

Annual Report of Merchant Banking Investments Held for an Extended Period

FR Y-12A

Introduction

Section 4(k)(4)(H) of the Bank Holding Company Act (BHC Act) (12 U.S.C. §1843(k)(4)(H) and subpart J of the Board's Regulation Y (12 CFR 225.170 et seq.) permit a bank holding company that has made an effective financial holding company (FHC) election to acquire shares, assets, and other ownership interests of companies engaged in nonfinancial activities not otherwise permissible for an FHC. 12 U.S.C. §1467a(c)(2)(H), 12 U.S.C. §3106(a), and 12 CFR 252.153(b)(2) respectively extend this authority to savings and loan holding companies, foreign banks,¹ and U.S. intermediate holding companies. Shares, assets, or other ownership interests held under this authorities (collectively, the Merchant Banking Authority) are referred to herein as merchant banking investments. Merchant banking investments include investments made or acquired under any legal authority, and that are held under the Merchant Banking Authority as of the reporting date.

An FHC may own or control a merchant banking investment only for the period of time necessary to allow the FHC to sell or dispose of the investment on a reasonable basis consistent with the financial viability of the FHC's merchant banking investment activities. Regulation Y implements this holding period restriction by generally permitting an FHC to own or control a merchant banking investment for up to 10 years. Merchant banking investments made in, or held through, a private equity fund as defined below, however, may be held for the duration of the fund, up to a maximum of 15 years. An FHC must

1. Savings and loan holding companies do not include any trust (other than a pension, profit-sharing, stockholders' voting, or business trust) which controls a savings association if such trust by its terms must terminate within 25 years or not later than 21 years and 10 months after the death of individuals living on the effective date of the trust, and (a) was in existence and in control of a savings association on June 26, 1967, or (b) is a testamentary trust. See Section 238.2 of the interim final rule of Regulation LL, dated September 13, 2011, for ore information.

obtain the Board's prior approval to own or control a merchant banking investment beyond these time periods. (See 12 CFR 225.172(b)(4); 225.173(c)).

The information collected on the FR Y-12A allows the Federal Reserve to monitor merchant banking investments made by FHCs that are approaching or have exceeded the end of the relevant 10- or 15-year holding period. These investments may be illiquid or have other characteristics that make their disposition problematic, thereby posing potentially increased risk to the FHC and its depository institution affiliates.

Who Must Report

An FHC must file an FR Y-12A report for a merchant banking investment if, as of December 31st of the relevant calendar year, the FHC has owned, controlled or held such investment under the Merchant Banking Authority for a period that exceeds the "applicable reporting period" for the investment, as defined below. Merchant banking investments that have been held beyond the applicable reporting period, and that must be reported on an FR Y-12A report, are referred to herein as "**covered investments**."

An FHC includes any domestic bank holding company, domestic savings and loan holding company, foreign bank, or U.S. intermediate holding company (collectively, "holding company") that has made an effective election to become a financial holding company under Subpart I of the Board's Regulation Y (12 CFR 225.81 et seq.). A domestic holding company is a holding company incorporated under federal law or in one of the 50 States of the United States, the District of Columbia, Puerto Rico, or any U.S. territory or possession.

Applicable Reporting Period

The applicable reporting period for a merchant banking investment is as follows:

General Instructions

1. For a merchant banking investment that is made in, or held through, a private equity fund (see below) - **13 years**.
2. For all other merchant banking investments - **8 years**.

Note: The applicable reporting period for a merchant banking investment is less than the permissible holding period for the investment. This is to allow the Federal Reserve to monitor investments that are approaching the end of the holding period generally permitted under Regulation Y.

Private Equity Fund

A private equity fund may be a corporation, partnership, limited liability company, or other type of company that issues ownership interests in any form.

For purpose of this form, a “private equity fund” means any company that meets all of the following criteria:

1. The company is formed for the purpose of, and is engaged exclusively in, the business of investing in shares, assets, and ownership interest of companies for resale or other disposition;
2. The company is not an operating company;
3. No more than 25 percent of the total equity of the company is held, owned or controlled, directly or indirectly, by the FHC and its directors, officers, employees and principal shareholders;
4. The company has a maximum term or life of not more than 15 years; and
5. The company was not formed, and is not operated for, the purpose of making investments inconsistent with the authority granted in section 4(k)(4)(H) of the BHC Act or evading the limitations governing merchant banking investments contained in Subpart J of the Board’s Regulation Y.

See 12 CFR 225.173(a) and (b).

An FHC Must Request an Extension to Hold its Merchant Banking Investment Beyond the 10- or 15-Year Holding Period.

As noted above, an FHC may not hold a merchant banking investment beyond the holding period specified in Regulation Y for the investment without obtaining the Board’s prior approval under 12 CFR 225.172(b)(4) or 225.173(c)(2). Filing an FR Y-12A for a merchant

banking investment does **not** relieve an FHC of its obligation to seek the Board’s prior approval to hold the investment beyond the 10- or 15- year holding period for the investment. A separate request to hold the investment beyond the relevant holding period must be filed by the FHC as provided in 225.172(b)(4) and 225.173(c)(2).

How to Prepare the Report

FHCs that meet the reporting criteria described above should complete a separate FR Y-12A for each covered investment that it owns, controls, or holds as of December 31st of the relevant calendar year. An FHC, however, may complete one FR Y-12A cover page (Page 1) when reporting multiple covered investments. In a multi-tiered organization with one or more FHCs, only the top-tier FHC should complete the FR Y-12A, which would be prepared on a consolidated basis.

Where and When to File this Report

The report must be submitted by February 15th of the following calendar year. For example, if, as of December 31, 2006, an FHC owns a covered investment, the FHC must submit an FR Y-12A for the investment by February 15, 2007. Reporting FHCs should submit an original and one copy of the report to the appropriate Federal Reserve Bank.

Alternative Report Form

In lieu of using the printed FR Y-12A report form, an FHC may report the required data on computer print-outs that are in the identical format and size as the printed form, including line items and columns in the order in which they appear on the printed form. Page 1 must be signed by an executive officer of the reporting institution. Executive officer is defined in 12 CFR 215.2(e)(1).

Reporting in Dollars

All amounts should be converted to U.S. dollars using the Spot Exchange Rate on the report date, regardless of the currencies in which the transactions reported are denominated. The translations should be made on the same basis as used by the FHC to prepare its *Consolidated Financial Statements for Holding Companies* (FR Y-9C) or *Annual Report of Foreign Banking Organizations* (FR Y-7) report.

General Instructions

Rounding

Report all dollar amounts rounded to the nearest million. Report all percentage amounts rounded **down** to the nearest whole percentage. For example, a percentage of 61.75 should be reported as 61. Note: There are two exceptions to this rounding rule: when the percentage is greater than 50 but less than 51, report the percentage as 51 or if the percentage is greater than 0 but less than 1, report the percentage as 1.

Confidentiality

The Board generally considers the information obtained through this report is confidential on the basis that disclosure of specific commercial or financial information relating to investments held for extended periods of time could result in substantial harm to the competitive position of the FHC. If, for any reason, the Board believes that particular information cannot be withheld from disclosure, the Board will inform the reporter of its views and give the reporter an opportunity to object, as required under section 261.15 of the Board's Rules Regarding Availability of Information, 12 CFR 261.15.

Tacking Rules

An FHC must follow the “tacking” rules set forth in sections 225.172(b)(2) and (3) of Regulation Y in determining the period of time that the FHC has held an investment under the Merchant Banking Authority. These rules are designed to prevent evasion of the holding period limitations on Merchant Banking Investments. Under these rules:

1. The period of time that an FHC is deemed to have held an investment under the Merchant Banking Authority **includes** any period of time that the FHC or any subsidiary of the FHC (including a depository institution subsidiary) previously held the investment under any other provision of the Federal banking laws that imposes a limited holding period on the investment.

Example: A depository institution subsidiary of an FHC acquired 100 shares of ABC Manufacturing on October 1, 2000, in satisfaction of a debt previously contracted (“DPC”). In 2002, the FHC decides to retain these shares and transfers them to a nonbank subsidiary of the FHC in reliance on the Merchant Banking Authority. Under section

225.172(b)(3), the FHC is deemed to have held the shares under the Merchant Banking Authority since October 1, 2000. This is because federal law restricts the time period that a depository institution may hold assets acquired DPC. Accordingly, the FHC would have to file an FR Y-12A for the investment if it continued to hold the investment under the Merchant Banking Authority as of December 31, 2008.

2. A merchant banking investment acquired by an FHC from a company (the “selling company”) in which the FHC holds an interest under the Merchant Banking Authority is deemed to have been acquired by the FHC under the Merchant Banking Authority on the date the investment was initially acquired by the selling company.

Example: On June 30, 2001, FHC acquired a 10 percent voting interest in Venture Capital Fund under the Merchant Banking Authority. On January 1, 2003, the fund acquires 100 shares of XYZ Manufacturing Company. On January 1, 2005, the FHC acquires the 100 shares of XYZ Manufacturing Company from Venture Capital Fund. For purposes of the FR Y-12A, the FHC is deemed to have acquired those 100 shares under the Merchant Banking Authority on the date that Venture Capital Fund initially acquired those shares (i. e. January 1, 2003). See 12 CFR 225.172(b)(2)(i).

3. An FHC may not extend the reporting or holding period for a Merchant Banking Investment by selling the investment to another company in which the FHC holds an interest under the Merchant Banking Authority.

Example: On October 1, 2001, FHC acquired 49 percent of the stock of Widget Company under the Merchant Banking Authority. FHC also owns 30 percent of XYZ Investment Fund under the Merchant Banking Authority. On January 1, 2008, FHC sells its entire interest in Widget Company to XYZ Investment Fund. FHC continues to retain an indirect interest in Widget Company (through its holdings of XYZ Investment Fund) under the Merchant Banking Authority and the FHC is considered to have held its interest in Widget Company under the Merchant Banking Authority since October 1, 2001 (i.e. the date the FHC initially acquired its interest in Widget Company). See 12 CFR

General Instructions

225.172(b)(2)(ii). Accordingly, FHC must file an FR Y-12A for its investment in Widget Company if it continues to hold an interest in the company

under the Merchant Banking Authority as of December 31, 2009.

REPORT FORM INSTRUCTIONS FOR

Annual Report of Merchant Banking Investments Held for an Extended Period FR Y-12A

Instructions for the Report Form Page 1 (FR Y-12A)

Report Date

Provide the report date on which the FR Y- 12A is required. Information must be submitted by February 15th of the following calendar year.

Reporter's Name, Street, and Mailing Addresses

Legal Name: Provide the reporter's full legal name.

Street Address, City, County, State/Province, Country, and Zip/Postal Code: Provide the street address of the reporter's main office. Do not use a post office box number as the street address. Provide the nine-digit zip code, if available.

Reporter's Mailing Address (if different from street address): Provide the address to which mailings for the reporter should be sent. A street address or post office box is acceptable. Provide the nine-digit zip code, if available.

Contact's Name and Mailing Address for this Report

Name and Title: Print the name and title of the person at the FHC that may be contacted concerning the reporter's submission. The contact person should be an individual

that had responsibility for preparing or submitting the report on the reporter's behalf.

Phone Number: Provide the telephone number (including area code and if applicable, the extension) of the contact person.

Fax Number: Provide the fax number (including the area code) of the contact person.

E-mail Address: Provide the electronic mailing address of the contact person.

Contact's Mailing Address (if different from above): Provide the address to which mailing for the reporter's contact person should be sent. The street address or post office box is acceptable. Provide the nine-digit zip code, if available.

Executive Officer

Printed Name & Title: Print the name and title of the Executive Officer who has authority to execute the report on behalf of the FHC.

Signature of Executive Officer, Date of Signature: An Executive Officer of the reporter must sign and date the cover page of the FR Y-12A report to indicate that the report has been reviewed for accuracy. Each report submitted should be signed and certified by an executive officer of the FHC. "Executive Officer" is defined in 12 CFR 215.2(e)(1). The signer may or may not be the same person as the contact person for the report.

LINE ITEM INSTRUCTIONS FOR

Annual Report of Merchant Banking Investments Held for an Extended Period FR Y-12A

Direct Holder Section

Direct Holder's Name and Location

Provide the legal name, city and county, state/province, country, and zip/postal code of the Direct Holder.¹ Report the nine-digit zip code, if available.

NOTE: Before submitting the FR Y-12A report, the top tier holding company must verify that an FR Y-10 Nonbanking Schedule has been filed on behalf of the Direct Holder.

Covered Investment Section

Line Item 1 - Acquisition Date of Covered Investment

Provide the date on which the FHC initially acquired the covered investment under the Merchant Banking Authority. In determining the date, use the tacking rules described in the General Instructions.

Line Item 2 - Name and Location of Company Held

Provide the legal name, city and county, state/province, country, and zip/postal code of the company in which the covered investment is made. Report the nine-digit zip code, if available.

Line Item 3 - Primary Activity of Company Held NAICS Activity Code

Consult the Report of *Changes in Organizational Structure* (FR Y-10) Appendix B for commonly reported "North American Industry Classification System (NAICS) Activity Codes" and select the code that best describes the primary activity conducted by the company held. If an appropriate code is not listed in Appendix B, select a

1. The Direct Holder is the legal entity within the FHC's corporate structure that directly holds the covered investment.

five- or six-digit NAICS code from the U.S. Census Bureau's website (www.census.gov/eos/www/naics).

If a five- or six- digit NAICS code corresponding to the activity can not be identified, provide a text description of the primary activity of the company held.

Line Item 4 - Type of Interest Held by Financial Holding Company

Check the appropriate box(es) to indicate the types of interest(s) held by the FHC. If none of the listed descriptions adequately describes the type of interest, check the box next to "Other" and provide a text description.

Line Item 5 - Percentage of Ownership Held by Financial Holding Company

Report the percentage interest of voting and non-voting equity held by the FHC. In determining the FHC's voting and nonvoting ownership interest, the FHC should assume that the FHC (and no other investor) has exercised all rights, warrants, and options held by the FHC and has converted all convertible debt held by the FHC. Report the percentage rounded down to the nearest whole percentage. For example, a percentage of 61.75 should be reported as 61. Note: There are two exceptions to this rounding rule: when the percentage is greater than 50 but less than 51, report the percentage as 51, or if the percentage is greater than 0 but less than 1, report the percentage as 1.

Line Item 6 - Acquisition Cost of Covered Investment

Report the acquisition cost of the covered investment (*in millions of U.S. Dollars*). For purposes of this report, acquisition cost represents the total amount paid by the FHC for the covered investment. In instances where the FHC did not pay consideration for the investment (e.g., warrants taken in lieu of cash), report the initial carrying

Line Item Instructions

value of the investment at its initial fair value (e.g., warrants carried at \$1).

Line Item 7 - Carrying Value of the Covered Investment

For the covered investment, report the carrying value of the investment (*in millions of U.S. Dollars*) as of the reporting date (December 31st of the relevant year). For purposes of this report, carrying value refers to the amount of the investment as reflected in the FHC's consolidated financial statements prepared in accordance with applicable accounting standards. If the covered investment is not reflected in the FHC's consolidated financial statements, provide the carrying value of the investment as reflected on the books of the direct holder of the investment. For example, an available-for-sale equity security generally is accounted for under ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*) at fair value on the balance sheet. Therefore, under US GAAP, the fair value of such an investment would be considered the carrying value of the security.

Line Item 8 - Plan and Schedule for Disposition of a Covered Investment

For the covered investment, provide a brief narrative explanation of how the FHC plans to sell or otherwise

dispose of the investment and the anticipated time frame for such sale or disposition. When possible, the narrative should identify the key aspects of the FHC's plan for disposition, and the timetable for disposing of the investment. For example, this line item could state: "IPO expected to occur in next year" or "Discussing sale to third party and expect to close on _____." If circumstances warrant, a separate page may be attached to the FR Y-12A elaborating on the details for disposing of a covered investment.

Other Definitions

For the definition of Appropriate Federal Reserve Bank, Bank Holding Company, Company, Control, Depository Institution, Edge Corporation, and Financial Holding Company, Foreign Bank, Savings and Loan Holding Company, and U.S. Intermediate Holding Company, please refer to the *Changes in Organizational Structure* (FR Y-10) Glossary.

For the definition of Carrying Value, Direct Investment, Equity Investment, Indirect Investment, Nonfinancial Company, and Subsidiary, please refer to the glossary of the *Consolidated Holding Company Report of Equity Investments in Nonfinancial Companies* (FR Y-12).

Validity (V) Edits for the FR Y-12A
(Effective as of December 31, 2015)

Each edit in the checklist must balance, rounding errors are not allowed

Series	Effective Start Date	Effective End Date	Edit Change	Schedule	Edit Type	Edit Number	Target Item	MDRM Number	Edit Test	Alg Edit Test
FRY12A	20141231	99991231	No change	CIS	Validity	1000	CIS-1	FHMBF193	If CIS-2a is not equal to null, then CIS-1 must not be null and must be greater than zero.	if fhmbf194 ne null then fhmbf193 ne null and fhmbf193 gt 0
FRY12A	20101231	99991231	No change	CIS	Validity	1020	CIS-3a	FHMBF198	If CIS-3a not equal to null, then CIS-3a must be greater than 11000 and less than or equal to 928120.	fhmbf198 ne null then fhmbf198 ge 11000 and fhmbf198 le 928120
FRY12A	20101231	99991231	No change	CIS	Validity	1040	CIS-4a	FHMBF200	CIS-4a must equal "1" (checked box) or null.	fhmbf200 eq 1 or fhmbf200 eq null
FRY12A	20101231	99991231	No change	CIS	Validity	1050	CIS-4b	FHMBF276	CIS-4b must equal "1" (checked box) or null.	fhmbf276 eq 1 or fhmbf276 eq null
FRY12A	20101231	99991231	No change	CIS	Validity	1060	CIS-4c	FHMBF277	CIS-4c must equal "1" (checked box) or null.	fhmbf277 eq 1 or fhmbf277 eq null
FRY12A	20101231	99991231	No change	CIS	Validity	1070	CIS-4d	FHMBF278	CIS-4d must equal "1" (checked box) or null.	fhmbf278 eq 1 or fhmbf278 eq null
FRY12A	20101231	99991231	No change	CIS	Validity	1080	CIS-4e	FHMBF279	CIS-4e must equal "1" (checked box) or null.	fhmbf279 eq 1 or fhmbf279 eq null
FRY12A	20101231	99991231	No change	CIS	Validity	1090	CIS-4f	FHMBF280	CIS-4f must equal "1" (checked box) or null.	fhmbf280 eq 1 or fhmbf280 eq null
FRY12A	20101231	99991231	No change	CIS	Validity	1100	CIS-4g	FHMBF281	CIS-4g must equal "1" (checked box) or null.	fhmbf281 eq 1 or fhmbf281 eq null
FRY12A	20101231	99991231	No change	CIS	Validity	1110	CIS-4h	FHMBF282	CIS-4h must equal "1" (checked box) or null.	fhmbf282 eq 1 or fhmbf282 eq null
FRY12A	20141231	99991231	No change	CIS	Validity	1120	CIS-4h	FHMBF282	If CIS-1 not equal to null, then the sum of CIS-4a through CIS-4h must be greater than or equal to 1 and less than or equal to 8.	if fhmbf193 ne null then (fhmbf200 + fhmbf276 + fhmbf277 + fhmbf278 + fhmbf279 + fhmbf280 + fhmbf281 + fhmbf282) ge 1 and (fhmbf200 + fhmbf276 + fhmbf277 + fhmbf278 + fhmbf279 + fhmbf280 + fhmbf281 + fhmbf282) le 8
FRY12A	20141231	99991231	No change	CIS	Validity	1140	CIS-5b	FHMBF202	If CIS-1 not equal to null, then the sum of CIS-5a and CIS-5b must be greater than zero.	if fhmbf193 ne null then (fhmbf201 + fhmbf202) gt 0
FRY12A	20141231	99991231	No change	CIS	Validity	1150	CIS-6	FHMBF203	If CIS-1 not equal to null, then CIS-6 must not be null.	if fhmbf193 ne null then fhmbf203 ne null
FRY12A	20141231	99991231	No change	CIS	Validity	1160	CIS-7	FHMBF204	If CIS-1 not equal to null, then CIS-7 must not be null.	if fhmbf193 ne null then fhmbf204 ne null
FRY12A	20141231	99991231	No change	CP	Validity	8004	CP-2a	FHMB8901	CP-2a must not be null.	fhmb8901 ne null
FRY12A	20141231	99991231	No change	CP	Validity	8005	CP-2b	FHMB8902	CP-2b must not be null.	fhmb8902 ne null
FRY12A	20141231	99991231	No change	CP	Validity	8006	CP-2c	FHMB9116	CP-2c must not be null.	fhmb9116 ne null
FRY12A	20141231	99991231	No change	CP	Validity	8007	CP-2d	FHMB4086	CP-2d must not be null.	fhmb4086 ne null
FRY12A	20141231	99991231	No change	CP	Validity	8012	CP-3a	FHMB490	CP-3a must not be null.	fhmb490 ne null
FRY12A	20141231	99991231	No change	CP	Validity	8013	CP-3b	FHMB491	CP-3b must not be null.	fhmb491 ne null
FRY12A	20141231	99991231	No change	CP	Validity	8032	DATESIGN	FHMBJ196	DATESIGN must not be null.	fhmbj196 ne null
FRY12A	20141231	99991231	No change	DH	Validity	8014	DH-1	FHMBF189	If CIS-1 not equal to null, then DH-1 must not be null.	if fhmbf193 ne null then fhmbf189 ne null
FRY12A	20141231	99991231	No change	DH	Validity	8015	DH-2	FHMBF190	If CIS-1 not equal to null, then DH-2 must not be null.	if fhmbf193 ne null then fhmbf190 ne null
FRY12A	20141231	99991231	No change	DH	Validity	8016	DH-3	FHMBF191	If CIS-1 not equal to null, then DH-3 must not be null.	if fhmbf193 ne null then fhmbf191 ne null
FRY12A	20141231	99991231	No change	DH	Validity	8017	DH-4	FHMBF192	If CIS-1 not equal to null, then DH-4 must not be null.	if fhmbf193 ne null then fhmbf192 ne null
FRY12A	20141231	99991231	No change	CIS	Validity	8018	CIS-2a	FHMBF194	If CIS-1 not equal to null, then CIS-2a must not be null.	if fhmbf193 ne null then fhmbf194 ne null
FRY12A	20141231	99991231	No change	CIS	Validity	8019	CIS-2b	FHMBF195	If CIS-1 not equal to null, then CIS-2b must not be null.	if fhmbf193 ne null then fhmbf195 ne null
FRY12A	20141231	99991231	No change	CIS	Validity	8020	CIS-2c	FHMBF196	If CIS-1 not equal to null, then CIS-2c must not be null.	if fhmbf193 ne null then fhmbf196 ne null
FRY12A	20141231	99991231	No change	CIS	Validity	8021	CIS-2d	FHMBF197	If CIS-1 not equal to null, then CIS-2d must not be null.	if fhmbf193 ne null then fhmbf197 ne null

Validity (V) Edits for the FR Y-12A
(Effective as of December 31, 2015)

Each edit in the checklist must balance, rounding errors are not allowed

Series	Effective Start Date	Effective End Date	Edit Change	Schedule	Edit Type	Edit Number	Target Item	MDRM Number	Edit Test	Alg Edit Test
FRY12A	20141231	99991231	No change	CIS	Validity	8025	CIS-3b	FHMBF199	If CIS-1 not equal to null and CIS-3a is null, then CIS-3b must not be null.	if fhmbf193 ne null and fhmbf198 eq null then fhmbf199 ne null
FRY12A	20141231	99991231	No change	CIS	Validity	8026	CIS-4i	FHMBF200	If CIS-4h is equal to 1, then CIS-4i must not be null.	If fhmbf282 eq 1 then fhmbf200 ne null
FRY12A	20141231	99991231	No change	CIS	Validity	8024	CIS-8	FHMBF205	If CIS-1 not equal to null, then CIS-8 must not be null.	if fhmbf193 ne null then fhmbf205 ne null

Quality (Q) Edits for the FR Y-12A
(Effective as of December 31, 2015)

Series	Effective Start Date	Effective End Date	Edit Change	Schedule	Edit Type	Edit Number	Target Item	MDRM Number	Edit Test	Alg Edit Test
FRY12A	20061231	99991231	No change	CIS	Quality	9000	CIS-5a	FHMBF201	CIS-5a should not be negative.	fhmbf201 ge 0
FRY12A	20061231	99991231	No change	CIS	Quality	9000	CIS-5b	FHMBF202	CIS-5b should not be negative.	fhmbf202 ge 0
FRY12A	20061231	99991231	No change	CIS	Quality	9000	CIS-7	FHMBF204	CIS-7 should not be negative.	fhmbf204 ge 0