SCHEDULE SI —SUPPLEMENTAL INFORMATION

*Throughout these instructions, **you** and **your** refers to the savings association and its consolidated subsidiaries; **we** and **our** refers to the Office of Thrift Supervision.*

DEPOSIT DATA

Total Broker-originated Deposits:

SI100: Fully Insured

Report brokered deposits included on SC710, Deposits, and received from brokers, dealers, or agents, including as-agent CDs, for the account of others where the individual account is equal to or less than $100,000.

SI110: Other

Report brokered deposits included on SC710, Deposits, received from brokers, dealers, or agents, including As-Agent CDs, for the account of others where the individual account exceeds $100,000.

Deposits with Balances:

The sum of SI165 and SI175 must equal SC710, Deposits.

SI165: $100,000 or Less

Report deposits with current balances of $100,000 or less. Include that portion of larger broker-originated deposits previously sold to investors in participating shares with current balances of $100,000 or less.

SI175: Greater than $100,000

Report deposits with current balances greater than $100,000. Do not include that portion of larger broker-originated accounts previously sold to investors in participating shares of $100,000 or less.

SI210: IRA and Keogh Accounts

Report IRA and Keogh accounts included in SC710, Deposits. Include other retirement accounts such as SEP accounts.

Do not include:

1. 401(k) accounts.
2. Accounts that, under applicable tax laws, are designed predominantly for uses other than retirement.

Number of Deposit Accounts with Balances:

Report the actual number of accounts for which balances are reported on SC710, Deposits. Do not report the outstanding balances. Report each investor participation in a larger broker-originated deposit as a separate account. Report the actual numbers. Do not round to thousands.

The sum of SI220 and SI230 must equal the total number of deposit accounts that you hold.

SI220: $100,000 or Less

SI230: Greater than $100,000

SI235: Uninsured Deposits

Report the uninsured portion of all deposits in excess of insured limits pursuant to Section 141 of the FDIC Improvement Act, **FDICIA**.

You may not be able to precisely determine the amount of uninsured deposits due to the lack of information about interests by other parties in certain deposit accounts. However, you should diligently seek the best estimate of your uninsured deposits. You should derive the estimate from your existing information systems or personal knowledge of your depositor base.

Include:

1. Deposits collateralized by your assets that are in excess of deposit insurance limits, such as municipal deposits.
2. Deposits in excess of FDIC insurance limits even if you obtain private insurance.

SI237: Preferred Deposits

Report all deposits from states and political subdivisions in the U.S. included in SC710, Deposits, secured or collateralized as required under state law, pursuant to Section 141 of FDICIA.

Do not include:

1. Deposits of the U.S. Government secured or collateralized as required under federal law.
2. Deposits of trust funds secured or collateralized as required under state law unless the beneficiary is a state or political subdivision in the U.S.

State law may require you to pledge securities or other readily marketable assets to cover the uninsured portion of the deposits of a state or political subdivision. If you pledge securities with a value that exceeds the amount of the uninsured portion of the state or political subdivision’s deposits, report only the uninsured amount and none of the insured portion of the deposits as a preferred deposit. For example, a political subdivision has $350,000 in deposits held by you. Under state law, you are required to pledge securities to cover only the uninsured portion of such deposits, which in this example is $250,000. Although you have pledged securities with a value of $300,000 to secure these deposits, consider only $250,000 of the political subdivision's $350,000 in deposits – the uninsured amount – as preferred deposits.

In other states, you must participate in a state public deposits program to receive deposits from the state or from political subdivisions within the state in amounts exceeding federal deposit insurance. Under state law, you calculate annually the value of the securities you must pledge to the state, but this represents only a percentage of the uninsured portion of your public deposits. State law may require you to participate in the state program that may ultimately require you to share in any loss to public depositors incurred in the failure of another participating institution.

As long as the value of the securities pledged to the state exceeds the calculated requirement, all of your uninsured public deposits are protected from loss under the operation of the state program if you fail. Therefore, consider all of the uninsured public deposits preferred deposits.

For example, you are participating in a state public deposits program with $1,000,000 in public deposits under the program and $700,000 of this amount is uninsured. Your most recent calculation indicates that you must pledge securities minimally valued at $77,000 to the state to participate in the state program. You pledge securities with an actual value of $80,000. You should report the $700,000 in uninsured public deposits as preferred deposits.

DEPOSIT AND ESCROW DATA FOR DEPOSIT INSURANCE PREMIUM ASSESSMENTS

SI215: Non-interest-bearing Demand Deposits

Report all demand deposits reported on SC710, Deposits, and SC783, Escrows. FDIC Regulations 12 CFR § 329.1, 329.101, and 329.102 define the demand deposits to report on this line.

A demand deposit is a non-interest-bearing deposit:

1. That is payable immediately on demand.
2. That is issued with an original maturity or required notice period of less than seven days.
3. Where the depository institution does not reserve the right to require at least seven days' written notice of an intended withdrawal.

Demand deposits include:

1. Matured time deposits that do not have automatic renewal provisions, unless the deposit agreement provides for the transfer of funds at maturity to another type of account.
2. Escrow accounts reported on SC783 that meet the definition of demand deposits.
3. Outstanding checks drawn against zero-balance accounts reported on SC710, including those at Federal Home Loan Banks.

Demand deposits do not include:

1. Money market deposit accounts, MMDAs.
2. NOW accounts not meeting the three criteria listed above for demand deposits.
3. Deposits held either in branches outside of the territories and possessions of the U.S. or by an Edge or Agreement Subsidiary or by an International Banking Facility, IBF.
4. Amounts not included in SC710 or SC783, such as outstanding checks drawn against Federal Home Loan Banks reported on SI239 and deposits of consolidated subsidiaries eliminated in consolidation and reported on SI243.

SI239: Outstanding Checks Drawn Against Federal Home Loan Banks and Federal Reserve Banks Not Included in SC710

Report the amount of outstanding checks drawn on, or payable at or through, Federal Home Loan Banks and Federal Reserve Banks, if you deduct the amount from assets reported on SC110, Cash and Non-interest-earning Deposits, or SC162, Interest-earning Deposits in FHLBs.

Include outstanding checks drawn on non-zero-balance accounts only. Report outstanding checks drawn on zero-balance accounts or accounts not routinely maintained with sufficient balances to cover checks drawn in the normal course of business on SC710, Deposits.

Do not report this amount on SI215, Non-interest-bearing Demand Deposits, because SI239 will be added to SI215 in calculating total demand deposits.

SI240: Deposits in Lifeline Accounts

You should report zero in this data field until the Federal Reserve Board establishes minimum requirements for lifeline accounts. Lifeline accounts are transaction accounts that meet certain minimum requirements that the Federal Reserve Board will establish pursuant to Section 232 of the FDIC Improvement Act of 1991. These accounts will be eligible for a reduced deposit insurance assessment rate.

Deposits of Consolidated Subsidiaries:

Report all deposits and escrows of subsidiaries held by you that have been eliminated from your assets through consolidation. Include the interest accrued and unpaid on such deposits and escrows.

The deposits, escrows, and accrued interest reported in these data fields have been eliminated in consolidation and are not reported in SC710, SC783, or SC763.

If you hold escrows for a consolidated subsidiary, the deposit is eliminated in consolidation, but the escrow remains a liability and you should report it on SC783. To avoid double counting these escrows, do not include them on SI243 or SI244. Report only deposits and escrows that are not reported on either SC710 or SC783.

SI243: Demand Deposits

Report all demand deposits as defined in SI215 that you hold for consolidated subsidiaries. Do not report deposits that have been reported on SC710, SC783 or on SI215.

SI244: Time and Savings Deposits

Report all deposits that you hold for your consolidated subsidiaries excluding demand deposits reported on SI243. Do not report deposits that have been reported on SC710 or SC783. Also include the interest accrued and unpaid on such deposits and escrows. Do not report this accrued interest on SC763.

SI245: Adjustments to Deposits for Depository Institution Investment Contracts and Deposits in Foreign Offices, Edge and Agreement Subsidiaries, and IBFs (Including Accrued Interest)

Report the amount of liabilities arising under the following:

1. Report investment contracts reported as deposits in Schedule SC, but not treated as insured deposits as defined in Section 11(a)(8) of the Federal Deposit Insurance Act, FDI A. A Depository Institution Investment Contract is a separately negotiated depository agreement between an employee benefit plan and an insured depository institution that guarantees a

specified rate for all deposits made over a prescribed period and expressly permits benefit-responsive withdrawals or transfers.

2. Deposits held either in branches outside of the territories and possessions of the United States or by an Edge or Agreement Subsidiary, or by an International Banking Facility, IBF, including any accrued interest.

Include these contracts and deposits in SC710, Deposits, for reporting purposes. The FDIC will deduct them from deposits on your deposit premium assessment. Also include the related accrued interest that you have reported on SC763, Accrued Interest Payable - Deposits.

Amount of assets netted against deposit and escrow liabilities in Schedule SC in accordance with generally accepted accounting principles that cannot be netted for purposes of calculating deposits in accordance with the Federal Deposit Insurance Act:

Generally accepted accounting principles, GAAP, permit savings associations to offset or net assets and liabilities when a right of setoff exists. However, under the Federal Deposit Insurance Act, FDI Act, you may only net certain specified assets against deposit liabilities for deposit insurance and FICO assessment purposes. Thus, deposits reported on the balance sheet, Schedule SC, and elsewhere in Schedule SI may be different than required for assessment purposes. For example, you may exclude hypothecated demand deposits from the deposit base for premium insurance assessment purposes.

Include as a negative number the amount by which demand deposits would be reduced if your reciprocal demand balances with domestic offices of U. S. Banks and savings associations and insured branches in Puerto Rico and U. S. territories and possessions that you reported on a gross basis in Schedule SC were shown on a net basis. For premium insurance assessment purposes, you may report such reciprocal balances on a net basis. Do not include overdrawn balances in this calculation.

Example 1:

A savings association has a $200,000 asset and a $500,000 deposit liability for which a right of setoff exists under GAAP. The savings association nets the asset and liability on its balance sheet, Schedule SC, and reports a net $300,000 deposit liability. The savings association should report $200,000 on SI247 or SI248, depending on the type of deposit involved in the netting.

Example 2:

A savings association has a $400,000 asset and a $250,000 deposit liability for which a right of setoff exists under GAAP. The savings association nets the assets and liability on its balance sheet, Schedule SC, and reports a net $150,000 asset. The savings association should report $250,000 on SI247 or SI248, depending on the type of deposit involved in the netting.

SI247: Netted Against Demand Deposits (including escrows)

SI248: Netted Against Time and Savings Deposits (including escrows)

To be completed ONLY by associations with Oakar deposits:

Complete this section the first quarter in which you acquire Oakar deposits. You acquire Oakar deposits through purchase or merger deposits insured by a secondary fund – for example, a SAIF-insured savings association purchases BIF-insured deposits. Once you acquire Oakar deposits, you should complete this section in any quarter that you purchase or sell deposits, whether SAIF-insured or BIF-insured.

SI255: Total deposits purchased or acquired from other FDIC insured institutions during the quarter

SI265: Amount of purchased or acquired deposits reported in SI255 attributable to a secondary fund (i.e., SAIF members report deposits attributable to BIF; BIF members report deposits attributable to SAIF)

SI266: Total deposits sold or transferred during the quarter

OTHER DATA

SI370: Number of Full-time Equivalent Employees

Report the actual number of full-time equivalent employees employed by you and your consolidated subsidiaries. Report the actual whole number; do not round to thousands.

SI375: Assets Held in Trading Accounts

Trading assets are defined as securities and other assets acquired and held for sale in the near term. Trading generally reflects active and frequent buying and selling to generate profits on short-term price movements.

Trading assets may be any readily marketable asset, such as: government securities, mortgage pool securities, equity securities, bonds, notes, debentures, negotiable certificates of deposit, commercial paper, and bankers acceptances. You must classify as trading assets mortgage-backed securities that are held in conjunction with mortgage banking activities. Include amounts reported on SC655, Interest-Only Strip Receivables and Certain Other Instruments, that are classified as trading pursuant to FASB Statement No. 115.

Report all trading assets consistently at fair value whether or not the fair value is above or below cost. Recognize unrealized gains and losses on trading assets in current earnings on SO485, Net Income (Loss) from Trading Assets (Realized and Unrealized). Fair value adjustments to trading assets must directly adjust the asset balance; do not establish valuation allowances on trading assets. Record transfers from a trading classification to held-to-maturity at fair value at the time of transfer.

SI385: Available-for-Sale Securities

Report all investments in debt securities including mortgage securities not classified as held-to-maturity or as trading, and all investments in equity securities that have readily determinable fair values that are accounted for pursuant to FASB Statement No. 115 and are not classified as trading. Do not include equity securities whose sale is restricted by governmental or contractual requirement – for example, FHLB stock. Include amounts reported on SC655, Interest-Only Strip Receivables and Certain Other Instruments, that are not classified as trading pursuant to FASB Statement No. 115.

Report available-for-sale securities at fair value. Exclude unrealized gains and losses from current earnings and report, net of taxes, as a separate component of equity on SC860, Unrealized Gains (Losses) on Available-for-Sale Securities, until realized. In addition, report certain nonsecurity financial instruments, CNFIs, classified as available-for-sale pursuant to FASB Statement No. 115.

Transfer securities from the available-for-sale category to held-to-maturity at fair value as of the date of transfer.

SI387: Assets Held for Sale

Report all assets held for sale except securities and repossessed assets. Report assets held for sale at the lower of cost or market, LOCOM. Recognize unrealized losses in current earnings on SO465, Net Income (Loss) from LOCOM Adjustments Made to Assets Held for Sale.

Transfer assets from the ”for sale” category to an investment account at the lower-of-cost-or-market as of the date of transfer.

Include:

1. Loans and participations originated or purchased by you with the intent to sell.

2. Assets originally held for investment but now held for sale.
3. Assets held for sale, including real estate and branch offices, whether or not there is an outstanding commitment to sell.

Do not include:

1. Securities, report on SI385.
2. Repossessed assets.

SI390: Loans Serviced for Others

Report the principal balance of mortgage and nonmortgage whole loans and participating interests in loans serviced by you, but owned by others.

Include:

1. Loans and securities that you sold to others but for which you perform the servicing.
2. Loans serviced by you for others, where the loans have been securitized, whether or not you own the securities and whether or not you have reported any servicing assets.
3. Loans serviced by you for others, where you have transferred the loans to others, but have not reported the transaction as a sale.
4. Loans and securities serviced by you under a contract to a third party who owns the servicing rights.

Do not include:

1. Loans and securities where you own the servicing rights and where the servicing has been subcontracted to a third party.
2. Loans and securities serviced for you by a consolidated subsidiary or a subsidiary depository institution.

RESIDUAL INTERESTS

Residual interests are defined in 12 CFR Part 567.1 as any balance sheet asset that represents an interest, including a beneficial interest, created by a transfer of financial assets that qualifies as a sale under GAAP and that exposes the institution to a credit risk that exceeds a pro rata share of the institution's claim on the transferred assets. The transfer of assets may be through securitization or otherwise; the credit risk may be directly or indirectly associated with the transferred assets; and the exposure to credit risk may be through either subordination provisions or other credit enhancement techniques.

This definition of residual interests is for regulatory reporting purposes, and, therefore, is **not** the same as **purchased or retained beneficial interests in securitized financial assets**, as that term is used in authoritative accounting literature.

Examples of residual interests include, but are **not** limited to, credit-enhancing interest-only strips defined below, spread accounts, cash collateral accounts, and retained subordinated interests.

You report all residual interests somewhere on Schedule SC, typically on SC150, SC185, SC655, or SC690. The total of lines SI402 and SI404 should equal all residual interests, as defined above, that you have included on Schedule SC.

In addition, you should report the appropriate amounts in Schedule CC, on CC455 and CC465 or CC468, related to direct credit substitutes and recourse obligations. Also, as residual interests are subject to specialized regulatory capital treatment pursuant to 12 CFR Parts 567.6 and 567.12, you should report the appropriate amounts in Schedule CCR, on CCR133, CCR170, CCR375, and CCR605.

SI402: Residual Interests in the Form of Interest-only Strips

Report residual interests as defined above in the form of credit-enhancing interest-only strips.

Credit-enhancing interest-only strips are defined in 12 CFR Part 567.1 as any on-balance-sheet asset that, in form or in substance, represents the contractual right to receive some or all of the interest due on transferred assets, and that through subordination provisions or other credit enhancement techniques exposes the institution to credit risks that exceed its pro rata claim on the transferred assets.

Report both retained and purchased credit-enhancing interest-only strips. However, do not include interest-only strips issued by government-sponsored entities or other interest-only strips that do not function in a credit enhancing or otherwise subordinate capacity.

SI404: Other Residual Interests

Report any other residual interests and on-balance-sheet recourse assets that you have not reported on SI402. Include purchased subordinated interests, purchased subordinated securities, and any other type of residual or recourse position that you have purchased from others. Do not include interest-only strips issued by the government or government sponsored enterprises, unless they meet the definition of residual interest in 12 CFR 567.1.

QUALIFIED THRIFT LENDER TEST

SI581, SI582, and SI583: Actual Thrift Investment Percentage at Month-end

To be a Qualified Thrift Lender, QTL, you must either meet the Home Owners' Loan Act, HOLA, QTL test or the Internal Revenue Service tax code Domestic Building and Loan Association, DBLA, test.

If you use the HOLA QTL test, report the ATIP from the OTS QTL worksheets, OTS Form 1427, for the three months. If you use the IRS DBLA test, leave lines SI581, 582, and 583 blank.

EXTENSIONS OF CREDIT BY THE REPORTING ASSOCIATION (AND ITS CONTROLLED SUBSIDIARIES) TO ITS EXECUTIVE OFFICERS, PRINCIPAL SHAREHOLDERS, DIRECTORS, AND THEIR RELATED INTERESTS AS OF THE REPORT DATE

Federal Reserve Regulation O defines the terms used in this item.

An **extension of credit** is a making or renewal of any loan, a granting of a line of credit, or an extension of credit in any manner whatsoever. Extensions of credit include, among others, loans, overdrafts, cash items, standby letters of credit, and securities purchased under agreements to resell. For lines of credit, the amount reported as an extension of credit is normally the total amount of the line of credit extended to the insider, not just the current balance of the funds that have been advanced to the insider under the line of credit. *See* 12 CFR § 215.3, Regulation O.

An **executive officer** of the reporting savings association is person who participates or has authority to participate, other than as a director, in major policy-making functions of the reporting savings association, an executive officer of the savings association's holding company, and, unless excluded by the savings association's board of directors or bylaws, any other subsidiary of that holding company. *See* 12 CFR § 215.2(e), Regulation O.

A **director** of the reporting savings association is person who is a director of the savings association, whether or not receiving compensation, a director of the holding company of which the savings association is a subsidiary, and, unless excluded by the savings association's board of directors or bylaws, a director of any other subsidiary of that holding company. *See* 12 CFR § 215.2(d), Regulation O.

A **principal shareholder** of the reporting savings association is an individual or a company other than an insured depository institution that directly or indirectly, or acting through or in concert with one or more persons, owns controls, or has the power to vote more than 10% of any class of voting stock of the reporting savings association. Regulation O considers shares owned or controlled by a member of an individual's immediate family to be held by the individual. A principal shareholder includes a principal shareholder of a holding company of which the reporting savings association is a subsidiary and a principal shareholder of any other subsidiary of that holding company. *See* 12 CFR § 215.11(a)(1), Regulation O.

A **related interest** is either:

1. A company, other than an insured depository institution or a foreign bank that is controlled by an executive officer, director, or principal shareholder.
2. A political or campaign committee that is controlled by or the funds or services of which will benefit an executive officer, director, or principal shareholder. *See* 12 CFR § 215.11(a)(2), Regulation O.

SI590: Aggregate amount of all extensions of credit

Report the aggregate amount outstanding as of the report date of all extensions of credit by you and your controlled subsidiaries to all of your executive officers, principal shareholders, directors, and their related interests.

Include each extension of credit in the aggregate amount only one time, regardless of the number of borrowers.

SI595: Number of executive officers, principal shareholders, and directors to whom the amount of all extensions of credit (including extensions of credit to related interests) equals or exceeds the lesser of $500,000 or five percent of unimpaired capital and unimpaired surplus (CCR30 + CCR35 + CCR530 + CCR105)

Report the number of your executive officers, principal shareholders, and directors to whom the amount of all extensions of credit outstanding by you and your controlled subsidiaries as of the report date equals or exceeds the lesser of $500,000 or five percent of unimpaired capital and unimpaired surplus. That is, five percent x (CCR30 + CCR35 + CCR530 + CCR105). Report the actual number; do not round to thousands.

For purposes of this item, the amount of all extensions of credit by you and your controlled subsidiaries to an executive officer, principal shareholder, or director includes all extensions of credit by you to the related interests of the executive officer, principal shareholder, or director. A single extension of credit to more than one borrower must be included in full for all extensions of credit for each executive officer, principal shareholder, and director included in the credit. That is, one loan may be included more than once in the calculation of the $500 thousand or 5% of unimpaired capital and unimpaired surplus limit, because it will be included for each executive officer, principal shareholder, and director listed on the loan.

RECONCILIATION OF EQUITY CAPITAL

SI600: Beginning Equity Capital

The EFS software automatically generates this amount from your prior quarter's SI680.

Special instructions for mergers and reorganizations:

- Purchase Mergers – Report SI680 for the previous quarter for the surviving savings association only.
- Change of Control involving pushdown accounting including receiverships – Report SI680 for the previous quarter. Adjustments should be reported on SI660.

SI610: Net Income (Loss)

The EFS software automatically generates this amount from SO91, Net Income.

Dividends Declared:

SI620: Preferred Stock

Report the dollar amount of cash dividends declared during the period on preferred stock. These dividends are not charged to interest expense, but directly reduce retained earnings.

Include:

Dividends declared on preferred stock reported on SC812 and SC814.

SI630: Common Stock

Report the dollar amount of cash dividends declared during the period for common stock reported on SC820. These dividends are not charged to interest expense, but directly reduce retained earnings. Include cash dividends made to holding companies as well as to individual shareholders.

Do not include:

1. Stock dividends.
2. Stock splits.
3. Property dividends. Report on SI670.

SI640: Stock Issued

Report the amount of cumulative and noncumulative perpetual preferred stock and common stock issued during the quarter.

Include:

1. Perpetual preferred stock, including discounts and premiums, issued by you during the quarter that qualifies as equity under GAAP.
2. The par value and paid-in-capital received in connection with the stock issue.

Do not include:

1. The conversion of preferred stock into common stock.
2. Gains on treasury stock sold. Report on SI670.
3. Capital contributed not connected with a stock issue. Report on SI670.

When applying push-down accounting, report the amount paid in a change of control for your stock. Report the previously recorded par value and capital in excess of par value on SI650.

SI650: Stock Retired

Report the amount paid for common and perpetual preferred stock retired during the quarter. Report the amount as a positive number.

When applying push-down accounting, report the previously recorded par value and capital paid in excess of par value of the stock acquired by the new owners. The amount paid for this stock is reported on SI640.

SI660: New Basis Accounting Adjustments

Include:

1. Adjustments made during the period in applying push-down accounting in the change-of-control.

2. Adjustments made in accounting for a savings association taken into receivership during the period.

SI670: Other Adjustments

Include:

1. Adjustments from retroactively applying a change in promulgated GAAP.
2. The change in SC860, Unrealized Gains (Losses) on Available-for-Sale Securities.
3. The change in SC890, Other Components of Equity Capital.
4. Additional contributions of paid-in capital.
5. Issuance costs of common stock offerings.
6. Property distributions to stockholders. Record the transfer of dividends other than cash at the fair value of the asset on the declaration date of the dividend. Recognize a gain or loss on the transferred asset in the same manner as if you disposed of the property in an outright sale at or near the declaration date.
7. Audit adjustments and prior period adjustments to prior calendar years.

Do not include:

1. Audit adjustments and prior period adjustments within the current calendar year. Correct these through an amended report within 140 days of the report date or report them currently in Schedule SO.
2. Corrections of accruals. You must report these in the current period in the same data field in Schedule SO that they would have been reported had the accruals been made when incurred. If the correction causes interest yield or cost of funds to be significantly distorted, report the correction in other noninterest income or expense.

SI680: Ending Equity Capital

The EFS software automatically calculates this as the sum of SI600, SI610, SI640, SI660, and SI670 less SI620, SI630, and SI650. SI680 must equal SC80, Total Equity Capital, on the current TFR.

MUTUAL FUND AND ANNUITY SALES DURING THE QUARTER (INCLUDE PROPRIETARY, PRIVATE LABEL, AND THIRD PARTY MUTUAL FUNDS)

Report the following data at the fully consolidated level except as noted in this paragraph. Generally, do not consolidate subsidiaries that are federally insured depository institutions. This includes BIF and SAIF-insured subsidiaries as well as SAIF-insured savings associations that are subsidiaries of a commercial bank. In the case where the parent depository institution has primary responsibility for the mutual fund program, report the information in the parent institution's regulatory report. Data should not be reported twice, *that is,* in both the parent and subsidiary's regulatory reports. The data in this section also includes data from your affiliates as described below.

Do not include mutual fund and annuity sales and fee income reported in Schedule FS.

Report in the appropriate sub-item the amount of mutual fund and annuity sales activity during the quarter. You may report these sales through a subsidiary, or by affiliated and unaffiliated entities. For purposes of this item, measure sales in terms of principal sales dollars, not sales revenue.

In general, include all sales of proprietary, private label, and other – third party – mutual funds and annuities that take place on your premises and all other sales where you receive income at the time of the sale, over the duration of the account – for example, annual fees, Rule 12(b)1 fees or trailer fees, and redemption fees – or from leasing arrangements. Also, include sales made by an entity located off-site and not on your premises when the entity receives customer referral from you and these referrals are the basis upon which you receive income. Include sales to both retail customers and institutional investors as well as sales of no-load products. When reporting sales by affiliated and unaffiliated entities, you may rely on the sales information provided by these entities when completing this item.

The following are some examples of the types of transactions to be reported as sales, when the above conditions are met:

- Initial and subsequent mutual fund and annuity purchases.
- Exchanges within a family of funds.
- Reinvestment of income, dividends and capital gains.
- Sweep account activity.

Report sales gross and not net of redemptions. However, with respect to sweep accounts, report the average amount of funds swept into the money market fund each day during the quarter and not the aggregate total amount of funds swept into the money market fund during the quarter. The average may be computed from the amount of funds swept into the money market fund for each day for the calendar quarter or from the amount of funds swept into the money market fund on each Wednesday during the calendar quarter.

For example, you have one sweep account and use the Wednesday reporting option. There are 13 Wednesdays during the quarter. The following amounts were swept into the money market fund each Wednesday during the quarter: Week 1: $1,000; Week 2: $5,000; Week 3: $0; Week 4: $4,000; Week 5: $5,000; Week 6: $4,000; Week 7: $3,000; Week 8: $0; Week 9: $3,000; Week 10: $2,000; Week 11: $3,000; Week 12: $4,000; Week 13: $5,000. The average amount of funds swept into the money market fund on each Wednesday during the quarter was $3,000; that is, the sum of the amounts for weeks 1-13, $39,000, divided by 13.

Mutual fund is the common name for an open-end investment company whose shares are sold to the investing public. An **annuity** is an investment product, typically underwritten by an insurance company, which pays either a fixed or variable payment stream over a specified period. The primary purpose for establishing and marketing both proprietary and private label mutual funds and annuities is to target your or your organization’s customers. A **proprietary product** is a product for which you, your subsidiary or other affiliate acts as investment adviser and may perform additional support services. Under a **private label product**, an unaffiliated entity acts as the investment adviser. The identity of the investment adviser is normally disclosed in the prospectus for a mutual fund or annuity. Mutual funds and annuities that are not proprietary or private label products are considered **third party products**. For example, third party mutual funds and annuities include products that are widely marketed by numerous parties to the investing public and have investment advisers that are not affiliated with the reporting savings association.

Example: Savings Associations A, B, C, and D are subsidiaries of a holding company. Association A advises a family of mutual funds sold by all four savings associations in the holding company. Association A receives an advisory fee for mutual funds sold by all four savings associations. Association A should not include the amount of mutual funds sold during the quarter, reported by Associations B, C, and D in the amount of mutual fund sales it reports during the quarter. Association A should report only the mutual funds it has sold during the quarter. In addition, this family of mutual funds would be considered proprietary funds for all four savings associations.

SI800: Money Market Funds

Report the amount of sales of mutual funds during the quarter that, based on their investment objectives, can be best characterized as money market mutual funds. **Money market mutual funds** are mutual funds that invest exclusively in short-term debt securities with the objective of providing liquidity and preserving capital while also earning income.

SI810: Equity Securities Funds

Report the amount of sales of mutual funds during the quarter that, based on their investment objectives, can best be characterized as equity securities funds. **Equity securities funds** are mutual funds that invest primarily in equity securities, common stock.

SI820: Debt Securities Funds

Report the amount of sales during the quarter of mutual funds that, based on their investment objectives, can best be characterized as debt securities funds. **Debt securities funds** are mutual funds that invest primarily in debt securities, corporate bonds, U.S. Government securities, municipal securities, and mortgage-backed securities.

SI830: Other Funds

Report the amount of sales of mutual funds during the quarter that, based on their investment objectives, cannot properly be reported as one of the three preceding types of funds. Other funds may include mutual funds that invest in a mix of debt and equity securities.

SI840: Annuities

Report the amount of sales during the quarter of annuities, including variable annuities.

SI850: Sales of proprietary mutual funds and annuities Included on Lines 800 thru 840 Above

Report the total sales during the quarter of proprietary mutual funds and annuities. Also include these sales on lines 800 through 840.

A ***proprietary product*** is a product for which you, a subsidiary, or other affiliate of yours acts as investment adviser and may perform additional support services. The prospectus for a mutual fund or annuity normally discloses the identity of the investment adviser. Proprietary mutual funds and annuities are marketed primarily to your customers. In general, proprietary mutual funds and annuities are created by large holding companies and offered to customers of the organization’s subsidiary savings associations. Therefore, small, independent savings associations are not normally involved in the sale of proprietary mutual funds and annuities.

Savings associations that do not sell proprietary mutual funds and annuities should report a zero in this item.

SI860: Fee Income From the Sale and Servicing of Mutual Funds and Annuities

Report the amount of income that you earned during the quarter from the sale and servicing of mutual funds and annuities.

In general, this income is included in the amount reported on SO420, Other Fees and Charges. Report the income included in this item gross rather than net of expenses incurred by you or your consolidated subsidiary.

Include:

1. Income earned in connection with mutual funds and annuities that are sold on your premises or sold by you, through a subsidiary, or by affiliated or unaffiliated entities from which you receive income. This income may be in the form of fees or sales commissions at the time of the sale or fees, including a share of another entity’s fees, that are earned over the duration of the account –

for example, annual fees, Rule 12b-1 fees or trailer fees, and redemption fees. Report commissions as income when earned on an accrual basis at the time of the sale. However, you may report income when payment is received if the results would not differ materially from those obtained using an accrual basis.

2. Income from leasing arrangements with affiliated and unaffiliated entities who lease space in your offices for use in selling mutual funds and annuities. Income from leasing arrangements should be reported on an accrual basis, when earned, but may be reported as income when payment is received if the results would not differ materially from those obtained using an accrual basis.
3. Fees for providing investment advisory services for mutual funds and annuities that are sold on your premises or sold, through a subsidiary, or by affiliated or unaffiliated entities from which you receive income.
4. Fees for providing securities custody, transfer agent, and other operational and ancillary services to mutual funds and annuities that are sold on bank premises or sold by you, through a subsidiary, or by affiliated or unaffiliated entities from which you receive income.

Do Not Include:

1. Fees earned for services provided to mutual funds that are not sold by you, through a subsidiary, or by affiliated or unaffiliated entities with whom the savings association has sales relationships.
2. Do not include mutual fund and annuity fee income reported in Schedule FS.