

SCHEDULE RI-D – INCOME FROM FOREIGN OFFICES

General Instructions

Schedule RI-D is applicable only to certain banks that file the FFIEC 031 report forms.

Banks with foreign offices are required to complete this schedule if their foreign office assets, revenues, or net income account for more than 10 percent of the bank's consolidated total assets, total revenues, or net income; otherwise, banks need not complete this schedule. Banks should use foreign office and consolidated total revenues (net interest income plus noninterest income) and net income from the preceding calendar year and foreign office and consolidated total assets as of the preceding calendar year end when determining whether they exceed the 10 percent threshold for completing this schedule each quarter during the next calendar year.

For purposes of these reports, a foreign office of the reporting bank is a branch or consolidated subsidiary located in a foreign country; an Edge or Agreement subsidiary, including both its U.S. and its foreign offices; or an IBF. In addition, if the reporting bank is chartered and headquartered in the 50 states of the United States and the District of Columbia, a branch or consolidated subsidiary located in Puerto Rico or a U.S. territory or possession is a foreign office. Branches on U.S. military facilities wherever located are treated as domestic offices, not foreign offices.

Banks that are required to complete Schedule RI-D should report all income and expense in foreign offices and related amounts for the calendar year-to-date. Amounts should be reported in this schedule (except items 7, 11, and 12) on a foreign office consolidated basis, i.e., before eliminating the effects of transactions with domestic offices, but after eliminating the effects of transactions between foreign offices. For the most part, the income and expense items in Schedule RI-D mirror categories of income and expense reported in Schedule RI. Therefore, where appropriate, banks should refer to the instructions for Schedule RI for the definitions of the income and expense items in this schedule.

Item Instructions

Item No. Caption and Instructions

- 1 **Total interest income in foreign offices.** Report total interest income (as defined for Schedule RI, item 1.h) in foreign offices, including fees and similar charges associated with foreign office assets.
- 2 **Total interest expense in foreign offices.** Report total interest expense (as defined for Schedule RI, item 2.e) on deposits, borrowings, and other liabilities in foreign offices.
- 3 **Provision for loan and lease losses in foreign offices.** Report the provision for loan and lease losses (as defined for Schedule RI, item 4) in foreign offices. If the amount to be reported in this item is negative, report it with a minus (-) sign.
- 4 **Noninterest income in foreign offices:**
- 4.a **Trading revenue.** Report trading revenue (as defined for Schedule RI, item 5.c) in foreign offices, including the net gain or loss from trading cash instruments and derivative contracts (including commodity contracts), related revaluation adjustments, and incidental income that has been recognized in foreign offices. If the amount to be reported in this item is a net loss, report it with a minus (-) sign.

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| 4.b | <u>Investment banking, advisory, brokerage, and underwriting fees and commissions.</u> Report investment banking, advisory, brokerage and underwriting fees and commissions (as defined for Schedule RI, items 5.d.(1) and 5.d.(2)) in foreign offices. |
| 4.c | <u>Net securitization income.</u> Report net securitization income (as defined for Schedule RI, item 5.g) in foreign offices. If the amount to be reported in this item is a net loss, report it with a minus (-) sign. |
| 4.d | <u>Other noninterest income.</u> Report all other noninterest income (as defined for Schedule RI, items 5.a, 5.b, 5.d.(3), 5.d.(4), 5.d.(5), 5.e, 5.f, and 5.i through 5.l) in foreign offices. If the amount to be reported in this item is negative, report it with a minus (-) sign. |
| 5 | <u>Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices.</u> Report realized gains (losses) on held-to-maturity and available-for-sale securities (as defined for Schedule RI, items 6.a and 6.b) in foreign offices.

For institutions that have adopted FASB Accounting Standards Update No. 2016-01 (ASU 2016-01), which includes provisions governing the accounting for investments in equity securities, including investment in mutual funds, and eliminates the concept of available-for-sale equity securities (see the Note preceding Schedule RI, item 8.b), also include the amount of realized and unrealized gains (losses) (and all other value changes) on equity securities and other equity investments in foreign offices not held for trading that is included in Schedule RI, item 8.b.

If the amount to be reported in this item is a net loss, report it with a minus (-) sign. |
| 6 | <u>Total noninterest expense in foreign offices.</u> Report total noninterest expense (as defined for Schedule RI, item 7.e) in foreign offices. |
| 7 | <u>Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs.</u> Report any amounts credited to estimated pretax income in foreign offices that reflects management's estimate of the effect of equity capital allocable to foreign office operations. Equity capital, which is interest-free, helps to reduce a bank's overall funding costs and increase net interest income. |
| 8 | <u>Applicable income taxes (on items 1 through 7).</u> Report the total estimated income tax expense (as defined for Schedule RI, item 9) applicable to pretax income in foreign offices. If the amount is a net benefit rather than tax expense, report it with a minus (-) sign. |
| 9 | <u>Discontinued operations, net of applicable income taxes, in foreign offices.</u> Report the results of discontinued operations, net of applicable income taxes (as defined for Schedule RI, item 11), in foreign offices. If the amount to be reported in this item is a net loss, report it with a minus (-) sign. |
| 10 | <u>Net income attributable to foreign offices before eliminations arising from consolidation.</u> The amount to be reported in this item generally will be determined by taking Schedule RI-D, item 1, minus items 2 and 3, plus items 4.a through 4.d, plus item 5, minus item 6, plus item 7, minus item 8, plus item 9. |
| 11 | Not applicable. |

Item No. **Caption and Instructions**

- 12** **Eliminations arising from the consolidation of foreign offices with domestic offices.**
Report the net effect of eliminating transactions between foreign and domestic offices of the reporting bank on net income attributable to foreign offices. If the amount to be reported in this item is a net reduction in net income attributable to foreign offices, report it with a minus (-) sign.
- 13** **Consolidated net income attributable to foreign offices.** Report the sum of Schedule RI-D, items 10 and 12.

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