LINE ITEM INSTRUCTIONS FOR THE CONSOLIDATED REPORT OF INCOME

The line item instructions should be read in conjunction with the Glossary and other sections of these instructions. See the discussion of the Organization of the Instruction Books in the General Instructions. For purposes of these Consolidated Report of Income instructions, the FASB Accounting Standards Codification is referred to as "ASC."

SCHEDULE RI – INCOME STATEMENT

General Instructions

Report in accordance with these instructions all income and expense of the bank 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.

A bank that began operating during the year-to-date reporting period should report in the appropriate items of Schedule RI all income earned and expenses incurred since commencing operations. The bank should report pre-opening income earned and expenses incurred from inception until the date operations commenced using one of the two methods described in the Glossary entry for "start-up activities."

Business Combinations, Push Down Accounting Transactions, and Reorganizations – If the bank entered into a business combination that became effective during the reporting period and has been accounted for under the acquisition method, report the income and expense of the acquired bank or business only after its acquisition. If the bank was acquired in a transaction that became effective during the reporting period and push down accounting was used to account for the acquisition, Schedule RI should only include amounts from the date of the bank's acquisition through the end of the year-to-date reporting period. If the bank entered into a reorganization that became effective during the year-to-date reporting period and has been accounted for at historical cost in a manner similar to a pooling of interests, report the income and expense of the combined entities for the entire calendar year-to-date as though they had combined at the beginning of the year. For further information on business combinations, push down accounting, and reorganizations, see the Glossary entry for "business combinations."

Assets and liabilities accounted under the fair value option – Under U.S. generally accepted accounting principles (GAAP) (i.e., ASC Subtopic 825-10, Financial Instruments – Overall (formerly FASB Statement No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities"), ASC Subtopic 815-15, Derivatives and Hedging – Embedded Derivatives (formerly FASB Statement No. 155, "Accounting for Certain Hybrid Financial Instruments"), and ASC Subtopic 860-50, Transfers and Servicing – Servicing Assets and Liabilities (formerly FASB Statement No. 156, "Accounting for Servicing of Financial Assets")), the bank may elect to report certain assets and liabilities at fair value with changes in fair value recognized in earnings. This election is generally referred to as the fair value option. If the bank has elected to apply the fair value option to interest-bearing financial assets and liabilities, it should report the interest income on these financial assets (except any that are in nonaccrual status) and the interest expense on these financial liabilities for the year-to-date in the appropriate interest income and interest expense items on Schedule RI, not as part of the reported change in fair value of these assets and liabilities for the year-to-date. The bank should measure the interest income or interest expense on a financial asset or liability to which the fair value option has been applied using either the contractual interest rate on the asset or liability or the effective yield method based on the amount at which the asset or liability was first recognized on the balance sheet. Although the use of the contractual interest rate is

an acceptable method under GAAP, when a financial asset or liability has a significant premium or discount upon initial recognition, the measurement of interest income or interest expense under the effective yield method more accurately portrays the economic substance of the transaction. In addition, in some cases, GAAP requires a particular method of interest income recognition when the fair value option is elected. For example, when the fair value option has been applied to a beneficial interest in securitized financial assets within the scope of ASC Subtopic 325-40, Investments-Other – Beneficial Interests in Securitized Financial Assets (formerly Emerging Issues Task Force Issue No. 99-20, "Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets"), interest income should be measured in accordance with this Subtopic. Similarly, when the fair value option has been applied to a purchased impaired loan or debt security accounted for under ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer"), interest income on the loan or debt security should be measured in accordance with this Subtopic when accrual of income is appropriate. For further information, see the Glossary entry for "Purchased Impaired Loans and Debt Securities."

Revaluation adjustments, excluding amounts reported as interest income and interest expense, to the carrying value of all assets and liabilities reported in Schedule RC at fair value under a fair value option (excluding servicing assets and liabilities reported in Schedule RC, item 10.b, "Other intangible assets," and Schedule RC, item 20, "Other liabilities," respectively, and assets and liabilities reported in Schedule RC, item 5, "Trading assets," and Schedule RC, item 15, "Trading liabilities," respectively) resulting from the periodic marking of such assets and liabilities to fair value should be reported as "Other noninterest income" in Schedule RI, item 5.l.

Item Instructions

Item No. **Caption and Instructions**

1 **Interest income:**

1.a **Interest and fee income on loans.** Report in the appropriate subitem all interest, fees, and similar charges levied against or associated with all assets reportable as loans in Schedule RC-C, part I, items 1 through 9.

Deduct interest rebated to customers on loans paid before maturity from gross interest earned on loans; do *not* report as an expense.

Include as interest and fee income on loans:

(1) Interest on all assets reportable as loans extended directly, purchased from others, sold under agreements to repurchase, or pledged as collateral for any purpose.

(2) Loan origination fees, direct loan origination costs, and purchase premiums and discounts on loans held for investment, all of which should be deferred and recognized over the life of the related loan as an adjustment of yield in accordance with ASC Subtopic 310-20, Receivables – Nonrefundable Fees and Other Costs (formerly FASB Statement No. 91, "Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases") as described in the Glossary entry for "loan fees." See exclusion (3) below.

(3) Loan commitment fees (net of direct loan origination costs) that must be deferred over the commitment period and recognized over the life of the related loan as an adjustment of yield under ASC Subtopic 310-20 as described in the Glossary entry for "loan fees."

Item No.	Caption and Instructions
1.a (cont.)	(4) Investigation and service charges, fees representing a reimbursement of loan processing costs, renewal and past-due charges, prepayment penalties, and fees charged for the execution of mortgages or agreements securing the bank's loans.
	(5) Charges levied against overdrawn accounts based on the length of time the account has been overdrawn, the magnitude of the overdrawn balance, or which are otherwise equivalent to interest. See exclusion (6) below.
	(6) Interest income earned on loans that are reported at fair value under a fair value option.
	Exclude from interest and fee income on loans:
	(1) Fees for servicing real estate mortgages or other loans that are not assets of the bank (report in Schedule RI, item 5.f, "Net servicing fees").
	(2) Charges to merchants for the bank's handling of credit card or charge sales when the bank does not carry the related loan accounts on its books (report as "Other noninterest income" in Schedule RI, item 5.l). Banks may report this income net of the expenses (except salaries) related to the handling of these credit card or charge sales.
	(3) Loan origination fees, direct loan origination costs, and purchase premiums and discounts on loans held for sale, all of which should be deferred until the loan is sold (rather than amortized). The net fees or costs and purchase premium or discount are part of the recorded investment in the loan. When the loan is sold, the difference between the sales price and the recorded investment in the loan is the gain or loss on the sale of the loan. See exclusion (4) below.
	(4) Net gains (losses) from the sale of all assets reportable as loans (report in Schedule RI, item 5.i, “Net gains (losses) on sales of loans and leases”). Refer to the Glossary entry for "transfers of financial assets."
	(5) Reimbursements for out-of-pocket expenditures (e.g., for the purchase of fire insurance on real estate securing a loan) made by the bank for the account of its customers. If the bank's expense accounts were charged with the amount of such expenditures, the reimbursements should be credited to the same expense accounts.
	(6) Transaction or per item charges levied against deposit accounts for the processing of checks drawn against insufficient funds that the bank assesses regardless of whether it decides to pay, return, or hold the check, so-called "NSF check charges" (report as "Service charges on deposit accounts (in domestic offices)," in Schedule RI, item 5.b, or, if levied against deposit accounts in foreign offices, as “Other noninterest income” in Schedule RI, item 5.l). See inclusion (5) above.
	(7) Interchange fees earned from credit card transactions (report as “Other noninterest income” in Schedule RI, item 5.l).

FFIEC 041 Item No.	FFIEC 031 Item No.	Caption and Instructions
-	**1.a.(1)**	**Interest and fee income on loans in domestic offices.** Report in the appropriate subitem all interest, fees, and similar charges levied against or associated with all loans in domestic offices reportable in Schedule RC-C, part I, items 1 through 9, column B.
1.a.(1)	**1.a.(1)(a)**	**Interest and fee income on loans secured by real estate:**

FFIEC 041 Item No.	FFIEC 031 Item No.	Caption and Instructions
1.a.(1)(a)	1.a.(1)(a)(1)	**Interest and fee income on loans secured by 1-4 family residential properties.** Report all interest, fees, and similar charges levied against or associated with all loans secured by 1-4 family residential properties (in domestic offices) reportable in Schedule RC-C, part I, item 1.c, column B.
1.a.(1)(b)	1.a.(1)(a)(2)	**Interest and fee income on all other loans secured by real estate.** Report all interest, fees, and similar charges levied against or associated with all loans secured by real estate (in domestic offices) reportable in Schedule RC-C, part I, items 1.a, 1.b, 1.d, and 1.e, column B. Include interest and fee income on loans secured by 1-4 family residential construction loans, but exclude such income on all other loans secured by 1-4 family residential properties.
-	1.a.(1)(b)	**Interest and fee income on loans to finance agricultural production and other loans to farmers.** Report all interest, fees, and similar charges levied against or associated with all loans (in domestic offices) reportable in Schedule RC-C, part I, item 3, "Loans to finance agricultural production and other loans to farmers."
1.a.(2)	1.a.(1)(c)	**Interest and fee income on commercial and industrial loans.** Report all interest, fees, and similar charges levied against or associated with all loans (in domestic offices) reportable in Schedule RC-C, part I, item 4, "Commercial and industrial loans."
1.a.(3)	1.a.(1)(d)	**Interest and fee income on loans to individuals for household, family, and other personal expenditures.** Report in the appropriate subitem all interest, fees, and similar charges levied against or associated with all loans (in domestic offices) reportable in Schedule RC-C, part I, item 6, "Loans to individuals for household, family, and other personal expenditures."
1.a.(3)(a)	1.a.(1)(d)(1)	**Interest and fee income on credit cards.** Report all interest, fees, and similar charges levied against or associated with all extensions of credit to individuals for household, family, and other personal expenditures arising from credit cards (in domestic offices) reportable in Schedule RC-C, part I, item 6.a, "Credit cards." Include in this item any reversals of uncollectible credit card fees and finance charges and any additions to a contra-asset account for uncollectible credit card fees and finance charges that the bank maintains and reports separately from its allowance for loan and lease losses. Exclude annual or other periodic fees paid by holders of credit cards issued by the bank (report in Schedule RI, item 5.l, "Other noninterest income").
1.a.(3)(b)	1.a.(1)(d)(2)	**Interest and fee income on other loans to individuals for household, family, and other personal expenditures.** Report all interest, fees, and similar charges levied against or associated with all other loans to individuals for household, family, and other personal expenditures (in domestic offices) reportable in Schedule RC-C, part I, item 6.b, "Other revolving credit plans," item 6.c, “Automobile loans,” and item 6.d, “Other consumer loans.”

FFIEC 041 Item No.	FFIEC 031 Item No.	Caption and Instructions
1.a.(4)	1.a.(1)(e)	**Interest and fee income on loans to foreign governments and official institutions.** Report all interest, fees, and similar charges levied against or associated with all loans (in domestic offices) reportable in Schedule RC-C, part I, item 7, "Loans to foreign governments and official institutions."
1.a.(5)	1.a.(1)(f)	**Interest and fee income on all other loans.** On the FFIEC 041, report interest, fees, and similar charges levied against or associated with loans reportable in Schedule RC-C, part I, item 2, "Loans to depository institutions and acceptances of other banks," item 3, "Loans to finance agricultural production and other loans to farmers," item 8, "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and item 9, "Loans to nondepository financial institutions and other loans." On the FFIEC 031, report interest, fees, and similar charges levied against or associated with loans in domestic offices reportable in Schedule RC-C, part I, item 2, "Loans to depository institutions and acceptances of other banks," item 8, "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and item 9, "Loans to nondepository financial institutions and other loans."
-	1.a.(2)	**Interest and fee income on loans in foreign offices, Edge and Agreement subsidiaries, and IBFs.** Report all interest, fees, and similar charges levied against or associated with all loans in foreign offices, Edge and Agreement subsidiaries, and IBFs reportable in Schedule RC-C, part I, items 1 through 9.
1.a.(6)	1.a.(3)	**Total interest and fee income on loans.** On the FFIEC 041, report the sum of items 1.a.(1) through 1.a.(5) in item 1.a.(6). On the FFIEC 031, report the sum of items 1.a.(1)(a) through 1.a.(2) in item 1.a.(3).

FFIEC 031 and 041 Item No.	Caption and Instructions
1.b	**Income from lease financing receivables.** Report all income from direct financing and leveraged leases reportable in Schedule RC-C, part I, item 10, "Lease financing receivables (net of unearned income)." (See the Glossary entry for "lease accounting.") Exclude from income from lease financing receivables: (1) Any investment tax credit associated with leased property (include in Schedule RI, item 9, "Applicable income taxes (on item 8)"). (2) Provision for possible losses on leases (report in Schedule RI, item 4, "Provision for loan and lease losses"). (3) Rental fees applicable to operating leases for furniture and equipment rented to others (report as "Other noninterest income" in Schedule RI, item 5.l).
1.c	**Interest income on balances due from depository institutions.** Report all income on assets reportable in Schedule RC, item 1.b, "Interest-bearing balances due from depository institutions," including interest-bearing required reserve and excess balances due from Federal Reserve Banks. Include interest income earned on interest-bearing balances due from depository institutions that are reported at fair value under a fair value option. However, exclude earnings credits associated with clearing balances due from Federal Reserve Banks.

Item No.	Caption and Instructions

1.d **Interest and dividend income on securities.** Report in the appropriate subitem all income on assets that are reportable in Schedule RC-B, Securities. Include accretion of discount and deduct amortization of premium on securities. Refer to the Glossary entry for "premiums and discounts."

Include interest and dividends on securities held in the bank's held-to-maturity and available-for-sale portfolios, even if such securities have been lent, sold under agreements to repurchase that are treated as borrowings, or pledged as collateral for any purpose.

Include interest received at the sale of securities to the extent that such interest had not already been accrued on the bank's books.

Do not deduct accrued interest included in the purchase price of securities from income on securities and do not charge to expense. Record such interest in a separate asset account (to be reported in Schedule RC, item 11, "Other assets") to be offset upon collection of the next interest payment.

Report income from detached U.S. Government security coupons and ex-coupon U.S. Government securities not held for trading in Schedule RI, item 1.d.(3), as interest and dividend income on "All other securities." Refer to the Glossary entry for "coupon stripping, Treasury receipts, and STRIPS."

Exclude from interest and dividend income on securities:

(1) Realized gains (losses) on held-to-maturity securities and on available-for-sale securities (report in Schedule RI, items 6.a and 6.b, respectively).

(2) Net unrealized holding gains (losses) on available-for-sale securities (include the amount of such net unrealized holding gains (losses) in Schedule RC, item 26.b, “Accumulated other comprehensive income,” and the calendar year-to-date change in such net unrealized holding gains (losses) in Schedule RI-A, item 10, “Other comprehensive income”).

(3) Income from advances to, or obligations of, majority-owned subsidiaries not consolidated, associated companies, and those corporate joint ventures over which the bank exercises significant influence (report as "Noninterest income" in the appropriate subitem of Schedule RI, item 5).

1.d.(1) **Interest and dividend income on U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities).** Report income from all securities reportable in Schedule RC-B, item 1, “U.S. Treasury securities,” and item 2, “U.S. Government agency obligations.” Include accretion of discount on U.S. Treasury bills.

1.d.(2) **Interest and dividend income on mortgage-backed securities.** Report income from all securities reportable in Schedule RC-B, item 4, “Mortgage-backed securities.”

1.d.(3) **Interest and dividend income on all other securities.** Report income from all securities reportable in Schedule RC-B, item 3, “Securities issued by states and political subdivisions in the U.S.,” item 5, “Asset-backed securities and structured financial products,” item 6, “Other debt securities,” and item 7, “Investments in mutual funds and other equity securities with readily determinable fair values.”

Item No. **Caption and Instructions**

1.d.(3) (cont.) Exclude from interest and dividend income on all other securities:

(1) Income from equity securities that do not have readily determinable fair values (report as "Other interest income" in Schedule RI, item 1.g).

(2) The bank's proportionate share of the net income or loss from its investments in the stock of unconsolidated subsidiaries, associated companies, and those corporate joint ventures over which the bank exercises significant influence (report income or loss before extraordinary items and other adjustments as "Noninterest income" in the appropriate subitem of Schedule RI, item 5, and report extraordinary items and other adjustments in Schedule RI, item 11).

1.e **Interest income on trading assets.** Report the interest income earned on assets reportable in Schedule RC, item 5, "Trading assets."

Include accretion of discount on assets held for trading that have been issued on a discount basis, such as U.S. Treasury bills and commercial paper.

Exclude gains (losses) and fees from trading assets, which should be reported in Schedule RI, item 5.c, "Trading revenue." Also exclude revaluation adjustments from the periodic marking to market of derivative contracts held for trading purposes, which should be reported as trading revenue in Schedule RI, item 5.c. The effect of the periodic net settlements on these derivative contracts should be included as part of the revaluation adjustments from the periodic marking to market of the contracts.

1.f **Interest income on federal funds sold and securities purchased under agreements to resell.** Report the gross revenue from assets reportable in Schedule RC, item 3, "Federal funds sold and securities purchased under agreements to resell." Include interest income earned on federal funds sold and securities purchased under agreements to resell that are reported at fair value under a fair value option.

Report the expense of federal funds purchased and securities sold under agreements to repurchase in Schedule RI, item 2.b; do not deduct from the gross revenue reported in this item. However, if amounts recognized as payables under repurchase agreements have been offset against amounts recognized as receivables under reverse repurchase agreements and reported as a net amount in Schedule RC, Balance Sheet, in accordance with ASC Subtopic 210-20, Balance Sheet – Offsetting (formerly FASB Interpretation No. 41, "Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements"), the income and expense from these agreements may be reported on a net basis in Schedule RI, Income Statement.

1.g **Other interest income.** Report interest and dividend income on assets other than those assets properly reported in Schedule RC, items 1 through 5. Include dividend income on "Equity securities that do not have readily determinable fair values" that are reportable in Schedule RC-F, item 4. Also include interest income on interest-only strips receivable (not in the form of a security) that are reportable in Schedule RC-F, item 3. However, exclude interest and dividends on venture capital investments (loans and securities), which should be reported in item 5.e, below.

1.h **Total interest income.** On the FFIEC 041, report the sum of items 1.a.(6) through 1.g. On the FFIEC 031, report the sum of items 1.a.(3) through 1.g.

Item No.	Caption and Instructions
2	**Interest expense:**
2.a	**Interest on deposits.** Report in the appropriate subitem all interest expense, including amortization of the cost of merchandise or property offered in lieu of interest payments, on deposits reportable in Schedule RC, item 13.a.(2), "Interest-bearing deposits in domestic offices," and, for banks filing the FFIEC 031 report forms, Schedule RC, item 13.b.(2), "Interest-bearing deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs." Exclude the cost of gifts or premiums (whether in the form of merchandise, credit, or cash) given to depositors at the time of the opening of a new account or an addition to, or renewal of, an existing account (report in Schedule RI, item 7.d, "Other noninterest expense"). Include as interest expense on the appropriate category of deposits finders' fees and brokers' fees that represent an adjustment to the interest rate paid on deposits the reporting bank acquires through brokers. If material, such fees should be capitalized and amortized over the term of the related deposits. However, exclude fees levied by brokers that are, in substance, retainer fees or that otherwise do not represent an adjustment to the interest rate paid on brokered deposits (report in Schedule RI, item 7.d, "Other noninterest expense"). Also include interest expense incurred on deposits that are reported at fair value under a fair value option. Deposits with demand features (e.g., demand and savings deposits in domestic offices) are generally not eligible for the fair value option. Deduct from the gross interest expense of the appropriate category of time deposits penalties for early withdrawals, or portions of such penalties, that represent the forfeiture of interest accrued or paid to the date of withdrawal. If material, portions of penalties for early withdrawals that exceed the interest accrued or paid to the date of withdrawal should not be treated as a reduction of interest expense but should be included in "Other noninterest income" in Schedule RI, item 5.l.

FFIEC 041 Item No.	FFIEC 031 Item No.	Caption and Instructions
-	**2.a.(1)**	**Interest on deposits in domestic offices:**
2.a.(1)	**2.a.(1)(a)**	**Interest on transaction accounts.** Report interest expense on all interest-bearing transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts) reportable in Schedule RC-E, (part I,) items 1 through 6, column A, "Total transaction accounts." Exclude all costs incurred by the bank in connection with noninterest-bearing demand deposits. See the Glossary entry for "deposits" for the definitions of “interest-bearing deposit accounts,” “demand deposits,” "NOW accounts," "ATS accounts," and "telephone or preauthorized transfer accounts."
2.a.(2)	**2.a.(1)(b)**	**Interest on nontransaction accounts.** Report in the appropriate subitem interest expense on all deposits reportable in Schedule RC-E, (part I,) items 1 through 6, column C, "Total nontransaction accounts."

FFIEC 041 Item No.	FFIEC 031 Item No.	Caption and Instructions
2.a.(2)(a)	2.a.(2)(b)(1)	**Interest on savings deposits.** Report interest expense on all deposits reportable in Schedule RC-E, (part I,) Memorandum item 2.a.(1), "Money market deposit accounts (MMDAs)," and Memorandum item 2.a.(2), "Other savings deposits."
2.a.(2)(b)	2.a.(1)(b)(2)	**Interest on time deposits of $100,000 or more.** Report interest expense on all deposits reportable in Schedule RC-E, (part I,) Memorandum item 2.c, "Total time deposits of $100,000 through $250,000," and Memorandum item 2.d, "Total time deposits of more than $250,000."
2.a.(2)(c)	2.a.(1)(b)(3)	**Interest on time deposits of less than $100,000.** Report interest expense on all deposits reportable in Schedule RC-E, (part I,) Memorandum item 2.b, "Total time deposits of less than $100,000."
-	2.a.(2)	**Interest on deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs.** Report interest expense on all deposits in foreign offices reportable in Schedule RC, item 13.b.(2), "Interest-bearing deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs."

FFIEC 031 and 041 Item No.	Caption and Instructions
2.b	**Expense of federal funds purchased and securities sold under agreements to repurchase.** Report the gross expense of all liabilities reportable in Schedule RC, item 14, "Federal funds purchased and securities sold under agreements to repurchase." Include interest expense incurred on federal funds purchased and securities sold under agreements to repurchase that are reported at fair value under a fair value option. Report the income of federal funds sold and securities purchased under agreements to resell in Schedule RI, item 1.f; do not deduct from the gross expense reported in this item. However, if amounts recognized as payables under repurchase agreements have been offset against amounts recognized as receivables under reverse repurchase agreements and reported as a net amount in Schedule RC, Balance Sheet, in accordance with ASC Subtopic 210-20, Balance Sheet – Offsetting (formerly FASB Interpretation No. 41, "Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements"), the income and expense from these agreements may be reported on a net basis in Schedule RI, Income Statement.
2.c	**Interest on trading liabilities and other borrowed money.** Report the interest expense on all liabilities reportable in Schedule RC, item 15, "Trading liabilities," and item 16, "Other borrowed money." Include interest expense incurred on other borrowed money reported at fair value under a fair value option.
2.d	**Interest on subordinated notes and debentures.** Report the interest expense on all liabilities reportable in Schedule RC, item 19, "Subordinated notes and debentures." Include interest expense incurred on subordinated notes and debentures reported at fair value under a fair value option.

Item No.	Caption and Instructions
2.d (cont.)	Include amortization of expenses incurred in the issuance of subordinated notes and debentures. Capitalize such expenses, if material, and amortize them over the life of the related notes and debentures (unless the notes and debentures are reported at fair value under a fair value option, in which case issuance costs should be expensed as incurred). Exclude dividends declared or paid on limited-life preferred stock (report dividends declared in Schedule RI-A, item 8).

Item No.	Caption and Instructions
2.e	**Total interest expense.** Report the sum of Schedule RI, items 2.a through 2.d.
3	**Net interest income.** Report the difference between Schedule RI, item 2.e, “Total interest expense,” and Schedule RI, item 1.h, “Total interest income.” If the amount is negative, report it with a minus (-) sign.
4	**Provision for loan and lease losses.** Report the amount needed to make the allowance for loan and lease losses, as reported in Schedule RC, item 4.c, adequate to absorb estimated credit losses, based upon management's evaluation of the loans and leases that the reporting bank has the intent and ability to hold for the foreseeable future or until maturity or payoff. Also include in this item any provision for allocated transfer risk related to loans and leases. The amount reported in this item must equal Schedule RI-B, part II, item 5, “Provision for loan and lease losses.” Report negative amounts with a minus (-) sign. Exclude any provision for credit losses on off-balance sheet credit exposures, which should be reported in Schedule RI, item 7.d, “Other noninterest expense.” The amount reported here may differ from the bad debt expense deduction taken for federal income tax purposes. Refer to the Glossary entries for "allowance for loan and lease losses" and “loan impairment” for additional information.
5	**Noninterest income:**
5.a	**Income from fiduciary activities.** Report gross income from services rendered by the bank’s trust department or by any of its consolidated subsidiaries acting in any fiduciary capacity. Include commissions and fees on sales of annuities by the bank's trust department (or by a consolidated trust company subsidiary) that are executed in a fiduciary capacity. For banks required to complete Schedule RC-T, items 14 through 22, this item must equal the amount reported in Schedule RC-T, item 22. Exclude commissions and fees received for the accumulation or disbursement of funds deposited to Individual Retirement Accounts (IRAs) or Keogh Plan accounts when they are not handled by the bank's trust department (report in Schedule RI, item 5.b, "Service charges on deposit accounts (in domestic offices)"). Report a zero or the word "none" if the bank has no trust department and no consolidated subsidiaries that render services in any fiduciary capacity.
5.b	**Service charges on deposit accounts (in domestic offices).** Report in this item amounts charged depositors (in domestic offices): (1) For the maintenance of their deposit accounts with the bank, so-called "maintenance charges." (2) For their failure to maintain specified minimum deposit balances. (3) Based on the number of checks drawn on and deposits made in their deposit accounts. (4) For checks drawn on so-called "no minimum balance" deposit accounts. (5) For withdrawals from nontransaction deposit accounts.

Item No. **Caption and Instructions**

5.b (cont.)

(6) For the closing of savings accounts before a specified minimum period of time has elapsed.

(7) For accounts which have remained inactive for extended periods of time or which have become dormant.

(8) For deposits to or withdrawals from deposit accounts through the use of automated teller machines or remote service units.

(9) For the processing of checks drawn against insufficient funds, so-called "NSF check charges," that the bank assesses regardless of whether it decides to pay, return, or hold the check. Exclude subsequent charges levied against overdrawn accounts based on the length of time the account has been overdrawn, the magnitude of the overdrawn balance, or which are otherwise equivalent to interest (report in the appropriate subitem of Schedule RI, item 1.a, "Interest and fee income on loans (in domestic offices)").

(10) For issuing stop payment orders.

(11) For certifying checks.

(12) For the accumulation or disbursement of funds deposited to Individual Retirement Accounts (IRAs) or Keogh Plan accounts when not handled by the bank's trust department. Report such commissions and fees received for accounts handled by the bank's trust department in Schedule RI, item 5.a, "Income from fiduciary activities."

Exclude penalties paid by depositors for the early withdrawal of time deposits (report as "Other noninterest income" in Schedule RI, item 5.l, or deduct from the interest expense of the related category of time deposits, as appropriate).

5.c **Trading revenue.** Report the net gain or loss from trading cash instruments and derivative contracts (including commodity contracts) that has been recognized during the calendar year-to-date. For banks required to complete Schedule RI, Memorandum item 8, the amount reported in this item must equal the sum of Schedule RI, Memorandum items 8.a through 8.e.

Include as trading revenue:

(1) Revaluation adjustments to the carrying value of cash instruments reportable in Schedule RC, item 5, "Trading assets," and Schedule RC, item 15, "Trading liabilities," resulting from the periodic marking to market of such instruments.

(2) Revaluation adjustments from the periodic marking to market of interest rate, foreign exchange rate, commodity, and equity derivative contracts reportable in Schedule RC-L, item 13, "Total gross notional amount of derivative contracts held for trading," and credit derivative contracts reportable in Schedule RC-L, item 7, "Credit derivatives," that are held for trading purposes. The effect of the periodic net settlements on derivative contracts held for trading purposes should be included as part of the revaluation adjustments from the periodic marking to market of these contracts.

(3) Incidental income and expense related to the purchase and sale of cash instruments reportable in Schedule RC, item 5, "Trading assets," and Schedule RC, item 15, "Trading liabilities," derivative contracts reportable in Schedule RC-L, item 13, "Total gross notional amount of derivative contracts held for trading," and credit derivative contracts reportable in Schedule RC-L, item 7, "Credit derivatives," that are held for trading purposes.

If the amount to be reported in this item is a net loss, report it with a minus (-) sign.

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5.d.(1) **Fees and commissions from securities brokerage.** Report fees and commissions from securities brokerage activities, from the sale and servicing of mutual funds, from the purchase and sale of securities and money market instruments where the bank is acting as agent for other banks or customers, and from the lending of securities owned by the bank or by bank customers (if these fees and commissions are not included in Schedule RI, item 5.a, "Income from fiduciary activities," or item 5.c, "Trading revenue"). However, exclude fees and commissions from the sale of annuities (fixed, variable, and other) to bank customers by the bank or any securities brokerage subsidiary (report such income in Schedule RI, item 5.d.(3), "Fees and commissions from annuity sales").

Also include the bank's proportionate share of the income or loss before extraordinary items and other adjustments from its investments in equity method investees that are principally engaged in securities brokerage activities. Equity method investees include unconsolidated subsidiaries; associated companies; and corporate joint ventures, unincorporated joint ventures, general partnerships, and limited partnerships over which the bank exercises significant influence.

5.d.(2) **Investment banking, advisory, and underwriting fees and commissions.** Report fees and commissions from underwriting (or participating in the underwriting of) securities, private placements of securities, investment advisory and management services, merger and acquisition services, and other related consulting fees. Include fees and commissions from the placement of commercial paper, both for transactions issued in the bank's name and transactions in which the bank acts as an agent for a third party issuer.

Also include the bank's proportionate share of the income or loss before extraordinary items and other adjustments from its investments in equity method investees that are principally engaged in investment banking, advisory, or securities underwriting activities. Equity method investees include unconsolidated subsidiaries; associated companies; and corporate joint ventures, unincorporated joint ventures, general partnerships, and limited partnerships over which the bank exercises significant influence.

5.d.(3) **Fees and commissions from annuity sales.** Report fees and commissions from sales of annuities (fixed, variable, and other) by the bank and any subsidiary of the bank and fees earned from customer referrals for annuities to insurance companies and insurance agencies external to the consolidated bank. Also include management fees earned from annuities.

However, exclude fees and commissions from sales of annuities by the bank's trust department (or by a consolidated trust company subsidiary) that are executed in a fiduciary capacity (report in Schedule RI, item 5.a, "Income from fiduciary activities").

Also include the bank's proportionate share of the income or loss before extraordinary items and other adjustments from its investments in equity method investees that are principally engaged in annuity sales. Equity method investees include unconsolidated subsidiaries; associated companies; and corporate joint ventures, unincorporated joint ventures, general partnerships, and limited partnerships over which the bank exercises significant influence.

5.d.(4) **Underwriting income from insurance and reinsurance activities.** Report the amount of premiums earned by bank subsidiaries engaged in insurance underwriting or reinsurance activities. Include earned premiums from (a) life and health insurance and (b) property and casualty insurance, whether (direct) underwritten business or ceded or assumed (reinsured) business. Insurance premiums should be reported net of any premiums transferred to other insurance underwriters/reinsurers in conjunction with reinsurance contracts.

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5.d.(4) (cont.) Also include the bank's proportionate share of the income or loss before extraordinary items and other adjustments from its investments in equity method investees that are principally engaged in insurance underwriting or reinsurance activities. Equity method investees include unconsolidated subsidiaries; associated companies; and corporate joint ventures, unincorporated joint ventures, general partnerships, and limited partnerships over which the bank exercises significant influence.

Exclude income from sales and referrals involving insurance products and annuities (see the instructions for Schedule RI, items 5.d.(5) and 5.d.(3), respectively, for information on reporting such income).

5.d.(5) **Income from other insurance activities.** Report income from insurance product sales and referrals, including:

(1) Service charges, commissions, and fees earned from insurance sales, including credit, life, health, property, casualty, and title insurance products.

(2) Fees earned from customer referrals for insurance products to insurance companies and insurance agencies external to the consolidated bank.

Also include management fees earned from separate accounts and universal life products.

Exclude income from annuity sales and referrals (see the instructions for Schedule RI, item 5.d.(3), above, for information on reporting such income).

Also include the bank's proportionate share of the income or loss before extraordinary items and other adjustments from its investments in equity method investees that are principally engaged in insurance product sales and referrals. Equity method investees include unconsolidated subsidiaries; associated companies; and corporate joint ventures, unincorporated joint ventures, general partnerships, and limited partnerships over which the bank exercises significant influence.

5.e **Venture capital revenue.** In general, venture capital activities involve the providing of funds, whether in the form of loans or equity, and technical and management assistance, when needed and requested, to start-up or high-risk companies specializing in new technologies, ideas, products, or processes. The primary objective of these investments is capital growth.

Report as venture capital revenue market value adjustments, interest, dividends, gains, and losses (including impairment losses) on venture capital investments (loans and securities). Include any fee income from venture capital activities that is not reported in one of the preceding items of Schedule RI, Income Statement.

Also include the bank’s proportionate share of the income or loss before extraordinary items and other adjustments from its investments in equity method investees that are principally engaged in venture capital activities. Equity method investees include unconsolidated subsidiaries; associated companies; and corporate joint ventures, unincorporated joint ventures, general partnerships, and limited partnerships over which the bank exercises significant influence.

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5.f	**Net servicing fees.** Report income from servicing real estate mortgages, credit cards, and other financial assets held by others. Report any premiums received in lieu of regular servicing fees on such loans only as earned over the life of the loans. For servicing assets and liabilities measured under the amortization method, banks should report servicing income net of the related servicing assets' amortization expense, include impairments recognized on servicing assets, and also include increases in servicing liabilities recognized when subsequent events have increased the fair value of the liability above its carrying amount. For servicing assets and liabilities remeasured at fair value under the fair value option, include changes in the fair value of these servicing assets and liabilities. For further information on servicing, see the Glossary entry for "servicing assets and liabilities."
5.g	**Net securitization income.** Report net gains (losses) on assets sold in the bank's own securitization transactions, i.e., net of transaction costs. Include unrealized losses (and recoveries of unrealized losses) on loans and leases held for sale in the bank's own securitization transactions. Report fee income from securitizations, securitization conduits, and structured finance vehicles, including fees for providing administrative support, liquidity support, interest rate risk management, credit enhancement support, and any additional support functions as an administrative agent, liquidity agent, hedging agent, or credit enhancement agent. Include all other fees (other than servicing fees and commercial paper placement fees) earned from the bank's securitization and structured finance transactions. Exclude income from servicing securitized assets (report in Schedule RI, item 5.f, above), fee income from the placement of commercial paper (report in Schedule RI, item 5.d.(2), above), and income from seller's interests and residual interests retained by the bank (report in the appropriate subitem of Schedule RI, item 1, "Interest income"). Also exclude net gains (losses) on loans sold to – and unrealized losses (and recoveries of unrealized losses) on loans and leases held for sale to – a government-sponsored agency or another institution that in turn securitizes the loans (report in Schedule RI, item 5.i, "Net gains (losses) on sales of loans and leases").
5.h	Not applicable.
5.i	**Net gains (losses) on sales of loans and leases.** Report the amount of net gains (losses) on sales and other disposals of loans and leases (reportable in Schedule RC-C), including unrealized losses (and subsequent recoveries of such net unrealized losses) on loans and leases held for sale. Exclude net gains (losses) on loans and leases sold in the bank's own securitization transactions and unrealized losses (and recoveries of unrealized losses) on loans and leases held for sale in the bank's own securitization transactions (report these gains (losses) in Schedule RI, item 5.g, "Net securitization income").
5.j	**Net gains (losses) on sales of other real estate owned.** Report the amount of net gains (losses) on sales and other disposals of other real estate owned (reportable in Schedule RC, item 7), increases and decreases in the valuation allowance for foreclosed real estate, and write-downs of other real estate owned subsequent to acquisition (or physical possession) charged to expense. Do not include as a loss on other real estate owned any amount charged to the allowance for loan and lease losses at the time of foreclosure (actual or physical possession) for the difference between the carrying value of a loan and the fair value less cost to sell of the foreclosed real estate.

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5.k	**Net gains (losses) on sales of other assets (excluding securities).** Report the amount of net gains (losses) on sales and other disposals of assets not required to be reported elsewhere in the income statement (Schedule RI). Include net gains (losses) on sales and other disposals of premises and fixed assets; personal property acquired for debts previously contracted (such as automobiles, boats, equipment, and appliances); and coins, art, and other similar assets. Do not include net gains (losses) on sales and other disposals of loans and leases (either directly or through securitization), other real estate owned, securities, and trading assets (report these net gains (losses) in the appropriate items of Schedule RI).
5.l	**Other noninterest income.** Report all operating income of the bank for the calendar year to date not required to be reported elsewhere in Schedule RI. Disclose in Schedule RI-E, items 1.a through 1.k, each component of other noninterest income, and the dollar amount of such component, that is greater than $25,000 and exceeds 3 percent of the other noninterest income reported in this item. If net losses have been reported in this item for a component of "Other noninterest income," use the absolute value of such net losses to determine whether the amount of the net losses is greater than $25,000 and exceeds 3 percent of "Other noninterest income" and should be reported in Schedule RI-E, item 1. (The absolute value refers to the magnitude of the dollar amount without regard to whether the amount represents net gains or net losses.) Preprinted captions have been provided in Schedule RI-E, items 1.a through 1.h, for reporting the following components of other noninterest income if the component exceeds this disclosure threshold: income and fees from the printing and sale of checks, earnings on/increase in value of cash surrender value of life insurance, income and fees from automated teller machines (ATMs), rent and other income from other real estate owned, safe deposit box rent, net change in the fair values of financial instruments accounted for under a

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5.l (cont.) fair value option, bank card and credit card interchange fees, and gains on bargain purchases. For each component of other noninterest income that exceeds this disclosure threshold for which a preprinted caption has not been provided, describe the component with a clear but concise caption in Schedule RI-E, items 1.i through 1.k. These descriptions should not exceed 50 characters in length (including spacing between words).

For disclosure purposes in Schedule RI-E, items 1.a through 1.h, when components of "Other noninterest income" reflect a single credit for separate "bundled services" provided through third party vendors, disclose such amounts in the item with the preprinted caption that most closely describes the predominant type of income earned, and this categorization should be used consistently over time.

Include as other noninterest income:

(1) Service charges, commissions, and fees for such services as:

(a) The rental of safe deposit boxes.

(b) The safekeeping of securities for other depository institutions (if the income for such safekeeping services is not included in Schedule RI, item 5.a, "Income from fiduciary activities").

(c) The sale of bank drafts, money orders, cashiers' checks, and travelers' checks.

(d) The collection of utility bills, checks, notes, bond coupons, and bills of exchange.

(e) The redemption of U.S. savings bonds.

(f) The handling of food stamps and the U.S. Treasury Tax and Loan Account, including fees received in connection with the bank's issuance of interest-bearing demand notes.

(g) The execution of acceptances and the issuance of commercial letters of credit, standby letters of credit, deferred payment letters of credit, and letters of credit issued for cash or its equivalent. Exclude income on bankers acceptances and trade acceptances (report such income in the appropriate subitem of Schedule RI, item 1.a, "Interest and fee income on loans," or in Schedule RI, item 1.e, "Interest income from trading assets," as appropriate).

(h) The notarizing of forms and documents.

(i) The negotiation or management of loans from other lenders for customers or correspondents.

(j) The providing of consulting and advisory services to others. Exclude income from investment advisory services, which is to be reported in Schedule RI, item 5.d.(2).

(k) The use of the bank's automated teller machines or remote service units by depositors of other depository institutions.

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5.l (cont.)	(2) Income and fees from the sale and printing of checks.
	(3) Gross rentals and other income from all real estate reportable in Schedule RC, item 7, "Other real estate owned."
	(4) Earnings on or other increases in the value of the cash surrender value of bank-owned life insurance policies.
	(5) Annual or other periodic fees paid by holders of credit cards issued by the bank. Fees that are periodically charged to cardholders shall be deferred and recognized on a straight-line basis over the period the fee entitles the cardholder to use the card.
	(6) Charges to merchants for the bank's handling of credit card or charge sales when the bank does not carry the related loan accounts on its books. Banks may report this income net of the expenses (except salaries) related to the handling of these credit card or charge sales.
	(7) Interchange fees earned from bank card and credit card transactions.
	(8) Gross income received for performing data processing services for others. Do not deduct the expense of performing such services for others (report in the appropriate items of noninterest expense).
	(9) Loan commitment fees that are recognized during the commitment period (i.e., fees retrospectively determined and fees for commitments where exercise is remote) or included in income when the commitment expires and loan syndication fees that are not required to be deferred. Refer to the Glossary entry for "loan fees" for further information.
	(10) On the FFIEC 031 only, service charges on deposit accounts in foreign offices.
	(11) Net tellers' overages (shortages), net recoveries (losses) on forged checks, net recoveries (losses) on payment of checks over stop payment orders, and similar recurring operating gains (losses) of this type. Banks should consistently report these gains (losses) either in this item or in Schedule RI, item 7.d.
	(12) Net gains (losses) from the sale or other disposal of branches (i.e., where the reporting bank sells a branch's assets to another depository institution, which assumes the deposit liabilities of the branch). Banks should consistently report these net gains (losses) either in this item or in Schedule RI, item 7.d.
	(13) Net gains (losses) from all transactions involving foreign currency or foreign exchange other than trading transactions. Banks should consistently report these net gains (losses) either in this item or in Schedule RI, item 7.d.
	(14) Rental fees applicable to operating leases for furniture and equipment rented to others.
	(15) Interest received on tax refunds.
	(16) Life insurance proceeds on policies for which the bank is the beneficiary.

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5.l (cont.)

(17) Credits resulting from litigation or other claims.

(18) Portions of penalties for early withdrawals of time deposits that exceed the interest accrued or paid on the deposit to the date of withdrawal, if material. Penalties for early withdrawals, or portions of such penalties, that represent the forfeiture of interest accrued or paid to the date of withdrawal are a reduction of interest expense and should be deducted from the gross interest expense of the appropriate category of time deposits in Schedule RI, item 2.a, "Interest on deposits."

(19) Interest income from advances to, or obligations of, and the bank's proportionate share of the income or loss before extraordinary items and other adjustments from its investments in:

- unconsolidated subsidiaries,
- associated companies,
- corporate joint ventures, unincorporated joint ventures, and general partnerships over which the bank exercises significant influence, and
- noncontrolling investments in certain limited partnerships and limited liability companies (described in the Glossary entry for “equity method of accounting”)

other than those that are principally engaged in investment banking, advisory, brokerage, or securities underwriting activities; venture capital activities; insurance and reinsurance underwriting activities; or insurance and annuity sales activities (the income from which should be reported in Schedule RI, items 5.d.(1), 5.d.(2), 5.d.(3), 5.d.(4), 5.d.(5), and 5.e, respectively). Exclude the bank's proportionate share of material extraordinary items and other adjustments of these entities (report in Schedule RI, item 11, "Extraordinary items and other adjustments, net of income taxes").

(20) Net gains (losses) on nonhedging derivative instruments held for purposes other than trading. Banks should consistently report these net gains (losses) either in this item or in Schedule RI, item 7.d. For further information, see the Glossary entry for “derivative contracts.”

(21) Gross income generated by securities contributed to charitable contribution Clifford Trusts.

(22) Income from ground rents and air rights.

(23) Revaluation adjustments to the carrying value of all assets and liabilities reported in Schedule RC at fair value under a fair value option (excluding servicing assets and liabilities reported in Schedule RC, item 10.b, “Other intangible assets,” and Schedule RC, item 20, “Other liabilities,” respectively, and assets and liabilities reported in Schedule RC, item 5, "Trading assets," and Schedule RC, item 15, "Trading liabilities," respectively) resulting from the periodic marking of such assets and liabilities to fair value. Exclude interest income earned and interest expense incurred on financial assets and liabilities reported at fair value under a fair value option, which should be reported in the appropriate interest income or interest expense items on Schedule RI.

(24) Gains on bargain purchases recognized and measured in accordance with ASC Topic 805, Business Combinations (formerly FASB Statement No. 141(R), “Business Combinations”).

5.m **Total noninterest income.** Report the sum of items 5.a through 5.l.

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6.a **Realized gains (losses) on held-to-maturity securities.** Report the net gain or loss realized during the calendar year to date from the sale, exchange, redemption, or retirement of all securities reportable in Schedule RC, item 2.a, "Held-to-maturity securities." The realized gain or loss on a security is the difference between the sales price (excluding interest at the coupon rate accrued since the last interest payment date, if any) and its amortized cost. Also include in this item write-downs of the cost basis of individual held-to-maturity securities for other than temporary impairments. If the amount to be reported in this item is a net loss, report it with a minus (-) sign.

Exclude from this item realized gains (losses) on available-for-sale securities (report in Schedule RI, item 6.b, below) and on trading securities (report in Schedule RI, item 5.c, “Trading revenue”).

6.b **Realized gains (losses) on available-for-sale securities.** Report the net gain or loss realized during the calendar year to date from the sale, exchange, redemption, or retirement of all securities reportable in Schedule RC, item 2.b, "Available-for-sale securities." The realized gain or loss on a security is the difference between the sales price (excluding interest at the coupon rate accrued since the last interest payment date, if any) and its amortized cost. Also include in this item write-downs of the cost basis of individual available-for-sale securities for other than temporary impairments. If the amount to be reported in this item is a net loss, report it with a minus (-) sign.

Exclude from this item:

(1) The change in net unrealized holding gains (losses) on available-for-sale securities during the calendar year to date (report in Schedule RI-A, item 10, “Other comprehensive income”).

(2) Realized gains (losses) on held-to-maturity securities (report in Schedule RI, item 6.a, above) and on trading securities (report in Schedule RI, item 5.c, “Trading revenue”).

7 **Noninterest expense:**

7.a **Salaries and employee benefits.** Report salaries and benefits of all officers and employees of the bank and its consolidated subsidiaries including guards and contracted guards, 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 bank. However, banking organizations should not segregate the compensation component of other intercompany cost allocations arising from arrangements other than that described in the preceding sentence for purposes of this item.

Include as salaries and employee benefits:

(1) Gross salaries, wages, overtime, bonuses, incentive compensation, and extra compensation.

(2) Social security taxes and state and federal unemployment taxes paid by the bank.

(3) Contributions to the bank's retirement plan, pension fund, profit-sharing plan, employee stock ownership plan, employee stock purchase plan, and employee savings plan.

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7.a (cont.)	(4) Premiums (net of dividends received) on health and accident, hospitalization, dental, disability, and life insurance policies for which the bank is not the beneficiary.
	(5) Cost of office temporaries whether hired directly by the bank or through an outside agency.
	(6) Workmen's compensation insurance premiums.
	(7) The net cost to the bank for employee dining rooms, restaurants, and cafeterias.
	(8) Accrued vacation pay earned by employees during the calendar year-to-date.
	(9) 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.
	(10) Compensation expense (service component and interest component) related to deferred compensation agreements.

Exclude from salaries and employee benefits (report in Schedule RI, item 7.d, "Other noninterest expense"):

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

(2) Expenses related to the testing and training of officers and employees.

(3) The cost of bank newspapers and magazines prepared for distribution to bank officers and employees.

(4) Expenses of life insurance policies for which the bank is the beneficiary. (However, when these expenses relate to bank-owned life insurance policies with cash surrender values, banks may report the net earnings on or the net increases in the value of these cash surrender values in Schedule RI, item 5.l, above.)

(5) 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.

(6) Dues, fees and other expenses associated with memberships in country clubs, social or private clubs, civic organizations, and similar clubs and organizations.

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7.b **Expenses of premises and fixed assets.** Report all noninterest expenses related to the use of premises, equipment, furniture, and fixtures reportable in Schedule RC, item 6, "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 bank and its consolidated subsidiaries, including rentals by regular tenants of the bank's buildings, income received from short-term rentals of other bank 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 Schedule RC, item 6, "Premises and fixed assets."

Include as expenses of premises and fixed assets:

(1) Normal and recurring depreciation and amortization charges against assets reportable in Schedule RC, item 6, "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.

(2) All operating lease payments made by the bank on premises (including parking lots), equipment (including data processing equipment), furniture, and fixtures.

(3) Cost of ordinary repairs to premises (including leasehold improvements), equipment, furniture, and fixtures.

(4) Cost of service or maintenance contracts for equipment, furniture, and fixtures.

(5) Cost of leasehold improvements, equipment, furniture, and fixtures charged directly to expense and not placed on the bank's books as assets.

(6) Insurance expense related to the use of premises, equipment, furniture, and fixtures including such coverages as fire, multi-peril, boiler, plate glass, flood, and public liability.

(7) 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.

(8) Any portion of capital lease payments representing executory costs such as insurance, maintenance, and taxes.

(9) Cost of heat, electricity, water, and other utilities connected with the use of premises and fixed assets.

(10) Cost of janitorial supplies and outside janitorial services.

(11) Fuel, maintenance, and other expenses related to the use of the bank-owned automobiles, airplanes, and other vehicles for bank business.

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7.b (cont.) Exclude from expenses of premises and fixed assets:

(1) Salaries and employee benefits (report such expenses for all officers and employees of the bank and its consolidated subsidiaries in Schedule RI, item 7.a, "Salaries and employee benefits").

(2) Interest on mortgages, liens, or other encumbrances on premises or equipment owned, including the portion of capital lease payments representing interest expense (report in Schedule RI, item 2.c, "Interest on trading liabilities and other borrowed money").

(3) All expenses associated with other real estate owned (report in Schedule RI, item 7.d, "Other noninterest expense").

(4) Gross rentals from other real estate owned and fees charged for the use of parking lots properly reported as other real estate owned, as well as safe deposit box rentals and rental fees applicable to operating leases for furniture and equipment rented to others (report in Schedule RI, item 5.l).

7.c.(1) **Goodwill impairment losses.** Report any impairment losses recognized during the period on goodwill (as defined for Schedule RC, item 10.a). Exclude goodwill impairment losses associated with discontinued operations (report such losses on a net-of-tax basis in Schedule RI, item 11, "Extraordinary items and other adjustments, net of income taxes").

If the reporting bank is not a subsidiary of a bank holding company or other company, goodwill must be tested for impairment at the reporting unit level as determined by the bank in accordance with ASC Topic 350, Intangibles-Goodwill and Other (formerly FASB Statement No. 142, “Goodwill and Other Intangible Assets”). If the reporting bank is a subsidiary of a bank holding company or other company, all goodwill recognized by the bank in its Consolidated Reports of Condition and Income, which are financial statements prepared in accordance with generally accepted accounting principles, should be accounted for in accordance with ASC Topic 350 and these instructions. In this situation, the bank's goodwill must be tested for impairment at the bank level using the bank's reporting units. For impairment testing purposes, the bank itself may be a reporting unit.

Goodwill is considered impaired when the amount of goodwill exceeds its implied fair value at the reporting unit level. If the carrying amount of reporting unit goodwill exceeds its implied fair value, an impairment loss must be recognized in earnings in an amount equal to that excess and reported in this item. The loss recognized cannot exceed the carrying amount of the reporting unit's goodwill. After a goodwill impairment loss is recognized, the adjusted carrying amount of goodwill shall be its new accounting basis. Subsequent reversal of a previously recognized goodwill impairment loss is prohibited once the measurement of that loss is completed.

Goodwill of a reporting unit must be tested for impairment annually and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Examples of such events or circumstances include a significant adverse change in the business climate, unanticipated competition, a loss of key personnel, and an expectation that a reporting unit or a significant

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7.c.(1) (cont.)	portion of a reporting unit will be sold or otherwise disposed of. In addition, goodwill must be tested for impairment after a portion of goodwill has been allocated to a business to be disposed of. When a reporting unit is to be disposed of in its entirety, goodwill of that reporting unit must be included in the carrying amount of the reporting unit in determining the gain or loss on disposal. When a portion of a reporting unit that constitutes a business is to be disposed of, goodwill associated with that business must be included in the carrying amount of the business in determining the gain or loss on disposal. Otherwise, a bank may not remove goodwill from its balance sheet, for example, by "selling" or "dividending" this asset to its parent holding company or another affiliate.
7.c.(2)	**Amortization expense and impairment losses for other intangible assets.** Report the amortization expense of and any impairment losses on "Other intangible assets" (as defined for Schedule RC, item 10.b). Under ASC Topic 350, Intangibles-Goodwill and Other (formerly FASB Statement No. 142, “Goodwill and Other Intangible Assets”), intangible assets that have indefinite useful lives should not be amortized, but must be tested at least annually for impairment. Intangible assets that have finite useful lives must be amortized over their useful lives and must be reviewed for impairment in accordance with ASC Topic 360, Property, Plant, and Equipment (formerly FASB Statement No. 144, “Accounting for the Impairment of Long-Lived Assets”). Exclude the amortization expense of and any impairment losses on servicing assets, which should be netted against the servicing income reported in Schedule RI, item 5.f, “Net servicing fees,” above.
7.d	**Other noninterest expense.** Report all operating expenses of the bank for the calendar year-to-date not required to be reported elsewhere in Schedule RI. Disclose in Schedule RI-E, items 2.a through 2.n, each component of other noninterest expense, and the dollar amount of such component, that is greater than $25,000 and exceeds 3 percent of the other noninterest expense reported in this item. If net gains have been reported in this item for a component of “Other noninterest expense,” use the absolute value of such net gains to determine whether the amount of the net gains is greater than $25,000 and exceeds 3 percent of “Other noninterest expense” and should be reported in Schedule RI-E, item 2. (The absolute value refers to the magnitude of the dollar amount without regard to whether the amount represents net gains or net losses.) Preprinted captions have been provided in Schedule RI-E, items 2.a through 2.k, for reporting the following components of other noninterest expense if the component exceeds this disclosure threshold: data processing expenses; advertising and marketing expenses; directors’ fees; printing, stationery, and supplies; postage; legal fees and expenses; FDIC

Item No.	Caption and Instructions
7.d (cont.)	deposit insurance assessments; accounting and auditing expenses; consulting and advisory expenses; automated teller machine (ATM) and interchange expenses; and telecommunications expenses. For each component of other noninterest expense that exceeds this disclosure threshold for which a preprinted caption has not been provided, describe the component with a clear but concise caption in Schedule RI-E, items 2.l through 2.n. These descriptions should not exceed 50 characters in length (including spacing between words). For disclosure purposes in Schedule RI-E, items 2.a through 2.k, when components of "Other noninterest expense" reflect a single charge for separate "bundled services" provided by third party vendors, disclose such amounts in the item with the preprinted caption that most closely describes the predominant type of expense incurred, and this categorization should be used consistently over time. Include as other noninterest expense: (1) Fees paid to directors and advisory directors for attendance at board of directors' or committee meetings (including travel and expense allowances). (2) Cost of data processing services performed for the bank by others. (3) Advertising, promotional, public relations, marketing, and business development expenses. Such expenses include 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. (4) Cost of gifts or premiums (whether in the form of merchandise, credit, or cash) given to depositors at the time of the opening of a new account or an addition to, or renewal of, an existing account, if not included in advertising and marketing expenses above. (5) Retainer fees, legal fees, and other fees and expenses paid to attorneys who are not bank officers or employees and to outside law firms. (6) Cost of printing, stationery, and office supplies. (7) Postage and mailing expenses. (8) Telecommunications expenses, including any expenses associated with telephone, telegraph, cable, and internet services (including web page maintenance). (9) Federal deposit insurance assessments and Financing Corporation (FICO) assessments. (10) Premiums on fidelity insurance (blanket bond, excess employee dishonesty bond), directors' and officers' liability insurance, and life insurance policies for which the bank is the beneficiary. (11) Assessment expense, examination expense, and other fees levied by the Comptroller of the Currency or a state chartering authority, net of any assessment credits during the period.

Item No.	Caption and Instructions
7.d (cont.)	(12) Legal fees and other direct costs incurred to effect foreclosures on real estate and subsequent noninterest expenses related to holdings of real estate owned other than bank premises (including depreciation charges, if appropriate).
	(13) Net losses (gains) from the sale or other disposal of branches (i.e., where the reporting bank sells a branch's assets to another depository institution, which assumes the deposit liabilities of the branch). Banks should consistently report these net losses (gains) either in this item or in Schedule RI, item 5.l.
	(14) Net losses (gains) from all transactions involving foreign currency or foreign exchange other than trading transactions. Banks should consistently report these net losses (gains) either in this item or in Schedule RI, item 5.l.
	(15) Management fees assessed by the bank's parent holding company, whether for specific services rendered or of a general (prorated) nature.

Item No.	Caption and Instructions
7.d (cont.)	(16) Sales taxes, taxes based on the number of shares of bank stock outstanding, taxes based on the bank's total assets or total deposits, taxes based on the bank's gross revenues or gross receipts, capital stock taxes, and other taxes not included in other categories of expense. Exclude any foreign, state, and local taxes based on a net amount of revenues less expenses (report as applicable income taxes in Schedule RI, items 9).
	(17) Fees levied by deposit brokers that are, in substance, retainer fees or that otherwise do not represent an adjustment to the interest rate paid on deposits the reporting bank acquires through brokers. However, report as interest expense on the appropriate category of deposits those finders' fees and brokers' fees that do represent an adjustment to the interest rate paid on brokered deposits.
	(18) Research and development costs and costs incurred in the internal development of computer software.
	(19) Charges resulting from litigation or other claims.
	(20) Charitable contributions including donations by Clifford Trusts.
	(21) Fees for accounting, auditing, and attestation services; retainer fees; and other fees and expenses paid to accountants and auditors who are not bank officers or employees.
	(22) Fees for consulting and advisory services, retainer fees, and other fees and expenses paid to management consultants, investment advisors, and other professionals (other than attorneys providing legal services and accountants providing accounting, auditing, and attestation services) who are not bank officers or employees.
	(23) Net losses (gains) on nonhedging derivative instruments held for purposes other than trading. Banks should consistently report these net losses (gains) either in this item or in Schedule RI, item 5.l. For further information, see the Glossary entry for “derivative contracts.”
	(24) Net tellers' shortages (overages), net losses (recoveries) on forged checks, net losses (recoveries) on payment of checks over stop payment orders, and similar recurring operating losses (gains) of this type. Banks should consistently report these losses (gains) either in this item or in Schedule RI, item 5.l.
	(25) [Reserved.]
	(26) Losses from robberies, defalcations, and other criminal acts not covered by the bank's blanket bond.
	(27) Travel and entertainment expenses, including costs incurred by bank officers and employees for attending meetings and conventions.
	(28) Dues, fees, and other expenses associated with memberships in country clubs, social or private clubs, civic organizations, and similar clubs and organizations.
	(29) Civil money penalties and fines.

Item No.	Caption and Instructions
7.d (cont.)	(30) All service charges, commissions, and fees levied by others for the repossession of assets and the collection of the bank's loans or other assets, including charged-off loans or other charged-off assets.
	(31) Expenses (except salaries) related to handling credit card or charge sales received from merchants when the bank does not carry the related loan accounts on its books. Banks are also permitted to net these expenses against their charges to merchants for the bank's handling of these sales in Schedule RI, item 5.l.
	(32) Expenses related to the testing and training of officers and employees.
	(33) The cost of bank newspapers and magazines prepared for distribution to bank officers and employees or to others.
	(34) Depreciation expense of furniture and equipment rented to others under operating leases.
	(35) Cost of checks provided to depositors.
	(36) Amortization expense of purchased computer software and of the costs of computer software to be sold, leased, or otherwise marketed capitalized in accordance with the provisions of ASC Subtopic 985-20, Software – Costs of Software to Be Sold, Leased or Marketed (formerly FASB Statement No. 86, “Accounting for the Cost of Computer Software to Be Sold, Leased, or Otherwise Marketed”).
	(37) Provision for credit losses on off-balance sheet credit exposures.
	(38) Net losses (gains) from the extinguishment of liabilities (debt), including losses resulting from the payment of prepayment penalties on borrowings such as Federal Home Loan Bank advances. However, if a bank's debt extinguishments normally result in net gains over time, then the bank should consistently report its net gains (losses) in Schedule RI, item 5.l, "Other noninterest income."
	(39) Automated teller machine (ATM) and interchange expenses from bank card and credit card transactions.
	Exclude from other noninterest expense:
	(1) Material expenses incurred in the issuance of subordinated notes and debentures (capitalize such expenses and amortize them over the life of the related notes and debentures and report the expense in Schedule RI, item 2.d, "Interest on subordinated notes and debentures").
	(2) Expenses incurred in the sale of preferred and common stock (deduct such expenses from the sale proceeds and credit the net amount to the appropriate stock account. For perpetual preferred and common stock only, report the net sales proceeds in Schedule RI-A, item 5, "Sale, conversion, acquisition, or retirement of capital stock, net").
	(3) Depreciation and other expenses related to the use of bank-owned automobiles, airplanes, and other vehicles for bank business (report in Schedule RI, item 7.b, "Expenses of premises and fixed assets").

Item No.	Caption and Instructions
7.d (cont.)	(4) Write-downs of the cost basis of individual held-to-maturity and available-for-sale securities for other than temporary impairments (report in Schedule RI, item 6.a, "Realized gains (losses) on held-to-maturity securities," and item 6.b, "Realized gains (losses) on available-for-sale securities," respectively).
	(5) Revaluation adjustments to the carrying value of all assets and liabilities reported in Schedule RC at fair value under a fair value option. Banks should report these net decreases (increases) in fair value on trading assets and liabilities in Schedule RI, item 5.c; on servicing assets and liabilities in Schedule RI, item 5.f; and on other financial assets and liabilities in Schedule RI, item 5.l. Interest income earned and interest expense incurred on these financial assets and liabilities should be excluded from the net decreases (increases) in fair value and reported in the appropriate interest income or interest expense items on Schedule RI.
7.e	**Total noninterest expense.** Report the sum of items 7.a through 7.d.
8	**Income (loss) before income taxes and extraordinary items and other adjustments.** Report the bank's pretax operating income. This amount will generally be determined by taking item 3, "Net interest income," minus item 4, "Provision for loan and lease losses," plus item 5.m, "Total noninterest income," plus or minus item 6.a, "Realized gains (losses) on held-to-maturity securities," plus or minus item 6.b, "Realized gains (losses) on available-for-sale securities," minus item 7.e, "Total noninterest expense." If the result is negative, report it with a minus (-) sign.
9	**Applicable income taxes on item 8.** Report the total estimated federal, state and local, and foreign income tax expense applicable to item 8, "Income (loss) before income taxes and extraordinary items and other adjustments." 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 as applicable income taxes all taxes based on a net amount of taxable revenues less deductible expenses. Exclude from applicable income taxes all taxes based on gross revenues or gross receipts (report such taxes in Schedule RI, item 7.d, "Other noninterest expense").
	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 the realizability 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 for “Accumulated other comprehensive income" (Schedule RC, item 26.b).
	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 Schedule RI, item 8, "Income (loss) before income taxes and extraordinary items and other adjustments."
	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.
	Exclude the estimated federal, state and local, and foreign income taxes applicable to:
	(1) Schedule RI, item 11, "Extraordinary items and other adjustments, net of income taxes."

Item No.	Caption and Instructions
9 (cont.)	(2) Schedule RI-A, item 2, "Cumulative effect of changes in accounting principles and corrections of material accounting errors."
	(3) Schedule RI-A, item 10, "Other comprehensive income."
	Refer to the Glossary entry for "income taxes" for additional information.
10	**Income (loss) before extraordinary items and other adjustments.** Report the difference between item 9, "Applicable income taxes (on item 8)," and item 8, "Income (loss) before income taxes and extraordinary items and other adjustments." If the amount is negative, report it with a minus (-) sign.
11	**Extraordinary items and other adjustments, net of income taxes.** Report the total of the transactions listed below, if any, net of any applicable income tax effect. If the amount reported in this item is a net loss, report it with a minus (-) sign. State the dollar amount and provide a description of each transaction included in this item and any applicable income tax effect of the transaction in Schedule RI-E, item 3.

Include as extraordinary items and other adjustments:

(1) The material effects of any extraordinary items. Extraordinary items are very rare and the criteria which must be satisfied in order for an event or transaction to be reported as an extraordinary item are discussed in the Glossary entry for "extraordinary items."

(2) Material aggregate gains on troubled debt restructurings of the reporting bank's own debt, as determined in accordance with the provisions of ASC Subtopic 470-60, Debt – Troubled Debt Restructurings by Debtors (formerly FASB Statement No. 15, “Accounting by Debtors and Creditors for Troubled Debt Restructurings”).

(3) The cumulative effect of all changes in accounting principles except for those required to be reported in Schedule RI-A, item 2, "Restatements due to corrections of material accounting errors and changes in accounting principles." Refer to the Glossary entry for "accounting changes" for further discussion of changes in accounting principles.

(4) The results of discontinued operations as determined in accordance with the provisions of ASC Topic 360, Property, Plant, and Equipment (formerly FASB Statement No. 144, “Accounting for the Impairment of Long-Lived Assets”).

Exclude from extraordinary items and other adjustments:

(1) Net gains (losses) from the sale or other disposal of:

(a) All assets reportable as loans and leases in Schedule RC-C.
(b) Premises and fixed assets.
(c) Other real estate owned.
(d) Personal property acquired for debts previously contracted (such as automobiles, boats, equipment, and appliances).
(e) Coins, art, and other similar assets.
(f) Branches (i.e., where the reporting bank sells a branch's assets to another depository institution which assumes the deposit liabilities of the branch).

For the first five categories above, banks should report net gains (losses) in the appropriate category of “Noninterest income" in Schedule RI, item 5. For the final category above, banks should consistently report net gains (losses) from branch sales as "Other noninterest income” in Schedule RI, item 5.l, or as "Other noninterest expense" in Schedule RI, item 7.d.

Item No.	Caption and Instructions
11 (cont.)	(2) Write-downs of the cost basis of individual held-to-maturity and available-for-sale securities for other than temporary impairments (report in Schedule RI, item 6.a, "Realized gains (losses) on held-to-maturity securities," and item 6.b, “Realized gains (losses) on available-for-sale securities," respectively).
12	**Net income (loss) attributable to bank and noncontrolling (minority) interests.** Report the sum of Schedule RI, items 10 and 11. If this amount is a net loss, report it with a minus (-) sign.
13	**LESS: Net income (loss) attributable to noncontrolling (minority) interests.** Report that portion of consolidated net income reported in Schedule RI, item 12, above, attributable to noncontrolling interests in consolidated subsidiaries of the bank. A noncontrolling interest, also called a minority interest, is the portion of equity in a bank’s subsidiary not attributable, directly or indirectly, to the parent bank. If the amount reported in this item is a net loss, report it with a minus (-) sign.
14	**Net income (loss) attributable to bank.** Report Schedule RI, item 12, less item 13. If this amount is a net loss, report it with a minus (-) sign.

Memoranda

Item No. **Caption and Instructions**

1 **Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes**. Report the bank's best estimate of the amount of the year-to-date interest expense included in Schedule RI, item 2.e, "Total interest expense," that is subject to a 100 percent loss of deductibility for federal income tax purposes because it is deemed to have been incurred to carry tax-exempt securities, loans, and leases of states and political subdivisions in the U.S. acquired after August 7, 1986. Tax-exempt securities, loans, and leases are those securities, loans, and leases of states and political subdivisions in the U.S. whose interest is excludable from gross income under the regular tax system for federal income tax purposes, regardless of whether the income must be included in the bank's alternative minimum taxable income.

Exclude from this item interest expense incurred to carry (1) tax-exempt securities, loans, and leases of states and political subdivisions in the U.S. acquired after December 31, 1982, but before August 8, 1986, and (2) so-called "Qualified tax-exempt obligations" acquired after August 7, 1986, 20 percent of which is not deductible for federal income tax purposes.

The general formula that may be used for computing the amount of interest expense that is subject to a 100 percent loss of deductibility is as follows:

$$\frac{\text{Tax-exempt securities, loans, and leases of states and political subdivisions in the U.S. acquired after August 7, 1986 (excluding "Qualified tax-exempt obligations") (Year-to-date average)}}{\text{Total assets (Year-to-date average)}} \times \text{Year-to-date total interest expense (Schedule RI, item 2.e)}$$

For the March 31, June 30, and September 30 Call Reports, the amount reported in Memorandum item 1 should not be an estimate of the amount of interest expense that will not be deductible for the entire calendar year.

2 **Income from the sale and servicing of mutual funds and annuities (in domestic offices).** Memorandum item 2 is to be completed by banks with $1 billion or more in total assets.

Report the amount of income earned by the reporting bank during the calendar year-to-date from the sale and servicing of mutual funds and annuities (in domestic offices).

Include in this item:

(1) Income earned in connection with mutual funds and annuities that are sold on bank premises or are otherwise sold by the reporting bank, through a bank subsidiary, or by affiliated or unaffiliated entities from whom the bank receives income. This income may be in the form of fees or sales commissions at the time of the sale or fees, including a share of another entity's fees, that are earned over the duration of the account (e.g., annual fees, Rule 12b-1 fees or "trailer fees," and redemption fees). Commissions should be reported as income as earned at the time of the sale (i.e., on an accrual basis), but may be reported as income when payment is received if the results would not differ materially from those obtained using an accrual basis.

Memoranda

Item No.	Caption and Instructions
2 (cont.)	(2) Income from leasing arrangements with affiliated and unaffiliated entities who lease space in bank offices for use in selling mutual funds and annuities. Income from leasing arrangements should be reported as income as earned (i.e., on an accrual basis), but may be reported as income when payment is received if the results would not differ materially from those obtained using an accrual basis.
	(3) Fees for providing investment advisory services for proprietary mutual funds and annuities.
	(4) Fees for providing securities custody, transfer agent, and other operational and ancillary services to mutual funds and annuities that are sold on bank premises or are otherwise sold by the reporting bank, through a bank subsidiary, or by affiliated or unaffiliated entities from whom the bank receives income at the time of the sale or over the duration of the account.
	Also include income from sales conducted through the reporting bank's trust department that are not executed in a fiduciary capacity (e.g., trustee, executor, administrator, conservator), but exclude income from sales conducted by the trust department that are executed in a fiduciary capacity.
	In general, this income will have been included in Schedule RI, item 5.d.(1), “Fees and commissions from securities brokerage“ (for mutual funds) and item 5.d.(3), “Fees and commissions from annuity sales.” However, income from leasing arrangements, or the portion thereof, that is fixed in amount and does not vary based on sales volume may have been reported as a deduction from Schedule RI, item 7.b, "Expenses of premises and fixed assets." Thus, the income to be included in this item should be reported gross rather than net of expenses incurred by the reporting bank or a consolidated subsidiary.
	Exclude fees earned for providing securities custody, transfer agent, and other operational and ancillary services to third party mutual funds and annuities that are not sold on bank premises and are not otherwise sold by the reporting bank, through a bank subsidiary, or by affiliated or unaffiliated entities from whom the bank receives income at the time of the sale or over the duration of the account.
3	**Income on tax-exempt loans and leases to states and political subdivisions in the U.S.** Report the bank’s best estimate of the income earned on:
	(1) Tax-exempt loans to states and political subdivisions in the U.S. reportable in Schedule RC-C, part I, item 8. On the FFIEC 041, this income will have been included in Schedule RI, item 1.a.(5), Interest and fee income on “All other loans” (except that, for banks with total assets of less than $25 million for report dates during 2001, this income will have been included in Schedule RI, item 1.a.(6), “Total interest and fee income on loans”). On the FFIEC 031, this income will have been included in Schedule RI, item 1.a.(1)(f), Interest and fee income on “All other loans in domestic offices.”
	(2) Tax-exempt leases to states and political subdivisions in the U.S. reportable in Schedule RC-C, part I, item 10. This income will have been included in Schedule RI, item 1.b, “Income from lease financing receivables,” above.

Memoranda

Item No.	Caption and Instructions
3 (cont.)	Tax-exempt loans and leases are those loans and leases to states and political subdivisions in the U.S. whose income is excludable from gross income for federal income tax purposes, regardless of whether the income from the loan or lease must be included in the bank's alternative minimum taxable income and regardless of the federal income tax treatment of the interest expense incurred to carry the loan or lease.
4	**Income on tax-exempt securities issued by states and political subdivisions in the U.S.** Report the bank's best estimate of the income earned on those securities issued by states and political subdivisions in the U.S. reportable in Schedule RC-B, item 3, the income from which is excludable from gross income for federal income tax purposes, regardless of whether the income from the securities must be included in the bank's alternative minimum taxable income and regardless of the federal income tax treatment of the interest expense incurred to carry the securities.
5	**Number of full-time equivalent employees at end of current period**. Report the number of full-time equivalent employees of the bank and its consolidated subsidiaries as of the report date (round to the nearest whole number). For purposes of this Memorandum item, a bank should 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 bank. However, banking organizations should not segregate the compensation component of other intercompany cost allocations arising from arrangements other than that described in the preceding sentence nor calculate the related pro rata number of full-time equivalent employees for purposes of this Memorandum item. To convert the number of part-time employees to full-time equivalent employees, add the total number of hours all part-time and temporary employees worked during the quarter ending on the report date and divide this amount by the number of hours a full-time employee would have been expected to work during the quarter. Round the result to the nearest whole number and add it to the number of full-time employees. (A full-time employee may be expected to work more or less than 40 hours each week, depending on the policies of the reporting bank.)

NOTE: Memorandum item 6 is applicable only to banks filing the FFIEC 041 report form.

6	**Interest and fee income on loans to finance agricultural production and other loans to farmers.** Memorandum items 6 is to be completed by: • banks with $300 million or more in total assets, and • banks with less than $300 million in total assets and with loans to finance agricultural production and other loans to farmers (as reported in Schedule RC-C, part I, item 3, column B) exceeding five percent of total loans, net of unearned income. All other banks should report a zero or the word "none" in this item. Report in this item all interest, fees, and similar charges levied against or associated with all loans reportable in Schedule RC-C, part I, item 3, column B, "Loans to finance agricultural production and other loans to farmers."

Memoranda

Item No.	Caption and Instructions
7	**If the reporting bank has restated its balance sheet as a result of applying push down accounting this calendar year, report the date of the bank's acquisition.** If the reporting bank was acquired during the calendar year-to-date reporting period and applied push down accounting to its balance sheet in accordance with the "push down accounting" section of the Glossary entry for "business combinations," report the date (year, month, and day) as of which the acquisition took place. For example, a bank that was acquired as of the close of business June 1, 2011, and applied push down accounting to its balance sheet would report 20110601 in this Memorandum item in the Consolidated Reports of Condition and Income for June 30, September 30, and December 31, 2011. Push down accounting is the establishment of a new accounting basis for a bank in its separate financial statements (including its Consolidated Reports of Condition and Income) as a result of the bank becoming substantially wholly owned by an investor (which may be a holding company) or a group of investors working collaboratively via a purchase transaction or a series of purchase transactions. When push down accounting is used to account for the acquisition of a bank that becomes substantially wholly owned, yet retains its separate corporate existence, the bank's identifiable assets, liabilities, and any noncontrolling interests (Schedule RC) are restated to their acquisition-date fair values (with limited exceptions specified in ASC Topic 805, Business Combinations (formerly FASB Statement No. 141(R), “Business Combinations”) using the definition of fair value in ASC Topic 820, Fair Value Measurements and Disclosures (formerly FASB Statement No. 157, “Fair Value Measurements”)). In the year the bank applies push down accounting, its income statements (Schedule RI) for periods after the date it became substantially wholly owned should only include amounts from that date through the end of the calendar year-to-date reporting period. If the reporting bank has not been acquired during this calendar year or if the reporting bank has been acquired during this calendar year but push down accounting was not applied, the bank should report zeros (i.e., 00000000) in the year, month, and day columns of this Memorandum item.
8	**Trading revenue (from cash instruments and derivative instruments).** Memorandum items 8.a through 8.e are to be completed by banks that reported average trading assets (in Schedule RC-K, item 7) of $2 million or more for any quarter of the preceding calendar year. Memorandum items 8.f and 8.g are to be completed by banks with $100 billion or more in total assets that are required to complete Memorandum items 8.a through 8.e. Report, in Memorandum items 8.a through 8.e, below, a breakdown of trading revenue that has been included in the body of the income statement in Schedule RI, item 5.c. For each of the five types of underlying risk exposure, report the combined revenue (net gains and losses) from trading cash instruments and derivative instruments. For purposes of Memorandum item 8, the reporting bank should determine the underlying risk exposure category in which to report the trading revenue from cash instruments and derivative instruments in the same manner that the bank makes this determination for other financial reporting purposes. The sum of Memorandum items 8.a through 8.e must equal Schedule RI, item 5.c.

Memoranda

Item No.	Caption and Instructions
8.a	**Interest rate exposures.** Report in this item net gains (losses) from trading cash instruments and derivative contracts that the reporting bank manages as interest rate exposures. Interest rate exposures may arise from cash debt instruments (e.g., U.S. Treasury securities) and interest rate contracts. Interest rate contracts are those contracts related to an interest-bearing financial instrument or whose cash flows are determined by referencing interest rates or another interest rate contract (e.g., an option on a futures contract to purchase a Treasury bill). Interest rate contracts include interest rate futures, single currency interest rate swaps, basis swaps, forward rate agreements, and interest rate options, including caps, floors, collars, and corridors. Exclude trading revenue on contracts involving the exchange of foreign currencies (e.g., cross-currency swaps and currency options) that the reporting bank manages as foreign exchange exposures. Report such trading revenue in Memorandum item 8.b.
8.b	**Foreign exchange exposures.** Report in this item net gains (losses) from trading cash instruments and derivative contracts that the reporting bank manages as foreign exchange exposures. Foreign exchange exposures may arise from cash instruments (e.g., debt securities) denominated in non-U.S. currencies and foreign exchange rate contracts. Foreign exchange rate contracts are those contracts to purchase foreign (non-U.S.) currencies and U.S. dollar exchange in the forward market, i.e., on an organized exchange or in an over-the-counter market. A purchase of U.S. dollar exchange is equivalent to a sale of foreign currency. Foreign exchange rate contracts include cross-currency interest rate swaps where there is an exchange of principal, forward and spot foreign exchange contracts, and currency futures and currency options.
8.c	**Equity security and index exposures.** Report in this item net gains (losses) from trading cash instruments and derivative contracts that the reporting bank manages as equity security or index exposures. Equity security or index exposures may arise from equity securities and equity security or index (i.e., equity derivative) contracts. Equity derivative contracts are contracts that have a return, or a portion of their return, linked to the price of a particular equity or to an index of equity prices, such as the Standard and Poor's 500.
8.d	**Commodity and other exposures.** Report in this item net gains (losses) from trading cash instruments and derivative contracts that the reporting bank manages as commodity or other exposures. Commodity or other exposures may arise from commodities and commodity and other derivative contracts not reported as interest rate, foreign exchange, equity, or credit derivative contracts. Commodity and other contracts are contracts that have a return, or a portion of their return, linked to the price or to an index of precious metals, petroleum, lumber, agricultural products, etc. Commodity and other contracts also include any other contracts that are not reportable as interest rate, foreign exchange, equity, or credit derivative contracts.
8.e	**Credit exposures.** Report in this item net gains (losses) from trading cash instruments and derivative contracts that the reporting bank manages as credit exposures. Credit exposures may arise from cash debt instruments (e.g., debt securities) and credit derivative contracts. In general, credit derivative contracts are arrangements that allow one party (the "beneficiary") to transfer the credit risk of a "reference asset" or “reference entity” to another party (the "guarantor"). Credit derivative contracts include credit default swaps, total return swaps, credit options, and other credit derivatives.

Memoranda

Item No.	Caption and Instructions
8.f	**Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (included in Memorandum items 8.a through 8.e above).** Report in this item the amount included in the trading revenue reported in Schedule RI, Memorandum items 8.a through 8.e, above that resulted from changes during the calendar year-to-date in the bank's credit valuation adjustments (CVA). A CVA is the adjustment to the fair value of derivatives that accounts for possible nonperformance of the bank's derivatives counterparties. It is an estimate of the fair value of counterparty credit risk.
8.g	**Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (included in Memorandum items 8.a through 8.e above).** Report in this item the amount included in the trading revenue reported in Schedule RI, Memorandum items 8.a through 8.e, above that resulted from changes during the calendar year-to-date in the bank's debit valuation adjustment (DVA). A DVA is the adjustment to the fair value of derivatives that accounts for possible nonperformance of the bank. It is an estimate of the fair value of the bank's own credit risk to its counterparties.
9	**Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account.** Report in the appropriate subitem the net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account, regardless of whether the credit derivative is designated as and qualifies as a hedging instrument under generally accepted accounting principles. Credit exposures held outside the trading account include, for example, nontrading assets (such as available-for-sale securities and loans held for investment) and unused lines of credit.
9.a	**Net gains (losses) on credit derivatives held for trading.** Report the net gains (losses) recognized in earnings on credit derivatives held for trading (and reportable as trading assets or trading liabilities, as appropriate, in Schedule RC, item 5 or item 15, respectively) that economically hedge credit exposures held outside the trading account. The net gains (losses) on credit derivatives reported in this item will also have been included as trading revenue in Schedule RI, Memorandum item 8.e, "Credit exposures."
9.b	**Net gains (losses) on credit derivatives held for purposes other than trading.** Report the net gains (losses) recognized in earnings on credit derivatives held for purposes other than trading (and reportable as other assets or other liabilities, as appropriate, in Schedule RC, item 11 or item 20, respectively) that economically hedge credit exposures held outside the trading account. Net gains (losses) on credit derivatives held for purposes other than trading should not be reported as trading revenue in Schedule RI, item 5.c.
10	**Credit losses on derivatives.** Memorandum item 10 is applicable to all banks filing the FFIEC 031 report forms and to those banks filing the FFIEC 041 report forms that have $300 million or more in total assets. Report the bank's year-to-date credit losses incurred on derivative contracts (as defined for Schedule RC-L, items 7 and 12), net of recoveries (e.g., net charge-offs). The amount reported in this item should include all credit losses recognized in the bank's income statement in any manner, e.g., as a charge against trading revenue.

Memoranda

Item No.	Caption and Instructions
11	**Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?** Indicate in the boxes marked "YES" and "NO" whether the bank is, for federal income tax purposes, either an "S corporation" or a "qualifying subchapter S subsidiary," as defined in Internal Revenue Code Section 1361, as of the report date. In order to be an S corporation, the bank must have filed a valid election with the Internal Revenue Service and obtained the consent of all of its shareholders. An election for a bank to be a qualifying subchapter S subsidiary must have been made by a bank's parent holding company, which must also have made a valid election to be an S corporation. In addition, the bank (and its parent holding company, if applicable) must meet specific criteria for federal income tax purposes at all times during which the election remains in effect. These specific criteria include, for example, having no more than 100 qualifying shareholders and having only one class of stock outstanding.

NOTE: Memorandum item 12 is to be completed by banks that are required to complete Schedule RC-C, part I, Memorandum items 8.b and 8.c.

12	**Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties.** Report the amount of noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (i.e., interest income accrued and uncollected that has been added to principal) included in interest and fee income on loans secured by real estate in domestic offices (Schedule RI, item 1.a.(1)(a) on the FFIEC 031; item 1.a.(1) on the FFIEC 041). Negative amortization refers to a method in which a loan is structured so that the borrower's minimum monthly (or other periodic) payment is contractually permitted to be less than the full amount of interest owed to the lender, with the unpaid interest added to the loan's principal balance. The contractual terms of the loan provide that if the borrower allows the principal balance to rise to a pre-specified amount or maximum cap, the loan payments are then recast to a fully amortizing schedule. Negative amortization features may be applied to either adjustable rate mortgages or fixed rate mortgages, the latter commonly referred to as graduated payment mortgages (GPMs).
13	**Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option.** Report in the appropriate subitem the total amount of pretax gains (losses) from fair value changes included in earnings during the calendar year to date for all assets and liabilities accounted for at fair value under a fair value option. If the amount to be reported is a net loss, report it with a minus (-) sign. Disclosure of such gains (losses) is also required by ASC Subtopic 825-10, Financial Instruments – Overall (formerly FASB Statement No. 159, "Fair Value Option for Financial Assets and Financial Liabilities," paragraphs 19 and C7(b)) and ASC Subtopic 860-50, Transfers and Servicing – Servicing Assets and Liabilities (formerly FASB Statement No. 156, "Accounting for Servicing of Financial Assets," paragraph 4(f)(1)(d)).
13.a	**Net gains (losses) on assets.** Report the total amount of pretax gains (losses) from fair value changes included in earnings during the calendar year to date for all assets, including hybrid financial instruments and servicing assets, accounted for under a fair value option. This amount will reflect the reported interest included in total interest income in Schedule RI, item 1.h, and revaluation adjustments included in noninterest income in Schedule RI, items 5.c, 5.f, and 5.l. Exclude gains and losses for other items measured at fair value, such as items required to be measured at fair value.

Memoranda

Item No.	Caption and Instructions
13.a.(1)	**Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk.** For loans reported at fair value under a fair value option, report the estimated portion of the change in fair value included in earnings attributable to changes in instrument-specific credit risk. Include all such loans reported in Schedule RC, items 4.a, 4.b, and 5.
13.b	**Net gains (losses) on liabilities.** Report the total amounts of pretax gains (losses) from fair value changes included in earnings during the calendar year to date for all liabilities, including hybrid financial instruments and servicing liabilities, accounted for under a fair value option. This amount will reflect the reported interest included in total interest expense in Schedule RI, item 2.e, and revaluation adjustments included in noninterest income in Schedule RI, items 5.c, 5.f, and 5.l. Exclude gains and losses for other items measured at fair value, such as items required to be measured at fair value.
13.b.(1)	**Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk.** For liabilities reported at fair value under a fair value option, report the estimated portion of the change in fair value included in earnings attributable to changes in instrument-specific credit risk.
14	**Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities.** When the fair value of an individual held-to-maturity or available-for-sale debt security is less than its amortized cost basis, the security is impaired and the impairment is either temporary or other-than-temporary. To determine whether the impairment is other-than-temporary, a bank must apply the relevant guidance in ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities," as amended by FASB Staff Position (FSP) FAS 115-1 and FAS 124-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments," and FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments") and ASC Subtopic 325-40, Investments-Other – Beneficial Interests in Securitized Financial Assets (formerly Emerging Issues Task Force (EITF) Issue No. 99-20, "Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets," as amended by FSP EITF 99-20-1, "Amendments to the Impairment Guidance of EITF Issue No. 99-20"), as appropriate. Report in the appropriate subitem the specified information on other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities that have occurred during the calendar year to date.
14.a	**Total other-than-temporary impairment losses.** When an other-than-temporary impairment loss has occurred on an individual debt security, the total amount of the loss is the entire difference between the amortized cost of the debt security and its fair value on the measurement date of the other-than-temporary impairment. Report the total other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings and other comprehensive income during the calendar year to date.

Memoranda

Item No.	Caption and Instructions
14.b	**Portion of losses recognized in other comprehensive income (before income taxes).** When an other-than-temporary impairment loss has occurred on an individual debt security, if the bank does not intend to sell the security and it is not more likely than not that the bank will be required to sell the security before recovery of its amortized cost basis less any current-period credit loss, the other-than-temporary impairment loss must be separated into (a) the amount representing the credit loss, which must be recognized in earnings, and (b) the amount related to all other factors, which must be recognized in other comprehensive income. Report the portion of other-than-temporary impairment losses included in Memorandum item 14.a above related to factors other than credit that has been recognized in other comprehensive income (before income taxes) during the calendar year to date. Exclude other-than-temporary impairment losses on debt securities that the bank intends to sell and on debt securities that it is more likely than not that the bank will be required to sell before recovery of its amortized cost basis less any current-period credit loss, the entire amount of which must be recognized in earnings.
14.c	**Net impairment losses recognized in earnings.** Report Schedule RI, Memorandum item 14.a, less Memorandum item 14.b, which represents the amount of other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities that has been recognized in earnings during the calendar year to date. This amount is included in the realized gains (losses) on held-to-maturity and available-for-sale securities reported in Schedule RI, items 6.a and 6.b.