

STATE OF MISSOURI
DIVISION OF FINANCE
P.O. Box 716
Jefferson City, Missouri 65102-0716



TRUST COMPANY - CONSOLIDATED REPORT OF CONDITION AND INCOME TR-100 INSTRUCTIONS

GENERAL INSTRUCTIONS

Consolidated Report of Condition and Income TR-100 should be completed on a fully consolidated basis including any subsidiary of the reporting institution. Non-depository institutions with fiduciary and related services must complete the report quarterly.

SECTION A – BALANCE SHEET

ASSETS

Item No. Caption and Instructions

1. **Cash and balances due from depository institutions.** Report the total of all interest-bearing and non-interest-bearing balances due from FDIC insured financial institutions and currency and coin. Currency and coin includes both U.S. and foreign currency and coin owned and held in all offices of the reporting institution. Foreign currency and coin should be converted into U.S. dollar equivalents as of the report date. Deposit accounts "due from" depository institutions that are overdrawn are to be reported as other liabilities for borrowed money, item 9.
2. **Securities:**
 - 2.a. **Held-to-maturity securities.** Report the amount from Part 1, item 7, under the applicable column.
 - 2.b. **Available-for-sale securities.** Report the amount from Part 1, item 7, under the applicable column.
3. **Assets held in trading accounts.** Trading activities typically include (a) regularly underwriting or dealing in securities; interest rate, foreign exchange rate, commodity, equity, and credit derivative contracts; other financial instruments; and other assets for resale, (b) acquiring or taking positions in such items principally for the purpose of selling in the near term or otherwise with the intent to resell in order to profit from short-term price movements, and (c) acquiring or taking positions in such items as an accommodation to customers or for other trading purposes. Assets, liabilities, and other financial instruments classified as trading shall be consistently valued at fair value.

Exclude from this schedule all available-for-sale securities that do not satisfy the criteria for classification as trading as described above. Available-for-sale securities are generally reported in item 2.b.
4. **Premises and fixed assets (including capitalized leases).** Report the book value, less accumulated depreciation or amortization, of all premises, equipment, furniture and fixtures purchased directly or acquired by means of a capital lease. Any method of depreciation or amortization conforming to accounting principles that are generally acceptable for financial reporting purposes may be used. However, depreciation for premises and fixed assets may be based on a method used for federal income tax purposes if the results would not be materially different from depreciation based on the asset's estimated useful life. Do not deduct mortgages or other liens on such property.

Include as premises and fixed assets:

- a. Premises that are actually owned and occupied (or to be occupied, if under construction) by the institution or its consolidated subsidiaries.
- b. Leasehold improvements, vaults, and fixed machinery and equipment.

- c. Remodeling costs to existing premises.
- d. Real estate acquired and intended to be used for future expansion.
- e. Parking lots that are used by customers or employees of the institution and its consolidated subsidiaries.
- f. Furniture, fixtures, and movable equipment of the institution and its consolidated subsidiaries.
- g. Automobiles, airplanes, and other vehicles owned by the institution and used in the conduct of its business.
- h. The amount of capital lease property (with the institution as lessee): premises, furniture, fixtures, and equipment. Standards for lease accounting are set forth in ASC Topic 840, Leases (formerly FASB Statement No. 13, "Accounting for Leases," as amended and interpreted).
- i. Stocks and bonds issued by nonmajority-owned corporations whose principal activity is the ownership of land, buildings, equipment, furniture, or fixtures occupied or used (or to be occupied or used) by the institution or its consolidated subsidiaries.

Exclude from premises and fixed assets:

- a. Original paintings, antiques, and similar valuable objects (report in Item 5 "Other Assets").
- b. Favorable leasehold rights Favorable leasehold rights (report in Item 5 "Other Assets").

5. **Other Assets.** Report all other assets that cannot be properly reported in items 1 through 4 above. Report all receivables such as fees that have been earned but not collected. Report all prepaid expenses such as insurance premiums.

Report the amount of the company's investments in the stock of all subsidiaries that have not been consolidated, associated companies and those corporate joint ventures over which the reporting company exercises significant influence. Report the institutions direct and indirect investments in real estate ventures.

Report the carrying amount of goodwill as adjusted for any impairment losses. ASC Subtopic 350-20, Intangibles-Goodwill and Other – Goodwill (formerly FASB Statement No. 142, "Goodwill and Other Intangible Assets") provides guidance for testing and reporting goodwill impairment losses. Intangible assets primarily result from business combinations accounted for under the acquisition method. The accounting and reporting standards for business combinations are set forth in ASC Topic 805, Business Combinations (formerly FASB Statement No. 141 (revised 2007), "Business Combinations").

Describe all amounts that exceed 25% of this item.

6. **Total Assets.** Report the sum of items 1 through 5.

LIABILITIES

- 7. **Accounts Payable.** Report all short term obligations due resulting from operations.
- 8. **Taxes Payable.** Report the net amount after offsetting deferred tax assets (net of valuation allowance) and deferred tax liabilities measured at the report date for a particular tax jurisdiction if the net result is a credit balance.
- 9. **Other liabilities for borrowed money.** Report the amount borrowed by the trust company or its consolidated subsidiaries.
 - a. On its promissory notes.
 - b. By overdrawing "due from" balances with depository institutions.
 - c. On any obligation for the purpose of borrowing money not reported elsewhere.

- 10. Other liabilities.** Report all other assets that cannot be properly reported in items 7 through 9 above. Include all other expenses accrued through charges to expense during the current or prior periods, but not yet paid.

Describe amounts that exceed 25% of this item.

- 11. Total Liabilities.** Report the sum of items 7 through 10.

EQUITY CAPITAL

- 12. Preferred Stock.** Report the amount of perpetual preferred stock issued, including any amounts received in excess of its par or stated value.
- 13. Common Stock.** Report the aggregate par or stated value of common stock issued and outstanding.
- 14. Surplus.** Report the net amount formally transferred to the surplus account, including capital contributions, adjustments arising from treasury stock transactions, and any amount received for common stock in excess of its par or stated value on or before the report date.

Do not include any portion of the proceeds received from the sale of preferred stock in excess of its par or stated value (report in item 9, 10, or 12, as appropriate).

- 15.a. Undivided Profits.** Report the amount of undivided profits (retained earnings) and capital reserves. The amount of the retained earnings and capital reserves should reflect transfers of net income, declarations of dividends, transfers to surplus, and any other appropriate entries.

Adjustments of accruals and other accounting estimates made shortly after the report date which relate to the income and expenses of the year-to-date period ended as of the report date must be reported in the appropriate items of Section B – Income Statement, for that year-to-date period.

Capital reserves are segregations of retained earnings and are not to be reported as liability accounts or as reductions of asset balances. Capital reserves may be established for such purposes as:

1. Reserve for undeclared stock dividends – includes amounts set aside to provide for stock dividends (not cash dividends) not yet declared.
2. Reserve for undeclared cash dividends – includes amounts set aside for cash dividends on common and preferred stock not yet declared. (Cash dividends declared but not yet payable should be included in item 10, "Other liabilities.")
3. Retirement account (for limited-life preferred stock or subordinated notes and debentures) – includes amounts allocated under the plan for retirement of limited-life preferred stock or subordinated notes and debentures contained in the institutions articles of association or in the agreement under which such stock or notes and debentures were issued.
4. Reserve for contingencies – includes amounts set aside for possible unforeseen or indeterminate liabilities not otherwise reflected on the institutions books and not covered by insurance. This reserve may include, for example, reserves set up to provide for possible losses which the institution may sustain because of lawsuits, the deductible amount under the institutions blanket bond, defaults on obligations for which the company is contingently liable, or other claims against the institution. A reserve for contingencies represents a segregation of retained earnings. It should not include any element of known losses or of any probable incurred losses the amount of which can be estimated with reasonable accuracy.

Exclude from retained earnings:

1. Any portion of the proceeds received from the sale of common stock in excess of its par or stated value, report in item 14.
2. Any portion of the proceeds received from the sale of preferred stock in excess of its par or stated value, report in item 9, 10, or 12, as appropriate).

3. "Reserves" that reduce the related asset balances such as valuation allowances, reserves for depreciation, and reserves for bond premiums.

15.b. Net unrealized holding gains (losses) on available-for-sale securities. Include in this item:

1. Net unrealized holding gains (losses) on available-for-sale securities (including debt securities transferred into the available-for-sale category from the held-to-maturity category), i.e., the difference between the amortized cost and the fair value of the reporting institutions available-for-sale securities (excluding any available-for-sale securities previously written down as other-than-temporarily impaired). For most institutions, all "securities," as that term is defined in ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities"), that are designated as "available-for-sale" will be reported as "Available-for-sale securities" under item 2.b, and in Part 1 under the appropriate column. However, an institution may have certain assets that fall within the definition of "securities" in ASC Topic 320 (e.g., nonrated industrial development obligations) that it has designated as "available-for-sale" and reports in a balance sheet category other than "Securities" for purposes of the Report of Condition. These "available-for-sale" assets must be carried on the Report of Condition balance sheet at fair value rather than amortized cost and the difference between these two amounts, net of tax effects, also must be included in this item.
2. The unamortized balance of the unrealized holding gain (loss) that existed at the date of transfer of a debt security transferred into the held-to-maturity category from the available-for-sale category. Consistent with ASC Topic 320, when a debt security is transferred from the available-for-sale category into the held-to-maturity category, the unrealized holding gain (loss) at the date of transfer continues to be reported in this account, but must be amortized over the remaining life of the security as an adjustment of yield in a manner consistent with the amortization of any premium or discount.
3. The unaccreted portion of other-than-temporary impairment losses on available-for-sale and held-to-maturity debt securities that was not recognized in earnings in accordance with ASC Topic 320, plus the accumulated amount of subsequent decreases (if not other-than-temporary impairment losses) or increases in the fair value of available-for-sale debt securities previously written down as other-than-temporarily impaired.

16. Total Equity Capital. Report the sum of items 12 through 15b.

17. Total Liabilities and Equity Capital. Report the sum of items 11 and 16. This item must equal item 6, "Total assets."

PART 1 – SECURITIES

GENERAL INSTRUCTIONS

This schedule has two columns for information on securities: one column for held-to-maturity securities (intent and ability to hold until maturity) and one column for available-for-sale securities (No intent or ability to hold until maturity). Report the amortized cost of held-to-maturity securities in the first column, items 1 through 7. Report the market or fair value of available-for-sale debt securities in the second column and for held-to-maturity securities on item 8. Equity securities with readily determinable market values are reported as available-for-sale securities only.

Exclude from this schedule all securities held for trading. Securities held for trading and securities reported under a fair value option are to be reported in Section A – Balance Sheet, item 3, "Assets held in trading accounts."

In general, amortized cost is the purchase price of a debt security adjusted for amortization of premium or accretion of discount if the debt security was purchased at other than par or face value. As defined in ASC Topic 820, Fair Value Measurements and Disclosures (formerly FASB Statement No. 157, "Fair Value Measurements"), fair value is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

Item No. Caption and Instructions

1. **U.S. Treasury Securities.** Report in the appropriate column the amortized cost or fair value of all U.S. Treasury securities not held in trading accounts. Include all bills, certificates of indebtedness, notes, and bonds, including those issued under the Separate Trading of Registered Interest and Principal of Securities (STRIPS) program and those that are "inflation-indexed."
2. **U.S. Government Agency and Corporate Obligations.** Report in the appropriate column the amortized cost or fair value of all U.S. Government agency and corporate obligations not held for trading. For purposes of these reports, a U.S. Government agency is defined as an instrumentality of the U.S. Government whose debt obligations are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S. Government. U.S. Government-sponsored agencies are defined as agencies originally established or chartered by the U.S. Government to serve public purposes specified by the U.S. Congress but whose debt obligations are not explicitly guaranteed by the full faith and credit of the U.S. Government.
3. **Securities issued by states and political subdivisions in the U.S.** Report in the appropriate column the amortized cost or fair value of all securities issued by states and political subdivisions in the United States not held for trading.

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

- a. The fifty States of the United States and the District of Columbia and their counties, municipalities, school districts, irrigation districts, and drainage and sewer districts.
- b. The governments of Puerto Rico and of the U.S. territories and possessions and their political subdivisions.

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

- a. General obligations, which are securities whose principal and interest will be paid from the general tax receipts of the state or political subdivision.
- b. Revenue obligations, which are securities whose debt service is paid solely from the revenues of the projects, financed by the securities rather than from general tax funds.
- c. Industrial development and similar obligations, which are discussed below.

4. **Other bonds, notes, and debentures.** Report in the appropriate column the amortized cost or fair value of all other bonds, notes, and debentures not held for trading that cannot be properly reported in items 1 through 3 above.
5. **Common and preferred stock.** Report the market value of common and preferred stock purchased for investment.
6. **Investment in mutual funds.** Report the market value of mutual funds registered under the Investment Company Act of 1940, exchange traded funds (ETF's), and unit investment trusts (UIT's).
7. **Total.** Sum of items 1 through 6. Totals must equal Section A, items 2.a. and 2.b.

MEMORANDUM (included in above items)

8. **Mortgage derivative products and collateralized mortgage obligations.** Report in the appropriate column the amortized cost or fair value of all residential and commercial mortgage-backed securities, including mortgage pass-through securities, collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), CMO and REMIC residuals, stripped mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments), and mortgage-backed commercial paper not held for trading. Include mortgage-backed securities issued by non-U.S. issuers.
9. **Market value of held-to-maturity securities.** Report the market value of held-to-maturity securities included in item 7.

PART 2 – CHANGES IN EQUITY CAPITAL

Total equity capital includes perpetual preferred stock, common stock, surplus, undivided profits (retained earnings), and net unrealized holding gains (losses) on available-for-sale securities. All amounts other than those reported in items 1 and

9, should represent net aggregate changes for the calendar year-to-date. Report all net decreases and losses (net reductions in equity capital) with a minus (-) sign.

Item No. Caption and Instructions

1. **Balance end of previous year.** Report the institutions preferred stock, common stock, surplus, undivided profits including net unrealized holding gains (losses) on available-for-sale securities, and total equity capital balance as reported in Section A of the Consolidated Report of Condition for the previous calendar year-end after the effect of all corrections and adjustments to total equity capital that were made in any amended report(s) for the previous calendar year-end.

For institutions opened since January 1 of the current calendar year, report a zero in this item. Report the institutions opening (original) total equity capital in item 4, "Sale, conversion, acquisition, or retirement of capital."

2. **Net income (loss).** Report the net income (loss) attributable to the institution for the calendar year-to-date as reported in Section B, item 21.
3. **Changes in net unrealized holding gains (losses) on available-for-sale securities.** Report the change in net unrealized holding gains (losses) on the institution's available-for-sale securities. Also report any unrealized holding gains (losses) that resulted from a debt security being transferred into the available-for-sale category from the held-to-maturity category.

For a debt security transferred into the held-to-maturity category from the available-for-sale category, amortization of the unrealized holding gain (loss) on the security at the date of transfer. Consistent with ASC Subtopic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities," as amended), this unrealized holding gain (loss) should be amortized over the remaining life of the security as an adjustment of yield.

All amounts should represent net aggregate changes for the calendar year-to-date.

4. **Sale, conversion, acquisition, or retirement of capital.** Report the changes in the institutions total equity capital resulting from:
 1. Sale of the institutions perpetual preferred stock or common stock. Limited-life preferred stock is not included in equity capital; any proceeds from the sale of limited-life preferred stock during the calendar year-to-date is not to be reported in this schedule.
 2. Exercise of stock options, including:
 - a. Any income tax benefits to the institution resulting from the sale of the institutions own stock acquired under a qualified stock option within three years of its purchase by the employee who had been granted the option.
 - b. Any tax benefits to the institution resulting from the exercise (or granting) of nonqualified stock options (on the institutions stock) based on the difference between the option price and the fair market value of the stock at the date of exercise (or grant).
 3. Conversion of convertible debt, limited-life preferred stock, or perpetual preferred stock into perpetual preferred or common stock.
 4. Redemption of perpetual preferred stock or common stock.
 5. Retirement of perpetual preferred stock or common stock.
 6. Capital-related transactions involving the institution's Employee Stock Ownership Plan.
 7. Report the change in the institutions total equity capital during the calendar year to date from the acquisition (without retirement) and resale or other disposal of the institutions own perpetual preferred stock or common stock, i.e., treasury stock transactions.

For institutions opened since January 1 of the year-to-date reporting period, report opening (original) equity capital in this item. Pre-opening income earned and expenses incurred from the institutions inception until the date the institution commenced operations should be reported in Section B – Income Statement using one of the two following methods, consistent with the manner in which the institution reports pre-opening income and expenses for other financial reporting purposes:

- a. Pre-opening income and expenses for the entire period from the institutions inception until the date the institution commenced operations should be reported in the appropriate items of Section B – Income Statement, each quarter during the calendar year in which operations commenced; or
- b. Pre-opening income and expenses for the period from the institutions inception until the beginning of the calendar year in which the institution commenced operations should be included, along with the institutions opening (original) equity capital, in this item. Pre-opening income earned and expenses incurred during the calendar year in which the institution commenced operations should be reported in the appropriate items of Section B – Income Statement, each quarter during the calendar year in which operations commenced.

5. **Changes incident to business combinations.** If the institution purchased another institution or business during the year-to-date reporting period, report the fair value of any perpetual preferred or common shares issued (less the direct cost of issuing the shares). Exclude the fair value of limited-life preferred stock issued in connection with purchase acquisitions.

If the institution has been acquired in a transaction accounted for using push down accounting, report in this item the initial increase or decrease in equity capital that results from the application of push down accounting, i.e., the difference between the institutions total equity capital as of the end of the previous calendar year and its restated equity capital after the push down adjusting entries have been recorded as of the acquisition date.

If the institution entered into a reorganization that became effective during the year-to-date reporting period and has been accounted at historical cost in a manner similar to a pooling of interests, report in this item the historical equity capital balances as of the end of the previous calendar year of the institution or other business that was combined in the reorganization.

6. **LESS: Cash dividends declared on preferred stock.** Report all cash dividends declared on common stock during the calendar year-to-date, including dividends not payable until after the report date.

Do not include dividends declared during the previous calendar year but paid in the current period.

7. **LESS: Cash dividends declared on common stock.** Report all cash dividends declared on common stock during the calendar year-to-date, including dividends not payable until after the report date.

Do not include dividends declared during the previous calendar year but paid in the current period.

8. **Other increases (decreases) – itemize.** Report any other increases (decreases) including the net aggregate amount of transactions with the institution's stockholders, including its parent holding company, if any, that affect equity capital directly (other than those transactions reported above), such as:

- a. Capital contributions other than those for which stock has been issued to stockholders (report issuances of perpetual preferred and common stock and sales of treasury stock in item 4.
- b. Dividends distributed to stockholders in the form of property rather than cash (report cash dividends in items 6 or 7, as appropriate). Record such property dividends at the fair value of the transferred asset. Include any gain or loss recognized on the disposition of the asset in the determination of net income for the calendar year-to-date in Section B – Income Statement.
- c. Return-of-capital transactions in which contributed capital (i.e., surplus) is reduced without retiring stock and cash is distributed to the institution's stockholders.

9. **Balance end of current period.** Report the sum of each row and column, items 1 through 8. This item must equal Section A – Balance Sheet, item 16, "Total Equity Capital."

PART 3 – OFF-BALANCE SHEET ACTIVITIES

Item No. Caption and Instructions

1. **Securities borrowed or lent; Commitments to purchase or sell when-issued securities; Interest rate contracts including (a) Notational value of interest rate swaps, (b) Futures and forward contracts, (c) Option contracts; and other off-balance sheet liabilities.** Securities borrowed and lent shall be reported on the balance sheet of either the borrowing or lending institution in accordance with ASC Topic 860.

SECTION B – INCOME STATEMENT

Report all income and expense for the calendar year-to-date. Include adjustments of accruals and other accounting estimates made shortly after the end of a reporting period which relate to the income and expense of the reporting period. An institution that began operating during the year-to-date reporting period should report in the appropriate item all income earned and expenses incurred since commencing operations.

The following income categories correspond to the fiduciary asset categories described in TR-102, items 1 through 6 and 8. For a detailed definition of the categories, please refer to the corresponding account descriptions. Income and expenses should be reported on an accrual basis. Institutions may report income and expense accounts on a cash basis if the results would not materially differ from those obtained using an accrual basis.

FIDUCIARY AND RELATED SERVICES INCOME

Item No. Caption and Instructions

1. **Personal trust and agency.** Report gross income generated from personal trust and agency accounts as defined for item 1 of TR-102.
2. **Retirement-related trust and agency:**
 - 2.a. **Employee benefit – defined contribution.** Report gross income generated from defined contribution employee benefit trust and agency accounts as defined for item 2.a. of TR-102.
 - 2.b. **Employee benefit – defined benefit.** Report gross income generated from defined benefit employee benefit trust and agency accounts as defined for item 2.b. of TR-102.
 - 2.c. **Other employee benefit and retirement.** Report gross income generated from other employee benefit and retirement-related accounts as defined for item 2.c of TR-102.
3. **Corporate trust and agency.** Report gross income generated from corporate trust and agency relationships as defined for item 3 of TR-102.
4. **Investment management and advisory agency.** Report gross income generated from investment management and advisory agency accounts as defined for item 4 of TR-102. Also include income generated from investment advisory activities when the assets are not held by the institution.
5. **Foundation and endowment trust or agency.** Report gross income generated from foundation and endowment trust and agency accounts as defined for item 5 of TR-102.
6. **Other fiduciary.** Report gross income generated from other trust and agency accounts as defined for item 6 of TR-102.
7. **Custody and safekeeping.** Report gross income generated from custody and safekeeping agency accounts as defined for item 8 of TR-102.
8. **Other fiduciary and related services income.** Report all other gross fiduciary related income that cannot be properly reported in items 1 through 7, above. Include income received from others (including affiliates) for fiduciary and related services provided by the institution. Income received from investment advisory services in

which the account assets are held in a custody or safekeeping account at the reporting institution should be reported in item 7 of this schedule. Also include net income generated from securities lending activities (i.e., after broker rebates and income paid to lending accounts). Include income from custodial activities for land trusts and mortgage-backed securities.

9. **Interest income.** Report all interest on assets reportable on the Trust Company Consolidated Report of Condition. Include accretion of discount on securities for the current period. Deduct current amortization of premiums on securities. Do not include gains or losses on the sale of securities prior to redemption. These should be included on line 10, Net gains (losses) on sales of securities.
10. **Net gains (losses) on sales of securities.** Report net securities gains (losses) associated with securities reportable on the Trust Company Consolidated Report of Condition. Report gains (losses) after-tax.
11. **Total Fiduciary and Related Services Income.** Report the sum of items 1 through 10.

FIDUCIARY AND RELATED SERVICES EXPENSES

Item No. Caption and Instructions

12. **Salaries and Employee Benefits.** Report salaries and benefits of all officers and employees of the institution and its consolidated subsidiaries including temporary office help, dining room and cafeteria employees, and building department officers and employees (including maintenance personnel). Include as employees individuals who, in form, are employed by an affiliate but who, in substance, do substantially all of their work for the reporting institution.

Include as salaries and employee benefits:

- a. Gross salaries, wages, overtime, bonuses, incentive compensation, and extra compensation.
- b. Social security taxes and state and federal unemployment taxes paid by the institution.
- c. Contributions to the institutions retirement plan, pension fund, profit-sharing plan, employee stock ownership plan, employee stock purchase plan, and employee savings plan.
- d. Premiums (net of dividends received) on health and accident, hospitalization, dental, disability, and life insurance policies for which the institution is not the beneficiary.
- e. Cost of office temporaries whether hired directly by the institution or through an outside agency.
- f. Workmen's compensation insurance premiums.
- g. The net cost to the institution for employee dining rooms, restaurants, and cafeterias.
- h. Accrued vacation pay earned by employees during the calendar year-to-date.
- i. The cost of medical or health services, relocation programs and reimbursements of moving expenses, tuition reimbursement programs, and other so-called fringe benefits for officers and employees.
- j. Compensation expense (service component and interest component) related to deferred compensation agreements.

Exclude as salaries and employee benefits (report in item 15 below, "Other Fiduciary and Related Services Expenses"):

- a. Amounts paid to attorneys, accountants, management consultants, investment counselors, and other professionals who are not salaried officers or employees of the institution (except if these professionals, in form, are employed by an affiliate of the reporting institution but, in substance, do substantially all of their work for the reporting institution).
- b. Expenses related to the testing and training of officers and employees.

- c. The cost of company newspapers and magazines prepared for distribution to officers and employees.
- d. Expenses of life insurance policies for which the institution is the beneficiary. (However, when these expenses relate to company-owned life insurance policies with cash surrender values, institutions may report the net earnings on or the net increases in the value of these cash surrender values in item 8 above.)
- e. The cost of athletic activities in which officers and employees participate when the purpose may be construed to be for marketing or public relations, and employee benefits are only incidental to the activities.
- f. Dues, fees and other expenses associated with memberships in country clubs, social or private clubs, civic organizations, and similar clubs and organizations.

13. Premises and Fixed Assets. Report all expenses related to the use of premises, equipment, furniture, and fixtures reportable in Section A – Balance Sheet, item 4, "Premises and fixed assets," net of rental income. If this net amount is a credit balance, report it with a minus (-) sign.

Deduct rental income from gross premises and fixed asset expense. Rental income includes all rentals charged for the use of buildings not incident to their use by the reporting institution and its consolidated subsidiaries, including rentals by regular tenants, income received from short-term rentals of other facilities, and income from subleases. Also deduct income from stocks and bonds issued by nonmajority-owned corporations that indirectly represent premises, equipment, furniture, or fixtures and are reportable in Section A – Balance Sheet, item 4, "Premises and fixed assets."

Include as expenses of premises and fixed assets:

- a. Normal and recurring depreciation and amortization charges against assets reportable in Section A – Balance Sheet, item 4, "Premises and fixed assets," including capital lease assets, which are applicable to the calendar year-to-date, whether they represent direct reductions in the carrying value of the assets or additions to accumulated depreciation or amortization accounts. Any method of depreciation or amortization conforming to accounting principles that are generally acceptable for financial reporting purposes may be used. However, depreciation for premises and fixed assets may be based on a method used for federal income tax purposes if the results would not be materially different from depreciation based on the asset's estimated useful life.
- b. All operating lease payments made by the institution on premises (including parking lots), equipment (including data processing equipment), furniture, and fixtures.
- c. Cost of ordinary repairs to premises (including leasehold improvements), equipment, furniture, and fixtures.
- d. Cost of service or maintenance contracts for equipment, furniture, and fixtures.
- e. Cost of leasehold improvements, equipment, furniture, and fixtures charged directly to expense and not placed on the institutions books as assets.
- f. Insurance expense related to the use of premises, equipment, furniture, and fixtures including such coverage as fire, multi-peril, boiler, plate glass, flood, and public liability.
- g. All property tax and other tax expense related to premises (including leasehold improvements), equipment, furniture, and fixtures, including deficiency payments, net of all rebates, refunds, or credit.
- h. Any portion of capital lease payments representing executory costs such as insurance, maintenance, and taxes.
- i. Cost of heat, electricity, water, and other utilities connected with the use of premises and fixed assets.
- j. Cost of janitorial supplies and outside janitorial services.

- k. Fuel, maintenance, and other expenses related to the use of the company-owned automobiles, airplanes, and other vehicles for company business.

Exclude from expenses of premises and fixed assets:

- a. Salaries and employee benefits (report such expenses for all officers and employees of the institution and its consolidated subsidiaries in item 12, "Salaries and employee benefits").
- b. Interest on mortgages, liens, or other encumbrances on premises or equipment owned, including the portion of capital lease payments representing interest expense (report in item 14, "Interest Expense").

- 14. **Interest Expense.** Report the interest expense on all liabilities reportable in Section A – Balance Sheet.
- 15. **Other Fiduciary and Related Services Expenses.** Report all other gross fiduciary and related services expenses that cannot be properly reported in items 12 through 14, above. Include fees paid to contractors, including information technology and investment contractors for services rendered. Provide descriptions and the amount of such fees.
- 16. **Total Fiduciary and Related Services Expenses.** Report the sum of items 12 through 15.
- 17. **Net Operating Income (Loss) Before Taxes.** Report the institutions pretax operating income. Report item 11, less item 16. If this amount is a net loss, report it with a minus (-) sign.
- 18. **Applicable Income Taxes.** Report the total estimated federal, state and local, and foreign income tax expense applicable to item 17. Include both the current and deferred portions of these income taxes. If the amount is a tax benefit rather than tax expense, report it with a minus (-) sign.

Include income tax effects of changes in tax laws or rates. Also include the effect of changes in the valuation allowance related to deferred tax assets resulting from a change in estimate of deferred tax assets, excluding the effect of any valuation allowance changes related to unrealized holding gains (losses) on available-for-sale securities that are charged or credited directly to the separate component of equity capital.

Include the tax benefit of an operating loss carryforward or carryback for which the source of the income or loss in the current year is reported in item 17. Also include the dollar amount of any material adjustments or settlements reached with a taxing authority (whether negotiated or adjudicated) relating to disputed income taxes of prior years.

- 19. **Fiduciary settlements, surcharges, and other losses.** Report net losses resulting from fiduciary and related services. Net losses are gross losses less recoveries. Gross losses include settlements, surcharges, and other losses that are realized in the reporting period attributable to the fiduciary and related services. Recoveries should include those that are attributable to prior and current period losses. This item must equal Fiduciary and Related Services section, Memorandum item 4.e, sum of columns A and B minus column C.
- 20. **Extraordinary Items.** Report extraordinary items net of any applicable income tax effect. If the amount reported in this item is a net loss, report it with a minus (-) sign.

Extraordinary items are material events and transactions that are (1) unusual and (2) infrequent. Both of those conditions must exist in order for an event or transaction to be reported as an extraordinary item.

To be unusual, an event or transaction must be highly abnormal or clearly unrelated to the ordinary and typical activities of trust companies. An event or transaction that is beyond management's control is not automatically considered to be unusual.

To be infrequent, an event or transaction should not reasonably be expected to recur in the foreseeable future. Although the past occurrence of an event or transaction provides a basis for estimating the likelihood of its future occurrence, the absence of a past occurrence does not automatically imply that an event or transaction is infrequent.

Only a limited number of events or transactions qualify for treatment as extraordinary items. Among these are losses which result directly from a major disaster such as an earthquake (except in areas where earthquakes are expected to recur in the foreseeable future), an expropriation, or a prohibition under a newly enacted law or regulation.

For further information, see ASC Subtopic 225-20, Income Statement – Extraordinary and Unusual Items (formerly APB Opinion No. 30, “Reporting the Results of Operations”).

21. **Net Income (Loss) After Taxes.** Report sum of items 17 through 20. If this amount is a net loss, report it with a minus (-) sign.