based upon a single index of a Treasury bill rate, the prime rate, or LIBOR and which do not contain adjusting caps, adjusting floors, leverage, or variable principal redemption. Furthermore, debt securities that do not possess the aforementioned characteristics of a structured note need not be reported as structured notes solely because they are callable as of a specified date at a specified price. In addition, debt securities that in the past possessed the characteristics of a structured note, but which have "fallen through" their structures (e.g., all of the issuer's call options have expired and there are no more adjustments to the interest rate on the security), need not be reported as structured notes.

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Item No.	Caption and Instructions
4 (cont.)	Generally, municipal and corporate securities that have periodic call options should **not** be reported as structured notes. Although many of these securities have features similar to those found in some structured notes (e.g., step-ups, which generally remain callable after a step-up date), they are **not commonly known** as structured notes. Examples of such callable securities that should ***not*** be reported as structured notes include: (1) Callable municipal and corporate bonds which have single (or multiple) explicit call dates and then can be called on any interest payment date after the last explicit call date (i.e., they are continuously callable). (2) Callable federal agency securities that have continuous call features after an explicit call date, except step-up bonds (which are structured notes). The mere existence of simple caps and floors does not necessarily make a security a structured note. Securities with **adjusting** caps or floors (i.e., caps or floors that change over time), however, are structured notes. Therefore, the following types of securities should ***not*** be reported as structured notes: (1) Variable rate securities, including Small Business Administration "Guaranteed Loan Pool Certificates," **unless** they have features of securities which are commonly known as structured notes (i.e., they are inverse, range, or de-leveraged floaters, index amortizing notes, dual index or variable principal redemption or step-up bonds), or have adjusting caps or floors. (2) Mortgage-backed securities.
4.a	**Amortized cost (of structured notes).** Report the amortized cost of all structured notes included in the held-to-maturity and available-for-sale accounts. The amortized cost of these securities will have been reported in columns A and C of the body of Schedule RC-B.
4.b	**Fair value (of structured notes).** Report the fair (market) value of structured notes reported in Memorandum item 4.a above. The fair value of these securities will have been reported in columns B and D of the body of Schedule RC-B. Do not combine or otherwise net the fair value of any structured note with the fair or book value of any related asset, liability, or off-balance sheet derivative instrument.
5	**Asset-backed securities.** Memorandum items 5.a through 5.f are to be completed by banks with $1 billion or more in total assets. Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all asset-backed securities (other than mortgage-backed securities), including asset-backed commercial paper, not held for trading. For each column, the sum of Memorandum items 5.a through 5.f must equal Schedule RC-B, item 5. For purposes of categorizing asset-backed securities in Schedule RC-B, Memorandum items 5.a through 5.f, below, each individual asset-backed security should be included in the item that most closely describes the predominant type of asset that collateralizes the security

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Item No.	Caption and Instructions
5 (cont.)	and this categorization should be used consistently over time. For example, an asset-backed security may be collateralized by automobile loans to both individuals and business enterprises. If the prospectus for this asset-backed security or other available information indicates that these automobile loans are predominantly loans to individuals, the security should be reported in Schedule RC-B, Memorandum item 5.c, as being collateralized by automobile loans.
5.a	**Credit card receivables.** Report in the appropriate columns the amortized cost and fair value of all asset-backed securities collateralized by credit card receivables, i.e., extensions of credit to individuals for household, family, and other personal expenditures arising from credit cards as defined for Schedule RC-C, part I, item 6.a.
5.b	**Home equity lines.** Report in the appropriate columns the amortized cost and fair value of all asset-backed securities collateralized by home equity lines of credit, i.e., revolving, open-end lines of credit secured by 1-to-4 family residential properties as defined for Schedule RC-C, part I, item 1.c.(1).
5.c	**Automobile loans.** Report in the appropriate columns the amortized cost and fair value of all asset-backed securities collateralized by automobile loans, i.e., loans to individuals for the purpose of purchasing private passenger vehicles, including minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use, as defined for Schedule RC-C, part I, item 6.c.
5.d	**Other consumer loans.** Report in the appropriate columns the amortized cost and fair value of all asset-backed securities collateralized by other consumer loans, i.e., loans to individuals for household, family, and other personal expenditures as defined for Schedule RC-C, part I, items 6.b and 6.d.
5.e	**Commercial and industrial loans.** Report in the appropriate columns the amortized cost and fair value of all asset-backed securities collateralized by commercial and industrial loans, i.e., loans for commercial and industrial purposes to sole proprietorships, partnerships, corporations, and other business enterprises, whether secured (other than by real estate) or unsecured, single-payment or installment, as defined for Schedule RC-C, part I, item 4.
5.f	**Other.** Report in the appropriate columns the amortized cost and fair value of all asset-backed securities collateralized by non-mortgage loans other than those described in Schedule RC-B, Memorandum items 5.a through 5.e, above, i.e., loans as defined for Schedule RC-C, part I, items 2, 3, and 7 through 9; lease financing receivables as defined for Schedule RC-C, part I, item 10; and all other assets.

Memoranda

Item No.	Caption and Instructions
6	**Structured financial products by underlying collateral or reference assets.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all structured financial products (as defined in Schedule RC-B, item 5.b, above) not held for trading by the predominant type of collateral or reference assets supporting the product. For each column, the sum of Memorandum items 6.a through 6.g must equal the sum of Schedule RC-B, items 5.b.(1) through 5.b.(3).
6.a	**Trust preferred securities issued by financial institutions.** Report in the appropriate columns the amortized cost and fair value of structured financial products supported predominantly by trust preferred securities issued by financial institutions.
6.b	**Trust preferred securities issued by real estate investment trusts.** Report in the appropriate columns the amortized cost and fair value of structured financial products supported predominantly by trust preferred securities issued by real estate investment trusts.
6.c	**Corporate and similar loans.** Report in the appropriate columns the amortized cost and fair value of structured financial products supported predominantly by corporate and similar loans. Exclude securities backed by loans that are commonly regarded as asset-backed securities rather than collateralized loan obligations in the marketplace (report in Schedule RC-B, item 5.a).
6.d	**1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs).** Report in the appropriate columns the amortized cost and fair value of structured financial products supported predominantly by 1-4 family residential mortgage-backed securities issued or guaranteed by U.S. government-sponsored enterprises.
6.e	**1-4 family residential MBS not issued or guaranteed by GSEs.** Report in the appropriate columns the amortized cost and fair value of structured financial products supported predominantly by 1-4 family residential mortgage-backed securities not issued or guaranteed by U.S. government-sponsored enterprises.
6.f	**Diversified (mixed) pools of structured financial products.** Report in the appropriate columns the amortized cost and fair value of structured financial products supported predominantly by diversified (mixed) pools of structured financial products. Include such products as CDOs squared and cubed (also known as “pools of pools”).
6.g	**Other collateral or reference assets.** Report in the appropriate columns the amortized cost and fair value of structured financial products supported predominantly by other types of collateral or reference assets not identified above.

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