

SCHEDULE A-1 - SECURITIES

EXCLUDE ASSETS HELD FOR TRADING

<u>Item No.</u>	<u>Captions and Instructions</u>	<u>Account</u>
1	<p><u>U.S. Treasury securities.</u> Report in the appropriate columns the amortized cost and fair value of all U.S. Treasury securities not held in trading accounts. <u>Include</u> all bills, certificates of indebtedness, notes, and bonds, including those issued under the Separate Trading of Registered Interest and Principal of Securities (STRIPS) program and those that are “inflation - indexed.”</p> <p><u>Exclude</u> all obligations of U.S. Government agencies. Also exclude detached Treasury security coupons and ex-coupon Treasury securities held as the result of either their purchase or the bank’s stripping of such securities and Treasury receipts such as CATS, TIGRs, COUGARs, LIONs, and ETRs (report in Schedule RC-B, item 6.a below).</p>	<p><u>XAPR0211</u> <u>XAPR0213</u> <u>XAPR1286</u> <u>XAPR1287</u></p>
2	<p><u>U.S. Government agency obligations.</u> Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all U.S. Government agency obligations (excluding mortgage-backed securities) not held for trading.</p> <p><u>Exclude</u> from U.S. Government agency obligations:</p> <ol style="list-style-type: none">(1) <u>Loans</u> to the Export-Import Bank and to federally-sponsored lending agencies.(2) All holding of U.S. Government-issued or –guaranteed mortgage pass-through securities (report in Schedule RC-B, item 4.a, below).	<p><u>XAPR1289</u> <u>XAPR1290</u> <u>XAPR1291</u> <u>XAPR1293</u></p>

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(CONTINUED)**

<u>Item No.</u>	<u>Caption and instructions</u>	<u>Account</u>
2 (Cont.)	<p>(3) U.S. Collateralized mortgage obligation (CMOs), real estate mortgage investments conduits (REMIC's), CMO and REMIC residuals, and stripped mortgage-backed securities (such as interest only strips (IO's), principal only strips (Pos), and similar instruments) issued by U.S. Government agencies and corporation. (Report in Schedule RC-B, item 4.b, below).</p> <p>(4) Participations in pools of Federal Housing Administration (FHA) Title I loans, which generally consist of junior lien home improvement loans.</p>	
2.a	<p><u>Issued by U.S. Government agencies (2).</u> Report in the appropriate columns the amortized cost and fair value of all Obligations (excluding mortgage-backed securities) not held for trading that have been issued by U.S. Government agencies. For purposes of these reports, a U.S. Government agency is defined as an instrumentality of the U.S. Government whose debt obligations are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S Government.</p>	<p><u>XAPR1289</u> <u>XAPR1290</u> <u>XAPR1291</u> <u>XAPR1293</u></p>

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<u>Item No.</u>	<u>Captions and Instructions</u>	<u>Account</u>
2.b	<p><u>Issued by U.S. Government-sponsored agencies (3).</u> <u>Include</u>, among others, debt securities and mortgage-backed bonds (i.e., bonds that are collateralized by mortgages) of the following government-sponsored agencies</p> <ol style="list-style-type: none"> (1) Federal Agricultural Mortgage Corporation (Farmer Mac) (2) Federal Credit Banks (2) (3) Federal Home Loan Banks (FHLBs) (4) Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac) (5) Federal Land Banks (FLBs) (6) Federal National Mortgage Association (FNMA or Fannie Mae) (7) Financing Corporation (FICO) (8) Resolution Funding Corporation (REFCORP) (9) Student Loan Marketing Association (SLMA or Sallie Mae) (10) Tennessee Valley Authority (TVA) (11) U.S. Postal Service 	<p><u>XAPR1294</u> <u>XAPR1295</u> <u>XAPR1297</u> <u>XAPR1298</u></p>

**SCHEDULE A – 1 – SECURITIES
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<u>Item No.</u>	<u>Captions and Instructions</u>	<u>Account</u>
2.c	<u>Government of Puerto Rico:</u> Report in the appropriate columns the amortized cost and fair value of all securities issued by the central Government of Puerto Rico, obligations not held for trading.	<u>XAPR0220</u> <u>XAPR0221</u> <u>XAPR0222</u> <u>XAPR0223</u>
2.d	<u>Municipal Government:</u> Report in the appropriate columns the amortized cost and fair value of all securities issued by the municipality of Puerto Rico, obligations not held for trading.	<u>XAPR0224</u> <u>XAPR0225</u> <u>XAPR0226</u> <u>XAPR0227</u>
2.e	<u>PR Government Authorities: :</u> Report in the appropriate columns the amortized cost and fair value of all securities issued by the different public corporations such as the Puerto Rico Aqueduct Authority; Puerto Rico Electrical Authority, Puerto Rico Telephone Co, etc., obligations not held for trading.	<u>XAPR0228</u> <u>XAPR0229</u> <u>XAPR0230</u> <u>XAPR0231</u>

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3

Securities issued by states and political subdivisions in the U.S. Report in the appropriate columns the amortized cost and fair value of all securities issued by states and political subdivisions in the United States not held for trading.

States and political subdivisions in the U.S., for purposes of this report, include:

- (1) the fifty States of the United States and the District of Columbia and their counties, municipalities, school districts, irrigation districts, and drainage and sewer districts; and
- (2) the governments of Puerto Rico and of the U.S. territories and possessions and their political subdivisions.

Securities issued by states and political subdivisions in the U.S. include:

- (1) General obligations, which are securities whose principal and interest will be paid from the general tax receipts of the state or political subdivision.

- (2) Revenue obligations, which are securities whose debt service is paid solely from the revenues of the projects financed by the securities rather than for general tax funds.

- (3) Industrial development and similar obligations, which are discussed below.

Treatment of industrial development bonds (IDBs) and similar obligations. Industrial development bonds (IDBs), sometimes referred to as “industrial revenue bonds”, and similar

obligations are issued under the auspices of states or political subdivisions for the benefit

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<u>Item No.</u>	<u>Caption and Instructions</u>	<u>Account</u>
3 (cont.)	<p>of a private party or enterprise where that party or enterprises, rather than the government entity, is obligated to pay the principal and interest on the obligation. For purposes of these reports, all IDBs and similar obligations should be reported as securities in this item (Schedule RC-B, item 3), consistent with the asset category in which the bank reports IDB s and similar obligations on its balance sheet for other financial reporting purposes.</p> <p><u>Treatment of other obligations of states and political subdivisions in the U.S.</u> In addition to those IDBs and similar obligations that are reported as securities in accordance with the preceding paragraph, also <u>include</u> in this item as securities issued by states and political subdivisions in the U.S. all obligations other than IDBs than meet <u>any</u> of the following criteria:</p> <ol style="list-style-type: none">(1) Nonrated obligations of states and political subdivisions in the U.S., other than those specifically excluded below, that the bank considers securities for other financial reporting purposes.(2) Notes, bonds, and debentures (including tax warrants and tax-anticipation notes) that are rated by a nationally-recognized rating service.	

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<u>Item No.</u>	<u>Caption and Instructions</u>	<u>Account</u>
3 (cont.)	(3) Obligations of state and local governments that are guaranteed by the United States Government (excluding mortgage-backed securities).	

Exclude from item 3:

- (1) All overdrafts of states and political subdivisions in the U.S.
- (2) All lease financing receivables of states and all political subdivisions in the U.S.
- (3) All IDBs that are reported as loans in accordance with the reporting treatment described above.
- (4) All other nonrated obligations of states and political subdivisions in the U.S. that the bank considers loans for other financial reporting purposes.
- (5) All mortgage-backed securities issued by state and local housing authorities in the U.S. (report in Schedule RC-B, item 4, below).
- (6) Collateralized mortgage obligations (CMOs), real estate mortgage investments conduits (REMICs), CMO and REMIC residuals, and stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (Pos), and similar instruments) issued by state and local housing authorities in the U.S. (report in Schedule RC-B, item 4.b, below).

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(CONTINUED)**

<u>Item No.</u>	<u>Caption and Instructions:</u>	<u>Account</u>
3 (cont.)	<p>(7) All obligations of states and political subdivisions in the U.S. held by the reporting bank for trading (report in Schedule RC, item 8).</p> <p>Report the Securities issued by states and political subdivisions in the U.S. as required by the following captions:</p> <p style="margin-left: 40px;">a. <u>General obligations</u></p> <p style="margin-left: 40px;">b. <u>Revenue obligations</u></p> <p style="margin-left: 40px;">c. <u>Industrial development and similar obligations.</u></p>	<p><u>XAPR1676</u> <u>XAPR1677</u> <u>XAPR1678</u> <u>XAPR1679</u></p> <p><u>XAPR1681</u> <u>XAPR1686</u> <u>XAPR1690</u> <u>XAPR1691</u></p> <p><u>XAPR1681</u> <u>XAPR1686</u> <u>XAPR1690</u> <u>XAPR1691</u></p>
4	<p><u>Mortgage-backed securities (MBS).</u> Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all mortgage-backed securities, including mortgage pass-through securities, collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), CMO and REMIC residuals, and stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments).</p>	

**SCHEDULE A – 1 – SECURITIES
(CONTINUED)**

<u>Item No.</u>	<u>Caption and instructions</u>	<u>Account</u>
4 (Cont.)	<p>Exclude from mortgage-backed securities:</p> <ol style="list-style-type: none">(1) Securities backed by loans extended under home equity lines, i.e., revolving open-end lines of credit secured by 1-4 family residential properties (report as asset-backed securities backed by "Home equity lines" in Schedule RC-B, item 5. b).(2) Bonds issued by the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC) that are collateralized by mortgages, i.e., mortgage-backed bonds, (report in Schedule RC-B, item 2.b, Obligations "issued by U.S. Government-sponsored agencies") and mortgage-backed bonds issued by non-U.S. Government issuers (report in Schedule RC-B, item 6, "Other debt securities," below).(3) Participation certificates issued by the Export-Import Bank and the General Services Administration (report in Schedule RC-B, item 2.a, Obligations "Issued by U.S. Government agencies").(4) Participation certificates issued by a Federal Intermediate Credit Bank.	

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<u>Item No.</u>	<u>Captions and Instructions</u>	<u>Account</u>
4 (Cont.)	Report the Securities issued by states and political subdivisions in the U.S. as required by the following captions:	
4.a	<u>Pass-through Securities</u>	
	(1) <u>Guaranteed by GNMA</u>	<u>XAPR1698</u> <u>XAPR1699</u> <u>XAPR1701</u> <u>XAPR1702</u>
	(2) <u>Issued by FNMA and FHLMC</u>	<u>XAPR1703</u> <u>XAPR1705</u> <u>XAPR1706</u> <u>XAPR1707</u>
	(3) <u>Other pass-through securities</u>	<u>XAPR1709</u> <u>XAPR1710</u> <u>XAPR1711</u> <u>XAPR1713</u>
4.b	<u>Other mortgage-backed securities (include CMO's, REMIC's, and stripped MBS):</u>	
	(1) Issued or guaranteed by FNMA, FHLMC, or GNMA	<u>XAPR1714</u> <u>XAPR1715</u> <u>XAPR1716</u> <u>XAPR1717</u>
	(2) Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	<u>XAPR1718</u> <u>XAPR1719</u> <u>XAPR1731</u> <u>XAPR1732</u>

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(CONTINUED)**

<u>Item No.</u>	<u>Captions and Instructions</u>	<u>Account</u>
4.b (Cont.)	(3) All other mortgage-backed securities	<u>XAPR1733</u> <u>XAPR1734</u> <u>XAPR1735</u> <u>XAPR1736</u>
5	<p><u>Other debt securities.</u> Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all debt securities not held for trading that cannot properly be reported in Schedule RC-B, items 1 through 5, above.</p> <p>Exclude from other debt securities:</p> <p>(1) All holdings of certificates of participation in pools of residential mortgages, collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), CMO and REMIC residuals, and stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments) (report in Schedule RC-B, item 4, above).</p> <p>(2) Holdings of banker’s acceptances and certificates of acceptances and certificates of deposit, which are not categorized as securities for purposes of this report.</p>	

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(CONTINUED)**

<u>Item No.</u>	<u>Caption and instructions</u>	<u>Account</u>
5 (Cont.)	Report in the following specified caption:	
	a. <u>Other Puerto Rico debt securities</u>	<u>XAPR1737</u> <u>XAPR1738</u> <u>XAPR1739</u> <u>XAPR1741</u>
	b. <u>U.S. and other debt securities</u>	<u>XAPR1742</u> <u>XAPR1743</u> <u>XAPR1744</u> <u>XAPR1746</u>
6	<p><u>Equity securities.</u> Report the historical cost and fair value, respectively, of all investments in mutual funds and other equity securities with readily determinable fair values. Such securities include, but are not limited to, money market mutual funds, mutual funds that invest solely in U.S. Government securities, common stock of the Federal National Mortgage Association (Fannie Mae), preferred stock and unrestricted voting common stock of the Student Loan Marketing Association (Sallie Mae), and common stock of the Federal Home Loan Mortgage Corporation (Freddie Mac).</p> <p>The fair value of an equity security is readily determinable if sales or bid-and-asked quotations are currently available on a securities exchange registered with the Securities and Exchange Commission (SEC) or in the over-the-counter market, provided that those prices or quotations for the over-the-counter market are publicly reported by the National Association of Securities Dealers Automated Quotations systems or by the National Quotation Bureau.</p>	

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<u>Item No.</u>	<u>Captions and Instructions</u>	<u>Account</u>
6 (Cont.)	<p>The fair value of an equity security traded only in a foreign market is readily determinable if that foreign market is of a breadth and scope comparable to one of the U.S. markets referred to above.</p> <p>Investments in mutual funds and other equity securities with readily determinable fair values may have been purchased by the reporting bank or acquired for debts previously contracted.</p> <p><u>Exclude</u> from investments in mutual funds and other equity securities with readily determinable fair values:</p> <ol style="list-style-type: none">(1) Paid-in stock of a Federal Reserve Bank(2) Stock of a Federal Home Loan Bank(3) Common and preferred stocks that do not have readily determinable fair have readily determinable fair values, such as stock of bankers' banks and voting common stock of the Federal Agricultural Mortgage Corporation.(4) Preferred stock that by its terms either must be redeemed by the issuing enterprise or is redeemable at the option of the investor (report such preferred stock as other debt security in Schedule RC-B, item 6, above).	

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<u>Item No.</u>	<u>Captions and Instructions</u>	<u>Account</u>
6 (Cont.)	<p>(5) “Restricted stock,” as defined in FASB Statement No. 115, i.e., equity securities for which sale is restricted by governmental or contractual requirement (other than in connection with being pledged as collateral), except if that requirement terminates within one year or if the holder has the power by contract or for which sale is restricted by governmental or contractual requirement (other than in connection with being pledged as collateral), except if that requirement terminates within one year or if the holder has the power by contract or otherwise to cause the requirement to be met within one year.</p> <p>(6) Participation certificates issued by a Federal Intermediate Credit Bank, which represent nonvoting stock in the bank.</p> <p>Report the equity securities in the caption specified as follows:</p> <p style="margin-left: 40px;">a. Investments in mutual funds</p> <p style="margin-left: 40px;">b. Other equity securities with readily determinable fair values</p> <p style="margin-left: 40px;">c. All other equity securities (1)</p>	<p><u>XAPR1749</u> <u>XAPR1751</u></p> <p><u>XAPR1752</u> <u>XAPR1753</u></p> <p><u>XAPR1752</u> <u>XAPR1753</u></p>
7	<u>Total:</u> Report the sum of items 5 and 8.	<p><u>XAPR1754</u> <u>XAPR1771</u> <u>XAPR1772</u> <u>XAPR1773</u></p>