

GENERAL INSTRUCTIONS
REPORT OF TRUST ASSETS

Purpose of Report. The purpose of the Report of Trust Assets is to provide the Department of Banking and Finance with details concerning the scope and amount of trust activities of the financial institutions under its jurisdiction.

Publication. The information compiled from these reports will be used in a publication of statistical data on the trust and fiduciary activities of financial institutions. Each financial institution submitting a report will automatically receive a copy of the publication. Copies of the publication are available to the public upon request.

Public Availability of Reports. The entire Report of Trust Assets of each reporting institution, with the exception of information from Schedule B, may be made publicly available upon request. Information from Schedule B is considered confidential and will not be released to the public, other than, as aggregates in the annual trust statistics publication, *Trust Assets of Financial Institutions - 2005*.

Who Must File

Abbreviated Reporting Procedures for Inactive Trust Departments.

An abbreviated report may be filed by institutions that:

Have been granted trust powers (or consent to exercise trust powers) but do not currently exercise such powers, or exercise such trust powers but have no activity (in the form of assets or accounts) to report.

In such cases, checking blocks 1 or 2 on the cover page, as appropriate, should complete the report. The signature block should then be completed in full, and the one page mailed to the appropriate address.

Schedules A, B and C.

These schedules are to be completed by each financial institution that has been:

Granted trust powers by the Nebraska Department of Banking and Finance and granted consent to exercise trust powers by the Federal Reserve System or the Federal Deposit Insurance Corporation, or

Granted trust powers by the Nebraska Department of Banking and Finance and is a SAIF-insured state-chartered savings association or a SAIF-insured savings bank, or

Granted trust powers by the Nebraska Department of Banking and Finance and is a savings and loan holding company or a savings and loan service corporation, or

Granted trust powers by the Nebraska Department of Banking and Finance and is a non-deposit trust company whether or not the trust company is a subsidiary of a federally-insured bank or savings bank, savings association, or of a bank holding company, savings and loan holding company, or savings and loan service corporation,

and

That exercises the trust powers granted,

and

That has activity (in the form of assets or accounts) to report (see Specific Instructions under What to Omit from Schedule A).

GENERAL INSTRUCTIONS (continued)

Schedule B.

This Schedule must be completed by each financial institution with more than \$ 100 million in Total Trust Assets as reported on Schedule A (Line 18, Column F). In addition, **all non-deposit trust companies**, which are subject to filing the Report of Trust Assets (see above), whether or not they report any assets on Schedule A, must also file Schedule B. Institutions which are not required to file Schedule B are encouraged to file it on a voluntary basis.

Schedule C.

This Schedule must be completed by each non-depository trust company. Trust departments of banks and other financial institutions that accept deposit accounts insured by FDIC or SAIF should not submit Schedule C. "Not applicable" or "no activity" types of reports are not to be filed.

Where to mail initial submissions of the completed report

All institutions required to report should send Schedules A, B and C to:

NDBF.Shared@bkg.ne.gov by Email

A printed hard copy of the forms requiring signatures is to be mailed to the Department of Banking and Finance at the following address:

State of Nebraska
Department of Banking and Finance
P.O. Box 95006
Lincoln, Nebraska 68509-5006

When to File. Completed reports must be received no later than **February 3, 2006**.

Late Filing Penalties. Institutions which do not file reports, or which return them later than the above due date, may be subject to late filing penalties, as deemed appropriate by the Director of Banking and Finance.

Numbers of Copies to be Filed

Cover page and Schedules A, B and C:

All institutions filing Schedules A, B and/or C should send one copy to the Nebraska Department of Banking and Finance by E-mail to NDBF.Shared@bkg.ne.gov.

How to File Reports

- **Paper reports** using the printed Nebraska Department of Banking and Finance forms are an acceptable means of submitting reports if electronic filing is not possible.
- **Computer-generated facsimiles** of Schedules A through C are acceptable if they provide the same information in the same format as the official forms and certain standards are met. In all such cases, however, the cover page, containing the identification label and signature block, must be returned with any facsimiles. For further information, contact the appropriate Nebraska Department of Banking and Finance (see page 6) for your institution.

Electronic submission by Email or on diskette is preferred. All forms requiring signatures must be printed and returned by U.S. Postal Service delivery as noted previously.

When and How to File Corrected Reports

Corrected reports should be filed **via hard copy** if (1) an applicable schedule was not filed or (2) a substantive reporting error was made. For further information, contact the appropriate review examiner for your institution.

All corrected reports should be clearly labeled as "Corrected" at the top of each page and returned to:

State of Nebraska
Department of Banking and Finance
P.O. Box 95006
Lincoln, Nebraska 68509-5006

SCHEDULE A INSTRUCTIONS

REPORT OF TRUST ASSETS SPECIFIC INSTRUCTIONS SCHEDULE A - REPORT OF TRUST ASSETS

Check the appropriate box for the reporting period.

What to Report

Report in items 1 through 13 assets for those accounts over which the institution exercises investment discretion, as defined below. Include in the amounts reported assets subject to shared investment discretion, and any assets over which the institution exercises investment discretion that are being serviced by an investment advisor. An account should be reported as either discretionary or non-discretionary, based on the predominant responsibility of the reporting institution. A portion of an account's assets should not be reported as discretionary and a portion as non-discretionary.

For purposes of this report, an institution exercises "investment discretion" with respect to an account if it, directly or indirectly:

- is authorized to determine which securities or other property shall be purchased by or for an account, or
- makes recommendations as to what securities or other property shall be purchased or sold by or for an account even though some other person may have responsibility for investment decisions.

Report in items 16 and 17 assets and accounts over which the institution does not exercise investment discretion, including any such accounts that are being serviced by any investment advisor. Examples of such accounts would include custodial safekeeping, investment directed employee benefit accounts and personal trusts or estates, escrow, and agency accounts for which purely ministerial acts are performed.

Market Values

Each institution should report market value data, except as otherwise provided in these instructions. However, where market values are not readily available, such as in the case of miscellaneous type assets described below, book values (cost or inventory) may be reported. Market values used for this schedule should be as of (a) any one date within the last 60 days of the calendar year, or (b) as of the date of the most recent annual or periodic review of the various accounts.

Accounting for Collective Investment Fund Assets on Schedule A

All assets of collective investment funds should be reported in lines 1-13, as appropriate, regardless of whether participating accounts are discretionary or non-discretionary, because the institution exercises investment discretion over the management of the collective investment fund. However, to avoid duplication, the value of units of participation in collective investment funds should not be reported as assets of participating accounts.

Non-collective investment fund assets of a discretionary account should be reported in lines 1-13, as appropriate, and the account included in the count in line 15. Non-collective investment fund assets of a non-discretionary account should be reported in line 16, and the account included in the count in line 17.

Reporting Account Investments on Schedule A

When Multi-Institution Collective Investment Funds are Used

Where several institutions in the same affiliated group participate accounts in a collective investment fund maintained by one member of the affiliated group, each participating institution should report its proportionate share of the assets in the appropriate lines and columns on Schedule A.

To compute the proportionate share of assets, multiply the total market value of the various asset groupings in the collective investment fund by the percentage of units of participation held to total units outstanding.

For proper reporting of the multi-institution collective investment fund itself, see Schedule B: Multi-Bank Collective Investment Funds.

Rounding of Dollar Amounts.

Dollar figures in this schedule should be rounded to the nearest thousand, and reported in thousands of dollars with the 000's omitted. Numbers of accounts should not be rounded.

SCHEDULE A INSTRUCTIONS *(continued)*

Multi-institution Account Administration

Co-Fiduciary Appointments. If two institutions are both named as co-trustees in the governing trust instrument, and both have investment discretion, both institutions should report the appropriate accounts; the duplicate nature of such reporting is recognized.

Trust Department Servicing. If the reporting institution utilizes another financial institution to service its fiduciary accounts, these accounts should continue to be reported. Institutions providing the servicing should not report the accounts or assets that are the subject of the service agreement.

Trust Service Offices. Accounts of "trust service offices", as allowed in Nebraska statutes, are to be reported in the trust assets of the fiduciary bank. For example, Bank A provides trust services through a trust service office located in Bank B; the assets of those accounts should be reported by Bank A, not Bank B.

What to Omit from Schedule A:

- The face value of insurance policies.
- Assets of all corporate trust, bond trusteeships, corporate escrow and corporate paying agency accounts, where the institution does, or does not, have investment discretion.
- Liabilities of accounts which are included in this schedule (show only gross assets, not net assets).
- Negative figures, other than overdrafts in Items 1 through 4.
- Assets of custodial IRA and Keogh accounts administered solely by the commercial department.
- Units of participation in collective investment funds.
- Land Trusts. If fiduciary activities are limited to such custodial activities, merely check box # 2 on the cover/signature page for "Fiduciary Powers granted and exercised, but no dollar values to report
- All custodial activity for mortgage-backed securities, such as for GNMA or FNMA. If fiduciary activities are limited to such custodial activities, merely check box # 2 on the cover/signature page for "Fiduciary Powers granted and exercised, but no dollar values to report."
- Accounts with zero assets, or those comprised only of liabilities. These accounts should not be included in the "Number of Accounts" shown on Lines 15, 17, or 19. One exception exists: For advisory accounts, follow the standard instructions under Column E - All Other Agencies (see page 11).

Types of Accounts - Columnar Headings for Items 1 through 15

Column A - Employee Benefit Trusts

Include all such accounts (including IRA and Keogh trust accounts) where the institution acts in the capacity of trustee.

Do not include IRA and Keogh custodial accounts administered solely by the commercial department.

"Master Trusts" should not be reported except where the institution has discretionary authority over identifiable assets of the trust, in which case only those assets should be reported.

Column B - Personal Trusts

Include all testamentary, inter-vivos, and other private trusts, including private foundations where appointed trustee. Where one or more assets of a discretionary trust are held pursuant to a mandatory retention clause or are subject to outside control, such assets may be excluded, but the remainder of the account assets must be reported.

Column C - Estates

Include accounts where the institution acts in the following or similar capacities: executor, administrator, guardian, or conservator, even though such authority may be shared with others.

Column D - Employee Benefit Agencies

Accounts where the institution acts as an investment manager (and not as a trustee), as defined in Section 3(38) of the Employee Retirement Income Security Act of 1974 (ERISA) should be reported in this column.

SCHEDULE A INSTRUCTIONS *(continued)*

Column E - All Other Agencies

Include all discretionary agency and non-discretionary agency and custody accounts not reported elsewhere, except those that are specifically excluded under these instructions. See page 10 for a description of these exclusions.

Include the following:

- Investment management agency accounts and private foundations where the institution exercises investment discretion.
- Investment advisory agency accounts where the institution gives investment advice to individuals (whether or not the institution has actual custody of the assets), provided the institution is informed on a current basis of transactions in and securities held by such accounts.
- Farm management agencies. Since the reporting institution is managing the farm, such accounts should be reported as discretionary. Assets to be reported should be based on the institution's management responsibilities. Land and buildings should be reported on Line 12 (Real Estate); equipment, crops and livestock should be reported on Line 13 (Miscellaneous Assets). Other account assets, such as deposits and securities, should also be reported on the appropriate lines of Schedule A.
- Mutual funds which are managed or advised by the trust function of the institution should be reported in this column. Where one mutual fund is invested in another mutual fund, both funds should report their total assets. The duplicate nature of such reporting is recognized. Such funds are reported as Discretionary accounts.

Exclude the following -

- Employee benefit agency and custody accounts are to be reported in column D.
- Assets of corporate escrow accounts. The number of corporate escrow accounts is reported in Schedule C, Item 6 - All Other Corporate Agencies.
- If the institution gives investment advice to another trust institution, the assets should be reported only by the institution receiving the advice. See Multi-Institution Account Administration - Trust Department Servicing, on page 9.

Column F - Total

The sum of Columns A through E.

SCHEDULE A INSTRUCTIONS *(continued)*

Types of Assets - Descriptions for lines 1 through 19

Item 1 - Non-interest bearing deposits - own

and

Item 2 - Non-interest bearing deposits - other

Report non-interest bearing deposits in own institution and in other financial institutions. Report non-interest bearing deposits of both principal and income cash; normally these are demand deposits. Balances held in time deposit open accounts, for reserve purposes only, should be included in Item 1.

Item 3 - Interest bearing deposits - own

and

Item 4 - Interest bearing deposits - other

Report interest bearing savings and time deposits in own institution and in other financial institutions. To be included are NOW and Super NOW accounts, MMDA accounts, "BIC's" (bank investment contracts) which are insured by the FDIC, and certificates of deposit. Report interest bearing deposits of both principal and income cash.

NOTE FOR Items 1 - 4 - Deposits of "Own" versus "Affiliated" Institutions

Deposits of affiliated institutions are to be reported in Items 2 and 4. They are not considered to be the same as deposits in the reporting institution itself, which are reported in Items 1 and 3.

Trust companies which are not insured by the FDIC normally cannot take deposits on their own books. Such trust companies may not enter any deposits in Items 1 and 3. Any deposits, even if placed in a parent or affiliated bank, must be reported in Items 2 and 4.

Item 5 - U.S. Government and agency obligations

Report all securities and/or loans (irrespective of maturity) of the U.S. Government and U.S. Government corporations and agencies. Include certificates or other obligations, however named, that represent pass-through participations in pools of real estate loans when the participation instruments: (1) are issued by FHA approved mortgages and guaranteed by the Government National Mortgage Association, or (2) are issued, insured, or guaranteed by a U.S. Government agency or corporation (i.e., the Federal Home Loan Mortgage Corporation's Mortgage Participation Certificates).

Collateralized mortgage obligations (CMO's) and real estate mortgage investment conduits (REMIC's) issued by the Federal National Mortgage Association (FNMA) ("Fannie Mae") and the Federal Home Loan Mortgage Corporation (FHLMC) ("Freddie Mac") should be reported in Item 5.

Item 6 - State, county, and municipal obligations

Report all short and long-term obligations of State and local governments, and political subdivisions of the United States. Include obligations of U.S. territories and insular possessions and their political subdivisions and all Federal income tax exempt obligations of authorities such as local housing and industrial development authorities that derive their tax-exempt status from relationships with State or local governments. Tax-exempt money market mutual funds should be reported under the money market mutual fund category, Item 7.

ALL state, county, and municipal obligations are reported in this line, irrespective of their maturity. **NO** state, county, and municipal obligations are reported under "Other Short-Term Obligations" (line 8).

Item 7 - Money market mutual funds

Report all holdings of open-end registered investment companies - mutual funds - which attempt to maintain net asset values at \$1.00 per share. Tax-exempt money market mutual funds should also be reported here. Do not report holdings in deposit accounts, short-term collective investment funds, or master note arrangements.

Item 8 - Other short-term obligations

Report all short-term obligations (i.e. original maturities of less than 1 year, or 13 months in the case of the time portion of master notes). In addition to short-term notes, this would include such money market instruments as master note arrangements, commercial paper, bankers acceptances, securities repurchase agreements, and other short-term liquidity investments.

SCHEDULE A INSTRUCTIONS *(continued)*

Item 9 - Other notes and bonds

Report all other bonds, notes (except personal notes) and debentures including insurance annuity contracts, "GIC's" (guaranteed investment contracts), "BIC's" (bank investment contracts) which are not insured by the FDIC, and obligations of foreign governments and corporations.

Include also certificates or other obligations, however named, representing pass-through participations in pools of real estate loans when the participation instruments are issued by financial institutions and guaranteed in whole or in part by private guarantors.

Short-term obligations should be reported under Item 8 - Other short-term obligations. Refer to that caption for a definition of "short-term" and examples of typical short-term instruments.

Collateralized mortgage obligations (CMO's) and real estate mortgage investment conduits (REMIC's) which are not issued by the Federal National Mortgage Association (FNMA) ("Fannie Mae") and the Federal Home Loan Mortgage Corporation (FHLMC) ("Freddie Mac") should be reported in Item 9, even if the collateral consists of GNMA ("Ginnie Mae") or FNMA pass-throughs or FHLMC participation certificates.

Item 10 - Common and preferred stocks

Report all common and preferred equity holdings, including warrants. Include common stocks of savings associations and savings banks. Include both domestic and foreign equities.

Investments in limited partnerships which are solely or primarily invested in assets other than real estate should be reported under Item 10.

Shares of all open-end mutual funds and closed-end investment companies, other than money market mutual funds, should also be reported under this caption.

Where a reporting institution acts as investment advisor or manager to a mutual fund, and individual accounts are also invested in the fund, dual reporting is appropriate. The investments of the mutual fund should be reported under Column E and on the appropriate line(s) in item(s) 1 through 13. The shares of the mutual fund held by individual discretionary accounts should be reported in the appropriate column(s) under Items 7 or 10. The shares of the mutual fund held by individual non-discretionary accounts should be reported in the appropriate column(s) of Item 16. No subtraction or netting of assets is required. The duplicate nature of such reporting is recognized.

All unit investment trusts, regardless of the securities they are invested in (stocks, corporate bonds, municipal bonds, etc.), are also reported under this caption.

Item 11 - Real estate mortgages

Report real estate mortgages, real estate contracts, land trust certificates, and ground rents. These assets may be reported at unpaid balance if that figure is a fair approximation of market value.

Item 12 - Real estate

Report real estate, mineral interests, royalty interests, leaseholds, and other similar assets. Where current market values of real estate are not readily ascertainable, estimates based upon appraisals within the past 3 years may be used for this report. It is permissible to estimate market values of mineral interests of whatever type by capitalizing annual income five times, when appropriate.

Land and buildings associated with farm management accounts should be reported in this Item.

Investments in limited partnerships which are solely or primarily invested in real estate should be reported under Item 12.

Item 13 - Miscellaneous Assets

Personal notes, tangible personal property, and other miscellaneous assets not reported in any of the other categories. Crops, equipment and livestock associated with farm management accounts should be reported in this item. Note: Negative entries numbers are not acceptable for Item 13.

**DO NOT REPORT ACCOUNT LIABILITIES HERE
OR ANYWHERE ELSE IN THIS REPORT.**

SCHEDULE A INSTRUCTIONS *(continued)*

Item 14 - Total discretionary assets

The sums of all asset categories reported under each type of account, e.g., the total of Items 1 through 13 in Column A equal Item 14 of Column A.

Item 15 - Total number of discretionary accounts

Report the number of discretionary accounts administered in each of the specified columns.

Item 16 - Total non-discretionary assets.

Report the total dollar value (market value or book value) of non-discretionary assets held in each of the specified columns.

Only non-discretionary assets of fiduciary-type accounts are to be reported on Schedule A. Non-fiduciary activities, such as correspondent bank securities safekeeping, non-fiduciary institutional securities safekeeping (for insurance companies, mutual funds, brokerage activities), etc., should not be reported, even if they are, organizationally, performed within the trust function.

Report assets of agency accounts, including custody, master custody, safekeeping, and escrow accounts in Column E, except for assets of non-discretionary employee benefit agencies which are reported in Column D. Note: Assets of corporate escrow accounts are not reported at all; but the number of corporate escrow accounts is reported in Schedule C, Item 6 - All Other Corporate Agencies.

Assets of self-directed IRA and 401(k) accounts (and similar types of employee benefit accounts) where the participants direct investments are considered non-discretionary accounts, and are reported on Line 16 under either Column A (for *trust* accounts) or Column D (for *agency* and *custody* accounts), as appropriate. An account is considered non-discretionary if the participant directs the investments -- even if the trust department has discretion to select the investment choices available to the participant.

Item 17 - Total number of non-discretionary accounts

Report the total number of non-discretionary accounts that are administered in each of the specified columns. Report agency accounts, including custody, master custody, safekeeping, and escrow accounts in Column E, except for non-discretionary employee benefit agencies which are reported in Column D.

Item 18 - Total assets

The sums of line Items 14 and 16 in Columns A through E.

Item 19 - Total number of accounts

The sums of line Items 15 and 17 in Columns A through E.

Explanatory Notes on Asset Reporting

Securities lending:

Where assets are otherwise to be reported they should continue to be reported even though loaned to a third party. Collateral received under a securities lending arrangement should also be reported as an asset of the lending account. The duplicate nature of the reporting is acknowledged.

SPECIFIC INSTRUCTIONS SCHEDULE B - FIDUCIARY INCOME STATEMENT

This form is to be completed ONLY for the reporting period ending December 31 of each year.

Who Must Report: This Schedule must be completed by each financial institution with more than \$ 100 million in Total Trust Assets as reported on Schedule A (Line 18, Column F). In addition, all non-deposit trust companies, whether or not they report any assets on Schedule A, must also file Schedule B. Institutions which are not required to file Schedule B are encouraged to file it on a voluntary basis.

Public Availability of Schedule B: The information on Schedule B is confidential and will not be publicly available. The aggregate information will be included in the annual report to the Nebraska Department of Banking and Finance.

Instructions: Institutions filing Schedule B must complete all portions of the Schedule. **Enter a zero on any line item that does not apply to your institution.**

General Guidance

A. Reliance on Report of Condition Instructions: Data reported on Schedule B should be reported consistent with the instructions for equivalent data reported on the FFIEC Report of Condition and Income (for banks) or the OTS Thrift Financial Report (for thrift institutions). In general, institutions are required to prepare these reports on an accrual basis. An exception is allowed for trust department income which may be reported on a cash basis.

For Schedule B, cash basis reporting is acceptable for Gross Fees, Commissions, and Other Fiduciary Income, Items 1(a) through (g), provided the results do not materially differ from those obtained using an accrual basis. Expenses, Items 2(a) through (d), are to be reported on an accrual basis.

Settlements, Surcharges and Other Losses, Items 3(a) through (c) and all of Item 7, do not have an equivalent entry in the Report of Condition and Income and should be reported on a cash basis.

B. What to Report:

- If an activity is reportable on Schedules A, of the Annual Report of Trust Assets, the income, expenses, and any losses or recoveries which are attributable to those activities should be reported on Schedule B. Conversely, if an activity is not reportable on Schedules A, it should not be included in Schedule B.
- **Serviced Accounts:** If the reporting institution utilizes another financial institution to service its fiduciary accounts, these accounts should continue to be reported on Schedules A, (see pages 8 & 9). In such instances, the income, expenses, losses and recoveries associated with the serviced trust accounts belongs to the serviced institution, and are to be reported on the serviced institution's Schedule B.
 - Serviced Institution Reporting - The serviced institution should report the fee income generated by the serviced accounts on its Schedule B at Item(s) E-1 (a)-(e). Non-fee income should be reported at Item E-1(f), All Other Fiduciary Income. The expenses incurred by the serviced institution for servicing should be reported at Item E-2(c) as an Allocated Indirect Expense. Any losses or recoveries associated with the accounts should be reported in Item 3 and, as applicable, in Item 7.
 - Servicer Reporting - The servicing institution should not report the fee income belonging to the serviced accounts. Any income it receives for servicing the accounts should be reported on its Schedule E at Item E-1 (f), All Other Fiduciary Income. Expenses incurred in servicing the other institution's accounts should be reported at Item E-2(c), Allocated Indirect Expenses.
- Profits and/or losses attributable to the sale or transfer of a trust activity (typically, a line of business) are not reported on Schedule B.
- If a trust activity or line of trust business is sold during the calendar year, the income and expenses, as well as any losses or recoveries, incurred by the former activity for the period it was active should be included in the year's operations on Schedule B.
- Income received from separate legal entities, such as a parent or affiliated organizations must be reported as income in accordance with instructions found in the quarterly financial reports institutions file with their

respective regulator (FFIEC Report of Condition and Income for banks and the OTS Thrift Financial Report for thrift institutions). Income received from other areas of the reporting trust institution should be included only if such income is reported by the trust institution as income on its quarterly financial reports. This income should be reported within the appropriate product lines contained in Items 1(a) through 1(e) of Schedule B. Any reportable income not allocated to product line in Items 1(a) through 1(e) should be reported in Item 1(f) of the report.

C. What to Exclude from Schedule B:

- Schedules A, of this report covers only activities of trust offices located within the United States; it does not include foreign office locations. As a result, no income, expenses, losses, or recoveries attributable to activities at these foreign locations should be included on Schedule B.

1. GROSS FEES, COMMISSIONS AND OTHER FIDUCIARY INCOME

Note: Negative or minus numbers are not acceptable for Items 1(a) through 1(f) and will not be accepted. Those items are designed to collect information relating to an institution's gross fees, commissions and other fiduciary income. If an institution has no income for that particular category, a zero ("0") should be entered on the appropriate line.

1(a through e) Trust and Agency Accounts

Gross fees, commissions and other fiduciary income data is to be reported by line of business. Please refer to the instructions for Schedules A for guidance in defining these lines of business. For employee benefit trust accounts, see Schedule A, column A; for employee benefit agency accounts, see Schedule A, column D; for personal trust and estate accounts, see Schedule A, columns B and C; and for other agency accounts, see Schedule A, column E.

Fees received for IRA, Keogh Plan or other accounts that are not administered by the trust department should be excluded from this Schedule. If these accounts require the bank to have trust powers, then their fees should be reported on this Schedule.

1(f) All Other Fiduciary Income

Report all other direct income derived from other fiduciary sources not included in any of the above categories (e.g., 12b-1 fees and income from providing fiduciary services under agreement with another institution). Include all internal allocations of income to the trust function (such as transfer agent or pension plan administration credits), except for credits for deposits held in own or affiliated institutions, which are to be reported on line 5.

1(g) Total Fiduciary Income

The total of lines 1(a) through 1(f).

(It should be noted that banks with more than \$100 million in commercial bank assets are required to itemize "Income from fiduciary activities" in the quarterly FFIEC Report of Condition and Income ("Call Report") on line 5(a) of Schedule RI. Instructions for fiduciary income to be reported on line 5(a) of Call Report Schedule RI differ from those for line 1(g) of this Schedule with respect to allocated income. Consequently, banks should be aware that the amounts reported in these two items will differ by the amount of such allocated income.)

2. EXPENSES

Note: Negative or minus numbers are not acceptable for Items 2(a) through 2(c) and will not be accepted. Those items are designed to collect information relating to an institution's gross expenses. If an institution has no expenses, a zero ("0") should be entered on the appropriate line.

2(a) Salaries and Employee Benefits

Include salaries, bonuses, hourly wages, overtime pay, and incentive pay for officers and employees of the trust department. If officers or employees spend only a portion of their time in the trust department, allocate that proportional share of their salaries and employee benefits. Expenses associated with employee benefit plans (pension, profit-sharing, 401(k), ESOP, etc.), health and life insurance, Social Security and unemployment taxes, tuition reimbursement, and all other so-called fringe benefits, should be included on this line.

2(b) Other Direct Expense

In general, direct expenses are immediately identifiable as costs expended for and under the control of the trust function. These include expenses related to the use of trust premises, furniture, fixtures, and equipment, as well as depreciation/amortization, ordinary repairs and maintenance, service or maintenance contracts, utilities, lease or rental payments, insurance coverage, and real estate and other property taxes if they are directly chargeable to the trust function. Income taxes attributable to trust department earnings should not be included on Schedule B.

2(c) Allocated Indirect Expense

Allocated indirect expenses are those charged to the trust function from other departments of the institution as reflected in the institution's internal management accounting system. These include any allocation for the trust function's proportionate share of corporate expenses that cannot be directly charged to particular departments or functions. If the institution's internal accounting system is not able to provide this information, the institution may use a reasonable alternate method to estimate indirect expenses.

Indirect expenses include audit and examination fees, marketing, charitable contributions, customer parking, holding company overhead, and, in many cases, functions such as personnel, corporate planning, and corporate financial staff. Other indirect expenses include the trust function's proportionate share of building rent or depreciation, utilities, real estate taxes, and insurance.

Income taxes attributable to trust department earnings should not be included on Schedule B. If no direct expense is shown for occupancy on line 2(b) and the institution's internal accounting system does not provide an allocated amount, an allocated occupancy expense based on proportionate floor space used by the trust function or some other reasonable alternate method should be shown on line 2(c).

2(d) Total Expense

The total of lines 2(a) through 2(c).

3. SETTLEMENTS, SURCHARGES & OTHER LOSSES

See the instructions for line 7 for information about the reporting of settlements, surcharges and other losses.

3(a) Gross Settlements, Surcharges & Other Losses

Report the total losses prior to any adjustments for recoveries. If the amount shown on this line is \$100,000 or more, a breakdown of this amount should be shown on line 7 below. The amount shown on this line should then agree to the total of the details shown in that box.

3(b) Recoveries to Reported Losses

Show all recoveries received on reported losses, including recoveries on prior years' losses.

3(c) Net Settlements, Surcharges & Losses

Line 3(a) less 3(b). A negative entry indicates more recoveries than losses.

4. NET OPERATING INCOME (Loss)

Line 1(g) minus lines 2(d) and 3. If the result is less than zero, the figure should be shown in parentheses.

5. CREDIT FOR OWN-INSTITUTION DEPOSITS

Uninvested cash belonging to fiduciary accounts is available to the commercial banking side of the institution for investment; trust functions are often given credit for the use of these monies. When this credit is given to the trust department or trust company as part of the bank's profit tracking system, it should be reported on line 5. Do not include actual interest earned on fiduciary funds on deposit, as this income would normally belong to the fiduciary account.

Trust companies which are not insured by the FDIC normally cannot take deposits on their own books. Such trust companies may not enter any credit for own-institution deposits in this item. Any credit for deposits placed in a parent or affiliated bank must be reported in Item 1(f) of Schedule B.

6. NET TRUST INCOME (LOSS)

Report the total amount of trust income or loss, prior to any income taxes, experienced by the trust function for the full year. The number for this line is the result of adding line 5 to the sub-total shown on line 4. If the total on line 6 is less than zero, the resulting figure should be shown in parentheses.

7. SETTLEMENTS, SURCHARGES & OTHER LOSSES

This box should only be completed where total settlements, surcharges and other losses for the reporting year on line 3(a) are \$100,000 or more. If they are, report individual gross losses of \$10,000 or more on lines (a) through (j). Report individual gross losses of less than \$10,000 on line (j). These amounts should not be shown net of any recoveries or insurance payments. Legal expenses should be included on line 2(b) or 2(c). Do not include contingent liabilities related to outstanding litigation.

Report settlements, surcharges, and other losses arising from errors, misfeasance or malfeasance according to the type of account and capacity. The sum of lines 7(a) through 7(j) should equal the total shown on line 3(a) above.

Report only amounts from Settlements, Surcharges and Other Losses that are actually paid or received during the calendar year. Multi-year arrangements should be reported each year for the duration of the settlement with the entry reflecting the payment/adjustment for that individual year.

MEMO ITEM TO BE COMPLETED BY NON-DEPOSIT TRUST COMPANIES ONLY

8. NON-FIDUCIARY INCOME

Stand-alone or non-deposit trust companies, whose activities are limited to providing fiduciary services, may have income not directly attributable to the furnishing of fiduciary services. This income should be reported on this line 8 as a memo figure and should not be included in the data shown on lines 1 through 6.

Indirect Income. Income received from parent or affiliated organizations, such as subsidies, allocations of income, or credits for income generated elsewhere in the organization, should be reported only if it is booked by the trust company as income on its income statements for other financial purposes. If the credits or allocations are merely used for an internal profitability analysis, and are not booked by the trust company, they should not be included in Item 8.

TRUST CALL REPORT INSTRUCTIONS (continued)
Specific Instructions: Schedule "C" Report of Condition

REPORT ONLY CORPORATE ASSETS ON THIS SCHEDULE. ASSETS OWNED BY OR HELD FOR FIDUCIARY ACCOUNTS SHOULD NOT BE REPORTED ON SCHEDULE.

THIS SCHEDULE SHOULD REPORT CORPORATE ASSETS AND LIABILITIES OF THE TRUST COMPANY AS SHOWN ON THE BOOKS OF THE CORPORATION ON THE CALL DATE. DO NOT DELAY FILING OF THIS SCHEDULE FOR PURPOSES OF YEAR-END ADJUSTING ENTRIES WHICH MAY BE PENDING COMPLETION OF AN INDEPENDENT ACCOUNT'S REVIEW.

THIS SCHEDULE INCLUDES FORMULAS THAT CALCULATE APPROPRIATE SUMS AND TOTALS AS INDICATED. DO NOT ENTER DATA IN SHADED AREAS OF THE SCHEDULE. IF INCORRECT DATA IS ENTERED INTO A LINE ITEM, THE DATA MAY BE CORRECTED BY HIGHLIGHTING THE INCORRECT INFORMATION, PRESSING THE "DELETE" KEY AND THEN RE-ENTERING CORRECT DATA.

ASSETS

Line 1. Report cash on hand and/or demand deposit account balances, passbook savings account balances and balances of time certificates of deposit due from commercial banks and thrift institutions on this line.

Line 2a. Report book value of bonds, notes or other direct obligations of the United States Treasury owned as an asset of the trust corporation on this line. Also include in the balance reported on this line any bonds, notes or obligations of the various federal agencies operating under the full faith and credit of the United States Treasury.

Line 2b. Report book value of bonds and other obligations of any state, county or municipal government owned as an asset of the trust corporation on this line.

Line 2c. Report book value of bonds and other non-equity obligations of any corporate entity owned as an asset of the trust corporation on this line. Include commercial paper issued by corporate entities and commercial banking organizations in this category.

Line 2d. Report book value of any other non-equity obligations of corporate entities, not previously defined, on this line.

Line 3. Report book value of any equity stock issues owned as an asset of the trust corporation on this line, whether classified as preferred stock or common stock. Convertible preferred stock shall be reported in this category at all times prior to execution of conversion rights.

Line 4a. Report book value of tax exempt shares of registered investment companies owned as assets of the trust corporation on this line.

Line 4b. Report book value of taxable shares of registered investment companies owned as assets of the trust corporation on this line. For purposes of this schedule, where taxable status cannot be determined or is unknown, assume the entities to be taxable and report holdings on this line.

Line 5. Report amortized book value of mortgages and other notes receivable owned as assets of the trust corporation on this line. If a reserve for loan losses has been established, do not include the value of the reserve account on this line. Show any reserves as other corporate assets/(liabilities).

Line 6. Report book value of all real estate properties owned as assets of the trust corporation. Include buildings and land occupied by business premises of the corporation, any branch office facilities and lease-hold capital improvements made upon realty in which the corporation has taken a long-term lease. DO NOT include furniture and fixtures owned by the corporation in this line item.

Line 6a. Report book value of depreciation taken on any improvements reported on Line 6 of this schedule. DO NOT include depreciation on furniture and fixtures in this line item.

Line 7. Report book value of any other real estate owned by trust corporation but not occupied directly by the corporation as part of its daily business. Include in this line item any buildings or realty that may be used off-site storage of records or assets of fiduciary accounts.

Line 8. Report book value of all furniture and fixtures owned by the trust corporation and used in the conduct of daily business affairs of the corporation on this line. Assets reported on this line should be net of depreciation. Assets reported on this line should include furniture and fixtures owned by the corporation whether contained at a primary location or a branch or representative trust office. Artworks and other collectible or antique items on display on premises of the trust corporation and owned by the corporation should be reported in this line item.

Line 8a. Report value of any depreciation taken against all assets report in Line 8.

Line 9. Report book value of all vehicles owned as assets of the trust corporation on this line. Assets reportable in this entry should include any vehicles, aircraft or other non-traditional modes of conveyance, including tractors or other mechanized equipment that may be used for snow removal or other maintenance type projects, including hoists and elevating platforms.

Line 9a. Report value of any depreciation taken against all assets reported on Line 9.

Line 10. Report book value of any other assets owned by the trust corporation as an asset and not previously defined or described in these instructions.

Line 11. This line contains a mathematical formula and will sum entries recorded above. The balance on "Line 11 – Assets" should balance to "Line 4 – Total Liabilities & Equity" shown below.

LIABILITIES

Line 1a. Report book value of short-term notes and liabilities of the trust corporation payable within a 12 month period or less. Include accrued interest payable under the same terms.

Line 1b. Report book value of trade accounts, utilities, and other expenses of the trust corporation payable on demand or within the next 30 day period.

Line 1c. Report book value of any dividends declared payable by the board of directors of the trust corporation, regardless of the "x" date or the actual future payable date, unless such dividend has been deferred indefinitely by action of the board of directors, following the original declaration of such dividend payment. If such action has taken place, the dividend payable is to be reported at line 2d – "All other Liabilities".

Line 1d. Report dollar value of any accrued or estimated taxes arising from income tax calculations or assessments for property taxes, but which are unpaid on the books of the trust corporation.

Line 2a. Report principal and accrued interest payable on loans and notes payable having payments or final due date in excess of 12 months. DO NOT report balances owing on real estate occupied by the trust corporation and utilized as the principal place of business or as a branch facility or to acquire property owned and utilized as a representative trust office.

Line 2b. Report principal and accrued interest payable on mortgage loans payable when such loans were utilized to acquire real property occupied as the principal business office, a branch facility or a representative trust office of the trust corporation. DO NOT include balances and interest owing for the acquisition of furniture and fixtures unless such amounts were included in a loan obtained for the acquisition of such real properties.

Line 2c. Report balances owed by the trust corporation resulting from long-term leases (greater than 12 months), whether such leases involve acquisition of personal property, automotive equipment, or real property not owned but occupied by the trust corporation, for purposes of conducting a trust business.

Line 2d. Report any other liabilities of the trust corporation not previously defined and reported. These amounts may include surcharges and judgments resulting from litigation or other settlements.

Line 3a. Report par value of all classes (if more than a single class) of shares of outstanding preferred stock issued by the trust corporation. Do not include dollar amounts received in excess of par value (premiums) of the preferred stock. Any excess amounts should be reported at "Line 3d – Paid-In Surplus".

Line 3b. Report par value of all classes (if more than a single class) of shares of outstanding common stock issued by the trust corporation. Do not include dollar amounts received in excess of par value (premiums) of the common stock. Any excess amounts should be reported on "Line 3d – Paid-In Surplus".

Line 3c. Report total cash received from the issuance of corporate debentures provided such debentures include provisions for conversion to shares of stock in the trust corporation, whether or not such conversion privileges have been announced or executed. DO NOT include balances generated from the issuance of non-convertible debentures. If such debentures have been issued, report balances generated from such issuances at Line 3d.

Line 3d. Report aggregate balances generated from the collection of premiums (the amount received in excess of published par value) on the sale of preferred and/or common stock of the trust corporation. Include also in this category any balances generated from the issuance of non-convertible debentures of the trust corporation.

Line 3e. Report aggregate balances of retained earnings (or losses) and/or undivided profits of the trust corporation for all years of operation, including current year to date operations.

Line 4. This line contains a mathematical formula and will sum entries recorded above. The balance on "Line 4 – Total Liabilities & Equity" should balance to "Line 11 – Assets" shown above.