COLORADO
Department of Regulatory Agencies
Division of Banking

1560 Broadway, Suite 975, Denver, Colorado 80202

NON-DEPOSITORY TRUST COMPANY CONSOLIDATED REPORT OF CONDITION AND INCOME

INSTRUCTIONS

GENERAL INSTRUCTIONS

The Report of Condition shall include, on a consolidated basis, all majority-owned subsidiaries. Complete each item and schedule. Do not amend the form. If there are any questions concerning the Report, contact the Colorado Division of Banking at 303-894-7575

ASSETS

ITEM NO. **CAPTION AND INSTRUCTIONS**

1. **Cash and balances due from depository institutions.** Report the total of all interest-bearing and non-interest-bearing balances due from FDIC insured financial institutions and currency and coin. Other deposits should be included in Schedule C. Deposit accounts "due from" depository institutions that are overdrawn are to be reported as borrowings, (Item 14).
2. **Fee receivables.** Report all fees that have been earned, but not collected.
3. **Securities.** Refer to special instructions for Schedule B.
4. **Premises and fixed assets.** Report the book value, less accumulated depreciation or amortization, of all premises, equipment, furniture and fixtures purchased directly or acquired by means of a capital lease. Any method of depreciation or amortization conforming to accounting principles that are generally acceptable for financial reporting purposes may be used.
   Do not deduct mortgages or other liens on such property; report mortgages or other liens on premises and fixed assets in Item 13 "Obligations under capital leases."

   Include as premises and fixed assets:

   a. Premises that are actually owned and occupied (or to be occupied, if under construction) by the trust company or its consolidated subsidiaries.
   b. Leasehold improvements, vaults, and fixed machinery and equipment.
   c. Remodeling costs to existing premises.
   d. Real estate acquired and intended to be used for future expansion.
   e. Parking lots that are used by customers or employees of the trust company.
   f. Furniture, fixtures, and movable equipment of the trust company.
   g. Vehicles owned by the trust company and used in the conduct of its business.

   Exclude from premises and fixed assets:

   a. Original paintings, antiques, and similar valuable objects (report in Item 9 "Other Assets").
   b. Favorable leasehold rights (report in Item 8 "Intangible Assets").

5. **Capital leases.** Standards for lease accounting are set forth in Accounting Standards Codification (ASC) Topic 840, Leases (formerly FASB Statement No. 13, Accounting for Leases, as amended). Generally, this is a lease entered into by the trust company as lessee wherein the ownership of the property will be transferred to the company upon completion of the terms of the lease.

6. **Investments in unconsolidated subsidiaries and associated companies.** Report the amount of the company's investments in the stock of all subsidiaries that have not been consolidated, associated companies and those corporate joint ventures over which the reporting company exercises significant influence (collectively referred to as "investees").

   Investments in the investees shall be reported using the equity method of accounting. Under the equity method, the carrying value of the trust company's investment of an investee is originally recorded at cost, but is adjusted periodically to record as income the trust company's proportionate share of the investee's earnings or losses and decreased by the amount of any cash dividends or similar distributions received from the investee.

   Unconsolidated subsidiaries include all domestic commercial banks, savings banks, and savings and loan associations that are subsidiaries of the reporting trust company and majority-owned subsidiaries that do not meet the significance standards for required consolidation and that the trust company does not choose to consolidate under the optional consolidation provisions.

7. **Prepaid expenses.** Report all expenses, such as insurance premiums, that have been prepaid.

8. **Intangible assets.** Report the unamortized amount of intangible assets. Intangible assets primarily result from business combinations accounted for under the acquisition method in accordance with ASC Topic 805, *Business Combinations* (formerly FASB Statement No. 141(R), *Business Combinations*), and from acquisitions of portions or segments of another institution's business. In accordance with regulatory instructions, intangible assets should be amortized in accordance with generally accepted accounting principles, except in those cases where a shorter amortization period has been prescribed by the Division of Banking.

9. **Other assets.** Report the amount from Schedule C. See instructions for Schedule C for a list of the items to be included.

10. **Total assets.** Report of sum of Items 1 through 9.

LIABILITIES

11. **Accounts payable.** Report all short term obligations due resulting from operations.

12. **Notes and debentures payable.** Report the amount of outstanding notes and debentures. Includes the aggregate par or stated value of outstanding limited life preferred stock as defined in Banking Board Rule TC13.5.

13. **Obligations under capitalized leases**. Report the amount of liens or other encumbrances on premises and fixed assets for which the trust company or its consolidated subsidiaries are liable.
    If the trust company is the lessee on capital lease property, include the trust company's liability for capital lease payments.

14. **Other borrowed money.** Report the amount borrowed by the trust company or its consolidated subsidiaries.
    a. On its promissory notes.
    b. By overdrawing "due from" balances with depository institutions.
    c. On any obligation for the purpose of borrowing money not reported elsewhere.

15. Not applicable.

16. **Other liabilities.** Report the amount from Schedule D.

17. **Total Liabilities.** Report the sum of Items 11 through 16.

18. Minority interest in consolidated subsidiaries. Report the portion of the equity capital accounts of all consolidated subsidiaries of the reporting trust company that must be allocated to minority shareholders of such subsidiaries.

EQUITY CAPITAL/MEMBERS' EQUITY

19. Perpetual preferred stock. Report the amount of perpetual preferred stock issued, including any amounts received in excess of its par or stated value.

20. Common stock. Report the aggregate par or stated value of outstanding common stock.

21. Membership interest. Report the aggregate value of ownership interest or membership units.

22. Surplus. Report the net amount formally transferred to the surplus account, including capital contributions, adjustments arising from treasury stock transactions, and any amount received for common stock in excess of its par or stated value on or before the report date. Do not include any portion of the proceeds received from the sale of preferred stock in excess of its par or stated value (report in Consolidated Report of Condition Item 12 or 19, as appropriate).

23. a. Retained earnings. Report the amount of retained earnings (undivided profits) and capital reserves. The amount of the retained earnings and capital reserves should reflect the transfer of net income, declaration of dividends, transfers to surplus, and any other appropriate entries.

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

(1) Reserve for undeclared stock dividends—includes amounts set aside to provide for stock dividends (not cash dividends) not yet declared.

(2) Reserve for undeclared cash dividends—includes amounts set aside for cash dividends on common and preferred stock not yet declared. (Cash dividends declared but not yet payable should be included in Schedule D Other Liabilities, Item 4, "Other" liabilities.)

(3) Retirement account (for limited-life preferred stock or subordinated notes and debentures)—includes amounts allocated under the plan for retirement of limited-life preferred stock or subordinated notes and debentures contained in the trust company's articles of association or in the agreement under which such stock or notes and debentures were issued.

(4) Reserve for contingencies—includes amounts set aside for possible unforeseen or indeterminate liabilities not otherwise reflected on the trust company's books and not covered by insurance. This reserve may include, for example, reserves set up to provide for possible losses that the company may sustain because of lawsuits, the deductible amount under the trust company's blanket bond, defaults on obligations for which the company is contingently liable, or other claims against the trust company. A reserve for contingencies represents a segregation of retained earnings. It should not include any element of known losses or of any probable incurred losses the amount of which can be estimated with reasonable accuracy.

Exclude from retained earnings:

(1) Any portion of the proceeds received from the sale of common stock in excess of its par or stated value (report in Consolidated Report of Condition Item 22).

(2) Any portion of the proceeds received from the sale of preferred stock in excess of its par or stated value (report in Consolidated Report of Condition Item 12 or 19, as appropriate).

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

23. b. Accumulated other comprehensive income. Report the accumulated balance of other comprehensive income in accordance with ASC Subtopic 220-10, *Comprehensive Income - Overall* (formerly FASB Statement No. 130, *Reporting Comprehensive Income*). "Other comprehensive income" refers to revenues, expenses, gains, and losses that under generally accepted accounting principles are included in comprehensive income but excluded from net income. Include in this item:

(1) Net unrealized holding gains (losses) on available-for-sale securities. Report the difference between the amortized cost and the fair value of the reporting trust company's available-for-sale securities, net of tax effects, as of the report date. Also include the unamortized amount of the unrealized holding gain or loss at the date of transfer of any debt security transferred into the held-to-maturity category from the available-for-sale category. When a debt security is transferred from available-for-sale to held-to-maturity, the unrealized holding gain or loss at the date of transfer continues to be reported in this equity capital account, but must be amortized over the remaining life of the security as an adjustment of yield in a manner consistent with the amortization of any premium or discount.

(2) Accumulated net gains (losses) on cash flow hedges. Report the effective portion of the accumulated change in fair value (gain or loss) on derivatives designated and qualifying as cash flow hedges in accordance with ASC Topic 815, Derivatives and Hedging (formerly FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities). The effective portion of a cash flow hedge can be described as the change in fair value of the derivative that offsets the change in expected future cash flows being hedged.

Under ASC Topic 815, a trust company that elects to apply hedge accounting must exclude from net income the effective portion of the change in fair value of a derivative designated as a cash flow hedge and record it on the balance sheet in a separate component of equity capital (referred to as "accumulated other comprehensive income" in the accounting standard). The ineffective portion of the cash flow hedge must be reported in earnings. The equity capital component (i.e., the accumulated other comprehensive income) associated with a hedged transaction should be adjusted each reporting period to a balance that reflects the lesser (in absolute amounts) of:

(a) The cumulative gain or loss on the derivative from inception of the hedge, less (i) amounts excluded consistent with the trust company's defined risk management strategy and (ii) the derivative's gains or losses previously reclassified from accumulated other comprehensive income into earnings to offset the hedged transaction, or

(b) The portion of the cumulative gain or loss on the derivative necessary to offset the cumulative change in expected future cash flows on the hedged transaction from inception of the hedge less the derivative's gains or losses previously reclassified from accumulated other comprehensive income into earnings.

Accordingly, the amount reported in this item should reflect the sum of the adjusted balance (as described above) of the cumulative gain or loss for each derivative designated and qualifying as a cash flow hedge. These amounts will be reclassified into earnings in the same period or periods during which the hedged transaction affects earnings (for example, when a hedged variable-rate interest receipt on a loan is accrued or when a forecasted sale occurs).

(3) Cumulative foreign currency translation adjustments. Report the sum of the trust company's foreign currency translation adjustments accumulated in accordance with ASC Topic 830, Foreign Currency Matters (formerly FASB Statement No. 52, Foreign Currency Translation).

(4) Minimum pension liability adjustment. Report any minimum pension liability adjustment recognized in accordance with ASC Topic 715, Compensation - Retirement Benefits (formerly FASB Statement No. 87, Employer's Accounting for Pensions). Under ASC Topic 715, an employer must report in a separate component of equity capital, net of any applicable tax benefits, the excess of additional pension liability over unrecognized prior service cost.

24. Other equity capital components. Report the carrying value of any treasury stock and of any unearned Employee Stock Ownership Plan (ESOP) shares, which under generally accepted accounting principles are reported in a contra-equity account on the balance sheet. For further information see ASC Subtopic 718-40, Compensation-Stock Compensation - Employee Stock Ownership Plans (formerly AICPA Statement of Position 93-6, Employers' Accounting for Employee Stock Ownership Plans).

25. Total equity capital/members' equity. Report the sum of Items 19 through 24.

26. Total liabilities and equity capital/members' equity. Report the sum of Items 17, 18, and 25.

FOOTNOTES

27. Total fiduciary assets. Report the amount of assets for which the company acts as trustee, custodian, or a similar fiduciary capacity. Managed accounts are those assets in which the company has investment discretion over the assets of the account; as distinguished from Non-Managed accounts. See Schedule E for definitions of Managed accounts and Non-Managed accounts.

28. Number of fiduciary accounts. Report the number of accounts that comprise the above total.

SCHEDULE A - FEE RECEIVABLES

Report the amount of fees earned but not yet paid. Do not net prepaid fees. Report prepaid fees in Other liabilities, Report of Condition Item 16.

For Item 4, report past due fees on accounts that are no longer accruing fees.

SECURITIES

This schedule has two columns for information on securities. Report the book value of securities in Column A and the current market value in Column B.

Total book value must include amortization of premium and accretion of discount on securities purchased at other than par or face value (including U.S. Treasury bills). The preferred method for reporting purchases and sales of securities is as of trade date. However, settlement date accounting is acceptable if the reported amounts would not be materially different.

Each category of securities should be reported net of any valuation allowance created by charges to expense. Marketable equity securities should be reported at the lower of their aggregate cost or market value.

1. **U.S. Treasury securities.** Report the appropriate value of all U.S. Treasury securities. Include all bills, certificates of indebtedness, notes, and bonds.

   Exclude all obligations of U.S. Government agencies and corporations.

2. **U.S. Government agency and corporation obligations**. Report the appropriate value of all U.S. Government agency and corporation obligations, including the appropriate value of all holdings of certificates of participation in pools of residential mortgages issued or guaranteed by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), or the Federal Home Loan Mortgage Corporation (FHLMC).

3. **Securities issued by states and political subdivisions in the U.S.** Report the appropriate value of all securities issued by states and political subdivisions in the United States.

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

   a. The fifty states of the United States and the District of Columbia and their counties, municipalities, school districts, irrigation districts, and drainage and sewer districts; and

   b. The governments of Puerto Rico and of the U.S. territories and possessions and their political subdivisions.

4. **Other debt securities.** Report the appropriate value of bonds, notes, and debentures not reported elsewhere, including commercial paper and bankers acceptances.

5. **Equity securities.** Report the appropriate value of common and preferred stock of corporations purchased for investment.

6. **Investment in mutual funds.** Report the appropriate value of shares of a mutual fund regulated under the federal Investment Company Act of 1940.

SCHEDULE C - OTHER ASSETS

1. **Net deferred tax assets (if debit balance).** Report the net amount after offsetting deferred tax assets (net of valuation allowance) and deferred tax liabilities measured at the report date for a particular tax jurisdiction if the net result is a debit balance. If the result for a particular tax jurisdiction is a net credit balance, report the amount in Schedule D, Item 2, "Net deferred tax liabilities."
2. **Other (itemize amounts that exceed 25 percent of Item 3 below, and exceed $50,000)**. Report the amount of all other assets (other than Item 1 above) that cannot properly be reported in the Consolidated Report of Condition Items 1 through 8.

   Itemize, with clear but concise captions, all other assets greater than $50,000 and exceed 25 percent of the total of this schedule (Item 3). Enter such items in the inset boxes provided.

   Include as all other assets:

   a. Accrued interest on securities purchased.

   b. Equity securities that do not have readily determinable market values. An equity security does not have a readily determinable market value if sales or bid-and-asked quotations are not currently available of a securities exchange registered with the Securities and Exchange Commission and are not publicly reported by the National Association of Securities Dealers Automated Quotations systems or the National Quotation Bureau.

   c. The current amount outstanding of margin accounts placed with brokers or others in connection with the purchase or sale of futures or forward contracts.

   d. Purchased computer software, net of accumulated amortization, and unamortized 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).

   e. Original art objects, including paintings, antique objects, and similar valuable decorative articles (report at cost unless there has been a decline in value, judged to be other than temporary, in which case the object should be written down to its fair value).

   f. Cash surrender value of life insurance policies for which the trust company is the beneficiary.

   g. Cost of issuing notes and debentures subordinated to deposits, net of accumulated amortization.

   h. Furniture and equipment rented to others under operating leases, net of accumulated depreciation.
3. **TOTAL** (sum of Items 1 and 2 must equal Report of Condition Item 9).

SCHEDULE D - OTHER LIABILITIES

1. **Expenses accrued and unpaid.** Report the amount of income taxes, interest, and other expenses accrued through charges to expense during the current or prior periods, but not yet paid.
2. **Net deferred tax liabilities (if credit balance).** Report the net amount after offsetting deferred tax assets (net of valuation allowance) and deferred tax liabilities measured at the report date for a particular tax jurisdiction if the net result is a credit balance. If the result for a particular tax jurisdiction is a net debit balance, report the amount in Schedule C, Item 1, "Net deferred tax assets."
3. Not applicable.

4. **Other (itemize amounts exceeding 25 percent if Item 5 below, and exceed $50,000).** Report all other liabilities (other than those reported in Items 1, 2, and 3 above) that cannot properly be reported in the Consolidated Report of Condition Items 11 through 15.

   Itemize, with clear but concise captions, all other liabilities greater than $50,000 and exceeds 25 percent of the total for this schedule (Item 5). Enter such items in the inset boxes provided.

   Include as all other liabilities:

   a. Dividends declared, but not yet payable—that is, the amount of cash dividends declared on limited-life preferred, perpetual preferred, and common stock on or before the report date but not payable until after the report date.

   b. Deferred gains from sale-leaseback transactions.

   c. Unearned trustee fees billed in advance.

   d. Deferred compensation liabilities.

5. **TOTAL** (sum of Items 1 through 4 must equal Report of Condition Item 16).

SCHEDULE E - FIDUCIARY ASSETS

Trust companies should generally report fiduciary assets using their market value as of the report date. While market value quotations are readily available for marketable securities, many financial and physical assets held in fiduciary accounts are not widely traded or easily valued. If the methodology for determining market values is not set or governed by applicable law (including the terms of the prevailing fiduciary agreement), the trust company may use any reasonable method to establish values for fiduciary assets for purposes of reporting on this schedule. Reasonable methods include appraised values, book values, or reliable estimates. Valuation methods should be consistent from reporting period to reporting period. This "reasonable method" approach to reporting market values applies both to financial assets that are not marketable and to physical assets. Common physical assets held in fiduciary accounts include real estate, equipment, collectibles, and household goods.

If two institutions are named co-fiduciary in the governing instrument, both institutions should report the account. In addition, where one institution contracts with another for fiduciary or related services (i.e., Trust Company A provides custody services to the trust accounts of Trust Company B, or Trust Company B provides investment management services to the trust accounts of Trust Company A), both institutions should report the accounts in their respective capacities.

Managed Assets – Column A. Report the total market value of assets held in managed fiduciary accounts. An account should be categorized as managed if the trust company has investment discretion over the assets of the account. Investment discretion is defined as the sole or shared authority (whether or not that authority is exercised) to determine what securities or other assets to purchase or sell on behalf of the fiduciary related account. An entire account should be reported as either managed or non-managed based on the predominant responsibility of the reporting trust company.

Non-Managed Assets – Column B. Report the total market value of assets held in non-managed fiduciary accounts. An account should be categorized as non-managed if the institution does not have investment discretion. Those accounts for which the trust company provides a menu of investment options but the ultimate selection authority remains with the account holder or an external manager should be categorized as non-managed.

Number of Managed Accounts – Column C. Report the total number of managed fiduciary accounts.

Number of Non-Managed Accounts – Column D. Report the total number of non-managed fiduciary accounts.

1. **Personal trust and agency.** Report the market value and number of accounts for all testamentary trusts, revocable and irrevocable living trusts, other personal trusts, and non-managed personal agency accounts. Include accounts in which the trust company serves as executor, administrator, guardian, or conservator. Personal accounts that are solely custody or safekeeping should be reported in item 8 of this schedule.

2. **Employee benefit and retirement-related.**

2. a. **Employee benefit-defined contribution.** Report the market value and number of accounts for all employee benefit defined contribution accounts in which the trust company serves as either trustee or agent. Include 401(k) plans, 403(b) plans, profit-sharing plans, money purchase plans, target benefit plans, stock bonus plans, and employee stock ownership plans. Employee benefit accounts for which the trust company serves as a directed trustee should be reported as non-managed. The number of accounts reported should reflect the total number of plans administered rather than the number of plan participants. Employee benefit accounts that are solely custody or safekeeping accounts should be reported in item 8 of this schedule.

2. b. **Employee benefit-defined benefit.** Report the market value and number of accounts for all employee benefit defined benefit plans in which the trust company serves as either trustee or agent. Employee benefit accounts for which the trust company serves as a directed trustee should be reported as non-managed. The number of accounts reported should reflect the total number of plans administered rather than the number of plan participants. Employee benefit accounts that are solely custody or safekeeping accounts should be reported in item 8 of this schedule.

2. c. **Other employee benefit and retirement-related**. Report the market value and number of accounts for all other employee benefit and retirement-related fiduciary accounts in which the trust company serves as trustee or agent. Include Keogh Plan accounts, Individual Retirement Accounts, Health Savings Accounts, Medical Savings Accounts, and other pension or profit sharing plans for self-employed individuals. Also report the market value of assets and the number of accounts for employee welfare benefit trusts and agencies. Employee benefit accounts for which the trust company serves as a directed trustee should be reported as non-managed. The number of accounts reported should reflect the total number of plans administered rather than the number of plan participants. Other retirement accounts that are solely custody or safekeeping accounts should be reported in item 8 of this schedule.

3. **Corporate trust and agency.** Report the market value of assets held by the trust company for all corporate trust and agency accounts. Report assets that are the responsibility of the trust company to manage or administer in accordance with the corporate trust agreement. Accounts that are solely custodial or safekeeping should be reported in item 8 of this schedule.

4. **Investment management and investment advisory.** Report the market value and number of accounts for all individual and institutional investment management and investment advisory agency accounts that are administered within the fiduciary area of the trust company. Investment management accounts are those agency accounts for which the trust company has investment discretion; however, title to the assets remains with the client. Include accounts for which the trust company serves as a sub-advisor. Investment advisory accounts are those agency accounts for which the trust company provides investment advice for a fee, but for which some other person is responsible for investment decisions. Investment management agency accounts should be reported as managed. Investment advisory agency accounts should be reported as non-managed. Investment management and investment advisory agency accounts maintained for foundations and endowments should be reported in item 5 of this schedule.

5. **Foundation and endowment trust.** Report the market value and number of accounts for all foundations and endowments (whether established by individuals, families, corporations, or other entities) that file any version of Form 990 with the Internal Revenue Service and for which the trust company serves as either trustee or agent. Also include those foundations and endowments that do not file Form 990, 990EZ, or 990PF, solely because the organization's gross receipts or total assets fall

below reporting thresholds, but would otherwise be required to file. Foundations and endowments established by churches, which are exempt from filing Form 990, should also be included in this item. Employee benefit accounts maintained for a foundation's or endowment's employees should be reported in item 2 of this schedule. Accounts that are solely custodial or safekeeping should be reported in item 8 of this schedule.

6. **Other fiduciary accounts.** Report the market value and number of accounts for all other trusts and agencies not reported in Schedule E, items 1 through 5. Custody and safekeeping accounts should be reported in item 8 of this schedule.

7. **TOTAL.** (sum of Items 1 through 6).

8. **Custody and safekeeping.** Report the market value and number of accounts for all personal and institutional custody and safekeeping accounts held by the trust company. Safekeeping and custody accounts are a type of agency account in which the reporting trust company performs one or more specified agency function, but the trust company is not a trustee and also is not responsible for managing the asset selection for account assets. These agency services may include holding assets, processing income and redemptions, and other recordkeeping and customer reporting services. For employee benefit custody or safekeeping accounts, the number of accounts reported should reflect the total number of plans administered rather than the number of plan participants. Include accounts in which the trust company serves in a sub-custodian capacity. Accounts in which the trust company serves as trustee or in an agency capacity in addition to being custodian should be reported in the category of the primary relationship. For example, personal trust accounts in which the trust company also serves as custodian should be reported as personal trust accounts and not as custodian accounts. A trust company should report an account only on in Schedule E, items 1 through 6 and 8.

9. **Fiduciary accounts held in out-of-state trust offices.** Report the market value and number of accounts included in Schedule E, items 7 and 8, above that are attributable to accounts held in the reporting trust company's out-of-state trust office(s).

MEMORANDA

1. **Investments of managed fiduciary accounts in advised or sponsored mutual funds.** Report in column A the market value of all managed fiduciary assets invested in mutual funds that are sponsored by the trust company or a subsidiary or affiliate of the trust company or where the trust company or subsidiary or affiliate of the trust company serves as investment advisor to the fund. Report the number of managed fiduciary accounts with assets invested in advised or sponsored mutual funds in column B.

2. **Corporate trust and agency accounts:**

2. a. **Corporate and municipal trusteeships.** Report in column A the total number of corporate and municipal issues, including equities such as trust preferred securities, and asset-backed securities for which the trust company serves as trustee. Also report other debt issues, such as unit investment trusts and private placement leases, for which the trust company serves as trustee. If more than one institution is trustee for an issue, each institution should report the issue. Securities with different CUSIP numbers should be considered separate issues; however, serial bond issues should be considered as a single issue. When a trust company serves as trustee of a bond issue, it may also perform agency functions for the issue such as registrar (transfer agent) or interest and principal paying agent. In those cases, report the issue only in Memorandum item 2.a., "Corporate and municipal trusteeships," as the trustee appointment is considered the primary function. Consider the primary function of the appointment when selecting the item in which to report the appointment. Exclude issues that have been called in their entirety or have matured even if there are unpresented bonds or coupons for which funds are being held.

   Report in column B the unpaid principal balance of the outstanding securities for the issues reported in column A for which the trust company serves as trustee. For zero coupon bonds, report maturity amount. For trust preferred securities, report the redemption price. Exclude assets (i.e., cash, deposits, and investments) that are being held for corporate trust purposes; they should be reported in Schedule E, item 3, above.

2. a. (1) Issues reported in Memorandum item 2.a that are in default. Report the total number and unpaid principal balance (final maturity amount for zero coupon bonds; redemption price for trust preferred securities) of the issues reported in Schedule E, Memorandum item 2.a., above, that are in substantive default. A substantive default occurs when the issuer (a) fails to make a required payment of principal or interest, defaults on a required payment into a sinking fund, files for bankruptcy, or is declared bankrupt or insolvent, and (b) default has been declared by the trustee. Issues should not be reported as being in substantive default during a cure period, provided the indenture for the issue provides for a cure period. Once a trustee's duties with respect to an issue in substantive default have been completed, the issue should no longer be reported as being in default. Do not report issues that are in technical default, for instance, if the obligor failed to provide information or documentation to the trustee within specified time periods.

2. b. Transfer agent, registrar, paying agent, and other corporate agency. Report in column A the total number of issues for which the trust company acts in a corporate agency capacity. Include the total number of equity, debt, and mutual fund issues for which the trust company acts as transfer agent or registrar. Separate classes of a mutual fund should be consolidated and reflected as a single issue. Include the total number of stock or bond issues for which the trust company disburses dividend or interest payments. Also include the total number of issues of any other corporate appointments that are performed by the trust company through its fiduciary capacity. Issues for which the trust company services in a dual capacity should be reported once.

3. Collective investment funds and common trust funds: Report in the appropriate subitem the number of funds and the market value of the assets held in Collective Investment Funds (CIFs) and Common Trust Funds (CTFs) administered by the reporting trust company. If a trust company operates a CIF that is used by more than one institution, the entire CIF should be reported in this section only by the institution that operates the CIF. Exclude mutual funds from this section. Each CIF and CTF should be reported in the subitem that best fits the fund type.

3. a. Domestic equity. Report funds investing primarily in U.S. equities. Include funds seeking growth, income, growth and income; U.S. index funds; and funds concentrating on small, mid, or large cap domestic stocks. Exclude funds specializing in a particular sector (e.g., technology, health care, financial, and real estate), which should be reporting in Schedule E, Memorandum item 3.g, "Specialty/Other."

3. b. International/Global equity. Report funds investing exclusively in equities of issuers located outside the U.S. and those funds representing a combination of U.S. and foreign issuers. Include funds that specialize in a particular country, region, or emerging market.

3. c. Stock/Bond blend. Report funds investing in a combination of equity and bond investments. Include funds with a fixed allocation along with those having the flexibility to shift assets between stocks, bonds, and cash.

3. d. Taxable bond. Report funds investing in taxable debt securities. Include funds that specialize in U.S. Treasury and U.S. Government agency debt, investment grade corporate bonds, high-yield debt securities, mortgage-related securities, and global, international, and emerging market debt funds. Exclude funds that invest in municipal bonds, which should be reported in Schedule E, Memorandum item 3.e, and funds that qualify as short-term investments, which should be reported in Schedule E, Memorandum item 3.f.

3. e. Municipal bond. Report funds investing in debt securities issued by states and political subdivisions in the U.S. Such securities may be taxable or tax-exempt. Include funds that invest in municipal debt issues from a single state. Exclude funds that qualify as short-term investments, which should be reported in Schedule E, Memorandum item 3.f.

3. f. Short-term investments/Money market. Report funds that invest in short-term money market instruments. Money market instruments may include U.S. Treasury bills, commercial paper, bankers acceptances, and repurchase agreements. Include taxable and nontaxable funds.

3. g. Specialty/Other. Include funds that specialize in equity securities of particular sectors (e.g., technology, health care, financial, and real estate). Also include funds that do not fit into any of the above categories.

3. h. TOTAL. (sum of Memorandum items 3.a. through 3.g.).

CAPITAL ADEQUACY WORKSHEET

PART 1 - MINIMUM CAPITAL

1. Calculate the minimum capital amount based on the calculation factor and instructions in Table 1 for fiduciary assets.
   a. Enter the amount of fiduciary assets as defined in Banking Board Rule TC13.5. Must equal amount shown in the Consolidated Report of Condition on Item 27.
   b. Calculation factor of one tenth of one percent (.001).
   c. Enter the product of 1a and 1b. (1a multiplied by 1b.)
   d. Report the calculated amount reported in 1c not to exceed $5,000,000.

2. Total. Report the greater of $750,000 or the amount in 1d.

PART 2 - TOTAL CAPITAL AVAILABLE

Total Capital for this section means "total capital" as determined according to Banking Board Rule TC13.5, including the deductions.

1. Total equity capital/members' equity. Report capital as shown in the Consolidated Report of Condition on Item 25.

2. Qualifying minority interests in consolidated subsidiaries. Report the portion of minority interests in consolidated subsidiaries included in the Consolidated Report of Condition Item 18 that is eligible for inclusion pursuant to Banking Board Rule TC13.5.

3. Other additions to capital. Report the amount of any items that qualify for inclusion in "total capital" based on Banking Board Rule TC13.5.

4. Less deductions from capital.

a. Goodwill and other non-qualifying intangible assets as defined in Banking Board Rule TC13.5.

b. Investments, both equity and debt, in unconsolidated banking and finance subsidiaries.

c. Reciprocal holdings of capital instruments.

d. Other items that are required to be deducted pursuant to Banking Board Rule TC13.5.

5. Total capital available (sum of Items 1 through 3 less Item 4).

ELIGIBLE SECURITIES DEPOSITED WITH CUSTODIAN

1. List all securities held by a custodian pursuant to Banking Board Rule TC17. Include:
   a. The CUSIP number identifying the securities.
   b. A brief description of the securities.
   c. The book value of the security as of the date of the Report of Condition.
   d. The market value of the security as of the date of the Report of Condition.
   e. The name and address (City and State) of the custodian(s).
2. **Total:** Report the sums of Columns "c" and "d."

REPORT OF INCOME

General Instructions

Report in accordance with these instructions all income and expense of the trust company for the calendar year-to-date. Include adjustments of accruals and other accounting estimates made shortly after the end of a reporting period that relate to the income and expense of the reporting period. All figures should be rounded to the nearest thousand (000s).

1. Trust administration fee income. Report the appropriate subitem for all fees, and similar administrative charges levied against the trust accounts for services rendered by the trust company.
   a. Personal trusts includes all IRAs, SEPs, traditional managed accounts, guardianships, and agencies.
   b. Employee benefit accounts includes 401(k)s and pension and profit-sharing plans.
   c. Corporate accounts includes bond paying agent accounts and transfer agent services.
   d. Custody/safekeeping accounts.
   e. Other (Accounts) - Provide details.

2. Interest and dividend income earned. Include interest and dividends on securities held in the trust company's portfolio, including those sold subject to repurchase or pledged as collateral for any purpose. Also include interest earned on balances due from depository institutions.

3. Other Income. Provide a description and the amount of income not listed above.

4. Total Income. Report the sum of Items 1, 2, and 3.

5. Salaries and employee benefits. Include:
   a. Gross salaries, wages, overtime, bonuses, incentive compensation and extra compensation.
   b. Social security taxes and state and federal unemployment taxes paid by the trust company.
   c. Contributions to the trust company's retirement plan, pension fund, or profit-sharing plan.

6. Occupancy expenses. Include rent, telephone, utilities, related insurance expense, cost of repairs, maintenance, cost of leasehold improvements, equipment, furniture and fixtures charged directly to expense and not placed on the institution's books as assets.

7. Contracted outside servicing expense. Include the fees paid to contractors, including information technology and investment contractors for services rendered. Provide descriptions and the amount of such fees.

8. Other expenses. Include items not listed above.

9. Provisions for uncollected fees. Include any contribution to the reserve against uncollectable fees.

10. Total expenses. Report the sum of Items 5 through 9.

11. Net income (loss) before adjustments. Subtract Item 10 from Item 4 and report the difference.

12. Gains (or losses) from securities sold. Report the net amount after selling expenses.

13. Applicable income taxes. Report the total estimated federal and state income tax expense applicable.

14. Other adjustments. Provide explanation.

15. Net income (loss). Report the sum of Items 11 through 14. Some Items may be subtracted.

SCHEDULE F – CHANGE IN EQUITY CAPITAL/MEMBERS' EQUITY

1. **Prior year-end total equity capital/members' equity**. Report the trust company's total equity capital/members' equity as reported in the Consolidate Report of Condition for the previous calendar year-end after any corrections and adjustments made in any report(s) for the previous calendar year-end.

   For trust companies opened since January 1 of the current calendar year, report a zero in this item. Report the trust company's opening original total equity capital in Item 3, "Sale, conversion, acquisition, or retirement of capital stock, net." For limited liability companies report original total members equity in Item 4, "Sale, redemption or transfer of membership interests (units), net."

2. **Year-to-date net income (loss).** Report the calendar year-to-date net income (loss) as reported in Report of Income, Item 15.

3. **Sale, conversion, acquisition, or retirement of capital stock, net.** Report the changes in total equity capital resulting from:
   a. Sale of perpetual preferred stock or common stock.
   b. Exercise of stock options.
   c. Conversion of convertible debt, limited-life preferred stock, or perpetual preferred stock into common stock.
   d. Redemption of perpetual preferred stock or common stock.
   e. Retirement of perpetual preferred stock or common stock.
   f. Capital-related transactions involving the trust company's Employee Stock Ownership Plan.

   Exclude treasury stock transaction from this item. (Report in Item 5, below.)

4. **Sale, redemption or transfer of membership interests (units), net.** Report the changes in total membership interests (units) resulting from:
   a. Sale of membership interests (units).
   b. Transfer of membership interests (units).
   c. Redemption of membership interests (units).
   d. Vesting in employee membership program.

5. **Treasury stock transactions, net.** Report the change in total equity capital during the calendar year-to-date from the acquisition (without retirement) and resale or other disposal of the trust company's own perpetual preferred stock or common stock, i.e., treasury stock transactions.

5. **Treasury stock transactions, net.** Report the change in total equity capital during the calendar year-to-date from the acquisition (without retirement) and resale or other disposal of the trust company's own perpetual preferred stock or common stock, i.e., treasury stock transactions.
6. **Changes incident to business combinations, net.** If the trust company purchased another institution or business during the year-to-date reporting period, report the fair value of any perpetual preferred or common shares issued (less the direct cost of issuing the shares). If the trust company was acquired in a transaction that became effective during the reporting period, retained its separate corporate existence, and elected to apply pushdown accounting in its separate financial statements (including the Consolidated Report of Condition and Income), report in this item the initial increase or decrease in capital that results from the application of pushdown accounting. If the trust company was involved in a transaction between entities under common control that became effective during the year-to-date reporting period and has been accounted for in a manner similar to a pooling of interests, report in this item the historical capital balances as of the end of the previous calendar year of the trust company or other business that was combined with the reporting trust company in the transaction.
7. **LESS: Cash dividends declared on preferred stock.** Report all cash dividends declared on limited-life preferred and perpetual preferred stock during the calendar year-to-date, including dividends not payable until after the report date. Do not include dividends declared during the previous calendar year but paid in the current period.
8. **LESS: Cash dividends declared on common stock.** Report all cash dividends declared on common stock during the calendar year-to-date, including dividends not payable until after the report date. Do not include dividends declared during the previous calendar year but paid in the current period.
9. **LESS: Cash distributions declared on membership interests (units).** Report all distributions declared on membership interests (units) during the calendar year-to-date, including distributions not payable until after the report date. Do not include distributions declared during the previous calendar year but paid in the current period.
10. **Other comprehensive income.** Report the company's other comprehensive income, including reclassification adjustments, for the calendar year-to-date, net of applicable income taxes, if any. For further guidance on reporting other comprehensive income, see ASC Topic 220, Comprehensive Income.
11. **Other transactions**. Provide explanation.
12. **Total equity capital/members' equity end of current period.** Report the sum of Items 1 through 11. Some Items may be subtracted.

Officers. List executive officers only. Executive means a person who participates or has authority to participate, other than in the capacity of a director, in major policy-making functions of the trust company whether or not the officer has an official title, the title designates the officer as an assistant, or the officer is serving without salary or other compensation. Executive officer includes the president, every vice president, and the chief financial officer, unless any such officer is excluded by resolution of the board of directors or by the bylaws of the trust company from participation, other than in the capacity of a director, in major policy-making functions of the trust company and such officer does not actually participate therein. Attach additional sheets as needed.

Directors. List all directors in alphabetical order. Note the chairman on the name line. Attach additional sheets as needed.

Signature. The report must be signed by either the president, vice president, cashier, or secretary and attested to by not less than three directors. All directors do not need to sign the report.