

Annual Report of Trust Assets—Form FFIEC 001**Specific Instructions****Schedule E—Fiduciary Income Statement**

Who Must Report: This Schedule must be completed by each financial institution with more than \$100 million in Total Trust Assets as reported on Schedule A (Line 18, Column F). In addition, all non-deposit trust companies, whether or not they report any assets on Schedule A, must also file Schedule E. Institutions which are not required to file Schedule E are encouraged to file it on a voluntary basis.

Public Availability of Schedule E: The information on Schedule E is confidential and will not be publicly available. The aggregate information will be included in the annual FFIEC publication, *Trust Assets of Financial Institutions*.

Instructions: Institutions filing Schedule E must complete *all* portions of the Schedule. Enter a zero on any line item that does not apply to your institution.

1. Gross Fees, Commissions and Other Fiduciary Income**1(a) through (e) Trust and Agency Accounts**

Gross fees, commissions and other fiduciary income data is to be reported by line of business. Please refer to the instructions for Schedules A and C for guidance in defining these lines of business. For employee benefit trust accounts, see Schedule A, column A; for personal trust & estate accounts, see Schedule A, columns B and C; for other agency accounts, see Schedule A, column E; and for corporate trust and agency accounts, see Schedule C.

Fees received for IRA, Keogh Plan or other accounts that are not administered by the trust department should be excluded from this Schedule. If these accounts require the bank to have trust powers, then their fees should be reported on this Schedule.

1(f) All Other Fiduciary Income

Report all other direct income derived from other fiduciary sources not included in any of the above categories (e.g. 12b-1 fees and income from providing fiduciary services under agreement with another institution). Include all internal allocations of income to the trust function (such as transfer agent or pension plan administration credits), except for credits for deposits held in own or

affiliated institutions, which are to be reported on line 5.

1(g) Total Fiduciary Income

The total of lines 1(a) through 1(f). (It should be noted that banks with more than \$100 million in commercial bank assets are required to itemize "Income from fiduciary activities" in the quarterly FFIEC Report of Condition and Income ("Call Report") on line 5(a) of Schedule RI. Instructions for fiduciary income to be reported on line 5(a) of Call Report Schedule RI differ from those for line 1(g) of this Schedule with respect to allocated income. Consequently, banks should be aware that the amounts reported in these two items will differ by the amount of such allocated income.)

2. Expenses**2(a) Salaries and Employee Benefits**

Include salaries, bonuses, hourly wages, overtime pay, and incentive pay for officers and employees of the trust department. If officers or employees spend only a portion of their time in the trust department, allocate that proportional share of their salaries and employee benefits. Expenses associated with employee benefit plans (pension, profit-sharing, 401(k), ESOP, etc.), health and life insurance, Social Security and unemployment taxes, tuition reimbursement, and all other so-called fringe benefits, should be included on this line.

2(b) Other Direct Expense

In general, direct expenses are immediately identifiable as costs expended for and under the control of the trust function. These include expenses related to the use of trust premises, furniture, fixtures, and equipment, as well as depreciation/amortization, ordinary repairs and maintenance, service or maintenance contracts, utilities, lease or rental payments, insurance coverage, and real estate and other property taxes if they are directly chargeable to the trust function.

2(c) Allocated Indirect Expense

Allocated indirect expenses are those charged to the trust function from other departments of the institution. These include any allocation for the trust functions' proportionate share of corporate expenses that cannot be directly charged to particular departments or functions. If the institution's accounting system is not able to provide this information, the institution may use a reasonable alternate method.

Indirect expenses include audit and examination fees, marketing, charitable contributions, customer parking, holding company overhead, and, in many cases, functions such as personnel, corporate planning, and corporate financial staff. Other indirect expenses include the trust function's proportionate share of building rent or depreciation, utilities, real estate taxes, and insurance.

If no direct expense is shown for occupancy on line 2(b), an allocated occupancy expense based on proportionate floor space used by the trust function should be shown on line 2(c).

2(d) Total Expense

The total of lines 2(a) through 2(c).

3. Settlements, Surcharges and Other Losses

See the instructions for line 7 for information about the reporting of settlements, surcharges and other losses.

3(a) Gross Settlements, Surcharges & Other Losses

Report the total losses prior to any adjustments for recoveries. The amount shown on this line should agree to the total of the details shown in the box on line 7.

3(b) Recoveries to Reported Losses

Show all recoveries received on reported losses.

3(c) Net Settlements, Surcharges & Losses

Line 3(a) less 3(b).

4. Net Operating Income (Loss)

Line 1 (g) minus line 2(d) and 3. If the result is less than zero, the figure should be shown in parentheses.

5. Credit For Own-Institution Deposits

Uninvested cash belonging to fiduciary accounts is available to the commercial banking side of the institution for investment, trust functions are often given credit for the use of these monies. When this credit is given to the trust department or trust company as part of the bank's profit tracking system, it should be reported on line 5. Do not include actual interest earned on fiduciary funds on deposit, as this income would normally belong to the fiduciary account.

6. Net Trust Income (Loss)

Report the total amount of trust income or loss, prior to any income taxes, experienced by the trust function for the full year. The number for this line is the result of adding line 5 to the