FFIEC 051

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

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

The Federal Register notice for these proposed Call Report revisions is available on the FFIEC's web page for the FFIEC 051 Call Report.

Draft as of April 30. 2019

Draft Revisions to the FFIEC 051 Call Report Forms and Instructions

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

Schedule RC-R, Community Bank Leverage Ratio

	CBLR Tangible Equity (CBLR numerator)	Percent (Column A)	Amount (Column B)
1	Total bank equity capital (Schedule RC, item 27.a)		RCON3210
2	LESS: Accumulated other comprehensive income (Schedule RC, item 26.b)		RCONB530
3	LESS: Goodwill (Schedule RC-M, item 2.b)		RCON3163
4	LESS: All other intangible assets (Schedule RC-M, item 2.c)		RCONJF76
5	LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances		RCXXXXXX
6	CBLR tangible equity (item 1 minus items 2-5)		RCXXXXXX

	CBLR Average Total Consolidated Assets (CBLR denominator)		
7	Average total assets (Schedule RC-K, item 9)		RCON3368
8	Deductions from CBLR tangible equity (sum of items 3, 4, and 5, above)		RCXXXXXX
9	CBLR average total consolidated assets (item 7 minus item 8)		RCXXXXXX

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

	Qualifying Criteria for Using the CBLR framework		
11	Total assets (Schedule RC, item 12); (must be less than $10 billion)		RCON2170
12	MSAs (Schedule RC-M, item 2.a). Report as a percentage of CBLR tangible equity in Column A (25% limit) and as a dollar amount in Column B.	RCXXXXXX	RCON3164
13	DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of any related valuation allowances. Report as a percentage of CBLR tangible equity in Column A (25% limit) and as a dollar amount in Column B.	RCXXXXXX	RCXXXXXX
14	Trading assets and trading liabilities (Schedule RC, sum of items 5 and 15). Report as a percentage of total consolidated assets in Column A (5% limit) and as a dollar amount in Column B.	RCXXXXXX	RCXXXXXX
15	Off-balance sheet exposures:		
a	Unused portion of conditionally cancellable commitments		RCXXXXXX
b	Securities lent and borrowed (Schedule RC-L, sum of items 6.a and 6.b)		RCXXXXXX
c	Other off-balance sheet exposures		RCXXXXXX
d	Total off-balance sheet exposures (sum of items 15.a through 15.c). Report as a percentage of total consolidated assets (25% limit) in Column A and as a dollar amount in Column B.	RCXXXXXX	RCXXXXXX
16	Memo item: Unconditionally cancellable commitments		RCONS540

Schedule RC-R, Community Bank Leverage Ratio

General instructions

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

Opt-in to the CBLR framework

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

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

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

Ceasing to have a CBLR greater than 9 percent

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

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

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

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

Ceasing to meet the qualifying criteria for the CBLR framework

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

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

CBLR

Item No. Caption and Instructions

CBLR Tangible Equity (CBLR numerator)

1 Total bank equity capital
Report the amount of total bank equity capital from Schedule RC, item 27.a.

2 LESS: Accumulated other comprehensive income
Report the amount of accumulated other comprehensive income (AOCI) from Schedule RC, item 26.b.

3 LESS: Goodwill
Report the amount of goodwill from Schedule RC-M, item 2.b.

4 LESS: All other intangible assets
Report the amount of all other intangible assets from Schedule RC-M, item 2.c.

5 LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances
Report the amount of DTAs that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances. Do not reduce the amount of these DTAs by any deferred tax liabilities.

6 CBLR tangible equity
Report item 1 less items 2 through 5. The amount reported in this item is the bank's CBLR tangible equity, which is the numerator of the bank's CBLR.

CBLR Average Total Consolidated Assets (CBLR denominator)

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

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

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

Community Bank Leverage Ratio

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

Qualifying Criteria for Using the CBLR Framework

Item No. **Caption and Instructions**

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

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

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

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

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

14 **Trading assets and trading liabilities**
Report in Column B the sum of trading assets from Schedule RC, item 5, and trading liabilities from Schedule RC, item15 (i.e., added, not netted).

Report in Column A such trading assets and trading liabilities as a percentage of total assets by dividing the amount of trading assets and trading liabilities reported in column B of this item by total assets reported in item 11 above, rounded to four decimal places. The percentage reported in this item must be 5 percent or less of total assets as part of the qualifying criteria for the CBLR framework.

15 **Off-balance sheet exposures**
Report in the appropriate subitem the bank's off-balance sheet exposure amounts.

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

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

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

15.c **Other off-balance sheet exposures**
Report the sum of:

- ***Financial standby letters of credit:***
  Include the amount outstanding and unused of financial standby letters of credit reported in Schedule RC-L, item 2.

- ***Transaction-related contingent items, including performance bonds, bid bonds, warranties, and performance standby letters of credit:***
  Report transaction-related contingent items, which include the amount outstanding and unused of performance standby letters of credit reported in Schedule RC-L, item 3, and any other transaction-related contingent items.

- ***Self-liquidating, trade-related contingent items that arise from the movement of goods:***
  Include the amount outstanding and unused of self-liquidating, trade-related contingent items that arise from the movement of goods reported in Schedule RC-L, item 4.

- ***Sold credit protection in the form of guarantees and credit derivatives:***
  Include the notional amount of sold credit protection in the form of guarantees or credit derivatives (such as written credit option contracts). Do not include any non-credit derivatives, such as foreign exchange swaps and interest rate swaps.

- ***Credit-enhancing representations and warranties:***
  Include the off-balance sheet amount of exposures transferred with credit-enhancing representations and warranties as defined in §.2 of the regulatory capital rule. Credit-

enhancing representations and warranties obligate an institution "to protect another party from losses arising from the credit risk of the underlying exposures" and "include provisions to protect a party from losses resulting from the default or nonperformance of the counterparties of the underlying exposures or from an insufficiency in the value of the collateral backing the underlying exposures." Thus, when loans or other assets are sold "with recourse" and the recourse arrangement provides protection from losses as described in the preceding definition, the recourse arrangement constitutes a credit-enhancing representation and warranty.

- ***Forward agreements that are not derivative contracts:***
  Include the notional amount of all forward agreements, which are defined in §.2 of the regulatory capital rule as legally binding contractual obligations to purchase assets with certain drawdown at a specified future date, not including commitments to make residential mortgage loans or forward foreign exchange contracts.

- ***Off-balance sheet securitizations:***
  Report the notional amount of off-balance sheet items that qualify as securitization exposures. Refer to the definitions of securitization exposure, synthetic securitization, traditional securitization, and tranche in §.2 of the regulatory capital rules and to §.42 of the regulatory capital rules to calculate the relevant exposure amount.

15.d **Total off-balance sheet exposures**
Report in column B the sum of items 15.a through 15.c.

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

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

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

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

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

All FDIC-insured depository institutions must complete Schedule RC-O each quarter on an "unconsolidated single FDIC certificate number basis," unless otherwise indicated (see instructions). Each FDIC-insured depository institution that is a community bank leverage ratio bank (CBLR bank), as defined in the general instructions for Schedule RC-R, CBLR, has the option to complete Memorandum 5 each quarter.

Dollar Amounts in Thousands	RCON	Amount	
1. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	F236		1.
2. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions	F237		2.
3. Not applicable			
4. Average consolidated total assets for the calendar quarter	K652		4.
a. Averaging method used (for daily averaging, enter 1, for weekly averaging, enter 2)	K653	Number:	4.a.
		Amount	
5. Average tangible equity for the calendar quarter[1]	K654		5.
6. Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions	K655		6.
7. Unsecured "Other borrowings" with a remaining maturity of (sum of items 7.a through 7.d must be less than or equal to Schedule RC-M, items 5.b.(1)(a)–(d) minus item 10.b):			
a. One year or less	G465		7.a.
b. Over one year through three years	G466		7.b.
c. Over three years through five years	G467		7.c.
d. Over five years	G468		7.d.
8. Subordinated notes and debentures with a remaining maturity of (sum of items 8.a. through 8.d. must equal Schedule RC, item 19):			
a. One year or less	G469		8.a.
b. Over one year through three years	G470		8.b.
c. Over three years through five years	G471		8.c.
d. Over five years	G472		8.d.
9. **Brokered reciprocal deposits** (included in Schedule RC-E, Memorandum item 1.b)	G803		9.
Item 9.a is to be completed on a fully consolidated basis by all institutions that own another insured depository institution.			
a. Fully consolidated **brokered reciprocal deposits**	L190		9.a.
10. Banker's bank certification: Does the reporting institution meet both the statutory definition of a banker's bank and the business conduct test set forth in FDIC regulations?	K656	Yes / No	10.
If the answer to item 10 is "YES," complete items 10.a and 10.b.		Amount	
a. Banker's bank deduction	K657		10.a.
b. Banker's bank deduction limit	K658		10.b.
11. Custodial bank certification: Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations?	K659	Yes / No	11.
If the answer to item 11 is "YES," complete items 11.a and 11.b.[2]		Amount	
a. Custodial bank deduction	K660		11.a.
b. Custodial bank deduction limit	K661		11.b.

1. See instructions for detailed definitions and averaging methods. For deposit insurance assessment purposes, tangible equity is defined as Tier 1 capital as set forth in the banking agencies' regulatory capital standards and ~~reported~~ measured in accordance with the instructions for Schedule RC-R, Part I, item 26, except as described in the instructions for Schedule RC-O and except in the case of community bank leverage ratio (CBLR) banks, as defined in the General Instructions for Schedule RC-R, CBLR. CBLR banks have the option of reporting tangible equity using the above definition, or using CBLR tangible equity in accordance with the instructions for Schedule RC-R, CBLR, item 6, except as described in the instructions for Schedule RC-O.
2. If the amount reported in item 11.b is zero, item 11.a may be left blank. CBLR banks should refer to the instructions for clarifications related to the calculation and reporting of the custodial bank deduction.

Schedule RC-O—Continued

Memoranda

Dollar Amounts in Thousands			RCON	Amount	
1. Total deposit liabilities of the bank, including related interest accrued and unpaid, less allowable exclusions, including related interest accrued and unpaid (sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal Schedule RC-O, item 1 less item 2):					
a. Deposit accounts (excluding retirement accounts) of $250,000 or less:[1]					
(1) *Amount* of deposit accounts (excluding retirement accounts) of $250,000 or less			F049		M.1.a.(1)
(2) *Number* of deposit accounts (excluding retirement accounts) of $250,000 or less	F050	Number			M.1.a.(2)
b. Deposit accounts (excluding retirement accounts) of more than $250,000:[1]					
(1) *Amount* of deposit accounts (excluding retirement accounts) of more than $250,000			F051		M.1.b.(1)
(2) *Number* of deposit accounts (excluding retirement accounts) of more than $250,000	F052	Number			M.1.b.(2)
c. Retirement deposit accounts of $250,000 or less:[1]					
(1) *Amount* of retirement deposit accounts of $250,000 or less			F045		M.1.c.(1)
(2) *Number* of retirement deposit accounts of $250,000 or less	F046	Number			M.1.c.(2)
d. Retirement deposit accounts of more than $250,000:[1]					
(1) *Amount* of retirement deposit accounts of more than $250,000			F047		M.1.d.(1)
(2) *Number* of retirement deposit accounts of more than $250,000	F048	Number			M.1.d.(2)
2. Not applicable					
3. Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report? If so, report the legal title and FDIC Certificate Number of the parent bank or parent savings association: TEXT A545			RCON A545	FDIC Cert. No.	M.3.

4. Not applicable.

Memorandum item 5 is an optional item that may be completed by community bank leverage ratio (CBLR) banks (as defined in the instructions).

	RCON	Percentage
5. Tier 1 leverage[2]	XXXX	

1. The dollar amounts used as the basis for reporting in Memorandum items 1.a through 1.d reflect the deposit insurance limits in effect on the report date.
2. Report ratio as a percentage, rounded to four decimal places, e.g. 12.3456. Institutions that are not CBLR banks should leave this item blank. CBLR banks may optionally report this item for deposit insurance assessment purposes only. Please refer to the instructions for additional details.

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

General Instructions

Each FDIC-insured depository institution that files the FFIEC 051 must complete Schedule RC-O each quarter on an "unconsolidated single FDIC certificate number basis," unless otherwise indicated below. Each FDIC-insured depository institution that is a community bank leverage ratio (CBLR) bank (CBLR bank), as defined in the General Instructions for Schedule RC-R, CBLR, has the option to complete Memorandum item 5 each quarter

Each separately chartered depository institution that is insured by the FDIC has a unique FDIC certificate number. When one FDIC-insured institution that files the FFIEC 051 owns another FDIC-insured institution as a subsidiary, the parent institution should complete items 1 through 11 (except item 9.a) and Memorandum items 1 and 3 of Schedule RC-O by accounting for the insured institution subsidiary under the equity method of accounting instead of consolidating it, i.e., on an "unconsolidated single FDIC certificate number basis." Thus, each FDIC-insured institution should report only its own amounts in items 1 through 11 (except item 9.a) and Memorandum items 1 and 3 of Schedule RC-O under its own FDIC certificate number without eliminating the parent and subsidiary institutions' intercompany balances. (However, an FDIC-insured institution that owns another FDIC-insured institution should complete item 9.a by consolidating its subsidiary institution.) In contrast, when an FDIC-insured institution has entities other than FDIC-insured institutions that must be consolidated for purposes of Schedule RC, Balance Sheet, the parent institution should complete items 1 through 11 and Memorandum items 1 and 3 of Schedule RC-O on a consolidated basis with respect to these other entities.

Item Instructions

Item No. **Caption and Instructions**

1 **Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.** Report on an unconsolidated single FDIC certificate number basis the gross total deposit liabilities as of the calendar quarter-end report date that meet the statutory definition of deposits in Section 3(l) of the Federal Deposit Insurance Act before deducting allowable exclusions from total deposits. An institution's gross total deposit liabilities are the combination of:

- All deposits reported in Schedule RC, item 13.a;
- Interest accrued and unpaid on deposits reported in Schedule RC-G, item 1.a;
- Uninvested trust funds held in the institution's own trust department;
- Deposits of consolidated subsidiaries (except any consolidated subsidiary that is an FDIC-insured institution) and the interest accrued and unpaid on such deposits;
- The amount by which demand deposits reported in Schedule RC, item 13.a, have been reduced from the netting of the reporting institution's reciprocal demand balances with foreign banks and foreign offices of other U.S. banks (other than insured branches in Puerto Rico and U.S. territories and possessions); and
- The amount by which any other deposit liabilities reported in Schedule RC, item 13.a, have been reduced by assets netted against these liabilities in accordance with generally accepted accounting principles;
- Less the amount of unamortized premiums included in the amount of deposit liabilities reported in Schedule RC, item 13.a;
- Plus the amount of unamortized discounts reflected in the amount of deposit liabilities reported in Schedule RC, item 13.a;

Item No.	Caption and Instructions

4 (cont.)

(2) If the reporting institution is the surviving or resulting institution in a merger or consolidation that occurred during the calendar quarter, the reporting institution should calculate its average consolidated total assets by including the consolidated total assets of all insured depository institutions that were merged or consolidated into the reporting institution as if the merger or consolidation occurred on the first day of the calendar quarter. Acceptable methods for including a merged or consolidated insured depository institution's consolidated total assets in this calculation for the days during the calendar quarter preceding the merger or consolidation date include using either (a) the acquisition date fair value of the merged or consolidated institution's consolidated total assets for all days (or all Wednesdays) during the calendar quarter preceding the acquisition date or (b) the merged or consolidated institution's consolidated total assets, as defined for Schedule RC-K, item 9, average "Total assets," for each day (or each Wednesday) during the calendar quarter preceding the acquisition date.[1]

(3) If the reporting institution was acquired in a transaction that became effective during the calendar quarter and push down accounting was used to account for the acquisition, the reporting institution should calculate its average consolidated total assets as if the acquisition occurred on the first day of the calendar quarter. Acceptable methods for including the institution's consolidated total assets in this calculation for the days during the calendar quarter preceding the acquisition date include using either (a) the acquisition date fair value of the reporting institution's consolidated total assets for all days (or all Wednesdays) during the calendar quarter preceding the acquisition date or (b) the reporting institution's consolidated total assets, as defined for Schedule RC-K, item 9, average "Total assets," for each day (or each Wednesday) during the calendar quarter preceding the acquisition date.

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

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

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

[1] This approach to calculating average consolidated total assets for purposes of Schedule RC-O, item 4, does not apply if the reporting institution is the surviving or resulting institution in a merger or consolidation during the calendar quarter involving an entity that is not an insured depository institution. In such a merger or consolidation, the reporting institution should apply the guidance on business combinations in the General Instructions for Schedule RC-K when measuring average consolidated total assets for purposes of Schedule RC-O, item 4.

Item No.	Caption and Instructions
5 (cont.)	Averaging methods – An institution that reported $1 billion or more in quarter-end consolidated total assets in its Consolidated Reports of Condition and Income (Schedule RC, item 12, "Total assets") or Thrift Financial Report (Schedule SC, line item SC60, "Total assets") for March 31, 2011, and any institution that becomes FDIC-insured after March 31, 2011, must report average tangible equity on a monthly average basis. Monthly averaging means the average of the three month-end balances within the quarter. An institution that reported less than $1 billion in quarter-end consolidated total assets in its Consolidated Reports of Condition and Income (Schedule RC, item 12, "Total assets") or Thrift Financial

Item No. **Caption and Instructions**

5 (cont.)

Report (Schedule SC, line item SC60, "Total assets") for March 31, 2011, may report its quarter-end tangible equity rather than an average amount, or it may at any time opt permanently to report average tangible equity on a monthly average basis. Once an institution that reports average consolidated total assets using a daily or weekly average reports average consolidated total assets of $1 billion or more in Schedule RC-O, item 4, for two consecutive quarters, it must permanently report average tangible equity using monthly averaging beginning the next quarter.

Monthly average tangible equity should be calculated by adding Tier 1 capital or CBLR tangible equity as of each month-end date during the calendar quarter (measured as described below under "Measuring tangible equity") and dividing by three. For example, monthly average tangible equity for June 30, ~~2017~~2019, would be the sum of Tier 1 capital or CBLR tangible equity as of April 30, May 31, and June 30, ~~2017~~2019, divided by three. However, institutions required or electing to report average tangible equity on a monthly average basis normally are not required to perform monthly loan loss provision or deferred tax calculations in accordance with generally accepted accounting principles for the first two months of a quarter. Accordingly, such institutions may use one third of the amount of the provision for loan and lease losses and deferred tax expense (benefit) reported for the calendar quarter for purposes of estimating the retained earnings component of Tier 1 capital or CBLR tangible equity in each of the first two months of the quarter.

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

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

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

(1) If the reporting institution has an FDIC-insured depository institution subsidiary, the subsidiary should not be consolidated. Instead, the reporting institution should measure its equity capital and its Tier 1 capital or CBLR tangible equity by accounting for this subsidiary using the equity method of accounting.

(2) If the reporting institution is the surviving or resulting institution in a merger or consolidation that occurred after the end of the first month of the calendar quarter and it reports its average tangible equity on a monthly average basis, the reporting institution should calculate its average tangible equity as if the merger or consolidation occurred on the first day of the calendar quarter. An acceptable method for measuring tangible equity for month-end dates during the calendar quarter preceding the merger or consolidation date would be to use the amount of Tier 1 capital or CBLR tangible equity for the month-end date immediately following the merger or consolidation date as the amount of Tier 1 capital or CBLR tangible equity for the month-end date or dates preceding the merger or consolidation date.

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

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5. cont'd	(3) If the reporting institution was acquired in a transaction that became effective after the end of the first month of the calendar quarter, push down accounting was used to account for the acquisition, and the institution reports its average tangible equity on a monthly average basis, the reporting institution should calculate its average tangible equity as if the acquisition occurred on the first day of the calendar quarter. An acceptable method for measuring tangible equity for month-end dates during the calendar quarter preceding the acquisition date would be to use the amount of Tier 1 capital or CBLR tangible equity for the month-end date immediately following the acquisition date as the amount of Tier 1 capital or CBLR tangible equity for the month-end date or dates preceding the acquisition date.

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10.a (cont.) Reserve Banks for maintaining an institution's excess balances that are eligible to earn interest on their Federal Reserve balances. See the Glossary entry for "pass-through reserve balances."

Federal funds sold are defined in the instructions for Schedule RC, item 3.a, "Federal funds sold." See also the Glossary entry for "federal funds transactions."

10.b **Banker's bank deduction limit.** A qualifying banker's bank is eligible to have the FDIC deduct certain assets from its assessment base, subject to a limit. Report in this item on an unconsolidated single FDIC certificate number basis the banker's bank deduction limit, which equals the sum of a qualifying banker's bank's average deposits of commercial banks and other depository institutions in the U.S. plus its average federal funds purchased. These averages should be calculated on a daily or weekly basis consistent with the qualifying banker's bank's calculation of its average consolidated total assets in Schedule RC-O, item 4 (and as reported in Schedule RC-O, item 4.a).

Deposits of commercial banks and other depository institutions in the U.S. are defined in the instructions for Schedule RC-E, item 4.

Federal funds purchased are defined in the instructions for Schedule RC, item 14.a, "Federal funds purchased." See also the Glossary entry for "federal funds transactions."

11 **Custodial bank certification: Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations?** If the reporting institution meets the custodial bank definition on an unconsolidated single FDIC certificate number basis, it should answer "Yes" to item 11 and complete Schedule RC-O, items 11.a and 11.b. However, if a custodial bank's deduction limit as reported in item 11.b is zero, the custodial bank may leave item 11.a blank.

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

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

(1) "Fiduciary and custody and safekeeping assets" (the sum of item 10, columns A and B, plus item 11, column B, in Schedule RC-T – Fiduciary and Related Services) of $50 billion or more as of the end of the previous calendar year, or

(2) Income from fiduciary activities (Schedule RI, item 5.a) that was more than 50 percent of its total revenue (interest income plus noninterest income, which is the sum of items 1.h and 5.m of Schedule RI) during the previous calendar year.

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

Report in this item on an unconsolidated single FDIC certificate number basis the custodial bank deduction, which equals average qualifying low-risk liquid assets.[1] Qualifying low-risk

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

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11.a (cont.) liquid assets are determined without regard to the maturity of the assets. Average qualifying low-risk liquid assets equals the sum of the following amounts, all on an unconsolidated single FDIC certificate number basis:

(1) The average amount of cash and balances due from depository institutions with a standardized approach risk weight for risk-based capital purposes of zero percent (as defined for Schedule RC-R, Part II, item 1, column C) plus 50 percent of the average amount of cash and balances due from depository institutions with a standardized approach risk weight of 20 percent (as defined for Schedule RC-R, Part II, item 1, column G);

(2) The average amount of held-to-maturity securities with a standardized approach risk weight for risk-based capital purposes of zero percent (as defined for Schedule RC-R, Part II, item 2.a, column C) plus 50 percent of the average amount of held-to-maturity securities with a standardized approach risk weight of 20 percent (as defined for Schedule RC-R, Part II, item 2.a, column G);

(3) The average amount of available-for-sale securities with a standardized approach risk weight for risk-based capital purposes of zero percent (as defined for Schedule RC-R, Part II, item 2.b, column C) plus 50 percent of the average amount of available-for-sale securities with a standardized approach risk weight of 20 percent (as defined for Schedule RC-R, Part II, item 2.b, column G);

(4) The average amount of federal funds sold with a standardized approach risk weight for risk-based capital purposes of zero percent (as defined for Schedule RC-R, Part II, item 3.a, column C) plus 50 percent of the average amount of federal funds sold with a standardized approach risk weight of 20 percent (as defined for Schedule RC-R, Part II, item 3.a, column G);

(5) The average amount of securities purchased under agreements to resell (as defined for Schedule RC, item 3.b) that would qualify for a standardized approach risk weight for risk-based capital purposes of zero percent plus 50 percent of the average amount of securities purchased under agreements to resell (as defined for Schedule RC, item 3.b) that would qualify for a standardized approach risk weight of 2 percent, 4 percent, or 20 percent; and

(6) Fifty percent of the average amount of balances due from depository institutions, held-to-maturity securities, available-for-sale securities, federal funds sold, and securities purchased under agreements to resell (as defined for Schedule RC, items 1, 2.a, 2.b, 3.a, and 3.b, respectively) that qualify as on-balance sheet securitization exposures (as defined for Schedule RC-R, Part II, item 9, column A) and have a standardized approach risk weight for risk-based capital purposes of exactly 20 percent.

These averages should be calculated on a daily or weekly basis consistent with the custodial bank's calculation of its average consolidated total assets in Schedule RC-O, item 4 (and as reported in Schedule RC-O, item 4.a).

Memoranda

Item No. **Caption and Instruction**

1.d.(2) **Number of retirement deposit accounts of more than $250,000.** Report on an unconsolidated single FDIC certificate number basis the total number of retirement deposit accounts (demand, savings, and time) with a balance on the report date of more than $250,000. Count each certificate, passbook, account, and other evidence of deposit which has a balance of more than $250,000.

2 Not applicable.

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

4 Not applicable

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

5 **Tier 1 leverage ratio.** CBLR banks that elect to report this item shall report their Tier 1 leverage ratio as set forth in the banking agencies' regulatory capital standards and in accordance with the instructions for Schedule RC-R, Part I, item 44.[1] This item should be reported as a percentage, rounded to four decimal places, e.g. 12.3456.

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

Schedule RC-C—Continued

Part I—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	
Memorandum items 7.a, 7.b, and 8.a are to be completed by all banks semiannually in the June and December reports only.			
7. Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (exclude loans held for sale):[1]			
a. Outstanding balance	C779		M.7.a.
b. Amount included in Schedule RC-C, Part I, items 1 through 9	C780		M.7.b.
8. Closed-end loans with negative amortization features secured by 1–4 family residential properties:			
a. Total amount of closed-end loans with negative amortization features secured by 1–4 family residential properties (included in Schedule RC-C, Part I, items 1.c.(2)(a) and (b))	F230		M.8.a.
Memorandum items 8.b and 8.c are to be completed annually in the December report only by banks that had closed-end loans with negative amortization features secured by 1–4 family residential properties (as reported in Schedule RC-C, Part I, Memorandum item 8.a) as of December 31, 2018, that exceeded the lesser of $100 million or 5 percent of total loans and leases held for investment and held for sale (as reported in Schedule RC-C, Part I, item 12).			
b. Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1–4 family residential properties	F231		M.8.b.
c. Total amount of negative amortization on closed-end loans secured by 1–4 family residential properties included in the amount reported in Memorandum item 8.a above	F232		M.8.c.
9. Loans secured by 1–4 family residential properties in process of foreclosure (included in Schedule RC-C, Part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b))	F577		M.9.
10. and 11. Not applicable			

	(Column A) Fair Value of Acquired Loans and Leases at Acquisition Date		(Column B) Gross Contractual Amounts Receivable at Acquisition Date		(Column C) Best Estimate at Acquisition Date of Contractual Cash Flows Not Expected to be Collected		
Dollar Amounts in Thousands	RCON	Amount	RCON	Amount	RCON	Amount	
Memorandum item 12 is to be completed semiannually in the June and December reports only.							
12. Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year[2]	GW45		GW46		GW47		M.12.

Dollar Amounts in Thousands	RCON	Amount	
Memorandum item 13 is to be completed by banks that had construction, land development, and other land loans (as reported in Schedule RC-C, Part I, item 1.a) that exceeded 100 percent of CBLR tangible equity (as reported in Schedule RC-R, CBLR, item 6) or total capital (as reported in Schedule RC-R, Part I, item 35), as applicable, as of December 31, 2018.			
13. Construction, land development, and other land loans with interest reserves:			
a. Amount of loans that provide for the use of interest reserves (included in Schedule RC-C, Part I, item 1.a)	G376		M.13.a.
b. Amount of interest capitalized from interest reserves on construction, land development, and other land loans that is included in interest and fee income on loans during the quarter (included in Schedule RI, item 1.a.(1)(b))	RIAD G377		M.13.b.

1. Memorandum item 7 is to be completed only by institutions that have not yet adopted ASU 2016-13.
2. Institutions that have adopted ASU 2016-13 should report only loans held for investment not considered purchased credit-deteriorated in Memorandum item 12.

Part I. (cont.)

Memoranda

Item No. **Caption and Instructions**

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

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

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

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

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

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

13.b **Amount of interest capitalized from interest reserves on construction, land development, and other land loans that is included in interest and fee income on loans during the quarter.** Report the amount of interest advanced to borrowers on construction loans (as defined for Schedule RC-C, Part I, item 1.a) that has been capitalized into the borrowers' loan balances through the use of interest reserves (including interest advanced on new construction loans granted for the purpose of paying interest on existing construction loans when the loans are secured by the same real estate) and included in interest and fee income during the quarter on "All other loans secured by real estate" (Schedule RI, item 1.a.(1)(b)). The amount of capitalized interest included in interest income during the quarter should be reduced by amounts reversed against interest during the quarter.

14 **Pledged loans and leases.** Report the amount of all loans and leases included in Schedule RC-C, Part I, 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 loans and leases are pledged) or for any other purpose. Include loans and leases that have been transferred in transactions that are accounted for as secured borrowings with a pledge of collateral because they do not qualify as sales under ASC Topic 860, Transfers and Servicing (formerly FASB Statement No. 140, "Accounting for Transfers and Servicing of