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## INSTRUCTIONS for the Quarterly Supplemental Report for Bank Holding Companies Participating in the Small Business Lending Fund

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### GENERAL INSTRUCTIONS

The sections below constitute the Quarterly Supplemental Report.

[Quarter-End Adjusted Baseline Calculation](#)

[Quarter-End Qualified Small Business Lending](#)

[Dividend Rate Calculation](#)

### WHO MUST REPORT ON WHICH FORMS

Every bank holding company participating in the Small Business Lending Fund (SBLF) is required to submit a Quarterly Supplemental Report **no more than 30 calendar days after the quarter in which SBLF funding is received** and in each of the following nine (9) quarters.

The bank holding company must also submit an Initial Supplemental Report no later than five (5) business days before the closing date, as described in the separate Instructions for the Initial Supplemental Report for Bank Holding Companies Participating in the Small Business Lending Fund.

### DEFINITIONS AND RULES OF PRACTICE

Unless otherwise stated, the Quarterly Supplemental Report and the Instructions for the Quarterly Supplemental Report incorporate the definitions and general rules of practice embodied in the Consolidated Financial Statements for Bank Holding Companies (FR Y-9C), as well as the instructions pertaining thereto.

### ORGANIZATION OF THE INSTRUCTION BOOK

This instruction book is divided into two sections:

- (1) The General Instructions describing overall reporting requirements.
- (2) The Line Item Instructions for each section of the Quarterly Supplemental Report.

### PREPARATION OF THE REPORT

Bank Holding Companies are required to prepare and file the Quarterly Supplemental Report in accordance with these instructions. All reports shall be prepared in a consistent manner.

The bank holding company's financial records shall be maintained in such a manner and scope so as to ensure that the Quarterly Supplemental Report can be prepared and filed in accordance with these instructions and will reflect a fair presentation of the bank holding company's small business lending.

If you have general questions regarding this form, please contact the information line for the Small Business Lending Fund at 888-832-1147 (Monday-Friday, 9:00 AM-7:00 PM ET).

### SIGNATURES

The cover (signature) page of the Quarterly Supplemental Report shall be used to complete the signature and attestation requirement. The bank holding company may use digital or handwritten signatures; however, the choice will impact how the form is submitted. For details, see SUBMISSION OF THE REPORT instruction below.

### *Chief Executive Officer and Chief Financial Officer Declarations*

Both the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the bank holding company (or the individuals performing equivalent functions) shall sign the respective declarations on the cover (signature) page attesting to the correctness of the Quarterly Supplemental Report that the bank holding company has filed with the Treasury and the appropriate supervisory agency.

## SUBMISSION OF THE REPORT

Each bank holding company must file its Quarterly Supplemental Report no more than 30 calendar days after the quarter by electronically entering the report data directly into the Report and emailing the completed copy, along with the cover (signature) page, to Treasury at [SBLFSuppRpt@treasury.gov](mailto:SBLFSuppRpt@treasury.gov).

For bank holding companies using digital signatures, the completed electronic report is submitted as a single document. For bank holding companies using handwritten signatures, both the completed electronic report and a scanned copy of the cover (signature) page must be submitted.

One additional copy should be sent to the appropriate regional Federal Reserve Bank using existing procedures for filing report-related documentation.

### **Submission Date**

A bank holding company's completed Quarterly Supplemental Report must be filed with the Federal Reserve and Treasury no later than 30 calendar days after the end of the quarter, which is the same date the FR Y-9C used to pull the data is due. For example, the report pertaining to the quarter ending March 31 must be filed by the following April 30. However, if the closing date (the date the bank holding company receives the funds) occurs after the bank holding company's FR Y-9C is due for the preceding quarter, the bank holding company's first Quarterly Supplemental Report is due no later than five (5) business days before the closing date. For example, if the closing date occurs May 10, the report must be received by May 3, using data reflected on the March 31 FR Y-9C.

## RETENTION OF REPORTS

In general, a bank holding company should maintain in its files a signed and attested record of its completed Quarterly Supplemental Report, including any amended reports, for five (5) years after the report date.

## MISCELLANEOUS GENERAL INSTRUCTIONS

### **Rounding**

All dollar amounts must be reported in thousands with the figures rounded to the nearest thousand. Items less than \$500 must be reported as zero.

### **Verification**

All fields must be completed. All addition and subtraction should be double-checked before reports are submitted. Totals and subtotals in supporting materials should be cross-checked to corresponding items elsewhere in the reports. Before a report is submitted, all amounts should be compared with the corresponding amounts in the previous report. If there are any unusual changes from the previous report, a brief explanation of the changes should be attached to the submitted report.

## RELEASE OF INDIVIDUAL BANK HOLDING COMPANY REPORTS

All sections of the Quarterly Supplemental Report submitted by each reporting bank holding company may be made available to the public by the Federal Reserve or Treasury.

## LINE ITEM INSTRUCTIONS

### Quarter-End Adjusted Baseline Calculation

This section is used to adjust an institution's Small Business Lending Baseline for increases in qualified loan balances resulting from mergers, acquisitions, or purchases of such loans. If the bank holding company has gained qualifying loans by merger, acquisition, or purchase since 7/1/2010 through the report date, the amount must be added to the baseline.

#### Item No.   Caption and Instructions

- 1        Initial Small Business Lending Baseline (line 12 of the Initial Supplemental Report)
- 2        Prior quarter cumulative reported qualified small business lending increases resulting from an acquisition of, or merger with, another institution and purchases of such loans. Enter balance reported in:
  - Line 23 of the prior quarter's report if the last report filed was the Initial Supplemental Report
  - Line 12 of the prior quarter's report if the last report filed was a Quarterly Supplemental Report



Item No. Caption and Instructions

- 3 Balance increases in commercial and industrial loans resulting from an acquisition of, or merger with, another institution and purchases of such loans in the quarter being reported
- 4 Balance increases in loans secured by owner-occupied nonfarm nonresidential properties resulting from an acquisition of, or merger with, another institution and purchases of such loans in the quarter being reported
- 5 Balance increases in loans to finance agricultural production and other loans to farmers resulting from an acquisition of, or merger with, another institution and purchases of such loans in the quarter being reported
- 6 Balance increases in loans secured by farmland resulting from an acquisition of, or merger with, another institution and purchases of such loans in the quarter being reported
- 7 Subtotal (sum lines 3, 4, 5, and 6)
- 8 Dollar portion of any such loan or group of such loans to the same borrower and its affiliates with an original principal or commitment amount greater than \$10 million
- 9 Dollar portion of such loans to businesses with more than \$50 million in revenues, unless included in line 8  
Include loans made to a business with more than \$50 million in revenues during the most recent fiscal year ended as of the date of the loan origination. If the recipient's revenues for that fiscal year are unknown, use available annual revenue information reasonably proximate to that fiscal year.
- 10 Dollar portion of line 7 guaranteed by the U.S. government, unless included in lines 8 or 9  
Include only the portion of the loan which is guaranteed by the U.S. government
- 11 Dollar portion of line 7 where a third party has assumed an interest, unless included in lines 8, 9, or 10  
Include only the portion where a third party has assumed an interest
- 12 Total cumulative reported qualified business lending increases resulting from an acquisition of, or merger with, another institution and purchases of such loans (line 12 equals line 2 plus line 7 minus lines 8, 9, 10, and 11)
- 13 Quarter-End Adjusted Small Business Lending Baseline (line 13 equals line 1 plus line 12)

## Quarter-End Qualified Small Business Lending

Item No. Caption and Instructions

- 14 Balances of commercial and industrial loans (as reflected on FR Y-9C Schedule HC-C, item 4)
- 15 Balances of loans secured by owner-occupied nonfarm nonresidential properties (as reflected on FR Y-9C Schedule HC-C, item 1.e.(1))
- 16 Balances of loans to finance agricultural production and other loans to farmers (on FR Y-9C HC-C, item 3)
- 17 Balances of loans secured by farmland (on FR Y-9C Schedule HC-C, item 1.b)
- 18 Subtotal (sum lines 14, 15, 16, and 17)
- 19 Dollar portion of any such loan or group of such loans to the same borrower and its affiliates with an original principal or commitment amount greater than \$10 million
- 20 Dollar portion of such loans to businesses with more than \$50 million in revenues, unless included in line 19  
Include loans made to a business with more than \$50 million in revenues during the most recent fiscal year ended as of the date of the loan origination. If the recipient's revenues for that fiscal year are unknown, use available annual revenue information reasonably proximate to that fiscal year.
- 21 Dollar portion of line 18 guaranteed by the U.S. government, unless included in lines 19 or 20  
Include only the portion of the loan which is guaranteed by the U.S. government
- 22 Dollar portion of line 18 where a third party has assumed an interest, unless included in lines 19, 20, or 21  
Include only the portion where a third party has assumed an interest
- 23 Total quarter-end qualified small business loans (line 23 equals line 18 minus lines 19, 20, 21, and 22)



## Net Charge-Off Adjustments

### Item No. Caption and Instructions

- 24 Net charge-offs from prior quarter's report. Enter balance reported in:
- Line 44 of the Initial Supplemental Report if this is your first time completing the Quarterly Supplemental Report
  - Line 34 of the prior quarter's Quarterly Supplemental Report if you have previously filed a Quarterly Supplemental Report
- 25 Net charge-offs on commercial and industrial loans
- 26 Net charge-offs on loans secured by owner-occupied nonfarm nonresidential properties
- 27 Net charge-offs on loans to finance agricultural production and other loans to farmers
- 28 Net charge-offs on loans secured by farmland
- 29 Subtotal (sum lines 24, 25, 26, 27, and 28)
- 30 Dollar portion of net charge-offs on any such loans or group of loans to the same borrower and its affiliates with an original principal or commitment amount greater than \$10 million
- 31 Dollar portion of net charge-offs on such loans to businesses with more than \$50 million in revenues, unless included in line 30
- 32 Dollar portion of net charge-offs on loans guaranteed by the U.S. government, unless included in lines 30 and 31
- 33 Dollar portion of net charge-offs on loans where a third party has assumed an interest, unless included in lines 30, 31, and 32
- 34 Total cumulative net charge-offs (line 34 equals line 29 minus lines 30, 31, 32, and 33)
- 35 Quarter-End Adjusted Qualified Small Business Lending (line 35 equals line 23 plus line 34)

## Dividend Rate Calculation

Calculate applicable Dividend Rates as follows under Quarterly Supplemental Reports:

Report Date	Submission Date	Rate Effective Period	Dividend Rate
<i>Quarterly Supplemental Reports</i>			
End of first calendar quarter preceding closing date	Calendar quarter of closing date (30th day of quarter or closing date, whichever is later)	First calendar quarter after closing date	Between 1% and 5% as determined from the Dividend Rate Chart
End of calendar quarter of closing date	First calendar quarter after closing date (30th day of quarter)	Second calendar quarter after closing date	
End of first through seventh calendar quarters after closing date	Second through eighth calendar quarters after closing date (30th day of quarter)	Third through ninth calendar quarters after closing date	
End of eighth calendar quarter after closing date	Ninth calendar quarter after closing date (30th day of quarter)	Tenth calendar quarter after investment date until end of four and one-half year period after closing date	If the final Supplemental Report shows any increase in qualified lending, between 1% and 5% as determined from the Dividend Rate Chart If the final Supplemental Report shows no increase in qualified lending, 7%

### Item No. Caption and Instructions

- 36 Dollar value of funding from the Small Business Lending Fund
- 37 Dollar value of Quarter-End Adjusted Small Business Lending Baseline (line 13)
- 38 Dollar value of Quarter-End Adjusted Qualified Small Business Lending (line 35)
- 39 Dollar value of increase in Qualified Small Business Lending from baseline (line 39 equals line 38 minus line 37)
- 40 Percent increase in Qualified Small Business Lending (line 40 equals line 39 divided by line 37)



**Item No. Caption and Instructions**

- 41 If line 36 is greater than line 39, enter the amount from line 39; if line 39 is greater, enter the amount from line 36
- 42 Applicable Dividend Rate
- Refer to the table below to locate the applicable dividend rate associated with the growth percentage shown in line 40

Increase from Baseline	Dividend Rate
Less than 2.5%	5%
2.5% or more, but less than 5%	4%
5% or more, but less than 7.5%	3%
7.5% or more, but less than 10%	2%
10% or more	1%

This is the rate that will be applied to the amount in line 41. Any unused portion of the SBLF funding amount is subject to a 5% dividend rate.

- 43 If line 36 is greater than line 39, enter the difference (line 36 minus line 39); otherwise, not applicable
- 44 Applicable Dividend Rate for amount in line 43, if needed (5%)
- 45 Weighted Average Dividend Rate for SBLF capital amount for the following quarter. Calculate as follows:
- Multiply line 41 and line 42
  - Multiply line 43 and line 44
  - Sum the results from steps a and b
  - Divide the results from step c by line 36 (the capital amount) and enter the resulting rate, going out seven decimal points

For the 10th quarter following the quarter in which funding occurred, if line 40 is greater than zero, the rate calculated in line 45 applies until four-and-one-half years following funding. Otherwise, a Dividend Rate of 7% applies. After the 10th quarter, disregard lines 41 through 44 and instead enter the rate in line 45 that was shown on the previous quarter's report.

**Example:**

ABC Bancorp:

- Receives \$10 million from the Small Business Lending Fund on 4/1/2011.
- Reports an Adjusted Small Business Lending Baseline of \$200 million.
- Reports a Quarter-End Adjusted Qualified Small Business Lending balance of \$219.9 million. This includes the impact of changes in loan balances due to new loans made, payments, and charge-offs, plus an adjustment to add back charge-offs.

ABC Bancorp's Quarterly Supplemental Report – Dividend Rate Calculation would appear as follows for 12/31/2011:

	Dollar amounts in thousands	Bil	Mil	Thou
36. Dollar value of funding from the Small Business Lending Fund	36		10	000
37. Dollar value of Quarter-End Adjusted Small Business Lending Baseline (line 13)	37		200	000
38. Dollar value of Quarter-End Adjusted Qualified Small Business Lending (line 35)	38		219	900
39. Dollar value of increase in Qualified Small Business Lending from baseline (line 39 equals line 38 minus line 37)	39		19	900
40. Percent increase in Qualified Small Business Lending (line 40 equals line 39 divided by line 37)	40	9.95		%
41. If line 36 is greater than line 39, enter the amount from line 39; if line 39 is greater, enter the amount from line 36	41	10,000,000		\$
42. Applicable Dividend Rate (from tables in Instructions for Quarterly Supplemental Report) for amount in line 41	42	2.0		%
43. If line 36 is greater than line 39, enter the difference (line 36 minus line 39); otherwise, not applicable	43	n/a		\$
44. Applicable Dividend Rate for amount in line 43, if needed	44	5.0		%
45. Weighted Average Dividend Rate for SBLF capital amount for the following quarter (must go out seven decimal points; see instructions for details)	45	2.0000000		%

