

SCHEDULE HC — THRIFT HOLDING COMPANY

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

GENERAL INSTRUCTIONS

Complete this schedule if you are owned by a thrift holding company, unless your holding company is a registered Bank Holding Company supervised by the Federal Reserve. If your holding company owns more than one thrift institution, we will advise you which institution should file this report. We will also advise you which holding company(ies) to report if you are owned by more than one. You should continue to report for each holding company designated until advised otherwise.

Report all data on a consolidated basis in accordance with GAAP for each designated holding company and its subsidiaries as of the end of the quarter. If the holding company has a quarter end other than a calendar quarter end, you may use data from the fiscal quarter ending within the reporting calendar quarter. For example, if the holding company's calendar year end is October, its **fiscal quarter ends** are January, April, July and October. You should use its fiscal quarter ending January 31 for the March 31 TFR, April 30 for June 30, July 31 for September 30, and October 31 for December 31.

Thrift holding companies that **both** (1) are insurance companies, **and** (2) do not prepare financial statements for external use in conformity with GAAP, are permitted to file this data from financial statements prepared in conformity with statutory accounting principles for insurance companies.

You must file Schedule HC no later than the 45th day following the end of the **calendar** quarter. We do **not** make public Schedule HC data for individual holding companies. We do make public aggregate data for Schedule HC.

HC100: HOLDING COMPANY NUMBER

Report the docket number of the holding company for which you are reporting. All holding company docket numbers begin with an H.

HC110: FISCAL YEAR END

Report the month of the fiscal year end of the holding company.

FILINGS UNDER THE SECURITIES EXCHANGE ACT OF 1934:

HC120: Is any company in this holding company's structure required to file periodic securities disclosure documents (for example, Forms 10-K and 10-Q) with the SEC, pursuant to the Securities Exchange Act of 1934?

Answer **yes** if the reporting holding company or any entity that directly or indirectly **owns** the reporting holding company, or that is directly or indirectly owned by the reporting holding company, files periodic securities disclosure documents with the SEC. Examples of disclosure documents are Forms 10-K and 10-Q. Answer **no** if you file securities disclosure documents with OTS, and your holding company does **not** file with the SEC.

HC200: TOTAL ASSETS

Report total consolidated assets.

HC300: TOTAL LIABILITIES

Report total consolidated liabilities; including redeemable preferred stock, trust-preferred securities, and minority interest in common stock.

Include on this line instruments that have both debt and equity characteristics, but that are not properly reported as equity under GAAP. Examples of such instruments include, but are not limited to, convertible debt securities, trust preferred securities, and redeemable preferred stock. In addition, include on this line minority interest in common stock of consolidated subsidiaries. Note that companies sometimes report the instruments described in this paragraph on their balance sheet in a "mezzanine" category, that is, between liabilities and equity. However, Schedule HC has no such category. Therefore, include all such instruments in line HC300.

HC400: TOTAL EQUITY

Report the total consolidated equity.

OTHER DATA:

HC510: INTANGIBLE ASSETS AND DEFERRED POLICY ACQUISITION COSTS

Report the unamortized balance of intangible assets and deferred policy acquisition costs of the consolidated holding company.

Include on this line the following intangible assets (taken from examples provided in FASB Statement No. 141):

1. Goodwill.
2. Customer relationships and customer lists, including core deposit premiums.
3. Employment agreements.
4. Noncompetition agreements.
5. Lease agreements.
6. Computer software costs.
7. Loan servicing contracts, including mortgage servicing rights.

Deferred policy acquisition costs are capitalized costs that are incurred by insurance companies. They include variable acquisition costs such as commissions and underwriting and policy issuance expenses, related to both new and renewal premium revenue that are deferred, and then expensed as the related premium revenue is earned.

HC515: SERVICING ASSETS INCLUDED IN HC510

Report the outstanding balance of loan-servicing contracts including both mortgage and nonmortgage servicing rights. These amounts are also properly included as intangible assets on HC510. Include servicing assets reported on SC642 and SC644 as well as other servicing assets consolidated on the holding company's balance sheet.

HC520: DEBT MATURING WITHIN THE NEXT 12 MONTHS (EXCLUDING DEPOSITS)

Report all borrowings of the consolidated holding company that would be classified as current liabilities if the holding company were to present a classified balance sheet. In other words, include all borrowings that, within the next 12 months, either (1) contractually mature, (2) are callable at the option of the lender, or (3) otherwise become due and payable.

Borrowings, as the term is used here and for line HC530 below, means short-term or long-term debt, negotiated with specified terms, usually including interest rates and repayment dates. *Borrowings* exclude deposits and transactional liabilities, such as accounts payable, income taxes payable, and accrued

liabilities. *Callable*, as the term is used here, refers to an option by the lender to require repayment of the borrowing before its contractual maturity.

A classified balance sheet is one that includes subtotals for current assets and current liabilities. Most thrift holding companies do not present a classified balance sheet. However, for purposes of HC520 and HC530, all borrowings should be classified as either current or noncurrent. The parameters of current liabilities are detailed in Accounting Research Bulletin No. 43, *Restatement and Revision of Accounting Research Bulletins*, Chapter 3A, as revised by SFAS No. 78, *Classification of Obligations That Are Callable by the Creditor*.

Example: A holding company's borrowings, on a consolidated basis, include a Federal Home Loan Bank (FHLB) advance where the contractual maturity date is beyond the next 12 months. However, beginning on a date within the next 12 months, the FHLB may exercise its option to require immediate repayment of the advance. You should include that advance in line HC520.

HC530: ALL OTHER DEBT (EXCLUDING DEPOSITS)

Report all borrowings of the consolidated holding company **except**:

1. Debt maturing within the next 12 months reported on HC520.
2. Deposit and escrow liabilities held by you or any other subsidiary depository institution.

HC540: NET CASH FLOW FROM OPERATIONS FOR THE QUARTER

Report the net increase or decrease in cash and cash equivalents from operating activities for the quarter as would appear in a consolidated statement of cash flows prepared in accordance with FASB No. 95. Do not include any change in cash and cash equivalents from investing and financing activities.

HC550: NET INCOME FOR THE QUARTER

Report the consolidated net income of the holding company for the quarter.

HC560: INTEREST EXPENSE FOR THE QUARTER (EXCLUDING INTEREST ON DEPOSITS)

Report the consolidated interest expense of the holding company for the quarter, excluding interest expense on deposit and escrow liabilities held by you or any other subsidiary depository institution.