

**INSTRUCTIONS
FOR THE ADDENDUM TO THE
QUARTERLY REPORT OF INCOME**

I. Fiduciary and Related Services Income

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

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- 1 Personal trust and agency accounts.** Report gross income generated from personal trust and agency accounts as defined in section **I. Fiduciary and Related Assets** item 1.

- 2 Employee benefit and retirement-related trust and agency accounts:**

 - 2a Employee benefit – defined contribution.** Report gross income generated from defined contribution employee benefit trust and agency accounts as defined in section **I. Fiduciary and Related Assets** item 2a.

 - 2b Employee benefit –defined benefit.** Report gross income generated from defined benefit employee benefit trust and agency accounts as defined in section **I. Fiduciary and Related Assets** item 2b.

 - 2c Other employee benefit and retirement-related accounts.** Report gross income generated from other employee benefit and retirement-related accounts as defined in section **I. Fiduciary and Related Assets** item 2c.

- 3 Corporate trust and agency accounts.** Report gross income generated from corporate trust and agency relationships as defined in section **I. Fiduciary and Related Assets** item 3.

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- 4** **Investment management and investment advisory agency accounts.** Report gross income generated from investment management and investment advisory agency accounts as defined in section **I. Fiduciary and Related Assets** item 4. Also include income generated from investment advisory activities when the assets are not held by the institution.
- 5** **Foundation and endowment trust and agency accounts.** Report gross income generated from foundation and endowment trust and agency accounts as defined in section **I. Fiduciary and Related Assets** item 5.
- 6** **Other fiduciary accounts.** Report gross income generated from other trust and agency accounts as defined in section **I. Fiduciary and Related Assets** item 6.
- 7** **Custody and safekeeping accounts.** Report gross income generated from custody and safekeeping agency accounts as defined in section **I. Fiduciary and Related Assets** item 8.
- 8** **Other fiduciary and related services income.** Report all other gross fiduciary related income that cannot properly be reported in items 1 through 7 above. Include income received from others (including affiliates) for fiduciary and related services provided by the institution. Income received from investment advisory services in which the account assets are held in a custody or safekeeping account at the reporting institution should be reported in item 4 of this schedule. Also include net income generated from securities lending activities (i.e., after broker rebates and income paid to lending accounts). Include income from custodial activities for land trusts and mortgage-backed securities. Exclude allocations of income to the trust department from other areas of the institution such as credits for fiduciary cash held as a deposit in the commercial bank.
- 9** **Total gross fiduciary and related services income.** Report the sum of items 1 through 8. This item must equal Schedule RI, item 5a, "Income from fiduciary activities."
- 10** **Less: Expenses.** Report total direct and indirect expenses attributable to the fiduciary and related services reported in this schedule.
- 10a** **Salaries and Benefits.** Include salaries, wages, bonuses, incentive pay, and employee benefits for employees assigned to reportable activities. If only a portion of their time is allocated to reportable activities, report that proportional share of their salaries and employee benefits.
- 10b** **Other direct expenses.** Include direct expenses related to the use of premises, furniture, fixtures and equipment, as well as depreciation/amortization, ordinary repairs and maintenance, service or maintenance contracts, utilities, lease or rental

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payments, insurance coverage, and real estate and other property taxes if they are directly chargeable to the reportable activities. Income taxes attributable to reportable activity earnings should not be included. Also exclude settlements, surcharges, and other losses, which are to be reported in item 10.

- 10c** **Allocated & Indirect expenses.** Include indirect expenses charged to the department or function offering reportable activities by other departments or functions of the institution as reflected in the institution's internal management accounting system. Include proportional shares of corporate expenses that cannot be directly charged to particular departments or functions. Examples of indirect expenses include such items as audit and examination fees, marketing, charitable contributions, customer parking, holding company overhead, proportional share of building rent or depreciation, utilities, real estate taxes, insurance, human resources, corporate planning, and corporate financial staff. Reporting methods for indirect expenses should remain consistent from period to period.
- 11** **Less: net losses from fiduciary and related services.** Report net losses resulting from fiduciary and related services. Net losses are gross losses less recoveries. Gross losses include settlements, surcharges, and other losses that are realized in the reporting period attributable to the fiduciary and related services. Recoveries should include those that are attributable to prior and current period losses.
- 12** **Plus: Intracompany income credits for fiduciary and related services.** If applicable to the reporting institution, report credits from other areas of the institution for activities reportable in this schedule. Include intracompany income credit made available to the fiduciary area for fiduciary account holdings of own-bank deposits. Also include credits for other intracompany services and transactions.
- 13** **Net fiduciary and related services income.** Report the total from item 9 less the amount reported in items 10a through 11 plus the amount reported in item 12.