

INTERNATIONAL BUSINESS MACHINES CORP

Form 4

November 17, 2015

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Rosamilia Thomas W

2. Issuer Name and Ticker or Trading Symbol
INTERNATIONAL BUSINESS MACHINES CORP [IBM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)

____ Director _____ 10% Owner
____ Officer (give title below) _____ Other (specify below)

IBM CORPORATION, 294 ROUTE 100

11/16/2015

Senior Vice President

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

SOMERS, NY 10589

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock	11/16/2015		S ⁽¹⁾	38	D	\$ 132.42	22,542.729 D
Common Stock	11/16/2015		S ⁽¹⁾	1,123	D	\$ 132.44	21,419.729 D
Common Stock	11/16/2015		S ⁽¹⁾	1,400	D	\$ 132.45	20,019.729 D
Common Stock	11/16/2015		S ⁽¹⁾	600	D	\$ 132.46	19,419.729 D
Common Stock	11/16/2015		S ⁽¹⁾	2,805	D	\$ 132.47	16,614.729 D

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Common Stock	11/16/2015	S ⁽¹⁾	510	D	\$ 132.48	16,104.729	D
Common Stock	11/16/2015	S ⁽¹⁾	5,700	D	\$ 132.49	10,404.729	D
Common Stock	11/16/2015	S ⁽¹⁾	1,293	D	\$ 132.5	9,111.729	D
Common Stock	11/16/2015	S ⁽¹⁾	630	D	\$ 132.51	8,481.729	D
Common Stock	11/16/2015	S ⁽¹⁾	120	D	\$ 132.52	8,361.729	D
Common Stock	11/16/2015	S ⁽¹⁾	100	D	\$ 132.54	8,261.729	D
Common Stock	11/16/2015	S ⁽¹⁾	681	D	\$ 132.56	7,580.729	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Phantom Stock Unit	\$ 0 ⁽²⁾	11/16/2015		I ⁽¹⁾⁽³⁾	14,962	⁽⁴⁾ ⁽⁴⁾	Common Stock	14,962 \$

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Rosamilia Thomas W IBM CORPORATION			Senior Vice President	

294 ROUTE 100
SOMERS, NY 10589

Signatures

M.Clemens on behalf of T. W.
Rosamilia

11/17/2015

Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The transactions reported above consist of a disposition of 15,000 shares of Common Stock and an intra-plan transfer under the IBM Excess 401(k) Plus Plan of 14,962 phantom stock units into the IBM Stock Fund.
- (2) Phantom stock units convert to the cash value of the company's common stock on a one-for-one basis.
- (3) Intra-plan transfer under the IBM Excess 401(k) Plus Plan.
- (4) Distribution of phantom stock units under the IBM Excess 401(k) Plus Plan is deferred until separation from the company. The reporting person may transfer these phantom stock units into an alternative investment account under such plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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Direct/Indirect Consumer

At March 31, 2019, 56 percent of the direct/indirect portfolio was included in *Consumer Banking* (consumer auto and specialty lending – automotive, recreational vehicle, marine, aircraft and consumer personal loans) and 44 percent was included in *GWIM* (principally securities-based lending loans).

Outstandings in the direct/indirect portfolio decreased \$1.6 billion during the three months ended March 31, 2019 to \$89.5 billion primarily due to declines in securities-based lending driven by repayments and lower draws. Net charge-offs decreased \$5 million to \$54 million during the three months ended March 31, 2019 compared to the same period in 2018.

27 Bank of America

Table 25 presents certain state concentrations for the direct/indirect consumer loan portfolio.

Table 25 Direct/Indirect State Concentrations

	Outstandings		Accruing Past Due 90 Days or More		Net Charge-offs	
	March 31 2019	December 31 2018	March 31 2019	December 31 2018	Three Months Ended March 31 2019	2018
(Dollars in millions)						
California	\$ 11,578	\$ 11,734	\$ 3	\$ 4	\$ 7	\$ 6
Florida	10,019	10,240	4	4	8	10
Texas	9,668	9,876	5	6	10	9
New York	6,127	6,296	1	2	3	3
New Jersey	3,269	3,308	1	1	1	1
Other	48,887	49,712	17	21	25	30
Total direct/indirect loan portfolio	\$ 89,548	\$ 91,166	\$ 31	\$ 38	\$ 54	\$ 59

Nonperforming Consumer Loans, Leases and Foreclosed Properties Activity

Table 26 presents nonperforming consumer loans, leases and foreclosed properties activity for the three months ended March 31, 2019 and 2018. During the three months ended March 31, 2019, nonperforming consumer loans decreased \$264 million to \$3.6 billion primarily driven by loan sales of \$164 million.

At March 31, 2019, \$992 million, or 28 percent, of nonperforming loans were 180 days or more past due and had been written down to their estimated property value less costs to sell. In addition, at March 31, 2019, \$1.8 billion, or 51 percent, of nonperforming consumer loans were modified and are now current after successful trial periods, or are current loans classified as nonperforming loans in accordance with applicable policies.

Foreclosed properties decreased \$8 million during the three months ended March 31, 2019 to \$236 million as liquidations

outpaced additions. Certain delinquent government-guaranteed loans (principally FHA-insured loans) are excluded from our nonperforming loans and foreclosed properties activity as we expect we will be reimbursed once the property is conveyed to the guarantor for principal and, up to certain limits, costs incurred during the foreclosure process and interest accrued during the holding period.

We classify junior-lien home equity loans as nonperforming when the first-lien loan becomes 90 days past due even if the junior-lien loan is performing. At March 31, 2019 and December 31, 2018, \$197 million and \$221 million of such junior-lien home equity loans were included in nonperforming loans and leases.

Nonperforming loans also include certain loans that have been modified in TDRs where economic concessions have been granted to borrowers experiencing financial difficulties. Nonperforming TDRs are included in Table 26.

Table 26 Nonperforming Consumer Loans, Leases and Foreclosed Properties Activity

	Three Months Ended March 31	
(Dollars in millions)	2019	2018
	\$ 3,842	\$ 5,166

Explanation of Responses:

**Nonperforming
loans and
leases,
January 1**

Additions	391		812
Reductions:			
Paydowns and payoffs	(188))	(245)
Sales	(164))	(269)
Returns to performing status ⁽¹⁾	(249))	(364)
Charge-offs	(28))	(147)
Transfers to foreclosed properties	(26))	(45)
Transfers to loans held-for-sale	—)	(2)
Total net reductions to nonperforming loans and leases	(264))	(260)

**Total
nonperforming
loans and
leases,
March 31**

**Foreclosed
properties,
March 31 ⁽²⁾**

**Nonperforming
consumer
loans, leases
and
foreclosed
properties,
March 31**

Nonperforming
consumer
loans and
leases as a
percentage of
outstanding
consumer
loans and
leases ⁽³⁾

Nonperforming
consumer
loans, leases
and
foreclosed
properties as
a percentage
of outstanding
consumer
loans, leases
and
foreclosed
properties ⁽³⁾

(1) Consumer loans may be returned to performing status when all principal and interest is current and full repayment of the remaining contractual principal and interest is expected, or when the loan otherwise becomes well-secured and is in the process of collection.