



October 13, 2014

Keith F. Higgins  
Director, Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Re: Report on Review of Disclosure Requirements in Regulation S-K (as Required by Section 108 of the Jumpstart Our Business Startups Act)

Dear Mr. Higgins:

The Global Financial Institutions Accounting Committee of the Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> appreciates the opportunity to provide comments on the Securities and Exchange Commission’s (“SEC” or the “the Commission”) review of Disclosure Requirements in Regulation S-K.

Our comment letter provides high level thematic comments for the Commission to consider as you review the Disclosure Requirements in Regulation S-K, but of equal importance to SIFMA are the detailed comments we have provided regarding the Securities Act Industry Guide “Statistical Disclosure by Bank Holding Companies” (i.e., Guide 3) in the appendix of this letter.

As the Commission undertakes this review we respectfully recommend:

- The Commission conduct a comprehensive review of the totality of the regulatory disclosure requirements for the financial services industry as required by regulators, self-regulatory agencies, and other groups both here and abroad (e.g., the Basel Committee on Banking Supervision, the Federal Reserve, the Financial Services Authority, the SEC, the CFTC, the OCC, the FDIC, FINRA, the NFA, and the CME).
- The Commission preserve the Private Securities Litigation Reform Act (“PSLRA”) safe harbors.
- The Commission and FASB collaborate on ensuring an integrated set of disclosures, devoid of redundancies and nuanced differences.
- The Commission develop a mechanism for timely update of disclosure requirements to cover new topical issues and to delete existing disclosures when the informational value for investors is diminished.

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<sup>1</sup> SIFMA brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA’s mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association. For more information, visit [www.sifma.org](http://www.sifma.org).

With respect to the Guide 3 disclosures, we recommend that the Commission:

- Align disclosures for Guide 3 with the reporting periods in the 10-K.
- Eliminate industry disclosures if they are included in either MD&A or in the financial statements prepared under US Generally Accepted Accounting Principles (“US GAAP”).
- Ensure that risk element disclosures are activity-focused and either aligned with global regulatory risk disclosures, or eliminated by referencing the regulatory risk disclosures.
- Provide a mechanism for preparers to update disclosures when changes occur with either regulatory requirements or with US GAAP requirements.

Below is a table summarizing our recommendations for Guide 3. In the Appendix we have inserted highlighted comments directly into the text of the Guide 3 requirements.

	Largely included in US GAAP financial statements	Useful/ should be in MD&A	Recommend elimination / not meaningful	Specific modifications proposed	No changes
General Instructions				X	
I. Distribution of Assets, Liabilities and Stockholders’ Equity; Interest Rates and Interest Differential					X
II. Investment Portfolio	X				
III. Loan Portfolio					
A. Types of Loans	X				
B. Maturities & Sensitivities of Loans to Changes in Interest Rates		X			
C. Risk Elements					
C1. Nonaccrual, Past Due and Restructured Loans	X				
C2. Potential Problem Loans	X				
C3. Foreign Outstandings		X (Item 6)	X		
C4. Loan Concentrations	X				
D. Other Interest Bearing Assets					X
IV. Summary of Loan Loss Experience				X	
V. Deposits				X	
VI. Return on Equity and Assets		X			
VII. Short-Term Borrowing				X	

SIFMA appreciates the Commission's thoughtful review of the Industry Guidelines and thank you for this opportunity to provide our views.

We hope you find our comments helpful. Should you have any questions or require further information concerning any of the matters discussed in this letter, please do not hesitate to contact me at 212-313-1331.

Very truly yours,

A handwritten signature in cursive script that reads "Mary Kay Scucci". The signature is written in black ink and is positioned above the typed name and title.

Mary Kay Scucci, PhD, CPA  
Managing Director  
SIFMA

cc:

U.S. Securities and Exchange Commission

Mary Jo White, Chair

Luis A. Aguilar, Commissioner

Daniel M. Gallagher, Commissioner

Michael S. Piwowar, Commissioner

Kara M. Stein, Commissioner

U.S. Securities and Exchange Commission, Division of Corporate Finance

Mark Kronforst, Chief Accountant

Stephanie Ciboroski, Senior Assistant Chief Accountant

Financial Accounting Standards Board

Russell G. Golden, Chairman

## APPENDIX

### Statistical Disclosure by Bank Holding Companies

#### **General Instructions Guide 3.**

1. This Guide applies to the description of business portions of those bank holding company registration statements for which financial statements are required.
2. Information furnished in accordance with this Guide should generally be presented in tabular form in the order appearing below. However, an alternative presentation, such as inclusion of the information in Management's Discussion and Analysis, may be used if in management's opinion such presentation would be more meaningful to investors.
3. When the term "reported period" is used in the Guide, it refers to each of the periods described below:
  - (a) each of the last three fiscal years of the registrant, except as is provided in paragraphs (b) and (c) below;
  - (b) each of the last five fiscal years of the registrant with respect to Items III and IV, except as is provided in paragraph (c) below;
  - (c) each of the last two fiscal years with respect to all items, if the registrant had assets of less than \$200,000,000 or net worth of \$10,000,000 or less as of the end of its latest fiscal year; and
  - (d) any additional interim period necessary to keep the information from being misleading.

The reported period shall not include an additional interim period under paragraph (d) above merely because an income statement is presented for such additional interim period, but the report period shall include such an additional period if a material change in the information presented or the trend evidenced thereby has occurred.

4. Unless otherwise indicated, averages called for by the Guide are daily averages. Where the collection of data on a daily average basis would involve unwarranted or undue burden or expense, weekly or month-end averages may be used, provided such averages are representative of the operations of the registrant. The basis used for presenting averages need be stated only if not presented on a daily average basis.
5. Some of the information called for by the Guide which is prospective in nature may not be available on a historical basis. The staff should be advised of such situations prior to filing and if the requested information is unavailable and cannot be compiled without unwarranted or undue burden or expense, the requirement that such information be furnished may be waived. If possible, reasonably comparable data should be furnished instead. If certain requested information will not be available with respect to periods to be covered in future filings subject to the Guide, this should also be brought to the staff's attention.

6. The disclosure requirements of the Guide are also applicable to foreign registrants to the extent the requested information is available. If the information is unavailable and cannot be compiled without unwarranted or undue burden or expense, this should be brought to the staff's attention.

[NOTE: In evaluating the reasonableness of assertions by registrants that the compilation of requested information, such as historical data or daily averages, would involve an unwarranted or undue burden or expense, the staff takes into consideration, among other factors, the size of the registrant, the estimated costs of compiling the data, the electronic data processing capacity of the registrant, and efforts in process to obtain the information in future periods.]

7. In various places throughout this Guide, disclosure is called for regarding certain "foreign" data. For purposes of this Guide, this information need not be presented unless the registrant is required to make separate disclosures concerning its foreign activities in its consolidated financial statements pursuant to the test set forth in §210.905 of Regulation S-X.

**Recommendation: SIFMA recommends that the Commission align all the Guide 3 disclosures with the periods covered by the US GAAP financial statements (i.e., 2 years for all balance sheet disclosures and 3 years for all income statement disclosures).**

## **Section I:**

### **Distribution of Assets, Liabilities and Stockholders' Equity; Interest Rates and Interest Differential**

(A) For each reported period, present average balance sheets. The format of the average balance sheets may be condensed from the detail required by the financial statements provided that the condensed average balance sheets indicate the significant categories of assets and liabilities, including all major categories of interest-earning assets and interest-bearing liabilities. Major categories of interest-earning assets should include loans, taxable investment securities, non-taxable investment securities, interest bearing deposits in other banks. Federal funds sold and securities purchased with agreements to resell, other short-term investments, and other (specify if significant). Major categories of interest-bearing liabilities should include savings deposits, other time deposits, short-term debt, long-term debt and other (specify if significant).

**Recommendation: SIFMA finds this disclosure useful and recommends no changes to this section.**

(B) For each reported period, present an analysis of net interest earnings as follows:

1. For each major category of interest-earning asset and each major category of interest-bearing liability, the average amount outstanding during the period and the interest earned or paid on such amount.
2. The average yield for each major category of interest-bearing asset.

3. The average rate paid for each major, category of interest-bearing liability.
4. The average yield on all interest-earning assets and the average effective rate paid on all interest-bearing liabilities.
5. The net yield on interest-earning assets (net interest-earnings divided by total interest-earning assets, with net interest earning equaling the difference between total interest earned and total interest paid).
6. This analysis may, at the option of the registrant, be presented in connection with the average balance sheet required by paragraph A.

**Recommendation: SIFMA finds this disclosure useful and recommends no changes to this section.**

(C) For the latest two fiscal years, present (1) the dollar amount of change in interest income and (2) the dollar amount of change in interest expense. The changes should be segregated for each major category of interest-earning asset and interest-bearing liability into amounts attributable to (a) changes in volume (change in volume times old rate), (b) changes in rates (change in rate times old volume), and (c) changes in rate/volume (change in rate times the change in volume). The rate/volume variances should be allocated on a consistent basis between rate and volume variances and the basis of allocation disclosed in a note to the table.

**Recommendation: SIFMA finds this disclosure useful and recommends no changes to this section.**

*Instructions.*

- (1) Explain how non-accruing loans have been treated for purposes of the analyses required by paragraph B.
- (2) In the calculation of the changes in the interest income and interest expense, any out-of-period items and adjustments should be excluded and the types and amounts of items excluded disclosed in a note to the table.
- (3) If loan fees are included in the interest income computation, the amount of such fees should be disclosed, if material.
- (4) Tax exempt income may be calculated on a tax equivalent basis. A brief note should describe the extent of recognition exemption from Federal, state and local taxation and the combined marginal or incremental rate used.
- (5) If disclosure regarding foreign activities is required pursuant to General Instruction 7 of this Guide, the information required by paragraphs A, B and C of Item I should be further segregated between domestic and foreign activities for each significant category of assets and liabilities disclosed pursuant to paragraph A. In addition, for each reported period, present separately, on the basis of averages, the percentage of total assets and total liabilities attributable to foreign activities.

## Section II: Investment Portfolio

(A) As of the end of each reported period, present the book value of investments in obligations of (1) the U.S. Treasury and other U.S. Government agencies and corporations; (2) States of the U.S. and political subdivisions; and (3) other securities including bonds, notes, debentures and stock of business corporations, foreign governments and political subdivisions, inter-governmental agencies and the Federal Reserve bank.

**Recommendation: SIFMA recommends elimination of this requirement, as this information is already required to be presented in the US GAAP financial statements.**

(B) As of the end of the latest reported period, present the amount of each investment category listed above which is due (1) in one year or less, (2) after one year through five years, (3) after five years through ten years, and (4) after ten years. In addition, state the weighted average yield for each range of maturities.

*Instruction.* State whether yields on tax exempt obligations have been computed on a tax equivalent basis. (See Instruction (4) to Item I.) Any major changes in the tax-exempt portfolio should be discussed hereunder.

**Recommendation: SIFMA recommends elimination of this requirement, as this information is already required to be presented in the US GAAP financial statements.**

(C) As of the end of the latest reported period, state the name of any issuer, and the aggregate book value and aggregate market value of the securities of such issuer, when the aggregate book value of such securities exceeds ten percent of stockholders' equity.

**Recommendation: SIFMA recommends elimination of this requirement, as this information is already required to be presented in the US GAAP financial statements.**

*Instruction.* The term "issuer" has the meaning given in Section 2(4) of the Securities Act of 1933, except that debt securities issued by a state of the United States and its political subdivisions and agencies which are payable from and secured by the same source of revenue or taxing authority shall be considered to be securities of a single issuer. This information does not have to be provided for securities of the U.S. Government and U.S. Government agencies and corporations. Consideration should be given to disclosure of risk characteristics of the securities of an issuer and of differences in risk characteristics of different issues of securities of an issuer as may be appropriate.

### Section III: Loan Portfolio

**(A) Type of Loans.** As of the end of each reported period, present separately the amount of loans in each category listed below. Also show the total amount of all loans for each reported period which amounts should be the same as those shown on the balance sheets.

Domestic:

1. Commercial, financial and agricultural;
2. Real estate-construction;
3. Real estate-mortgage;
4. Installment loans to individuals;
5. Lease financing

Foreign:

1. Governments and official institutions;
2. Banks and other financial institutions;
3. Commercial and industrial;

*Instruction.* A series of categories other than those specified above may be used to present details of loans if considered a more appropriate presentation.

**Recommendation: SIFMA recommends elimination of this requirement, as this information is already required to be presented in the US GAAP financial statements.**

**(B) Maturities and Sensitivities of Loans to Change in Interest Rates.** As of the end of the latest fiscal year reported on, present separately the amount of loans in each category listed in paragraph A (except that this information need not be presented for categories 3, 4 and 5, and categories 6 through 9 may be aggregated) which are: (1) due in one year or less, (2) due after one year through five years and (3) due after five years. In addition, present separately the total amount of all such loans due after one year which (a) have predetermined interest rates and (b) have floating or adjustable interest rates.

*Instructions.*

(1) Scheduled repayments should be reported in the maturity category in which the payment is due.

(2) Demand loans, loans having no stated schedule of repayments and no stated maturity, and overdrafts should be reported as due in one year or less.

(3) Determinations of maturities should be based upon contract terms. However, such terms may vary due to the registrant's "rollover policy" in which case the maturity should be revised as appropriate and the rollover policy should be briefly discussed.

**Recommendation: SIFMA finds that current practice is to provide this information in a product-based format and to disclose this information in either**



**MD&A or Market Risk Disclosures. Therefore we recommend elimination as a Guide 3 requirement.**

**C. Risk Elements**

*(C1) Nonaccrual, Past Due and Restructured Loans.* As of the end of each reported period, state separately the aggregate of loans in each of the following categories:

- (a) Loans accounted for on a nonaccrual basis;
- (b) Accruing loans which are contractually past due 90 days or more as to principal or interest payments; and
- (c) Loans not included above which are “troubled debt restructurings” as defined in Statement of Financial Accounting Standards No. 15 (“FAS 15”), Accounting by Debtors and Creditors for Troubled Debt Restructurings.”

*Instructions.*

- (1) The information required by this Item should be provided separately for domestic and for foreign loans for each reported period.
- (2) As of the most recent reported period, state separately as to foreign and domestic loans included in (a) and (c) above the following information: (i) the gross interest income that would have been recorded in the period that ended if the loan
- (3) A discussion of the registrant’s policy for placing loans on nonaccrual status should be provided.
- (4) No loans shall be excluded from the amounts presented, except that loans to foreign borrowers which are restructured for reasons other than concerns as to ultimate collectability and which are included in amounts disclosed pursuant to Instruction (6)(d) to Item III.C.3. need not be included in amounts reported pursuant to Item III.C.1.(c). Supplemental disclosures may be made to facilitate understanding of the aggregate amounts reported. These disclosures may include, for example, information as to the nature of the loans, any guarantees, the extent of collateral, or amounts in process of collection.

**Recommendation: SIFMA views this disclosure as confusing and incremental, as this information is largely required to be included in the US GAAP financial statements, with definitions provided by the industry banking regulators for non-accrual, past due and restructured loans.**

*(C2) Potential Problem Loans.* As of the end of the most recent reported period, describe the nature and extent of any loans which are not now disclosed pursuant to Item III.C.1. above, but where known information about possible credit problems of borrowers (which are not related to transfer risk inherent in cross-border lending activities) causes management to have serious doubts as to the ability of such borrowers to comply with the present loan repayment terms and which may result in disclosure of such loans pursuant to Item III.C.1.

**Recommendation: SIFMA recommends eliminating this disclosure as this information is required by US GAAP and is in the table with the days past-due loan disclosures and the related allowance disclosures.**

(C3) *Foreign Outstandings.* As of the end of the last three reported periods, state the name of the country and aggregate amount of cross-border outstandings to borrowers in each foreign country where such outstandings exceed 1% of total assets.

**Recommendation: SIFMA recommends the elimination of this disclosure, as these disclosures are largely required in US GAAP financial statements. In addition the Federal Financial Institutions Examination Council's (FFIEC) Report 009 Country Exposure Report and Report 009a Country Exposure Information Report are publicly available and disclose this information.**

*Instructions.*

(1) Cross-border outstandings are defined as loans (including accrued interest), acceptances, interest-bearing deposits with other banks, other interest-bearing investments and any other monetary assets which are denominated in dollars or other non-local currency. To the extent that material local currency outstandings are not hedged or are not funded by local borrowings, such amounts should be included in cross-border outstandings. Commitments such as irrevocable letters of credit should not be included in outstandings; however, where such items are material, the amounts should be separately disclosed.

(2) Disclose separately the amounts of cross-border outstandings by type of foreign borrower as set forth in Item III.A. above.

(3) If a material amount of the outstandings to any foreign country disclosed herein is included in the amounts disclosed pursuant to Item III.C.1. or 2. identify each such country and the related amounts disclosed pursuant to those Items.

(4) Amounts of any legally enforceable, written guarantees of principal or interest by domestic or other non-local third parties may be netted against cross-border outstandings of a country. If such a guarantee is made by a foreign guarantor, the guarantee amount shall be reflected as an outstanding of such guarantor. The value of any tangible, liquid collateral may also be netted against cross-border outstandings of a country if it is held and realizable by the lender outside of the borrower's country.

(5) For purposes of determining the amount of outstandings to be reported, loans made to, or deposits placed with, a branch of a foreign bank located outside the foreign bank's home country should be considered as loans to, or deposits with, the foreign bank.

(6) Where current conditions in a foreign country give rise to liquidity problems which are expected to have a material impact on the timely payment of principal or interest on the country's private or public sector debt, furnish:

**Recommendation: SIFMA recommends eliminating this disclosure and providing firms with the flexibility to provide this information in either MD&A or Market Credit Disclosures.**

(a) a description of the nature and impact of such developments.

(b) an analysis of the changes in aggregate outstandings to borrowers in each such country (except that a country need not be included if aggregate outstandings to all borrowers in the country at the end of the most recent reported period do not exceed 1% of total assets), for the most recent reported period, in the following format:

	<i>Country A</i>	<i>Country B</i>
Aggregate outstandings at (beginning of period)	x	x
Net change in short-term outstandings:	x	x
Changes in other outstandings:		
Additional outstandings	x	x
Interest income accrued	x	x
Collections of: Principal	x	x
Accrued interest	x	x
Other changes	<u>x</u>	<u>x</u>
Aggregate outstandings at (end of period)	<u>\$ x</u>	<u>x</u>

For purposes of the above table, short-term outstandings are trade credits and interbank deposits (and similar items) which, at the time they were extended, had maturities of one year or less. This table should be supplemented with the amounts of (short-term outstandings that are included in the end-of-period aggregate amounts reported for each country.

(c) the total amounts recognized as interest income and the total amounts of interest collected during the most recent reported period on all outstandings to each country disclosed pursuant to subpart (b) of this Instruction, if such totals are significantly different from the amounts disclosed pursuant to subpart (b) on the lines entitled “Interest income accrued” and “Collections of accrued interest,” respectively. (The amounts might be different if, for example, all or a portion of the outstandings were on a nonaccrual basis.)

(d) the following information, if a material portion of the outstandings to any country that is identified pursuant to subpart (b) of this Instruction is restructured during or subsequent to the most recent reported period, or if a material portion may be subject to restructuring pursuant to an agreement in principal (or its equivalent) which has been reached between the debtor and the registrant (or a committee organized by creditor banks to negotiate such an agreement in principal or its equivalent):

(i) information describing the pre- and post-restructuring repayment terms of the affected outstandings, including at a minimum the following (in tabular format such as the following):

	<i>Country A</i>	<i>Country B</i>
Amount restructured (or subject to restructuring)	\$x	x
Weighted average year of maturity (including any grace periods):		
Pre-restructuring	19XX	19XX
Post-restructuring	19YY	19YY
Weighted average interest rate:		
Pre-restructuring	X%	X%
Post-restructuring	Y%	Y%

Alternative tabular formats are not precluded, provided that the minimum data presented above (or their equivalent) is presented. Supplementing weighted average maturities and interest rates with ranges of maturities and interest rates is not precluded; however, ranges should not be presented without also presenting weight averages (unless the ranges are very narrow). Alternatively, individual years of maturities could be disclosed with respect to discernable portions of restructured outstandings, along with the interest rates on those portions. If interest rates are variable, the applicable index and the weighted average spread from the index should be disclosed in lieu of the actual rates as of any particular date.

- (ii) a description of commitments (e.g., new money provisions; agreements to relend, or to maintain on deposit, repayment of principal or interest within the country) arising or expected to arise in connection with the restructuring(s).
- (iii) the amount of outstandings, separately as to each country, that has been removed or is expected to be removed from nonaccrual status as a result of the restructuring(s).

Disclosures pursuant to subpart (d) should be in reasonable proximity to disclosures pursuant to other subparts of this instruction and should be described as subject to change, if applicable.

(7) For countries whose outstandings are between .75% and 1% of total assets, disclose the names of the countries and the aggregate amount of outstandings attributable to all such countries.

(8) The disclosure threshold set forth in this Item is for disclosure guidance and is not intended as an indicator of a prudent level of lending to any one country by an individual bank.

(C4) *Loan Concentrations.* As of the end of the most recent reported period, describe any concentration of loans exceeding 10% of the total loans which are not otherwise disclosed as a category of loans pursuant to Item III.A. of this Guide. Loan concentrations are considered to exist when there are amounts loaned to a multiple number of borrowers engaged in similar activities which would cause them to be similarly impacted by economic or other conditions.

*Instructions.*

(1) If a material amount of the loan concentrations disclosed herein or pursuant to Item III.3.A. is included the amounts disclosed pursuant to Item III.C.1. or 2., that fact should be discussed.

(2) The disclosure threshold in this Item is for disclosure guidance and is not intended as an indicator of a prudent level of lending.

**Recommendation: SIFMA recommends elimination of this requirement, as this information is already required to be presented in the US GAAP financial statements.**

(D) *Other Interest Bearing Assets.* As of the end of the most recent reported period, disclose the nature and amounts of any other interest bearing assets that would be required to be disclosed under Item III.C.1. or 2. if such assets were loans.

**Recommendation: SIFMA finds this disclosure useful and recommends no changes.**

#### Section IV: Summary of Loan Loss Experience

(A) An analysis of loss experience shall be furnished in the following format for each reported period.

<i>.Analysis of the Allowance for Loan Losses</i>	
	Reported Period
<i>Balance at the beginning of period</i>	<u>\$ X</u>
<i>Charge-offs:</i>	
Domestic:	
Commercial, financial and agricultural	x
Real estate—construction	x
Real estate—mortgage	x
Installment loans to individuals	x
Lease financing	x
Foreign	x
	x
<i>Recoveries:</i>	
Domestic:	
Commercial, financial and agricultural	x
Real estate—construction	x
Real estate—mortgage	x
Installment loans to individuals	x
Lease financing	x
Foreign	x
	x
	x
<i>Net charge-offs</i>	x
<i>Additions charge to operations</i>	x
<i>Balance at end of period</i>	x
<i>Ratio of net charge-offs during the period to     average loans outstanding during the period</i>	x

#### *Instructions.*

(1) The above table is not intended to mandate a specific format for disclosure of this information. Registrants are encouraged to experiment with various disclosure formats in the

interest of effective communication of this data, however, all the required information must be given.

(2) For each period presented, describe briefly the factors which influenced management's judgment in determining the amount of the additions to the allowance charged to operating expense. A statement that the amount is based on management judgment will not be sufficient.

(3) If, in accordance with the instructions to paragraph III-A, information concerning loans has been presented in categories other than those specified in that paragraph, those other categories should be used to present the disclosures called for under this paragraph.

(4) If the registrant is required to present separate data as to its foreign activities pursuant to General Instruction 7 to this Guide, disclosure must be provided as to the changes in the allowance for loan losses applicable to loans related to foreign activities, including the balances at the beginning and end of the periods, charge-offs, recoveries, and additions charged to operations.

**Recommendation: SIFMA recommends that this disclosure retain the rollforward table, but limit the reporting periods to those presented in the US GAAP financial statements (i.e., two years for loans and three years for allowance). We also recommend flexibility in defining the categories presented, so the information presented is registrant relevant.**

(B) At the end of each reported period, furnish a breakdown of the allowance for loan losses in the following format:

<i>Allocation of the Allowance for Loan Losses</i>		
<i>Balance at End of Period</i> <u>Applicable to:</u>	<i>Reported Period</i>	
	<i>Amount</i>	<i>Percent of loans in each category to total loans</i>
Domestic	\$X	X%
Commercial, financial and agricultural	X	X%
Real estate—construction	X	X%
Real estate—mortgage	X	X%
Installment loans to individuals	X	X%
Lease financing	X	X%
Foreign	X	X%
Unallocated	X	N/A
		<u>100%</u>

*Instructions.*

- (1) See instructions (1) and (3) to paragraph A above.
- (2) In lieu of the breakdown of the allowance for loan losses by loan category called for above, the registrant may furnish a narrative discussion of the risk elements in the loan portfolio and the factors considered in determining the amount of the allowance for loan losses. The discussion may be extended to risk elements associated with particular loan categories or subcategories. Information should also be furnished as to the approximate anticipated amount of charge-offs by category during the next full year of operation.

*Instructions.*

(1) See instructions (1) and (3) to paragraph A above.

(2) In lieu of the breakdown of the allowance for loan losses by loan category called for above, the registrant may furnish a narrative discussion of the risk elements in the loan portfolio and the factors considered in determining the amount of the allowance for loan losses. The discussion may be extended to risk elements associated with particular loan categories or subcategories. Information should also be furnished as to the approximate anticipated amount of charge-offs by category during the next full year of operation.

**Recommendation: SIFMA recommends this disclosure be aligned with the two-year period presented in the US GAAP financial statements. We also recommend flexibility in defining the categories presented, so the information is registrant relevant.**

**Section V: Deposits**

(A) For each reported period, present separately the average amount of and the average rate paid on each of the following deposit categories which are in excess of 10 percent of average total deposits:

Deposits in domestic bank offices;

- (1) Noninterest bearing demand deposits.
- (2) Interest bearing demand deposits.
- (3) Savings deposits.
- (4) Time Deposits.

Deposits in foreign banking offices:

- (5) Banks located in foreign countries (including foreign branches of other U.S. banks).
- (6) Foreign governments and official institutions.
- (7) Other foreign demand deposits.
- (8) Other foreign time and savings deposits.

**Recommendation: SIFMA finds this disclosure useful and recommends no changes.**

(B) Categories other than those specified for deposits in domestic bank offices above may be used to present the types of domestic deposits if they more appropriately describe the nature of the deposits.

**Recommendation: SIFMA finds this disclosure useful and recommends no changes.**

(C) If material, the registrant should disclose separately the aggregate amount of deposits by foreign depositors in domestic offices Identification of the nationality of the depositors is not required.

**Recommendation: SIFMA finds this disclosure useful and recommends no changes.**

(D) As of the end of the latest reported period, state the amount outstanding of 1) time certificates of deposit in amounts of \$100,000 or more and 2) other time deposits of \$100,000 or more issued by domestic offices by time remaining until maturity of 3 months or less; over 3 through 6 months; over 6 through 12 months; and over 12 months

**Recommendation: SIFMA recommends that the Commission update this disclosure to reflect the FDIC's \$250,000 insured deposit limit.**

(E) As of the end of the latest reported period, state the amount outstanding of time certificates of deposits and other time deposits in amounts of \$100,000 or more issued by foreign offices. If the aggregate of such certificates of deposit and time deposits in amounts exceeding \$100,000 represents a majority of total foreign deposit liabilities, the disclosure need not be given provided that there is a statement that a majority of deposits were in amounts in excess of \$100,000.

**Recommendation: SIFMA recommends that the Commission update this disclosure to reflect the FDIC's \$250,000 insured deposit limit.**

## **Section VI: Return on Equity and Assets**

For each reported period, present the following:

- (1) Return on assets (net income divided by average total assets).
- (2) Return on equity (net income divided by average equity).
- (3) Divided payout ratio (dividends declared per share divided by net income per share).
- (4) Equity to assets ratio (average equity divided by average total assets).

*Instructions.*

- (1) If mandatorily redeemable preferred stock is outstanding, furnish the ratios required under (2) and (4) above in a dual presentation including and excluding such stock in the calculations.
- (2) Registrants should supply any other ratios which they deem necessary to explain their operations.

**Recommendation: SIFMA recommends that the components of this disclosure that are duplicated with regulatory filings (i.e., FR Y-9C) be eliminated.**



**Additionally, we recommend that only ratio's relevant to the industry be included in MD&A.**

## **Section VII: Short-Term Borrowings**

For each reported period, present the following information for each category of short-term borrowings reported in the financial statements pursuant to §210.0-04.11:

- (1) The amounts outstanding at the end of the reported period, the weighted average interest rate thereon, and the general terms thereof;
- (2) The maximum amount of borrowings in each category outstanding at any month-end during each reported period;
- (3) The approximate average amounts outstanding during each reported period and the approximate weighted average interest rate thereon.

*Instruction.* This information is not required to be given for any category of short-term borrowings for which the average balance outstanding during the period was less than 30 percent of stockholders' equity at the end of the period.

**Recommendation: SIFMA recommends that this disclosure be limited to two-years as presented in the US GAAP financial statements.**