



Important Notice

National Securities Clearing Corporation

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| A#: | 7880 |
| P&S #: | 7450 |
| Date: | February 5, 2015 |
| To: | ALL MEMBERS |
| From: | General Counsel's Office |
| Attention: | Managing Partners, Officers, CFO, Compliance Officers |
| Subject: | Member Financial Responsibility and Operational Capability Notification Requirements |

Attached are the Reporting Requirements for Members of the National Securities Clearing Corporation.

Important Reporting Requirements: NSCC

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Introduction

Pursuant to the Rules and Procedures (the “Rules”) of the National Securities Clearing Corporation (“NSCC” or “the Corporation”), Members are required to submit certain information, including ongoing financial, operational, and regulatory reports. Please note that all amendments or addenda to such reports or information must be submitted to NSCC concurrently with their submission to the applicable primary regulator, or as soon as practicable if not filed with a regulator.

Those Members that fail to comply with these requirements may be subject to disciplinary sanctions including, but not limited to, fines. Pursuant to regulatory requirements, all fines imposed by NSCC against a full Member, and fines above \$2,500 imposed against a limited Member, are subsequently reported to the U.S. Securities and Exchange Commission.

Pursuant to NSCC’s Rules, Members must demonstrate to NSCC that the Member has adequate financial and operational capability to meet all of its anticipated obligations to the Corporation. The Rules also require that Members furnish to the Corporation adequate assurances of their financial responsibility and operational capability, as the Corporation may at any time deem necessary.

The attached schedule provides guidelines to firms for submission of ongoing financial and regulatory reports pursuant to Rule 2B. **Members are urged to review the attached schedule and incorporate the indicated filing deadlines into their internal procedures.**

The Rules can be obtained on NSCC’s website at : <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

DTCC offers enhanced access to all important notices via a Web-based subscription service. The notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php.

Delivery Instructions

Please send all required financial information **in electronic form** by the due date to the following e-mail address:

Credit-MarketRisk@dtcc.com

Please provide the following information in the “subject” line: Member Name, Reporting Period Covered, and Type of Report

NSCC highly recommends that all financial information be provided in electronic form to ensure receipt. However, additional options are listed below:

- 1) By mail (return receipt recommended) to:
The Depository Trust & Clearing Corporation
P.O. Box 5082
Bowling Green Station
New York, New York 10274

Non-Confidential (White)

- 2) By facsimile to: (201) 533-6641, Attn: CRU
- 3) By overnight delivery only to:
The Depository Trust & Clearing Corporation (DTCC)
55 Water Street
Attn: CRU
New York, New York 10041

Members and limited Members that submit identical reports to FICC and DTC need not submit duplicate reports to NSCC as long as they identify NSCC among the names of the clearing agencies to which the submission relates.

Extension Requests

If it has been determined that a deadline cannot be met for legitimate reasons, the Member must provide a formal request for extension **prior to the due date** via e-mail to credit-marketrisk@dtcc.com stating the reason an extension is needed and the proposed submission date. Broker-dealers must also provide a copy of their regulator's letter approving the extension.

Reporting of Material Events

NSCC Members and limited Members are required to timely notify the Corporation of material events that may impact the Member's financial and operational capability 90 days prior to the change taking effect. Such events include, but are not limited to:

- Material change in ownership, control, or management;
- Material organizational changes including mergers, acquisitions, changes in corporate form, and/or name changes;
- Material change in business lines, including but not limited to, new business lines undertaken;
- Decreases of 25% or greater in excess net capital (broker/dealers) or net worth (banks);
- Participation as a defendant in litigation, which could reasonably have a direct negative impact on the Member's financial condition or ability to conduct business.

If notice cannot be given 90 days in advance for a particular reason (e.g., the Board did not approve or regulators did not authorize the change 90 days prior to the effective date), NSCC Members and limited Members must provide written documentation along with the notification demonstrating that the timeframe for the notice provided to NSCC is reasonable given the specific facts. This will permit NSCC to determine in advance whether a violation of Rule 2B of NSCC's rules has occurred.

Questions regarding the information Members are required to provide under NSCC's Rules should be addressed to your Relationship Manager, or you can call the Relationship Management Hotline at (212) 855-4155.

Questions regarding fines imposed by NSCC should be addressed to the Compliance Department Hotline at (212) 855-8030.

Fine Schedule

Failure to Timely Provide Financial and Related Information

| Request for information* | First Occasion | Second Occasion | Third Occasion | Fourth Occasion |
|--------------------------|----------------|-----------------|----------------|-----------------|
| Reports/Information** | \$300 | \$600 | \$1,500 | *** |

* Fines to be levied for offenses within a moving twelve-month period beginning with the first occasion.

** For purposes of this Fine Schedule, “Reports/Information” shall mean the financial, regulatory and other information required to be submitted within a specified deadline to the Corporation.

*** Fourth or more occasion fines will be determined by the Corporation with the concurrence of the Board of Directors.

If the Member’s late submission applies to more than one DTCC clearing agency subsidiary, the fine amount will be divided equally among DTCC’s clearing agencies. Where the Member is a Participant of DTC and is a common Member of one or more of the other clearing agencies, the fine will be collected by DTC and allocated equally among the other clearing agencies, as appropriate. If the Member is not a DTC Participant, but is a common Member between the other clearing agencies, NSCC will collect the fine and allocate the appropriate portion to the other clearing agencies.

NSCC Submission Deadlines¹

This schedule does not apply to limited Members admitted under Addendum B, Sections 5-13 (Municipal Comparison Only Member, Data Services Only Member, Commission Billing Member, Settling Bank Only Member, Third Party Administrator Member, Investment Manager/Agent Member, AIP Member, AIP Settling Bank Only Member, Third Party Provider Member) and Members admitted under Rule 61 - International Link.

I. Brokers or Dealers Registered under the Securities Exchange Act of 1934

- A. Full confidential version of the annual audited financial statements², including report on internal controls: **70 calendar days after fiscal year-end**
- B. FOCUS or FOGS reports³: **20 business days after month-end**
- C. Supplemental report required to be filed pursuant to SEC Rule 17a-11 or 17 C. F. R. Sec. 405.3: **Submitted concurrently with submission to the SEC**
- D. Copy of any regulatory notification required to be made when a Member's capital or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- E. Extension request, if applicable
- F. Regulatory extension approval letter, if applicable

II. Brokers or Dealers Established in the United Kingdom

- A. Full confidential version of the annual audited financial statements², including report on internal controls: **70 calendar days after fiscal year-end**
- B. FOCUS/FSA reports: **20 business days after month-end**
- C. Extension request, if applicable
- D. Regulatory extension approval letter, if applicable

¹ In all cases where a due date falls on a day that is not an NSCC business day, the due date shall be deemed to be the first NSCC business day immediately thereafter. **Any Member that is unable to comply with NSCC's reporting requirements because of special circumstances must inform NSCC by e-mail to Credit-MarketRisk@dtcc.com in advance of the date by which the report would otherwise be due.**

² If a Member is admitted with a guarantee, the Member's annual audited financial statements, as well as annual audited financial statements for the guarantor, must be provided. The Member's timeframe is as designated for that Member's entity type; the guarantor's timeframe is as designated for that guarantor's entity type. If annual audited financial statements of the Member or its guarantor are not available, NSCC in its sole discretion may accept consolidated financial statements prepared at the parent level. If parent company audited consolidated financials are accepted by NSCC, they must be provided to NSCC no later than 30 days following the date of the auditor's opinion letter.

³ If a Member files its FOCUS report electronically with FINRA or CHX, and has authorized the primary regulator to forward the report to NSCC, then the Member need not file another copy with NSCC, unless notified by NSCC. These Members must, however, submit all other reports (including extension letters) to NSCC.

III. Domestic Banks or Trust Companies with Obligation to File CALL Reports with Domestic Offices Only

- A. Full confidential version of the annual audited financial statements²: **100 calendar days after fiscal year-end**
- B. Quarterly CALL Report: **35 calendar days after quarter-end**
- C. Copy of any regulatory notification required to be made when a Member's capital or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- D. Extension request, if applicable

IV. Domestic Banks or Trust Companies with Obligation to File CALL Reports with Domestic and Non-Domestic Offices

- A. Full confidential version of the annual audited financial statements²: **100 calendar days after fiscal year-end**
- B. Quarterly CALL Report: **45 calendar days after quarter-end**
- C. Copy of any regulatory notification required to be made when a Member's capital or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- D. Extension request, if applicable

V. Domestic Banks, Trust Companies, or Credit Unions with No Obligation to File CALL Reports

- A. Full confidential version of the annual audited financial statements²: **100 calendar days after fiscal year-end**
- B. Unaudited Monthly, Quarterly, or Semi-Annual Financial Information (as applicable) as filed with the Member's state or federal regulatory authority: **35 calendar days after period-end**
- C. Copy of any regulatory notification required to be made when a Member's capital or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- D. Extension request, if applicable

VI. Foreign Banks, including those with a U.S. Branch or Agency

- A. Full confidential version of the annual audited financial statements²: **5 months after fiscal year-end**
- B. Quarterly Financial Statements for the Foreign Bank: **75 calendar days after quarter-end**

- C. Copy of any regulatory notification required to be made when a Participant's capital levels or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- D. Extension request, if applicable

VII. Foreign Banks not Subject to Federal Reserve Requirements

- A. Full confidential version of the annual audited financial statements²: **5 months after fiscal year-end**
- B. Quarterly Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks on Form FFIEC 002/002S: **75 calendar days after quarter-end**
- C. Quarterly Exhibit A (see Appendix): **75 calendar days after quarter-end**
- D. Copy of any regulatory notification required to be made when a Member's capital or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- E. Notice in writing if the Member has become subject to a disciplinary action by its home country regulator: **Within 2 business days of becoming subject to the disciplinary action**
- F. Final current version (including any revisions made during the year) of the Member's risk management ("RM") procedures, which should include the identification of threats and risk elements associated with the Member's major business segments and operations, e.g. credit risks, market exposure, liquidity management, and operational risks, governance structure, regulatory requirements, internal control requirements, and monitoring processes: **5 months after fiscal year-end**
- G. Narrative of any material changes that have occurred in Member's RM procedures: **5 months after fiscal year-end, and within 30 calendar days of any material change in RM procedures**
- H. Final current version (including any revisions made during the year) of the Member's business continuity/disaster recovery procedures ("BC/DR"), which should include the identification of major vulnerability associated with business disruption, regulatory requirements related to disaster recovery, business processes that are critical that must be recovered in order to support businesses, information regarding back-up sites for technology and processing capabilities and personnel, internal oversight and controls related to disaster recovery: **5 months after fiscal year-end**
- I. Narrative of any material changes that have occurred in BC/DR procedures: **5 months after fiscal year-end, and within 30 calendar days of any material change in BC/DR procedures**
- J. Extension request, if applicable

VIII. Insurance Companies

- A. Full confidential version of the annual audited financial statements²: **5.5 months after fiscal year-end**
- B. Reports filed with and/or filed in accordance with guidelines issued by the National Association of Insurance Commissioners (“NAIC”) or other regulatory authority (e.g. Blue Book): **5.5 months after fiscal year-end**
- C. Copy of any regulatory notification required to be made when a Member’s capital or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- D. Extension request, if applicable

IX. Insurance Agencies

- A. Audited annual reports filed with relevant state insurance departments: **5.5 months after fiscal year-end**
- B. Copy of any regulatory notification required to be made when a Member’s capital or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- C. Extension request, if applicable

X. Domestic Investment Advisers

- A. Full confidential version of the annual audited financial statements²: **100 calendar days after fiscal year-end**
- B. Quarterly income statement and balance sheet: **45 calendar days after quarter-end**
- C. Form ADV: **5 calendar days after submission to SEC**
- D. Copy of any regulatory notification required to be made when a Member’s capital or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- E. Extension request, if applicable

XI. Foreign Investment Advisers

- A. Full confidential version of the annual audited financial statements²: **5 months after fiscal year-end**
- B. Quarterly income statement and balance sheet: **75 calendar days after quarter-end**
- C. Copy of any regulatory notification required to be made when a Member’s capital or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- D. Extension request, if applicable

XII. SEC-Registered 1940 Act Investment Companies

- A. Full confidential version of the annual audited financial statements (Form N-CSR)²: **100 calendar days after fiscal year-end**
- B. Quarterly Form N-Q: **60 calendar days after quarter-end**
- C. Semi-Annual Form N-CSR: **70 calendar days after period-end**
- D. Copy of any regulatory notification required to be made when a Member's capital or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- E. Extension request, if applicable

XIII. Central Securities Depositories (CSDs)

- A. Full confidential version of the annual audited financial statements²: **5 months after fiscal year-end**
- B. Quarterly income statement and balance sheet: **75 calendar days after quarter-end**
- C. Copy of any regulatory notification required to be made when a Member's capital or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- D. Extension request, if applicable

XIV. Exchanges

- A. Full confidential version of the annual audited financial statements²: **6 months after fiscal year-end**
- B. Quarterly Income Statement and Balance Sheet: **45 calendar days after quarter-end**
- C. Copy of any regulatory notification required to be made when a Member's capital or other financial requirements fall below prescribed levels: **Submitted concurrently with submission to the applicable primary regulator**
- D. Extension request, if applicable

XV. All Other Members

- A. Full confidential version of the annual audited financial statements²: **5 months after fiscal year-end**
- B. Unaudited Quarterly Financial Information: **45 calendar days after quarter-end**
- C. Copy of any regulatory notification required to be made when a Member's capital or other financial requirements fall below levels prescribed by the applicable primary regulator: **Submitted concurrently with submission to the applicable primary regulator**
- D. Extension request, if applicable

Non-US Domestic Members, Mutual Fund/Insurance Services Members, Fund Members or Insurance Carrier/Retirement Services Members must provide all financial reports or other information requested by NSCC in English.

Exhibit A

Form requesting key financial information Non-U.S. Banks (not subject to Federal Reserve requirements)

Pursuant to NSCC's Rules and Important Notices as published from time to time by the Corporation on its website, www.dtcc.com, **non-U.S. Bank Members (not subject to Federal Reserve requirements) must complete and provide the attached form and the accompanying certification to NSCC by the 75th calendar day after the end of each fiscal quarter.** Please note that all material changes to the information provided must be submitted to NSCC as soon as practicable.

Please note that the certifying officer should be the Member's chief financial officer, chief executive officer, or similar high-ranking official. If the entity does not have officers with such titles, the highest ranking executive or financial officer will be acceptable to NSCC.

Member Firm Name

| KEY FINANCIAL DATA | |
|---|------------------------------|
| For the Quarter Ended: | |
| Type of GAAP Used | |
| | |
| Balance Sheet Items | (Local currency thousands) |
| Total Loans | |
| Total Assets | |
| Total Deposits | |
| Total Liabilities | |
| Total Equity Capital | |
| | |
| Income Statement Items | (Local currency thousands) |
| Net Interest Income | |
| Net Non-Interest Income | |
| Net Non-Interest Expense | |
| Pre-Tax Income | |
| Net Income | |
| | |
| Asset Quality | (Ratios to 2 decimal places) |
| Non-Performing Loans to Loans | |
| Loan Loss Reserve to Non-Performing Loans | |
| Net Charge-Offs/Loans | |
| | |
| Capital Adequacy | |
| Total Risk Weighted Assets | |
| Tier 1 Risk-Based Capital Ratio | |
| Total Risk-Based Capital Ratio | |
| | |
| Profitability | |
| Return on Assets | |
| Return of Equity | |
| | |
| Liquidity | |
| Net Loans to Deposits | |
| Net Loans to Core Deposits | |
| | |
| | |
| | |

| | |
|---|--|
| Bank to Parent Group | |
| Bank's Assets as a % of Consolidated Parent Group's | |
| Bank's Net Income as a % of Consolidated Parent Group's | |
| | |
| | |

I, _____ of
[Officer's name and title]⁴

_____ (the "Member"), hereby certify that:
[Member firm name]

1. I am an authorized signer (or designee) as determined by my employer;
2. I have reviewed this interim financial data of _____;
[Member firm name]
3. Based on my knowledge, the interim financial data fairly presents in all material respects the financial condition, results of operations and other financial information of _____ as of, and for, the periods presented in this report.
[Member firm name]

[Officer's signature]

[Date]

⁴ Certifying officer should be the Member's chief financial officer, chief executive officer, or similar high-ranking official. With respect to this certification, a "similar high-ranking official" is an officer of the Member that maintains oversight with respect to the preparation of, and has authority to approve the information contained in, this form. If the entity does not have officers with such titles, the highest ranking executive or financial official will be acceptable to NSCC.